

DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS
AND BY-LAWS FOR
HIDDEN LAKE VILLAGE
CONDOMINIUM ASSOCIATION
A NOT-FOR-PROFIT CORPORATION

THIS DECLARATION is made and entered into by CHICAGO TITLE AND TRUST COMPANY, a corporation of Illinois, as Trustee under Trust Agreement dated February 8, 1982 and known as Trust Number 1081359 and not personally (hereinafter referred to as the "TRUSTEE");

W I T N E S S E T H:

WHEREAS, the TRUSTEE has acquired or has the right to acquire the parcel of real estate situated in the Village of Buffalo Grove, County of Lake, State of Illinois (hereinafter called the "PARCEL") and legally described as follows:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 43 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN TOGETHER WITH THE WEST 10 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, IN LAKE COUNTY, ILLINOIS.

WHEREAS, the TRUSTEE desires and intends by this Declaration to submit the Property, as hereinafter defined, to the provisions of the Condominium Property Act of the State of Illinois, as amended from time to time, (hereinafter called the "ACT"); and is further desirous of establishing, for its own benefit and that of all future owners or occupants of the Property, and each part thereof certain easements and rights in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, the TRUSTEE desires and intends that the several owners, mortgagees, occupants, and other persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall at all times hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of ownership and to facilitate the proper administration of such Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property; and

NOW, THEREFORE, CHICAGO TITLE AND TRUST COMPANY, as Trustee aforesaid and not personally as the legal title holder of the Property, and for the purposes above set forth, DECLARES AS FOLLOWS:

A R T I C L E I

DEFINITIONS

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

1.01 Declaration. This instrument by which the Property is submitted to the provisions of the Act, including such amendments, if any, to this instrument as may from time to time be adopted pursuant to the terms hereof.

1.02 Parcel. The entire tract of real estate above described portions of which are from time to time at the option of Developer submitted to the provisions of the Act.

1.03 Buildings. The buildings now and hereafter located on

the portion of the PARCEL legally described on Exhibit A attached hereto, forming a part of the Property and containing the Units, as shown by the surveys depicting the respective floors of said Buildings.

1.04 Initial Area. That portion of the PARCEL legally described upon Exhibit A attached hereto and made a part hereof.

1.05 Property. All the land, property and space comprising the Initial Area, all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the ACT.

1.06 Unit. A part of the Property within a Building designed and intended for any type of independent use and more specifically described hereafter in Article II.

1.07 Common Elements. All portions of the Property, except the Units, and including the Limited Common Elements, unless otherwise expressly specified herein. The Common Elements include, without limitation, the land, foundations, walls, common stairways, common halls, entrances and exits, Parking Area, roof, master television antenna system (whether leased or owned) pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), public utility lines, structural parts of the Building, outside walks and driveways, landscaping and all other portions of the Property except the individual units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat, as hereinafter defined (except references to Limited Common Elements), shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way.

1.08 Limited Common Elements. A portion of the Common Elements so designated in this Declaration or on the Plat as being reserved for the use of certain Unit or Units to the exclusion of other Units. Any portion of the Common Elements which by the terms of this Declaration or by its nature or location is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units) or the owner or owners thereof shall be deemed a Limited Common Element.

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

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

1.11 Owner. The person or persons whose estates or interests individually or collectively, aggregate fee simple absolute ownership of a Unit ownership.

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

1.13 By-Laws. The provisions for the administration of the Property, including, but not limited to, assessment, maintenance, use, occupancy, all as hereinafter set forth, or as the same may be from time to time duly amended, the same to have full force and effect whether applied to or by the Trustee, the Board or the Association as hereinafter defined. Articles V, VI and VII hereof shall constitute the By-Laws of the Association.

1.14 Association. The HIDDEN LAKE VILLAGE CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation.

1.15 Majority of the Unit Owners. Those Owners, without regard to their number, who own more than fifty percent (50%) in the aggregate of the entire undivided ownership interest in the Common Elements. Any specified percentage of the Owners shall mean those Owners who, in the aggregate, own such specified percentage of the entire undivided ownership interest in the Common Elements.

1.16 Board. The parties determined pursuant to Article V hereof, and who are vested with the authority and responsibility of administering the Property.

1.17 Common Expenses. The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.

1.18 Developer. CHARLES DEVELOPMENT CORP., an Illinois corporation, or such other persons or entities as the Trustee may from time to time designate.

1.19 Plat. The plats of survey of the PARCEL and all of the Units in the Property submitted to the provisions of the ACT, said Plat being attached hereto as Exhibit B and made a part hereof and recorded with the recording of this Declaration.

1.20 Parking Area. The part of the Common Elements provided for parking automobiles. The parking garages located in the Buildings shall constitute a part of the Units therein as designated upon the Plat.

1.21 Parking Space. A part of the Property within the Parking Area intended for the parking of a single motor vehicle.

1.22 Trustee. CHICAGO TITLE AND TRUST COMPANY, as Trustee under Trust Agreement dated February 8, 1982 and known as Trust No. 1081359, and its successors and assigns.

1.23 The Act. The Illinois Condominium Property Act, as amended.

A R T I C L E II

UNITS

2.01 Description and Ownership.

(a) All Units are delineated on the Plat and listed on Exhibit C, and shall have lawful access to the public way.

(b) Each Unit consists of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof on Exhibit B including, without limitation, any pipes, ducts, flues, shafts, electrical wiring, and conduits and individual heating, cooling, and ventilation systems or space and other fixtures and equipment situated entirely within a Unit and serving only such Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on Exhibit B. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit B, and every such description shall be deemed good and sufficient for all purposes.

(c) Except as provided by the ACT, no Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels

different from the whole Unit as shown on Exhibit B. If an Owner or Owners combine or subdivide his or their Units pursuant to the ACT, they may, at their own expense, locate or relocate Common Elements affected or required thereby in accordance with the ACT.

2.02 Certain Structures Not Constituting Part of a Unit.

Except as a tenant in common with all other owners, no Owner shall own any structural components of the Buildings, or pipes, wires, conduits, ducts, flues, shafts, or public utility lines running through his Unit and forming part of any system serving more than his Unit, or any components of communication (including but not limited to any intercom system), master antenna, or refuse collection systems, if any, located in his Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

2.03 Real Estate Taxes. It is understood that real estate taxes are to be separately taxed to each Owner for his Unit and his corresponding percentage of ownership in the Common Elements as provided in the ACT provided, however, until such time as separate real estate tax bills are issued with respect to each Unit, the real estate taxes imposed on the Property shall be included in the Common Expenses assessed pursuant to this Declaration.

A R T I C L E I I I

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

3.01 Ownership of Common Elements. Each Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Owner, as set forth in Exhibit C attached hereto. The percentages of ownership interests set forth in Exhibit C have been computed and determined in accordance with the ACT, and shall remain constant and shall not be changed, except as specifically permitted under the ACT or Article XII of this Declaration, without unanimous written consent of all Owners and all mortgagees having bona fide liens of record against any of the Unit Ownerships. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

3.02 Description of Limited Common Elements. That portion of the Common Elements which are designated as Limited Common Elements shall include, but not be limited to, the following: (a) patios, shutters, doorsteps, balconies and any other apparatus serving exclusively a single Unit; (b) perimeter doors and windows which serve exclusively a single Unit; (c) the interior surface of the finished perimeter walls, ceilings and floors, in any, outside of the boundary planes of a Unit but not including any decorating, wall and floor coverings, paneling, molding, tiles, wall paper, paint, finished flooring and other materials constituting any part of the finished surfaces thereof; (d) the Parking Space located adjacent to and in front of the parking garage located in the Unit; and (e) any system or component part thereof which serves any particular Unit or Units exclusively, and only to the extent that such system or component part is located outside the boundaries of the Unit or Units being served.

3.03 Transfer of Limited Common Elements. The use of Limited Common Elements may be transferred between Owners at their expense in accordance with the provisions of the ACT.

A R T I C L E I V

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

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

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

4.03 Easements.

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

(b) Easements for Utilities and Additional Purposes. Illinois Bell Telephone Company, Commonwealth Edison Company and all other suppliers of utilities serving the Property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the Property with utility services, together with the reasonable right of ingress to and egress from the Property for said purpose. The Trustee, Board or Association may hereafter grant other or additional easements for utility purposes and for other purposes including such easements as the Developer may from time to time request including, but not limited to, such easements as may be required to construct, keep and maintain improvements upon the Common Elements, for the benefit of the Property, over, under, along and on any portion of said Common Elements, and each Owner hereby grants the Trustee, Board or Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of such Owner, such instruments as may be necessary to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits,

public utility lines, components of the mechanical (including but not limited to heating and air conditioning) and communications systems, if any, or structural components, which may run through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries.

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

(d) Easement for Construction and Sales. During the period of construction of the Buildings on the Property by the Developer and until the sale of the last such Unit in the PARCEL, the Trustee, Developer, its contractors and subcontractors, and their respective agents and employees shall have the right and easement to use the Common Elements for purposes of ingress, egress and access to the Buildings and the Property as may be required in connection with said construction, and as may be required in connection with the sale of any and all Units.

(e) Easement to Board. The Property shall be subject to a perpetual easement to the Board, its successors and assigns, for ingress and egress, to perform its obligations and duties as required by this Declaration and By-Laws. Should it be necessary to enter a Unit to repair a Common Element, employees agents and workmen shall be entitled to entrance by exhibiting to the Owner an order from the Board or its agents.

4.04 Parking Areas. The Parking Area is a part of the Common Elements, and includes all Parking Spaces, and all entrances, exits, fixtures, equipment and associated facilities. Except for that portion of the Parking Area consisting of Limited Common Elements, the Board or the Association may allocate Parking Spaces on such basis at such fees as the Board or Association deems appropriate and may prescribe such rules and regulations with respect to the Parking Area as it may deem fit.

4.05 Use of the Common Elements.

(a) General. Subject to the provisions of this Declaration, each Owner shall have the non-exclusive right to use the Common Elements in common with all other Owners, as may be required for the purposes of access to, ingress to and egress from and use, occupancy and enjoyment of the respective Unit owned by such Owner, and such other incidental uses permitted by this Declaration. Each Owner shall have the right to the exclusive use and possession of the Limited Common Elements, shall be subject to and be governed by the provisions of the ACT, this Declaration, By-Laws, and rules and regulations of the Association. The Association shall have the authority to lease or grant concessions with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

(b) Guest Privileges. The aforescribed rights shall

extend to the Owner and the members of the immediate family and authorized guests and other authorized occupants, agents, servants, tenants, invitees, licensees and other visitors of the Owner, subject to reasonable rules and regulations with respect thereto. The use of the Common Elements and the rights of the Owners with respect thereto shall be subject to and governed by the provisions of the ACT, this Declaration and the By-Laws and rules and regulations of the Board as may be imposed from time to time.

(c) Disclaimer of Bailee Liability. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Owner, the Trustee, nor its beneficiary shall be considered a bailee of any personal property stored in the Common Elements, including property located in vehicles parked in the parking area whether or not exclusive possession of any particular areas shall be given to any Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

4.06. Maintenance, Repairs and Replacements.

(a) By the Association. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of the Buildings excluding, however, interior wall, ceiling and floor surfaces. In addition, except as provided in Section 8.01 hereof, the Board of Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the Unit boundaries and forming part of any system servicing more than one Unit, as specified in Section 2.02 hereof, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Owner under paragraph (b) below, or any other provision of this Declaration. Maintenance, repairs and replacements of the Common Elements (except as otherwise specifically provided herein) shall be furnished by the Board as part of the Common Expenses, subject to the By-Laws or rules and regulations of the Association.

(b) By the Owner. Except as otherwise provided in paragraph (a) above or paragraph (c) below, each Owner shall furnish and be responsible for, at his own expense:

(i) All of the maintenance, repairs and replacements within his own Unit and of the doors and screens appurtenant thereof, and all internal installations of such Unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures, plumbing and through-the-wall-HVAC fixtures or installations, flues, shafts, electrical wiring and conduits, and individual heating, cooling, and ventilating system or equipment situated entirely within the Unit and servicing only such Unit; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water, gas and electricity to the Units, shall be furnished by the Board as part of the Common Expenses, and provided further that the Board or Association may provide, by its rules and regulations as may be imposed from time to time, for ordinary maintenance and minor repairs and replacements to be furnished to Units and appliances therein by the Board's agents or employees as a Common Expense or as user charges pursuant to Section 6.09 hereof. Each Owner shall be individually responsible for the repair, maintenance and replacement

of all door and window locks and hardware with respect to which such Owner is entitled to the exclusive use.

(ii) All of the decorating within his own Unit and the Limited Common Elements servicing his Unit as may be required from time to time, including, but not limited to, painting, wallpapering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceiling of his Unit, and such Owner shall maintain such interior surfaces in good condition at his sole expense. Such maintenance and use shall be subject to the rules and regulations of the Board or Association as may be imposed from time to time. Except with respect to improvements in place as of the date of the recording of this Declaration, each Owner who shall elect to install in any portion of his Unit (other than in bath and powder rooms) hard surface floor covering (i.e. tile, slate, ceramic, parquet, etc.) shall be first required to install a sound absorbent undercushion of such kind and quality as to prevent the transmission of noise to the Unit below, if any, and shall obtain approval of the Board prior to making such installation. If such prior approval is not so obtained, the Board may, in addition to exercising all of the other remedies provided for in this Declaration for breach of any of the provisions hereof, require such Owner to cover all non-conforming work with carpeting, or may require removal of such non-conforming work, at the expense of the offending Owner. The interior and exterior surface of all windows forming part of a perimeter wall of a Unit shall be cleaned, washed and replaced at the expense of each respective Owner. The use of and the covering of the interior surfaces of such 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 Board as may be imposed from time to time. In order to maintain a consistent exterior appearance of the buildings no change in the color or structure of any portion of the exterior of any unit shall be made by any Owner without the prior written approval of the Board. If such approval is not obtained, the Board may, in addition to exercising all of the other remedies provided for in this Declaration for breach of any of the provisions hereof, require an offending Owner to return the color or structure of the exterior of the Unit to its original state at that Owner's sole expense.

(iii) All of the maintenance, repair and replacements of the Limited Common Elements benefitting his Unit, in whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein, shall be performed by the respective Owner benefited thereby. At the discretion of the Board, the Board may perform, or cause to be performed, such maintenance, repairs, and replacements of the Limited Common Elements which are the responsibility of the Owner and the cost thereof shall be assessed in whole or in part to Owners benefited thereby, and further, at the discretion of the Board the Board may direct such Owners, in the name and for the account of such Owners, to arrange for such maintenance, repairs and replacements, to pay the cost thereof with the funds of the Owner, and to procure and deliver to the Board such lien waivers and contractor's or subcontractors sworn statements as may be required to protect the Property from all mechanic's or materialmen's lien claims that may arise therefrom.

(c) In the event that any repair or replacement to the Common Elements (including Limited Common Elements) is made necessary by reason of any act or occurrence with respect to which insurance is maintained by the Board pursuant to Section 5.08 hereof and for which insurance proceeds are available as provided in Section 8.01 hereof, the Association, at its expense, shall be responsible for the repair or replacement of such Common Elements.

(d) Nature of Obligations. Nothing herein contained shall be construed to impose a contractual liability upon the Association for maintenance, repair and replacement of the Common Elements or the Units or any portion or parts thereof, but the Association's liability shall be limited to damages resulting from negligence. The respective obligations of the Association and Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the Buildings, nor because they may become entitled to proceeds under policies of insurance. In addition, and notwithstanding anything hereinabove to the contrary, no Owner shall have a claim against the Board or Association (or against the Trustee or its beneficiary) for any work (such as repair of the Common Elements), ordinarily the responsibility of the Board or Association, but which the Owner himself has performed or paid for, unless the same shall have been agreed to in advance in writing by the Board or Association or the Trustee or its beneficiary.

4.07 Negligence of Owner. If, due to the negligent act or omission of any Owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

4.08 Joint Facilities. To the extent that equipment facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units of the Common Elements, then the use thereof by the individual Owners shall be subject to the rules and regulations of the Board as may be imposed from time to time. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

4.09 Master Television Antenna System. Each Unit has been equipped with at least one outlet activated for connection to the master television antenna system serving the Building within which the Unit is situated, which outlet and systems are integral parts of the Common Elements. Additional outlets for connection to the master television antenna system are obtainable only from the Association and may be installed only by the firm or individual authorized by the Board or Association to make such installation, with the prior approval of the Board or the Association and the payment of any required additional fees. Owners are prohibited from making any modifications to or tampering with said outlet and from making any connections to the master television antenna system, and the Board or Association may charge any Owner with the cost of locating and removing any unauthorized connections thereto and of repairing any modifications thereto.

4.10 Additions, Alterations or Improvements.

(a) The Board may authorize and charge as a Common Expense (or in the case of Limited Common Elements may charge the Owners benefited thereby) additions, alterations, or improvements to the Common Elements. The cost of any work to the Common Elements may be paid out of a special assessment.

(b) Except as otherwise provided in Section 4.10 (a) hereof, no additions, alterations or improvements shall be made by an Owner to any part of the Common Elements and no additions, alterations or improvements shall be made by an Owner to his Unit (where such work alters the structure of the Unit or increases the costs of insurance required to be carried by the Board hereunder) without the prior written consent of the Board. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Owner upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by a Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

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

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

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

A R T I C L E V

ADMINISTRATION

5.01 Administration of Property. The direction and administration of the Property shall be vested in the Board of Directors (herein sometimes referred to as the "Board") which shall consist of five (5) persons who shall be elected in the manner hereinafter set forth; provided, however, that, irrespective of anything else contained in this Declaration, for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of voting members, the Trustee or Developer shall have the right to designate and select the persons who shall serve as members of each Board or to exercise the powers of the Board as provided in the Act. Except for directors so designated by Trustee or Developer, each member of the Board shall be one of the Owners and shall reside on the Property; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, or other legal entity, or beneficiary of such trust shall be eligible to serve as a member of the Board so long as any such agent or beneficiary (other than a person designated by the Trustee or Developer) resides on the Property. If a director fails to meet such qualifications during his term he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

5.02 Association. The Association has been formed, prior to the recording hereof, as a not-for-profit corporation under the General Not-For-Profit Corporation Act of the State of Illinois, having the name (or a name similar thereto) HIDDEN LAKE VILLAGE CONDOMINIUM ASSOCIATION and shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Property. The Board shall be deemed to be the "Board of Managers" for the Owners referred to in the Act. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Owners in accordance with the provisions contained herein. Each Owner shall be a member of the Association so long as he shall be an Owner, and such membership shall automatically terminate when he ceases to be an Owner, and upon the transfer of his ownership interest the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. The Association may issue certificates evidencing membership therein.

5.03 Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Owners. Such person shall be known (and hereinafter referred to) as a "voting member". Such voting member may be the Owner or one of the group composed of all the Owners of a Unit Ownership, or by some person designated by such Owner or Owners to act as proxy on his or their behalf and who must be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Any or all such Owners may be present at any meeting of the voting members and (those constituting a group acting as a single voting member) may vote or take any other action as a voting member either in person or by proxy; provided, however, that no voting member may (himself or by further delegation of proxy), cast a proxy vote for more than three (3) Owners. The total number of votes of all voting members shall be one hundred (100), and each Owner or group of Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit C. The person designated by the Trustee or Developer shall be the voting member with respect to any Unit Ownership owned by the Trustee. If an Owner is a trust, then the voting rights of the Owner may be exercised by a beneficiary of such trust, and if an Owner or such a beneficiary is a corporation or partnership, then the voting rights of said Owner or beneficiary may be exercised by an officer, partner or employee of such Owner or beneficiary. At any time, in the event that thirty percent (30%) or less of the total number of Units controls in excess of fifty percent (50%) of the total votes of the Association, any provision herein which requires a vote by Owners holding a certain percentage of the total vote shall require, in lieu thereof, that the percentage required be based on the number of Units rather than the percentage of the votes allocable to Units pursuant to their respective percentage of ownership in the Common Elements. The Association shall have only one class of membership.

5.04 Meetings.

(a) Quorum. Meetings of the voting members shall be held at the Property or at such other place in Lake County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having twenty-five percent (25%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present at the commencement of the meeting upon the affirmative vote of the voting members having a majority of the total votes present at such meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Owners

or, in the absence of such rules, Roberts Rules of Order shall be used.

(b) Initial and Annual Meetings. The initial meeting of the Voting Members shall be held upon not less than twenty-one (21) or more than thirty (30) days' written notice given by the Trustee or Developer, but in any event, the initial meeting of the Voting Members shall be held not later than sixty (60) days after a conveyance by the Trustee or Developer of 75% of the Units or three (3) years after the recording of this Declaration, whichever is earlier; provided, however, (i) the words "75% of the Units" as used in the preceding clause of this sentence shall mean 75% of the sum of the Units listed on Exhibit B attached hereto plus all of the Units which Developer contemplates constructing on the Additional Land and adding to the Property pursuant to one or more Amendment to Condominium Declaration described in Article XII of this Declaration, and (ii) the aforesaid three (3) year period shall be extended for an additional three (3) years from the date of recording the last of such Amendment to Condominium Declaration recorded prior to three (3) years after the recording of this Declaration. After the initial meeting of the Voting Members there shall be an annual meeting of the Voting Members on the second Tuesday of November following such initial meeting and on the first Wednesday of each succeeding November thereafter at 7:30 p.m., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the Voting Members not less than twenty-one (21) days or more than thirty (30) days prior to the date fixed for said meeting.

(c) Special Meetings. Special meetings of the voting members may be called at any time after the initial meeting provided for in Section 5.04(b) hereof for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the voting members or for any other reasonable purpose provided, however, that the following matters shall require the approval of voting members having not less than two-thirds (2/3) of the total votes: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association; and (iii) the purchase or sale or lease of Units or other real estate on behalf of all Owners. Special meetings may be called by written notice authorized by a majority of the Board, the President of the Board, or by twenty percent (20%) of the voting members and delivered not less than ten (10) days and no more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered. Matters to be submitted at special meetings of the voting members shall first be submitted to the Board, at least twenty (20) days prior to the special meeting, who shall then submit the matters to the voting members.

5.05 Notice of Meetings. Except as otherwise provided herein, notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board provided that any such notice shall be delivered no less than ten (10) and no more than thirty (30) days prior to the date fixed for such meeting and shall state the time, place and purpose of such meeting, including specific reference to any action which will require two-thirds (2/3) of the total votes of the voting members.

5.06 Board of Directors.

(a) The initial Board of Directors designated by the Trustee or Developer pursuant to Section 5.01 hereof shall consist of three (3) directors who shall serve without compensation. Such initial Board shall serve for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of voting members held as provided in Section 5.04(b) hereof. Said initial Board may, on behalf of the Trustee or Developer, exercise the rights reserved in Section 13.01 hereof. At the initial meeting of voting members held as provided in Section 5.04(b) hereof, the voting members shall elect the Board which shall consist of five (5) members. In all elections for members of the Board, each voting member shall be entitled to vote on a non-cumulative voting 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. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting five (5) Board members shall be elected. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. The election and term of office as between candidates receiving the same number of votes shall be determined by lot. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of one (1) year each. The voting members having at least two-thirds ($2/3$) of the total votes may from time to time increase or decrease such number of persons on the Board or may decrease the term of office of Board members at any annual or special meeting provided that such number shall not be less than three (3) and that the terms of at least one-third ($1/3$) of the persons on the Board shall expire annually and that no member of the Board nor officer of the Association shall be elected for a term of more than two (2) years, but that officers and Board members may succeed themselves. Members of the Board shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board, except for vacancies created by removal pursuant to Section 5.06(c) hereof, shall be filled by a majority vote of the remaining members thereof except that a vacant position of the Board last filled by a person appointed by the Developer shall be filled by a person appointed by the Developer. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director he succeeds. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt provided, however, that (i) each Owner shall be entitled to notice, in the same manner as provided in Section 5.06 hereof, of any meeting of the Board called for the purpose of considering the adoption of the proposed annual budget or any increase or establishment of an assessment unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened; and (ii) the Board shall meet no less than four (4) times each year. A majority of the total number of members on the Board shall constitute a quorum.

(b) The Board shall elect from among its members for the term of one (1) year (i) a President who shall preside over both its meeting and those of the voting members, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act, (ii) a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and who shall, in general, perform all the duties incident to the office of the Secretary, (iii) a Treasurer to keep the financial records and books of account, and (iv) such additional officers as the Board shall see fit to elect from amongst the members of the Board. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two thirds (2/3) of the total membership of the Board at a special meeting thereof.

(c) Except for directors designated by Trustee or Developer pursuant to Section 5.01 hereof, any Board member may be removed from office, at any time after the election of directors at the initial meeting of voting members pursuant to Section 5.06(a) hereof, by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

(d) Written notice stating the place, date and hour of any meeting of the Board shall be delivered to each member of the Board not less than five (5) days prior to the date of such meeting. The purpose for which the meeting was called shall be stated in the notice.

(e) All meetings of the Board shall be open to attendance by any Owner and, except as otherwise provided herein, notices of such meetings shall be mailed or posted not later than forty-eight (48) hours prior to such meeting unless a written waiver of such notice is signed by the Owner entitled to such notice prior to the convening of such meeting.

(f) Within sixty (60) days following the election of a majority of members of the Board other than those members designated by the Trustee or Developer, the Developer shall deliver to the Board the following:

(i) All original documents pertaining to the Property and its administration including this Declaration, the Articles of Incorporation for the Association, a minute book containing the minutes of any meetings held by the Association and any rules and regulations governing the Property;

(ii) An 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;

(iii) Any Association funds on hand which shall at all times be segregated from any other funds of the Developer; and

(iv) A schedule of all personal property, equipment and fixtures owned by the Association, including documents such as invoices or bills of sale, if available, evidencing transfer of title to such property.

5.07 General Powers of the Board. The Board shall have the following general powers:

(a) Subject to the rights reserved by the Trustee or Developer pursuant to Section 13.01 hereof, the Board may engage the services of an agent to manage the portions of the Property for which the Board is responsible pursuant to this Declaration, to the extent deemed advisable by the Board and any such agreement shall provide for termination without cause and without payment of a termination fee by the Association upon ninety (90) days written notice and shall have a term not to exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods, provided that the initial agreement for professional management shall provide for a term expiring two (2) years from the date on which the first unit has been conveyed by the Trustee to a bona fide purchaser for value subject to termination for cause by either party.

(b) The Board shall have the power and duty to provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(c) The Board or its agents, upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible or to make emergency repairs as may be necessary to prevent damage to the Common Elements or to any other Unit or Units.

(d) The Board's powers hereinafter enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations of, capital additions to, or capital improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration or unless required for emergency repair, protection or operation of the Common Elements), requiring an expenditure in excess of Fifty Thousand Dollars (\$50,000.00) without in each case the prior written approval of the Owners owning two-thirds (2/3) of the total ownership interest in the Common Elements.

(e) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board. The managing agent of the Property may be authorized to execute those documents required to enable it to perform its duties under its management agreement.

(f) The Board by vote of at least two-thirds (2/3) of its members, and without approval from any of the voting members except as hereinafter set forth, may adopt

such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all voting members.

(g) Prior to the election by voting members of the first Board, the Trustee or Developer shall, subject to the terms of this Declaration, have the authority to lease or to grant licenses, concessions and contracts with respect to any part of the Common Elements, all upon such terms as the Trustee or Developer deems appropriate. Upon election of the first Board, and thereafter, the Board by a vote of at least two-thirds (2/3) of the persons on the Board shall have the same authority as aforesaid.

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

(i) The Board shall have the power to bid for and purchase any Unit Ownership (or interest therein) at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for Common Expenses under the Act, or at a sale pursuant to an order of direction of a court, or other involuntary sale, upon the consent or approval of Owners owning not less than sixty-six and two-thirds (66-2/3%) percent in the aggregate of the undivided ownership of the Common Elements which consent shall set forth a maximum price which the members of the Board or their duly authorized representatives are authorized to bid and pay for said Unit Ownership or interest therein.

(j) The Board shall have the power to exercise all other powers and duties of the Board of Directors or Owners as a group referred to in this Declaration or the Act.

(k) Subject to the provisions of Section 4.06(b)(iii) and Section 6.09 hereof, the Board for the benefit of all the Owners shall acquire and shall pay out of the maintenance fund hereinafter provided for, the following:

(i) Operating expenses of the Common Elements, including water, electricity, gas and telephone and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units. In the event certain utilities for individual Units are individually metered, such bills shall be forwarded to be paid by the respective Owners.

(ii) Services of any person or firm to act on behalf of the Owners in connection with real estate taxes and special assessments on the Unit Ownerships, and in connection with any other matter where the respective interests of the Owners are deemed by the Board to be similar and non-adverse to each other. The cost of such services shall be Common Expenses.

(iii) Painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior and exterior surfaces of windows and interior surfaces of the Units and perimeter doors appurtenant thereto, and frames and screens which the Owners shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper.

(iv) Any other materials, supplies, utilities, furniture, equipment, labor, services, maintenance, repairs of structural alterations which the Board is required to secure or pay for, pursuant to the terms of this Declaration and By-Laws or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first-class condominium development or for the enforcement of these restrictions.

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

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

5.08 Insurance.

(a) The Board shall have the authority to and shall obtain insurance for the Property as follows:

(i) Insurance on the Property, including the Units and the Common Elements, against loss or damage by fire and against loss or damage by risks now or hereafter embraced by standard extended coverage and vandalism and malicious mischief endorsements, in an amount sufficient to prevent the insured from being a co-insurer within the terms of the applicable policies, but in any event in an amount not less than one hundred percent (100%) of the full insurable replacement cost thereof. The "full insurable replacement cost" of the Property, including the Units and the Common Elements, shall be determined from time to time by the Board, which determination may be based upon appropriate insurance appraisals. Insurable replacement cost should be deemed to be the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. The cost of any and all such appraisals shall be Common Expenses.

(ii) Insurance on the Property (exclusive of the Parcel and excavations, foundations and footings) against all loss or damage from explosion of boilers, heating apparatus, pressure vessels and pressure pipes installed in, on or about said Property, without co-insurance clause so long as available, in such amount as the Board shall deem desirable (but in no event for less than Fifty Thousand (\$50,000.00) Dollars per accident per location).

(iii) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Property or upon, in or about the streets and passageways and other other areas adjoining the Property, such public liability and property damage insurance to afford protection to such limits as the Board shall deem desirable (but in no event for less than One Million (\$1,000,000.00) Dollars with respect to liability for personal injury or property damage arising out of a single accident).

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

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

(vi) A fidelity bond indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or its management agent or of any other person handling the funds of the Association, the Board or the Owners in such amounts as the Board shall deem necessary but not less than 150% of the annual operating expenses of the Association, including reserves. The premium for such fidelity bond shall be a Common Expense. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bond shall provide that it may not be cancelled for nonpayment of any premiums or otherwise substantially modified without thirty (30) days prior written notice to all holders of first mortgages of record.

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

The premiums for the above-described insurance, except as otherwise provided in this Section 5.08, shall be Common Expenses.

(b) All insurance provided for in this Section 5.08 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Illinois.

(c) All policies of insurance of the character described in clauses (i) and (ii) of Paragraph (a) of this Section 5.08: (i) shall name as insured, the Trustee, so long as it has an insurance interest, and the Board as trustees for the Owners in the percentages established in Exhibit C to this Declaration and shall also name as an assured the Insurance Trustee described in subparagraph 5.08(f)(ii), as the respective interests of all of such assureds may appear; (ii) shall be without contribution as respects other such policies of insurance carried individually by the Owners whether such other insurance covers their respective Units and/or the additions and improvements made by such Owners to their respective Units; (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Owners elect to sell the Property or remove the Property from the provisions of the Act; and (iv) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of

premiums without at least ten (10) days prior written notice to the mortgagee of each Unit. Policies of insurance of the character described in clause (i) of Paragraph (a) of this Section 5.08 may contain an endorsement extending coverage so as to include the payment of Common Expenses with respect to damaged Units during the period of reconstruction thereof. Notwithstanding the issuance of standard mortgage clause endorsements under the policies of insurance of the character described in clauses (i) and (ii) of Paragraph (a) of this Section 5.08, any losses under such policies shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration.

(d) All policies of insurance of the character described in clauses (iii), (iv), (v), (vi) and (vii) of Paragraph (a) of this Section 5.08 shall name as assureds the Association, Board and its managing agent, and the other agents and employees of such Association, Board and managing agent and the Trustee and Developer in his or its capacity as owner and Board Member and shall also provide coverage for each Owner (but as to the insurance described in Section 5.08 (a) (iii) hereof, only with respect to those portions of the Property not reserved for their exclusive use. In addition, all policies of insurance of the character described in clause (iii) of Paragraph (a) of this Section 5.08 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Trustee, beneficiary of the Trustee, the managing agent, their respective employees and agents and the Owners and Occupants and shall cover claims of one or more insured parties against other insured parties.

(e) The Association, for the benefit of the Owners and the mortgagee of each Unit, shall pay the premiums on the policies of insurance described in Paragraph (a) of this Section 5.08 at least thirty (30) days prior to the expiration dates of the respective policies and shall notify the mortgagee of each Unit of such payment within ten (10) days after the date on which payment is made.

(f) The loss, if any, under any policies of insurance of the character described in clauses (i) and (ii) in Paragraph (a) of this Section 5.08 shall be payable, and the insurance proceeds paid, on account of any such loss shall be applied and disbursed as follows:

(i) To the Board, as trustee for each of the Owners in their respective percentages of ownership in the Common Elements as established in the Declaration, in the case of any one loss, of Twenty Thousand Dollars (\$20,000.00) or less in the aggregate, which insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Property to substantially the same condition in which it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before, free from vendor's mechanic's, materialman's and other similar liens; or

(ii) In case of any one loss exceeding Twenty Thousand Dollars (\$20,000.00) in the aggregate, then the insurance proceeds shall be paid to Chicago Title and Trust Company, which corporation is hereby designated by the Developer to act as trustee for the Board (the "Insurance Trustee") pursuant to the Act

for the purpose of collecting and disbursing the insurance proceeds described in this ~~sub~~ paragraph (ii). If Chicago Title and Trust Company (or its successor appointed pursuant hereto) shall fail or cease for any reason to act as the Insurance Trustee, then the Board shall, pursuant to the Act, appoint as successor Insurance Trustee a corporation qualified to accept and execute trusts in the State of Illinois and having a capital of not less than Five Million Dollars (\$5,000,000) Such proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, and the fees of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of restoring the Property to substantially the same condition in which it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Such proceeds shall be paid by the Insurance Trustee to or for the account of the Association, from time to time as work progresses, in such manner as shall be required to facilitate the restoration of the Property in accordance with the provisions of the Act. The Association and the Insurance Trustee may, prior or subsequent to any such loss, enter into an insurance trust agreement further implementing the provisions of the Act and this Declaration with respect to the collection and disbursement of proceeds of insurance by the Insurance Trustee.

(g) Each Owner shall be responsible for his own insurance on the contents of his own Unit, and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Owners as above provided. All policies of casualty insurance carried by each Owner shall be without contribution as respects the policies of casualty insurance obtained by the Board for the benefit of all of the Owners as above provided.

(h) Each Owner shall be required to report all additions or alterations to his Unit promptly in writing to the Board, without prior request from the Board or the management agent, and to reimburse the Board for any additional insurance premiums attributable thereto, and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board. The Board shall not be responsible for obtaining insurance on such additions, alterations, or improvements unless and until such Unit Owner shall make such report and request the Board in writing to obtain such insurance, and shall make arrangements satisfactory to the Board for such additional premiums, and upon the failure of such Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations, or improvements. "Additions" and "alterations" shall mean property attached to the Unit and not readily removable without damage to the Unit, including but not limited to, carpeting, special flooring (e.g. parquet), special wall covering and paneling. The insurance coverage described in this paragraph (h) of Section 5.08 shall not be deemed to include personal property owned by the Owner and not attached to the Unit.

(i) Each Owner hereby waives and releases any and all claims which he may have against any other Owner, the Association, its officers, members of the Board, the Trustee, the manager and managing agent of the Property, if any, Developer and their respective employees and agents, for damage to the

Common Elements, the Units, or to any personal property located in the Unit or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

5.09 Cancellation of Insurance. The Board shall be responsible, in the event any insurance required under Section 5.08 (a) (i), (ii) or (iii) is cancelled, for serving notice of such cancellation upon any persons insured thereunder.

5.10 Liability of the Board of Directors. Neither the members of the Board, including the members appointed by Developer, nor the officers of the Association shall be liable to the 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 Owners shall indemnify and hold harmless each of the members of the Board and each of the officers of the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board and officers of the Association on behalf of the Owners or arising out of their status as Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. It is also intended that the liability of any Owner arising out of any contracts made by or other acts of the Board or officers of the Association, or out of the aforesaid indemnity in favor of the members of the Board and officers of the Association, shall be limited to such proportion of the total liability hereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all the Owners in the Common Elements. Every agreement made by the Board or by the managing agent on behalf of the Owners shall provide that the members of the Board or the managing agent, as the case may be, are acting only as agents for the Owners, and shall have no personal liability thereunder (except as Owners) and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Owners in the Common Elements. Absence of such provision in any such agreement shall not alter the agency relationship in any way from that as described in the immediately preceding sentence in this Section 5.10.

A R T I C L E VI

COMMON EXPENSES-MAINTENANCE FUND

6.01 Preparation of Estimated Budget. Each year on or before November 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the

rendering of all services, together with a reasonable amount considered by the Board to be necessary for adequate reserves and shall on or before November 15 notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof and containing each Owner's respective assessment provided, however, that such annual budget shall be furnished to each Owner at least thirty (30) days prior to its adoption by the Board. The annual budget shall also take into account the net available cash income for the year derived from the operation or use of the Common Elements. Subject to the provisions of Section 4.06(b)(iii) and Section 6.09 hereof, said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of Ownership in the Common Elements as set forth in Exhibit C attached hereto. On or before January 1 of the ensuing year, and the first of each and every month of said year, each Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of the assessments made pursuant to this paragraph. On or before April 1 of each calendar year following the initial meeting, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Such accounting shall be prepared by a certified public accountant. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in the succeeding six (6) months after rendering of the accounting, subject, however, to the provisions of Section 6.02 hereof.

6.02 Capital Reserve - Supplemental Budget. The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the annual assessment which shall be added to the Capital Reserve and each Owner shall be deemed to make a capital contribution to the Association equal to such percentage multiplied by each installment of the annual assessment paid by such Owner. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portions of any contingency reserve or Capital Reserve, as applicable, which remains unallocated. If the "estimated cash requirement" proves inadequate for any reason or in the event a non-recurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner, and thereupon a separate assessment shall be made to each Owner for his proportionate share of such supplemental budget. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Any such separate assessment, if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of (i) five (5) times the Unit's most recent monthly assessment or (ii) Three Hundred Dollars (\$300.00), shall be subject to the affirmative vote of at least two-thirds (2/3) of the total ownership of the Common Elements at a meeting specifically called for approving such separate assessment.

6.03 Initial Budget. The initial Board appointed by the

Trustee or Developer shall determine and adopt, prior to the conveyance of the first Unit hereunder, the "estimated cash requirement" for the initial period commencing with the first day of the month in which the sale of the first Unit is closed and ending on December 31 of the calendar year in which such sale occurs and shall continue to determine the "estimated cash requirement" for each succeeding calendar year until such time as the first Board elected hereunder takes office. Assessments shall be levied against the Owners during said periods as provided in Section 6.01 of this Article.

6.04 Revisions of Budget. At any time that additional property is or is about to be added on and annexed to the Property pursuant to Article XII hereof, the Board shall have the right to revise the annual budget provided for in Section 6.01 hereof, provided, however, that such revised annual budget shall be furnished to each Owner at least thirty (30) days prior to its adoption by the Board.

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

6.06 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection at the office of the Association, if any, by any Owner or any holder of a first mortgage lien on a Unit Ownership, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

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

6.08 Start-up Costs. At the time the initial sale of each Unit is closed, the purchaser of the Unit shall pay to the Association an amount equal to three (3) times the first full monthly assessment for such Unit. This sum shall be used and applied for start-up costs and as a working capital fund in connection with the initial operating expenses for the Common Elements. This payment shall not be refundable or be applied as a credit against the Owner's monthly assessments.

6.09 User Charges. The Board, or the Trustee, or Developer, acting pursuant to Section 13.01 hereof, may establish and each Owner shall pay, user charges to defray the expense of providing services, facilities or benefits which may not be used equally or

proportionately by all of the Owners or which, in the judgment of the Board, should not be charged to every Owner. Such expenses may include, without limitation, charges for use of facilities located in the Common Elements; and fees for such other services and facilities provided to Owners which should not be reasonably allocated among all of the Owners in the same manner as the Common Expenses. Such user charges may be billed separately to each Owner benefited thereby, or may be added to such Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall require the establishment of user charges pursuant to this Section 6.09, and the Board, the Trustee, or beneficiary of the Trustee may elect to treat all or any portion thereof as Common Expenses.

6.10 Non-Use and Abandonment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or their Units.

A R T I C L E VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The Property shall be occupied and used as follows:

(a) Each Unit or any two or more adjoining Units used together shall be used for housing and related common purposes for which the Property was designed and for no other purpose. That part of the Common Elements separating any two or more adjoining Units which are owned by the same Owner may be altered or removed to afford ingress and egress to and from such adjoining Units provided, however, that (i) such alteration or removal shall not impair or weaken the structural integrity of any Unit or any portion of the Common Elements; (ii) the Owner shall furnish to the Board not less than ten (10) days prior to date Owner desires to commence such work, plans detailing the work to be done; (iii) the Board consents to the performance of such work; (iv) the expense of such alterations shall be paid in full by the Owner making such alterations; and (v) such Owner shall pay in full the expense of restoring such Common Elements to their former condition prior to such alteration in the event such Units cease to be used together. Alterations to other portions of the Common Elements shall be governed by Section 4.10 hereof.

(b) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements (except in areas designed for such purpose) without the prior consent of the Board or except as hereinafter expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Unit. Each Owner shall be permitted to install, at his own expense within an area not to exceed six feet by six feet adjacent to the patio doors of a Unit, a patio or other court yard area provided that the material to be utilized is approved by the Board. If such approval is not obtained, the Board may require the Owner to remove the material and restore the Property to its original condition, all at Owner's expense.

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

(d) Without the prior consent of the Board, Owners shall not cause or permit anything to be placed on the outside walls of the Buildings and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof; and Owners shall not cause or permit the enclosure (either partially or entirely) of any exterior portions of the Buildings.

(e) In order to enhance the sound conditioning of the Buildings, the floor covering for all occupied Units shall meet the minimum standard as may be specified by rules and regulations of the Board.

(f) No animals of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that dogs, cats, or other usual household pets may be kept in Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Board. The Board may restrict pets from access to any portions of the Common Elements, and may designate other portions of the Common Elements to accommodate the reasonable requirements of Owners who keep pets.

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

(h) Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the original color scheme or structural integrity of the Buildings or which would structurally change the Buildings except as is otherwise provided herein. No Owner shall overload the electric wiring in the Buildings, or operate machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others. No Owner shall overload the floors of any Unit. The use of water-beds and similar furnishings and equipment which may cause floor overloads shall be subject to Board approval. Structural changes and alterations may be made by the Trustee or Developer in Units used by the Trustee or Developer as model apartments and/or sales and marketing areas and in the adjacent Common Elements, as may be reasonably necessary to adapt the same to the uses permitted therein. Such changes may include the elimination or alteration of perimeter walls for the purpose of combining adjoining Units or improving access thereto or visibility thereof.

(i) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out of 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 which are not in receptacles provided for such purpose, nor shall any boats, snowmobiles, or motorcycles be stored or parked upon any portion of the Common Elements (including Limited Common Elements) except in areas designated by the Board for storage and/or parking. In addition, the Board may authorize any vehicles parked in violation of any parking regulations issued in connection with the Common Elements to be removed or towed away and any towing or removal charge shall be paid by (and if not paid, shall become a lien upon the Unit of) the Owner of the vehicle in the same manner as provided in Article X for non-payment of assessments.

(j) There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches

or chairs on any part of the Common Elements except as permitted by the rules and regulations of the Board. All amenity and service areas may be used for their intended purposes.

(k) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration or otherwise shall be conducted, maintained or permitted in any Unit, except as hereinafter provided in paragraph (m) of this Article VII.

(l) No "For Sale", "For Rent" or other signs, advertisements, or other displays or printed matter shall be maintained or permitted on any part of the Property nor shall any Owner cause or permit any of the foregoing to be placed in the windows of a Unit so as to be visible from the exterior of the Building. Notwithstanding the foregoing, the right is reserved by the Trustee and Developer, its beneficiary or its agents to place and maintain on the Property all models, sales offices, advertising signs and banners and lighting in connection therewith at such locations and in such forms as shall be determined by the Trustee, or Developer or its beneficiary or its agents. The Trustee or Developer or its Agents and prospective purchasers and lessees of any Unit from the Trustee and Developer are hereby granted the right of ingress, egress and transient parking on and through the Common Elements for such Unit Sale or leasing purposes. The Trustee or Developer further reserves the right to use unsold Units for temporary storage, office and related purposes. The foregoing rights of the Trustee or Developer, its beneficiary or its agents shall terminate upon the closing of the sale of the last Unit in the HIDDEN LAKE VILLAGE CONDOMINIUM Development Area.

(m) The Unit restrictions in paragraph (a) and (k) of this Article VII shall not, however, be construed in such a manner as to prohibit an Owner from: (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; or (iii) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal resident use and not in violation of paragraphs (a) and (k) of this Article VII.

(n) With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Unit for transient or hotel purposes. Any lease of a Unit for less than one month shall be deemed to be a lease for transient or hotel purposes. Owners shall be permitted to lease their Unit, but not less than the entire Unit, on such terms and conditions as the Owners may deem advisable, and all such leases shall be in writing. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with the terms of this Declaration shall be a default under the lease.

A R T I C L E VIII

DAMAGE, DESTRUCTION, CONDEMNATION AND RESTORATION OF BUILDING

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

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

8.02 Insufficient Insurance.

(a) If the insurance proceeds and Capital Reserves are insufficient to reconstruct the Building and the Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Buildings within one-hundred and eighty (180) days from the date of damage or destruction, then the provisions of the Act shall apply.

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

(c) In the case of damage or other destruction, upon the affirmative vote of not fewer than three-fourths ($\frac{3}{4}$) of the Owners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction may be withdrawn from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be re-allocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Owner's percentage interest therein. Any proceeds available from the withdrawal of any Limited Common Elements, will be distributed in accordance with the interest of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Owner shall cease.

8.03 Eminent Domain In the event any portion of the Property is taken by condemnation or eminent domain proceedings, pro-

vision for withdrawal from the provisions of the Act of such portion so taken may be made by the Board. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Owner's percentage interest therein. Proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Owner shall cease.

8.04 Repair, Restoration or Reconstruction of the Improvements.

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

A R T I C L E IX

SALE OF THE PROPERTY

At a meeting duly called for such purpose, the Owners by affirmative vote of at least seventy-five percent (75%) of the total vote, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit entitled to notice under Section 13.02 of this Declaration. Such action shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale; provided, however, that any Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, as determined by an appraisal, less the amount of any unpaid assessments or charges due and owing from such Owner. In the absence of agreement on an appraiser, such Owner and the Board may each select a qualified appraiser, experienced in the appraisal of condominium units in metropolitan Chicago, Illinois, and two (2) so selected shall select a third appraiser experienced in the appraisal of condominium units in metropolitan Chicago, Illinois, and the fair market value, as determined by a majority of the three (3) so selected, shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal. The costs of the appraisal shall be divided equally between such Owner and the Board, and the Board's share of said cost shall be a Common Expense.

A R T I C L E X

REMEDIES

10.01 Abatement and Enjoinment. The violation of any restriction or condition or regulation adopted by the Board, or

the breach of any covenant or provision herein contained, shall give the Board the right, upon not less than ten (10) days notice, in addition to the rights set forth in the next succeeding section:

(a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Trustee, or its beneficiaries, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or

(b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of fourteen percent (14%) per annum until paid, shall be charged to and assessed against such defaulting Owner; and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. Any and all of such rights and remedies may be exercised at any time and from time to time cumulatively or otherwise, by the Board. In addition, any aggrieved Owner shall have the same rights and remedies as the Board hereunder in connection with any such violation.

10.02 Involuntary Sale. If any Owner (either by his own conduct or by the conduct of any Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall recur more than once after such notice, then the Board shall have the power to issue to the defaulting Owner a ten (10) day notice in writing to terminate the right of said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the members of the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or Occupant or, in the alternative, a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenant and ordering that the right, title and interest of the Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Owner from reacquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Owner. Upon the confirmation of such sale, the purchaser thereof shall thereupon be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

10.03 Remedies for Failure to Pay Common Expenses or User Charges. Each Unit Owner shall pay his proportionate share

of the Common Expenses. Such proportionate share shall be in the same ratio as his percentage of ownership in the Common Elements as set forth in Exhibit C except as otherwise provided herein. Each Owner shall also pay all user charges for which he is responsible pursuant to Section 6.09 of this Declaration. In the event of the failure of an Owner to pay such Common Expenses or user charges when due, the amount thereof shall constitute a lien on the interest of such Owner, as provided by the Act; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Owner. Except as hereinafter provided, the lien provided for in this Section 10.03 shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure such transfer of title shall to the extent permitted by law extinguish the lien for any assessments or other charges or payments under Section 6.01 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Unit Ownership as provided in this Section 10.03. If any Owner fails to pay an installment of such Common Expenses, or any user charges for which he is responsible pursuant to Section 6.09 of this Declaration, within thirty (30) days after notice of default, the Board may accelerate the maturity of the remainder of installments of such Common Expenses due from such Owner for the balance of assessment year, and may enforce collection thereof and all of such user charges then or thereafter falling due. A "late charge" in the amount of Thirty-Five Dollars (\$35.00) per month shall be charged to and assessed against such defaulting Owner until paid, which late charge shall be subject to review by the Board from time to time. In addition to the foregoing, the Board (or the Trustee or Developer in the exercise of the powers, rights, duties and functions of the Board as provided in Section 13.01 hereof) or its agents shall have such other rights and remedies to enforce such collection as shall otherwise be provided or permitted by law from time to time. Without limiting the generality of the foregoing, if any Owner shall fail to pay his proportionate share of the Common Expenses or of any other expenses required to be paid hereunder when due, such rights and remedies shall include the right to take possession of such Owner's interest in the Property and to maintain for the benefit of all the other Owners an action for possession in the manner prescribed by "an act in regard to forcible entry and detainer," approved February 16, 1874, as amended.

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

A R T I C L E X I

MISCELLANEOUS PROVISIONS RE: MORTGAGEES

The following provisions are intended for the benefit of each holder of a first mortgage upon a Unit, and to the extent, if at all, that any other provisions of this Declaration conflicts with the following provisions, the following provisions shall control:

(a) The Association shall furnish each first mortgagee of a Unit a written notice of any default by the Owner of such Unit in the performance of such Owner's obligations under this Declaration which is not cured within thirty (30) days. Any first mortgagee of a Unit who comes into possession of or obtains title to the said Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale shall, to the extent permitted by law, take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Unit which accrue prior to the time such holder comes into possession of or obtains title to the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

(b) Upon request in writing, each first mortgagee of a Unit shall have the right:

- (i) to examine the books and records of the Association during normal business hours;
- (ii) to receive any annual audited or unaudited financial statements which are prepared by the Association and distributed within ninety (90) days following the end of each of its respective fiscal years;
- (iii) to receive notices of all meetings of the Association and to designate a representative to attend all such meetings; and
- (iv) to receive notice of any decision by the Owners to make a material amendment to the Declaration, By-Laws contained herein or Articles of Incorporation.

(c) No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give an Owner or any other party priority over any rights of the first mortgagees of Units pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such loss.

(d) There shall be included in each annual assessment levied by the Association (but not as a special assessment) an amount sufficient to establish an adequate reserve fund for the replacement of the Common Elements and contingencies.

(e) Unless the first mortgagees of two-thirds of the individual Units which have become a part of the Property have given their prior written approval, neither the Association nor the Owners shall be entitled to:

- (i) by act or omission seek to abandon or terminate the condominium regime except for abandonment provided for by the Act in case of substantial loss to the Units and/or the Common Elements;
- (ii) change the pro rata interest or obligations of any Owner for (1) purposes of levying assessments or charges or allocating distri-

of hazard insurance proceeds or condemnation awards and for (2) determining the pro rata share of ownership of each Owner in the Common Elements except as provided for in Article XII hereof;

- (iii) partition or subdivide any Unit;
- (iv) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the condominium project shall not be deemed a transfer within the meaning of this clause;
- (v) use hazard insurance proceeds for losses to any property (whether to Units or to Common Elements) for other than the repair, replacement, or construction of such improvements, except as provided by statute in case of substantial loss to the Units and/or the Common Elements of the Property;
- (vi) terminate professional management of the Property and assume self-management of the same; and
- (vii) materially amend the Declaration.

(f) Each first mortgagee of a Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Elements if such damage or destruction or taking exceeds Ten Thousand Dollars (\$10,000.00) or if damage shall occur to a Unit in excess of One Thousand Dollars (\$1,000.00), notice of such event shall also be given.

(g) *If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of this Declaration will entitle the Owner of a Unit or other party to priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.*

A R T I C L E XII

ANNEXING ADDITIONAL PROPERTY

12.01 Additional Area. The Trustee, Developer and their successors and assigns hereby reserve the right and option at any time and from time to time, within a period of seven (7) years after the date of the recording of this Declaration in the office of the recorder of Lake County, Illinois, to add-on and annex to the Property, all or any portion of the remainder of the Parcel ("Additional Area") legally described upon Exhibit D attached hereto and made a part hereof, and in connection therewith to reallocate percentage interests in the Common Elements as hereinafter described by recording an amendment or amendments to this Declaration executed solely by the Trustee (each such instrument being hereinafter referred to as "Amendment to Condominium Declaration") which shall set forth the legal description of the additional parcel or parcels within the Additional Area to be annexed to the Property and which shall otherwise be in compliance with the requirements of the Act.

Upon the recording of each such Amendment to Condominium Declaration, the additional parcel or parcels therein described shall be deemed submitted to the Act and governed in all respects by the provisions of the Declaration and shall thereupon become part of the Property. No portion or portions of the Additional Area shall be subject to any part of the provisions of this Declaration unless and until an Amendment to Condominium Declaration is recorded annexing such portion or portions to the Property as aforesaid. The Owners shall have no rights whatsoever in or to any portion of the Additional Area, unless and until an Amendment to Condominium Declaration is recorded annexing such portion to the Property as aforesaid. Upon the expiration of said 7 year period, no portions of the Additional Area which have not theretofore been made a part of or annexed to the Property shall thereafter be annexed to the Property. No portions of the Additional Area must be added to the property. Portions of the Additional Area may be added to the property at different times within such 7 year period. Except as may be required by applicable laws and ordinances, there shall be no limitations (i) on the order in which portions of the Additional Area may be added to the Property, (ii) fixing the boundaries of these portions, or (iii) on the location of improvements which may be made on the Additional Area. The maximum number of Units which shall be created on the Additional Area is . The maximum number of Units per lot to be created on the Additional Area is Eight (8). Structures, improvements, buildings and Units to be constructed on portions of the Additional Area which are added to the Property need not (except to the extent required by applicable laws and ordinances) be compatible with the configuration of the Property in relation to density, use, construction and architectural style. The Trustee, Developer and their successor and assigns hereby reserve the right to construct, but need not construct on the Additional Area which is added to the Property, a swimming pool or other recreational facilities.

12.02 Amendments to Condominium Declaration. Each Amendment to Condominium Declaration shall include:

(a) An amendment to the legal description of the Parcel which shall add to the legal description of the Initial Area that portion or portions of the Additional Area annexed to the Property;

(b) An amendment to the Plat (Exhibit B attached hereto) which shall show the boundaries of the portion or portions of Additional Area annexed to the Initial Area, and delineating and describing the Units constructed or to be constructed on the portions of the annexed Additional Area;

(c) An amendment to Exhibit C attached hereto which shall set forth the amended percentages of ownership interest in the Common Elements, including the Common Elements attributable to those portions of the Additional Area annexed to the Property, allocable to each Unit, including all existing Units and additional Units, if any, added by such Amendment to Condominium Declaration; and

12.03 Determination of Amendments to Percentages of Ownership Interest in Common Elements. The percentages of ownership interest in the Common Elements allocable to each Unit, as amended by each Amendment to Condominium Declaration, shall be determined as follows:

(a) The Common Elements, as amended by such Amendment to Condominium Declaration, shall be deemed to consist of the Common Elements as existing immediately prior to the recording of such Amendment to Condominium Declaration (the "Existing Common Elements") and the Common Elements added by such Amendment to Condominium Declaration (the "Added Common Elements");

(b) The Units, as amended by such Amendment to Condominium Declaration, shall be deemed to consist of the Units as existing immediately prior to the recording of such Amendment to

Condominium Declaration (the "Existing Units") and the Units added by such Amendment to Condominium Declaration (the "Added Units");

(c) The value of each of the Added Units (which value shall be determined by Developer) shall be added to the value of each of the Existing Units (which value shall be determined by Developer) and the total of all of such values shall be deemed to be the new value of the Units as a whole. Each of such values shall be determined by Developer as of the date of recording each Amendment to Condominium Declaration and each of such values determined by Developer shall be unconditionally binding and conclusive for all purposes notwithstanding the sale price of any Unit or Units;

(d) The percentage of ownership interest in the entire Common Elements (both the Existing Common Elements and the Added Common Elements) to be allocated to each of the Units (both the Existing Units and the Added Units) shall be computed by dividing the value of such Unit (as determined by Developer as described in the preceding subparagraph (c) by the value of the Units as a whole as determined by Developer as described in the preceding subparagraph (c);

(e) The Existing Units shall be entitled to their respective percentages of ownership interest in the Common Elements, as set forth in such Amendment to Condominium Declaration, in the Added Common Elements and in the Existing Common Elements;

(f) The Added Units shall be entitled to their respective percentages of ownership interest in the Common Elements as set forth in such Amendment to Condominium Declaration, in the Added Common Elements and in the Existing Common Elements;

(g) All of the provisions of this Declaration, as amended by each successive Amendment to Condominium Declaration, shall be deemed to apply to all of the Units (both the Added Units and the Existing Units) and to all of the Common Elements (both the Added Common Elements and the Existing Common Elements); and

(h) The recording of an Amendment to Condominium Declaration shall not alter or affect the amount of any lien for Common Expenses due from the Owner of any Existing Unit prior to such recording, nor the respective amounts theretofore assessed to or due from Owners of Existing Units for Common Expenses or other assessments.

12.04 Existing Mortgages. Upon recording of each Amendment to Condominium Declaration, the lien of each mortgage encumbering an Existing Unit, together with its appurtenant percentage of ownership interest in the Existing Common Elements, shall automatically be deemed to be adjusted and amended to encumber such Unit and the respective percentage of ownership interest in the Common Elements for such Existing Unit as set forth in such Amendment to Condominium Declaration, and the lien of such mortgage shall automatically attach to such percentage interest in the Added Common Elements.

12.05 Binding Effect. Each Owner and each mortgagee, grantee, heir, administrator, executor, legal representative, successor and assign of such Owner, by such person's or entity's acceptance of any deed or mortgage or other interest in or with respect to any Unit Ownership, shall be deemed to have expressly agreed and con-

mented to (i) each and all of the provisions of this Article XII, (ii) the recording of each Amendment to Condominium Declaration which may amend and adjust such person's or entity's respective percentage of ownership interest in the Common Elements including the Existing Common Elements and the Added Common Elements from time to time as provided in this Article XII; and (iii) all of the provisions of each Amendment to Condominium Declaration which may hereafter be recorded in accordance with the provisions of this Article XII. The acceptance by any persons or entities of any deed, mortgage, or other instrument with respect to any Unit Ownership shall, in addition to the foregoing, be deemed to constitute a consent and agreement to and acceptance and confirmation by such person or entity of such power to such attorney in fact and of each of the following provisions as though fully set forth in such deed, mortgage or other instrument:

(a) The percentage of ownership interest in the Common Elements appurtenant to such Unit shall automatically be deemed reconveyed effective upon the recording of each Amendment to Condominium Declaration and reallocated among the respective Owners in accordance with the amended and adjusted percentages set forth in each such Amendment to Condominium Declaration;

(b) Such deed, mortgage or other instrument shall be deemed given upon a conditional limitation to the effect that the percentage of ownership interest in the Common Elements appurtenant to such Unit shall be deemed divested pro tanto upon the recording of each such Amendment to Condominium Declaration and revested and reallocated among the respective Owners in accordance with the amended and adjusted percentages set forth in each such Amendment to Condominium Declaration;

(c) To the extent required for the purposes of so amending and adjusting such percentages of ownership interest in the Common Elements as aforesaid, a right of revocation shall be deemed reserved by the Grantor of such deed, mortgage or other instrument with respect to such percentage of ownership interest in the Common Elements granted therein;

(d) Such adjustments in the percentages of ownership interest in the Common Elements, as set forth in each such Amendment to Condominium Declaration, shall be deemed to be made by agreement of all Owners and other persons having any interest in the Property, and shall also be deemed to be an agreement of all Owners and such other persons to such changes within the contemplation of the Act; and

(e) Each Owner by acceptance of the deed conveying his Unit Ownership agrees for himself and all those claiming under him, including mortgagees, that the Declaration and each Amendment to Condominium Declaration is and shall be deemed to be in accordance with the Act.

A R T I C L E XIII

GENERAL PROVISIONS

13.01 Certain Rights of the Trustee and Developer. Until the time established by the Declaration for the election of the initial Board by the Owners; the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board in the Act and in this Declaration shall be held and performed by Beneficiaries and/or Developer. If the initial Board shall not be elected by the Owners at the time established by this Declaration, Beneficiaries and/or Developer shall continue in the aforesaid office for a period of thirty (30) days after written notice of its resignation is sent to all of the owners entitled to

vote at such election. In exercising such rights, and the other rights reserved by the Trustee and/or Developer, pursuant to this Declaration, the Trustee and/or Developer (or their designees on the Board) shall not be under any disability which would otherwise be imposed by law by reason of the Trustee's and/or Developer's interest in the subject matter of any transaction, provided, however, that any such transaction shall have been entered into in good faith.

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

13.03 Manner of Giving Notices. Notices provided for in this Declaration and in the Act shall be in writing and shall be addressed to the Board or Association, or any Owner, as the case may be, at the Unit address of any member of the Board or Owner or at such other address as herein provided. Any Owner may designate a different address or addresses for notices to him by giving written notice of his change of address to the Board or Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgement of the receipt thereof, or, if addressed to an Owner, when deposited in his mailbox in the Building or at the door of his Unit in the Building.

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

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

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

13.07 Change, Modification or Rescission. No provision of this Declaration affecting the rights, privileges and duties of the Trustee or Developer may be modified without their respective written consent. The provisions of Sections 10.4, and 13.12, Article XI and the following provisions of Section 13.07 of this Declaration may be changed, modified, or rescinded by an instrument in writing setting forth such change, modification or rescission, *signed and acknowledged by the Board, and by all of the Owners and all mortgagees having bona fide liens of record against any of the Unit Ownerships. Other provisions of this Declaration may be*

changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the Board, and approved by Owners having at least seventy-five percent (75%) of the total vote at a meeting called for that purpose provided, however, that all holders of first mortgages of record have been notified by certified mail of any change, modification, or rescission, and an affidavit by the Secretary of the Association certifying to such mailing is made a part of such instrument and provided further that any provisions herein which specifically grant rights to holders of first mortgages of record may be amended only with the written consent of all such holders of first mortgages. The change, modification or rescission shall be effective upon recordation of such instrument in the office of the Recorder of Deeds of Lake County, Illinois; provided, however, that no such change, modification or rescission shall change the boundaries of any Unit, the allocation of percentages of ownership in the Common Elements and votes in the Association, quorum and voting requirements for action by the Association, or liability for Common Expenses assessed against any Unit, except to the extent authorized by other provisions of this Declaration, or by the Act.

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

13.09 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of RONALD M. REAGAN, President of the United States.

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

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

13.12 Trustee Exculpation. The Declaration is executed by Chicago Title and Trust Company ("CT&T") as Trustee not personally as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and CT&T hereby represents that it possesses full power and authority to execute this instrument). It is expressly understood and agreed by every person,

firm or corporation hereafter claiming any interest under this Declaration that CT&T as Trustee as aforesaid, and not personally, has joined in the execution of this Declaration for the sole purpose of subjecting the title holding interest and the trust estate under said Trust No. 1081359 to the terms of this Declaration; that any and all obligations, duties, covenants, indemnities and agreements of every nature herein set forth by CT&T, as Trustee as aforesaid, to be kept or performed, are intended to be kept, performed, are intended to be kept, performed and discharged by the beneficiaries under said Trust No. 1081359 or their successors, and not by CT&T personally; and further, that no duty shall rest upon CT&T either personally or as such Trustee, to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation express or implied, arising under the terms of this Declaration, except where said Trustee is acting pursuant to direction as provided by the terms of said Trust No. 1081359 and after the Trustee has been supplied with funds required for the purpose. In event of conflict between the terms of this paragraph and of the remainder of the Declaration on any questions of apparent liability or obligation resting upon said Trustee, the exculpatory provision hereof shall be controlling.

13.13 Special Amendment. Developer and/or Trustee reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends the Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasipublic or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer and/or Trustee to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, 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 and/or Trustee to vote in favor of make, execute and record Special Amendments. The right of the Developer and Trustee to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Trustee or Developer no longer holds or controls title to a Unit.

IN WITNESS WHEREOF, the said Chicago Title and Trust Company; as Trustee as aforesaid and not individually, has caused its Corporate Seal to be affixed hereunto and has caused its name to be signed to these presents by its _____ and attested by its
this _____ day of _____, 1982.

CHICAGO TITLE AND TRUST COMPANY,
as Trustee as aforesaid and not
personally

ATTEST:

Its: _____

By : _____
Its: _____

**AMENDMENT TO THE
DECLARATION OF
CONDOMINIUM
OWNERSHIP, AND OF
EASEMENTS
RESTRICTIONS,
COVENANTS AND BY-
LAWS FOR HIDDEN
LAKE VILLAGE
CONDOMINIUM
ASSOCIATION**



Image# 044691910312 Type: CNA
Recorded: 05/05/2009 at 12:55:27 PM
Receipt#: 2009-00021428
Total Amt: \$347.00 Page 1 of 312
IL Rental Housing Fund: \$10.00
Lake County IL Recorder
Mary Ellen Vanderventer Recorder
File **6469141**

For Use By Recorder's Office Only

This document is recorded for the purpose of amending the Declaration of Condominium Ownership, and of Easements, Restrictions, Covenants and By-Laws (hereafter the "Declaration") for Hidden Lake Village Condominium Association, (hereafter the "Association"), which Declaration was recorded as Document Number 2207230 in the Office of the Recorder of Deeds of Lake County, Illinois, and covers the property (hereafter the "Property") legally described in Exhibit "A," which is attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, pursuant to Article 13, Section 13.07 of the Declaration, the provisions of the Condominium Instruments may be amended by an instrument in writing setting forth such amendment upon approval by vote of at least seventy five percent (75 %) of the total vote of the Unit Owners at a meeting called for that purpose, signed and acknowledged by the Board of the Association and containing an affidavit by the Secretary of the Board certifying that a copy of the amendment has been mailed by certified mail to all First Mortgagees having bona fide liens of record against any Unit; and

WHEREAS, said instrument has been signed and acknowledged by the Board; and

WHEREAS, an affidavit signed by the Secretary of the Association is attached hereto as Exhibit B certifying that said instrument has been approved by least seventy five percent (75%) of the total vote of the Unit Owners at a meeting called for that purpose; and

**This document prepared by and after
recording to be returned to:**
JOHN H. BICKLEY, III
Kovitz Shifrin Nesbit
750 Lake Cook Road, Suite 350
Buffalo Grove, IL 60089 — (847) 537-0500

WHEREAS, an affidavit signed
by the Secretary of the Association is

312-9*

attached hereto as Exhibit C certifying that said instrument has been mailed by certified mail return receipt requested to all of the First Mortgagees of record against any unit of the Association; and

WHEREAS, the effective date of the Amendment shall be the date of recordation; and

NOW, THEREFORE, the Association hereby declares that the Declaration be and is hereby amended as follows (additions in text are indicated by underline and deletions in text are indicated by ~~strike-out~~):

1. **Article VII Section (n)-Modify this section as follows:**

"(n) With the exception of a lender in possession of a unit following a default on the first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no owner shall be permitted to lease his unit for transient or hotel purposes. Any lease of the unit for less than one year shall be deemed to be a lease for transient or hotel purposes. ~~Owners shall be permitted to lease their unit, but not less than the entire unit, on such terms and conditions as the owners may deem advisable, and all such leases shall be in writing. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with the terms of this Declaration shall be a default under the lease.~~"

2. **Replace the deleted provisions above with the following:**

Notwithstanding any foregoing provisions of this Declaration to the contrary, with the exception of Paragraph (b) immediate family members and Paragraph (c) hardship situations, no unit may be leased unless and until the owner has resided in the unit for a period of at least one year immediately prior to the commencement of the lease. The aforesaid one year period must have commenced prior to the effective date of this amendment. In addition, upon transfer of ownership of the Unit, the Unit shall no longer be leased and shall be owner-occupied.

(a) The term "leasing of units" includes a transaction where the title holder of a unit, who does not reside therein, permits its occupancy by persons not on title regardless of whether a formal written lease exists or if consideration is paid therefore. Additionally, a "lease" shall include any transaction wherein possession of a unit is provided prior to transfer of title.

(b) Occupancy of a Unit by a Family Member(s) of a Unit Owner is permitted, and shall not constitute a lease as defined under this Amendment, even if there is no written memorandum or agreement executed by the parties. Family Member shall be defined as parent(s), grandparent(s), child(ren), grandchild(ren) and spouse of the Unit Owner. Unit Owner must provide Board of Directors with names and relationship of all family members occupying a unit along with proof of the family relationship within thirty (30) days upon request by the Board or Management Company.

(c) Hardship: If a hardship, as determined by the Board of Directors, exists, the Unit Owner may apply for a hardship waiver of the leasing restrictions set forth herein in the following manner:

(i) The Unit Owner must submit a request in writing to the Board of Directors requesting a six (6) month hardship waiver of this paragraph, setting forth the reasons why they are entitled to same.

(ii) If, based on the data supplied to the Board of Directors by the Unit Owner, the Board finds that a reasonable hardship exists, the Board may grant a waiver for a minimum of one (1) year. Any lease entered into shall be in writing and for a period of at least one (1) year and no more than two (2) years. The lease must also contain a provision that failure by the tenant or the Unit Owner to abide by the Declaration, Bylaws and the Rules and Regulations of the Association may, in the discretion of the Board of Directors, result in termination of the lease by the Board of Directors. All decisions of the Board shall be final.

(iii) Copies of all leases and executed riders must be submitted to the Board ten (10) days prior to occupancy.

(iv) All tenants shall acknowledge in writing that they have received copies of the Declaration, Bylaws and Rules and Regulations of the Association and a copy of the written receipt shall be submitted to the Board of Directors.

(v) In the event an Owner has been granted hardship status, they must re-apply within thirty (30) days prior to the expiration of each hardship period if they wish to request an extension.

(d) The provisions of the Act, the Declaration, By-Laws, other condominium instruments and Rules and Regulations that relate to the use of the individual Unit or the Common Elements (Governing Documents) shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease. In the event an Owner or Tenant shall violate any provision set forth herein, in the Governing Documents or Condominium Property Act (Act), said Owner or Tenant may be subject to a flat or daily fine to be determined by the Board of Directors upon notice and an opportunity to be heard.

(e) All Owners and tenants, including blood relatives, must comply with the provisions contained in the Crime Free Leasing Resolution and Addendum, as duly adopted by the Board of Directors and as may be from time to time amended by Resolution of the Board of Directors, and that is attached hereto as Exhibit "D" and incorporated herein.

(f) In addition to the authority to levy fines against the Unit Owner for violation of this Amendment or any other provision of the Act, Declaration, By-Laws or Rules and Regulations, the Board shall have all rights and remedies, including but not limited to the right to maintain an action for possession against the Unit Owner and/or their tenant, under 735 ILCS 5/9-111, an action for injunctive and other equitable relief, or an action at law for damages.

(g) Any action brought on behalf of the Association and/or the Board of Directors to enforce this Amendment shall subject the Unit Owner to the payment of all costs and attorneys' fees at the time they are incurred by the Association.

(h) All unpaid charges including legal fees as a result of the foregoing shall be deemed to be a lien against the Unit and collectible as any other unpaid regular or special assessment, including late fees and interest on the unpaid balance.

(i) This Amendment shall not prohibit the Board from leasing any Unit owned by the Association or any Unit which the Association has been issued an Order of Possession by the Circuit Court of Lake County.

(j) Notwithstanding anything herein to the contrary with the exception of Paragraph (b) immediate family members and Paragraph (c) hardship situations, no unit may be leased unless and until the owner has resided in the unit for a period of at least one year. The aforesaid one year period must have commenced prior to the effective date of this amendment. In addition, no lease shall be longer than two (2) years and upon transfer of ownership of the Unit, the Unit shall no longer be leased and shall be owner-occupied.

(k) Notwithstanding anything herein to the contrary, no Unit may be subleased.

(l) Notwithstanding anything herein to the contrary, copies of all leases and paperwork required under the Crime-Free Leasing Resolution and Addendum shall be submitted to the Board at least ten (10) days prior to occupancy.

This Amendment shall be effective upon recordation in the Office of the Recorder of Deeds of Lake County, Illinois.

Except to the extent expressly set forth hereinabove, the remaining provisions of the Declaration shall continue in effect without change.

APPROVED THIS 12th DAY OF March, ~~2008~~ 2009

Hidden Lake Village Condominium Association

By: Douglas B. Krasky
Its President

By: Laurie T. Fuester

By: Margaret Horner
Director

By: [Signature]

EXHIBIT A
LEGAL DESCRIPTION

Hidden Lake Village Condominium Association

Legal: Lots 1, 3, 4 And 5 In Hidden Lake Village Phase I, Being A Subdivision Of Part Of The Southwest Quarter Of Section 28, Township 43 North, Range 11 East Of The Third Principal Meridian According To The Plat Thereof Recorded October 1, 1982 As Document No. 2179441, In Lake County, Illinois, Excepting That Portion Of Lot 1 Described As Follows:

Beginning At The Northeast Corner Of Said Lot 1; Thence South 00 Degrees 02 Minutes 06 Seconds East Along The East Line Of Said Lot 1, Being Also The East Line Of The West 10 Acres Of The Southeast Quarter Of The Southwest Quarter Of Said Section 28, A Distance Of 358.84 Feet; Thence South 86 Degrees 58 Minutes 00 Seconds West Along The Northerly Line Of Exception To Blanket Easement No. 8 And Its Easterly Prolongation 205.21 Feet To The Northwest Corner Of Said Exception To Blanket Easement No.8; Thence South 71 Degrees 55 Minutes 08 Seconds West 40.19 Feet To The Northeast Corner Of Exception To Blanket Easement No. 7; Thence South 72 Degrees 12 Minutes 00 Seconds West Along The Northerly Line Of Said Exception To Blanket Easement No.7, 60.22 Feet; Thence North 21 Degrees 17 Minutes 00 Seconds West Along The Easterly Line Of Exception To Blanket Easement No. 6 And Its Southerly And Northerly Prolongations, 185.83 Feet To A Point On A Curve, Being The Southerly Line Of A Public Roadway Heretofore Dedicated As Morningside Lane East; Thence The Following Eleven (11) Courses And/Or Distances Along The Southerly, Easterly And Northerly Line Of Said Morningside Lane East: 1) Easterly Along The Arc Of A Curve Concave To The South, Having A Radius Of 156.50 Feet, Having A Chord Bearing Of South 13 Degrees 18 Minutes 16 Seconds East For A Distance Of 34.44 Feet To A Point Of Reverse Curvature; 2) Thence Easterly Along The Arc Of A Curve Concave To The North, Having A Radius Of 164.30 Feet, Having A Chord Bearing Of South 78 Degrees 00 Minutes 00 Seconds East For A Distance Of 63.09 Feet To A Point Of Tangency; 3) South 89 Degrees 00 Minutes 00 Seconds East 99.91 Feet To A Point Of Curvature; 4) Thence Easterly And Northerly Along The Arc Of A Curve Concave To The Northwest, Having A Radius Of 44.0 Feet, Having A Chord Bearing Of North 35 Degrees 30 Minutes 30 Seconds East For A Distance Of 85.23 Feet To A Point Of Tangency; 5) Thence North 19 Degrees 59 Minutes 00 Seconds West 38.95 Feet To A Point Of Curvature; 6) Thence Northerly, Westerly And Southerly Along The Arc Of A Curve Concave To The South, Having A Radius Of 44.0 Feet, Having A Chord Bearing Of South 88 Degrees 13 Minutes 30 Seconds West For A Distance Of 110.26 Feet To A Point Of Tangency; 7) Thence South 16 Degrees 26 Minutes 00 Seconds West 48.47 Feet To A Point Of Curvature; 8) Thence Southerly And Westerly Along The Arc Of A Curve Concave To The Northwest, Having A Radius Of 25.0 Feet, Having A Chord Bearing Of South 53 Degrees Minutes 43 Minutes 00 Seconds West For A Distance Of 32.54 Feet To A Point Of Tangency; 9) Thence North 89 Degrees 00 Minutes 00 Seconds West 6.56 Feet To A Point Of Curvature; 10) Thence Westerly Along The Arc Of A Curve Concave To The North, Having A Radius Of 137.30 Feet, Having A Chord Bearing Of North 78 Degrees 00 Minutes 00 Seconds West For A Distance Of 52.72 Feet To A Point Of Reverse Curvature; 11) Thence Westerly Along The Arc Of A Curve Concave To The South, Having A Radius Of 183.50 Feet, Having A Chord Bearing Of North 73 Degrees 16 Minutes 58 Seconds West For A Distance Of 40.24 Feet; Thence Leaving The Northerly Line Of Said Morningside Lane East And Running North 06 Degrees 4E Minutes 28 Seconds East Along The Easterly Line Of Exception To Blanket Easement No. 1 And Its Southerly And Northerly Prolongations To A Point On The Southerly Line Of A Public Roadway Heretofore Dedicated As Busch Road; Thence North 89 Degrees 39 Minutes 23 Seconds East Along Said Southerly Line Of Busch Road 10.92 Feet To An Angle Point On The West Line Of The Southeast Quarter Of The Southwest Quarter Of Said Section 28; Thence North 89 Degrees 38 Minutes 51 Seconds East 328.83 Feet To The Place Of Beginning;

Also Except: That Center Island Portion Of Lot 1 Encompassed By The Right-Of-Way Of Said Public Roadway Heretofore Dedicated As Morningside Lane East,

Lots 6, 7, 8, 9 And 12, Private Open Space, In Hidden Lake Village Phase II, Being A Subdivision Of Part Of The Southwest Quarter Of Section 28, Township 43 North, Range 11 East Of The Third Principal Meridian, According To The Plat Thereof Recorded August 30, 1983 As Document No, 2235193, In Lake County, Illinois, Excepting That Portion Of Lot 12 Described As Follows:

Beginning At The Southwest Corner Of Said Lot 12; Thence North 00 Degrees 00 Minutes 00 Seconds East Along The West Line Of Said Lot 12 A Distance Of 33.42 Feet; Thence Leaving Said West Line Of Lot 12 and Running South 80 Degrees 07 Minutes 27 Seconds East A Distance Of 31.62 Feet; Thence South 76 Degrees 41 Minutes 02 Seconds East A Distance Of 66.19 Feet; Thence North 85 Degrees 11 Minutes 14 Seconds East A Distance Of 44.30 Feet; Thence South 87 Degrees 45 Minutes 51 Seconds East A Distance Of 52.66 Feet; Thence South 86 Degrees 02 Minutes 36 Seconds East A Distance Of 176.98 Feet To A Point On The South Line Of Said Lot 12, Being Also The North Line Of Lot 11, Public Bikeway, In Said Hidden Lake Village Phase II; Thence South 89 Degrees 39 Minutes 30 Seconds West Along Said South Line Of Lot 12, Being Also Said North Line Of Lot 11, A Distance Of 368.89 Feet To Said Point Of Beginning, In Lake County, Illinois,

Lots 14 And 15 In Hidden Lake Village Phase III, Being A Subdivision Of Part Of The Southwest Quarter Of Section 28, Township 43 North, Range 11 East Of The Third Principal Meridian, According To The Plat Thereof Recorded April 18, 1986 As Document No. 2435162, In Lake County, Illinois.

EXHIBIT B

CERTIFICATION AS TO UNIT OWNER APPROVAL

I, Laurie Fieldsteel, do hereby certify that I am the duly elected and qualified Secretary for the Association at hidden Lake Village Condominium Association, and as such Secretary, I am the keeper of the books and records of the Association.

I further certify that the attached Amendment to the Declaration was duly approved by an affirmative vote of seventy five percent (75%) of the owners at a meeting called for that purpose, in accordance with the provisions of Article 13, Section 13.07 of the Declaration.

Laurie T. Fieldsteel
Secretary

Dated at Lake County Illinois this
17 day of March, ~~2008~~ 2009

EXHIBIT C


AFFIDAVIT OF NOTICE TO THE FIRST MORTGAGEES

STATE OF ILLINOIS)

COUNTY OF LAKE

) SS
)

I, KERRY T. BARTELL, state that I am the Attorney of Record for the Hidden Lake Village Condominium Association, an Illinois not-for-profit corporation and condominium, and that pursuant to Article 13, Section 13.07 of the Declaration of Condominium Ownership for said condominium, written notice of the foregoing amendment has been sent by certified mail return receipt requested to all First Mortgagees of record against any unit in the aforesaid condominium


Kerry T. Bartell

Subscribed and sworn to before me
this 27th day of April, 2009.

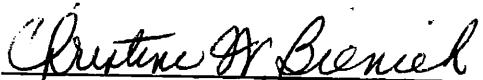

Notary Public



EXHIBIT D
CRIME FREE LEASING

HIDDEN LAKE VILLAGE CONDOMINIUM ASSOCIATION

RESOLUTION

WHEREAS, the Hidden Lake Village Condominium Association ("Association") is an Illinois not-for-profit corporation, organized and operating for the purpose of administering and maintaining the common elements at the property commonly known as the Hidden Lake Village; and

WHEREAS, Association is administered by a duly elected Board of Managers in accordance with a certain Declaration and By-Laws; and

WHEREAS, the Board of Managers is charged with the responsibility of maintaining the property and acting in the best interests of the members of the Association; and

WHEREAS, the Board of Managers has deemed it to be in the best interests of the Association to adopt the following rules regarding the Crime-Free leasing Program.

NOW, THEREFORE, BE IT RESOLVED:

1. The rules and regulations of the Hidden Lake Village Condominium Association are amended to include the following provisions:

Leases, Tenants and Non-Resident Unit Owners

It is the owner's responsibility to comply with the following:

Provide the Association with a copy of the lease and executed lease rider, or any renewals thereof, and Crime free Lease Addendum **no less than ten days** prior to occupancy. The lease must include names of all the residents. All tenants must be provided a copy of the Declaration, By-Laws, Rules and Regulations upon executing a lease for the unit. All leases must be in writing and for a period of not less than one year. All leases must be in conformance with, and make specific reference to, the legal documents of the Association. All current tenants will receive the new Crime Free Addendum within thirty (30) days of filing with the County.

During the terms of the lease, no new roommate may move in without a new lease being generated, containing the names of all tenants residing in the unit, (A new roommate is someone staying longer than 30 days). A copy of the new lease, new lease rider and **Crime free Lease Addendum** must be sent to the management office. A background criminal check must be done on the new person(s) prior to moving in. All moving rules must be followed during this time.

There are several important items that every investor-owner must consider before leasing his/her unit. Hidden Lake Village Condominium Association is a Crime Free Community and has implemented this program:

A. Owners must notify prospective tenants that Hidden Lake Village Condominium Association is a **Crime Free Community**.

B. Owners must show current and/or prospective tenants the **Crime Free Lease Addendum**. This addendum must be initialed by prospective tenants to indicate they have seen it prior to completing the application. This includes all current tenants.

C. Owners must get a completed application from prospective tenants.

D. Owners must do a criminal background check on current tenants within 30 days of the effective date of this Resolution and on all prospective tenants prior to their move into a unit. This must be done for everyone who will be residing in the unit who is over the age of 18. Owners must submit proof to the management company that this was done prior to the tenant moving into the unit. This shall also be done every two (2) years regardless of the term of the Lease or if the same tenant resides in the Unit. All such costs shall be borne by the Owner. The criminal background check shall be based on a national search of records performed by a third party vendor and subject to approval by the Board.

SHOULD ANY OWNER FAIL TO COMPLY WITH SECTION 1, A, B, C OR D ABOVE THEY WILL BE FINED \$1000.00.

E. All leases must be in writing and for a period of not less than one year nor more than two years unless the Board consents in writing to the contrary. No unit owner may lease less than the entire unit. The unit may not be leased for transient or hotel purposes. All leases must be in conformance with, and make specific reference to, the legal documents of the Association. Owners must get the **Crime Free Lease Addendum** and the **Lease Rider** signed by all tenants and must make it a part of their lease. The Owner is also required to submit a signed copy of the Addendum to Hidden Lake Village Condominium Association's property management company prior to leasing their premises, along with the Resident Information form stating their number and name of all tenants, including children, who will be residing at their unit. This information will also include the phone number of the unit, all work numbers, emergency contact information, make, model and license plate number of vehicles used by the occupants.

F. All leases must be current. The management office must be sent a copy of all updated leases and lease riders 10 days prior to the effective date of renewal. Failure to do so will result in a \$1000.00 fine per month as well as \$100 additional fine per week until compliance. Additionally, unless otherwise provided by law, any Unit Owner who fails to provide such information shall be deemed to have waived the right to

receive notices at any address other than the address of the Unit, and the Association shall not be liable for any loss, damage, injury or prejudice to the rights of any such Unit Owner caused by any delays in receiving notice resulting therefrom.

G. Discrimination on the basis of age, race, color, creed, national origin or sex is not allowed.

H. If a tenant violates the documents or rules and regulations, the owner shall also be held responsible. The Association shall have the right to maintain an action for eviction directly against the tenant and owner in the event that the tenant is held to be in violation of the Declaration or the rules and regulations, in accordance with the rights of the Association under the Declaration.

I. Any violations of the Declarations, By-Laws or these Rules and Regulations may result in a flat or daily fine or in more serious situations, barring a tenant from moving in or initiating eviction proceedings. All fines, costs and legal fees will be charged to the unit owner.

J. Sub-leasing is not allowed.

K. Owners may not rent their units to any person or persons who have a) been adjudicated a registered sex offender, b) ever been convicted of any violent criminal activity or c) been convicted of a drug-related criminal activity within the last ten (10) years. "Violent criminal activity" is defined as any felonious criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another. "Drug-related criminal activity" is defined as the illegal manufacture, sale, distribution, or use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in Section 102 of the Controlled Substances Act [21 U.S.C. 802]).

A VIOLATION OF SECTIONS F, G, H, I, J OR K AS SET FORTH ABOVE MAY RESULT IN A MINIMUM \$1000.00 FINE FOR THE FIRST VIOLATION, \$1250.00 FOR THE SECOND VIOLATION, AND \$1500.00 FOR THE THIRD AND EACH SUBSEQUENT VIOLATION.

Anytime a crime is committed on this property which involves a resident, tenant, guest, or invitee of a tenant, resident or guest, regardless of age, the following fines will be assessed to the owner of the respective unit involved.

Activities on this property such as, but not limited to, disturbing the peace, fighting, vandalism, property damage, offensive behavior, harassment, intimidation, public drunkenness (adult), party out-of-control if supported after notice and opportunity to be heard on the matter:

1 st offense	\$100.00
2 nd offense	\$250.00

Thereafter \$500.00

Activities on this property such as, but not limited to, domestic violence, child abuse, assault, burglary, theft, public drunkenness (minors), possession of illegal drugs, minors in possession of alcohol, DUI, possession of stolen property if supported, after notice and opportunity to be heard on the matter:

1st offense \$250.00
Thereafter \$500.00 per incident

Activities on this property such as, but not limited to, manufacturing or distributing illegal drugs, any crime related to gang activity; illegal possession of firearm or weapon; discharge of firearm, aggravated assault, arson, kidnapping, murder if supported, after notice and opportunity to be heard on the matter.

1st offense and thereafter \$1000.00 per incident

A single violation of any of the provisions of this added addendum shall be deemed a serious violation and material non-compliance with the lease. It is understood and agreed that a single violation shall be good cause for termination of the lease under Illinois Compiled Statute.

This policy becomes effective March 12, 2009. All lease agreements signed prior to this date shall still be subject to the above rules, however, the owner shall be required to provide the Association with a criminal background check for any tenants who are over the age of 18 within 30 days of the effective date of this Resolution. Owners are immediately responsible for providing the association with a current Resident Information Form. The names on the Resident Information Form should be the same as those on the lease. Owners are also responsible for providing their tenants with information regarding this program and letting them know that crime will not be tolerated at Hidden Lake Village Condominium Association.

Fines for actions of individuals may be mitigated on a case by case basis (depending on the severity of the crime or damage and positive action taken regarding correction), with any decision made to be in the discretion of the Board and its decision shall be final and binding.

All expenses of the Association in connection with any violation under these rules shall be assessed to the account of the Unit Owner responsible.

Approved this 12th day of March, 2009.

Board of Managers of Hidden Lake Village Condominium Association

By: Colonel A. Kirby
Its President

ATTEST:

By: Louis T. Fucillo
Its Secretary