

DECLARATION OF CONDOMINIUM OWNERSHIP
FOR
LONG BAY POINT LAKEHOMES - A CONDOMINIUM

THIS DECLARATION (hereinafter "Declaration") made and entered into by THE BRANIGAR ORGANIZATION, INC., an Illinois corporation, (hereinafter for convenience referred to as "Declarant" or "Developer");

WITNESSETH:

WHEREAS, the Declarant is the legal title holder of the real estate described on Exhibit "A", attached hereto and by this reference made a part hereof (hereinafter for convenience referred to as "Parcel"), and further, Declarant is the legal title holder of the real estate described on Exhibit "A-1", attached hereto and by this reference and made a part hereof (hereinafter sometimes referred to as the "Future Development Area"), all of said real estate being located at THE GALENA TERRITORY, County of Jo Daviess and State of Illinois; and

WHEREAS, the Declarant is constructing on said Parcel two (2) lowrise residential buildings containing twenty-two (22) dwelling Units (as hereinafter defined, and, from time to time hereafter, Declarant, in its sole discretion, may develop the "Future Development Area" or portions thereof, in separate parcels, and may, in its sole discretion, from time to time hereafter, submit all or portions of said phases of the "Future Development Area" to the terms and conditions of this Declaration as set forth herein; and

WHEREAS, the Declarant 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 sometimes referred to as the "Act"), and is further desirous of establishing for its own benefit and that of all future owners or occupants of the Property, or any part thereof (which shall be known as the "Long Bay Point Lakehomes - A Condominium"), certain easements and rights in, over and upon the Property and mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

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

NOW, THEREFORE, the Declarant, as the Owner of the Parcel and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I

Definitions

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

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

1.02. Developer or Declarant: The Branigar Organization, Inc. For purposes of the Declaration, the terms Developer and Declarant shall be considered interchangeable as to the rights and obligations contained herein. The term Declarant, as defined herein, shall also include such of their successors and assigns who are specifically assigned the respective rights and obligations of Declarant hereunder and Declarant shall have the right to assign any or all of its rights or obligations to any such successor or assign.

1.03. Parcel: The tract of real estate described on said attached Exhibit "A" which is hereby submitted to the provisions of the Act.

1.04. Property: All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and recreation facilities and parking areas and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit, or enjoyment of the Unit Owners, submitted to the provisions of the Act.

1.05. Unit: A part of the Property designated and intended for any type of independent use, including unbuilt Units provided such have been subjected to the Act pursuant to this Declaration or any amendment hereto.

1.06. Common Elements: All portions of the Property, except the Units.

1.07. Limited Common Elements: A portion of the Common Elements so designated in this Declaration as being reserved to a certain Unit or Units, to the exclusion of other Units, including, but not limited to, storage areas, rear decks, screen porches and rear balconies.

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

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

1.10. Owner or Unit Owner: The person or persons whose estate or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit, including the Developer.

1.11. Occupant: Person or persons, other than an Owner, in lawful possession of one or more Units.

1.12. Majority or Majority of the Unit Owners: The Owners of more than 50% in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners (or total votes) means such percentage in the aggregate in interest of such undivided ownership.

1.13. Plat: The Plat or Plats of Survey of the Parcel and all Units in the Property submitted to the provisions of the Act, which Plat or Plats is attached hereto as Exhibit "B", and by reference incorporated herein and made a part hereof, and recorded and filed concurrently with the recording of this Declaration. The Developer reserves the right to record an additional Plat or Plats of all or portions of the Future Development Area from time to time adding additional Units and property to the terms and conditions of this Declaration, and also reserves the right to amend any Plat or Plats to make corrections in all Plats or to withdraw Common Elements pursuant to Article XII hereof.

1.14. Building: The Building or Buildings constructed by the Developer and forming part of the part of the Property and containing the Units as indicated by the Plat for Long Bay Point Lakehomes - A Condominium.

1.15. Act: The Condominium Property Act of the State of Illinois, as amended.

1.16. Future Development Area: The entire tract of real estate described on attached Exhibit "A-1".

1.17. Association: The Long Bay Point Lakehomes Condominium Association.

1.18. Board of Managers or Board: The persons in whom the administration of the Property shall be vested as selected pursuant to the terms of this Declaration, the Articles of Incorporation of the Association, and by the By-Laws thereof.

ARTICLE II

Units

2.01. Description and Ownership:

(a) All Units in the Buildings located on the Parcel are delineated on the Plat or Plats attached hereto as Exhibit "B". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

(b) Each Unit is bounded by and shall consist of the space enclosed and bounded by the horizontal and vertical planes as delineated on Exhibit "B".

(c) Except as otherwise provided by the Condominium Property Act, no Unit Owner shall, by deed, plat or otherwise, combine or 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 the Plat.

2.02. Certain Structures Not Constituting Part of a Unit: Except as a tenant-in-common with all other Unit Owners so

served, no Unit Owner shall own any pipes, wires, conduits, public utility lines, ducts, structural components or water meters running through his Unit and serving more than his Unit, whether or not such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

ARTICLE III

Common Elements

3.01. Description: Except as otherwise provided in this Declaration, the Common Elements shall consist of all portions of the Property, except the individual Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, on which a Building is located, entrances and exits, hallways, stairways, front entry balconies, storage areas, attics, roofs, outside air conditioning compressors, pipes, ducts, chimney flues, electrical wiring and conduits, piping, sewers, sewer lines, public utility lines and other utility installations to the outlets, such component parts of air conditioning piping, floors, ceilings and perimeter walls not considered as part of a Unit as shown on the Plat, and all structural parts of the Buildings, including all structural columns located within the boundaries of a Unit. The Common Elements shall also include any areas outside of the Buildings and any recreational facilities or areas and parking areas on the Property.

3.02. Ownership and Use of Common Elements: Each Unit Owner shall be entitled to and own an undivided interest in the Common Elements, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of such Owner's Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. Such right to use the Common Elements shall extend to each Unit Owner, his agents, tenants, family members and invitees and shall be subject to this Act, this Declaration and rules and regulations of the Board of Manager of the Association. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in the schedule attached hereto as Exhibit "C" or as amended from time to time and set forth in a recorded Amendment provided for herein and by this reference made a part hereof as though fully set forth herein. The aforesaid percentages of ownership interest have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by recorded Amendment to this Declaration including a revised Exhibit "C", either in accordance with the Act or as otherwise provided in this Declaration including Articles XI and XII hereof. Each Unit Owner's right to vote is set forth in Section 5.04 of this Declaration.

3.03. Limited Common Elements:

(a) A portion of the Common Elements are composed of "Limited Common Elements" which are reserved for the use of a certain Unit or Units to the exclusion of other Units. Storage areas, rear decks, screen porches and rear balconies are hereby designated as Limited Common Elements, and each Unit Owner shall be entitled to the exclusive use and possession of that storage area, rear deck, screen porch or rear balcony area, direct access to which is provided from any part of his respective Unit, and which is or are located outside of an adjoining any part of his respective Unit, or to which he is assigned.

(b) The Board is responsible for the repair, maintenance, operation and appearance of the Limited Common Elements. Notwithstanding the foregoing, at the discretion of the Board, the repair, maintenance, operation and appearance of the Limited Common Elements may be assessed in whole or in part to the Unit Owners benefited thereby. The Unit Owners of any Building shall not alter the Limited Common Elements of a Unit or a particular Building except to the extent and in conformance with the rules and regulations adopted by the Board.

ARTICLE IV

General Provisions as to Units and Common Elements

4.01. Submission of Property to the Act: The Property is hereby submitted to 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. No Partition of Common Elements or Units: As long as the Property is subject to the provisions of the Act, no Unit Owner shall bring any action for partition or division of the Common Elements; provided, however, that this provision shall not prevent the Developer from withdrawing Common Elements from this Declaration and the provisions of the Act pursuant to Article XII hereof.

4.04. Maintenance of Common Elements; Common Expenses: Except as otherwise provided in this Declaration, management, maintenance, repair, alteration and improvement of the Common Elements (including the Limited Common Elements) shall be the responsibility of the Board or Association. Each Unit Owner shall pay his proportionate share of the common expenses. In the event of the failure of a Unit Owner to pay his proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act. Except as otherwise expressly provided herein, the Declarant hereby agrees to maintain the Common Elements until the date the first Unit is conveyed to a Purchaser. From and after the date of said conveyance, the Association agrees to maintain, repair and replace the Common Elements.

4.05. Limited Common Elements: All storage areas, rear decks, screen porches and rear balconies to the extent not part of a Unit, if any, shall be part of the Limited Common Elements and not a part of any individual Unit; however, each Unit Owner shall be entitled to the exclusive use and possession of such areas, direct access to which is provided from his respective Unit. A Unit Owner shall not change said storage area, rear deck, screen porch or rear balcony in any manner contrary to such rules and regulations as may be established by the Association.

4.06. Television Antennas: The Buildings constituting the Property may have master television antenna systems

serving the Units within said Buildings and to the extent necessary for the Association, or its designees to inspect, repair or replace said system, each Unit owner does hereby grant to the Association, the Board or its designees, an easement and right of access at all necessary times to inspect, repair or replace said system.

4.07. Easements:

(a) Encroachments: In the event that, by reason of the construction, settling or shifting of all or any of the Buildings, or the design or construction of any Unit, 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 of any other Unit, or if, by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the Buildings containing such Unit shall remain standing.

(b) Easements for Utilities and Commercial Entertainment: The Illinois Bell Telephone Company, Jo Carroll Electric Cooperative, Galena Territory Utilities, Inc., and all other public utilities servicing the Property and the Future Development Area and any person or entity providing cable television or other commercial entertainment to any Unit Owners or to the Property, are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace conduits, cables, pipes, wires, transformers, switching apparatus and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the Property and the Future Development Area with utility services, together with reasonable rights of ingress to and egress from the Property for said purpose. The Board or Association may hereafter grant other or additional easements for utility and commercial entertainment purposes for the benefit of the Property over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge and record for and in the name of such Unit 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 or commercial entertainment lines and structural components running through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit Boundaries.

(c) Developer's Reservation of Rights: Anything contained in this Declaration to the contrary notwithstanding, the Declarant hereby reserves for itself, its agents, employees, contractors, subcontractors, workmen, materialmen, invitees, and any successor builders, an easement under, over and across the Common Elements (as amended from time to time by annexation) located thereon or any part thereof, for the purposes of constructing, completing, repairing, maintaining, inspecting, exhibiting, selling and renting any Units or Buildings then owned by the Declarant and for the purpose of constructing, completing, repairing, maintaining, inspecting and exhibiting facilities permitted herein on the Common Elements, including the maintenance of sales or construction trailers, offices or other such facilities and the placing and maintenance of "Sold" or "For Sale" or "For Rent" signs on the Property as deemed appropriate

by the Declarant or Developer to facilitate the sale of unsold Units.

(d) Water Charges; Watering Common Areas; Certain Exterior Water Faucets: All water used by the Declarant, Association or Unit Owners for maintenance of the Common Elements shall be deemed a common expense. The Declarant reserves for itself, the Association and their designees, their successors and assigns, the right to attach hoses and other water sprinkling devices to, and obtain water from, the water faucets on the exterior of the first floor of the Buildings on the Property to furnish water to clean and maintain the Common Elements. The duty to maintain, repair and replace the exterior portion of said outside water faucets shall remain in the Association and this shall be an Association expense. This grant is perpetual and cannot be terminated without the consent of the Board and, so long as Declarant owns Units on the Property or Future Development Area, without the consent of the Declarant.

(e) Portions of Long Bay Point Drive Subject to Easement. Anything contained in this Declaration to the contrary notwithstanding, Declarant hereby reserves for itself, its successors and assigns, and hereby reserves for and grants a non-exclusive easement for the benefit of the general public, in common with all Unit Owners, over, along and across that portion of the Property known or to be known as Long Bay Point Drive for ingress and egress to all lands along and adjacent to said easement premises and for the erection and maintenance of identification and directional signs regarding the Property and other properties within The Galena Territory. Said easement premises shall remain a Common Element and the management, repair, alteration and improvement thereof shall be the responsibility of the Board or Association pursuant to Section 4.04 of this Declaration.

(f) Easements to Run with Land: All easements and rights described herein are easements appurtenant to and running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the purchaser, mortgagee and other person having an interest in the Property or Future Development Parcel, or any part or portion thereof. Reference in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article or described in any other part of this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees, and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4.08. Plat Amendments: It is understood that when Exhibit "B" was prepared, or as additions thereto relating to adding on of additional property are, from time to time hereafter, being prepared, the Building located on the Parcel or the added parcel, respectively, were substantially, but not wholly, completed, and since the structural components of the Buildings constituting all the Unit boundaries were not then in place, the Declarant reserves the right to, and shall, cause to be recorded from time to time until all of said structural components are in place, an amended plat or plats showing the actual locations and dimensions of the boundaries of those Units in the Building that are completed after the date Exhibit "B" was prepared. Whenever in this Declaration the term "plat", "plats", or "Exhibit 'B'" appears, it shall be deemed to include such amended plat or plats as shall be hereafter recorded pursuant to this paragraph.

4.09. Separate Mortgages of Units: Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the property or any part thereof, except his own Unit and his own respective ownership interest in the Common Elements as aforesaid.

4.10. Separate Real Estate Taxes: It is intended that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements. Upon authorization by the affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, the Board of Managers, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment of levy or any such taxes, special assessments or charges, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

4.11. Utilities: Each Unit Owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

4.12. Insurance; Unit Owners:

(a) Each Unit Owner shall be responsible for obtaining and keeping in full force and effect his own insurance (i) insuring any additions, alterations, improvements or betterments made by any Unit Owner to his own Unit (unless the Board has agreed otherwise in writing pursuant to subsection (b), below); (ii) insuring any decorating, furnishings and personal property within his own Unit and any personal property stored elsewhere on the Property; and (iii) insuring his personal tort liability arising out of his ownership of his Unit; all to the extent not covered by the fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses as provided below in Section 5.08(a) and (b) of this Declaration.

(b) The Board shall not be responsible for obtaining insurance on any such betterments made by any Unit Owner to his own Unit unless and until such Unit Owner notifies the Board in writing of the nature and value of any such betterments and in such notice requests the Board to obtain additional insurance attributable to his Unit and agrees to pay for or reimburse the Association for any additional premiums attributable to such additional insurance and unless and until the Board agrees, in writing, to do so. If no such written agreement is entered into, 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 any such betterments.

(c) Each Unit Owner, the Board and Association hereby waive and release any and all claims which they may have against any other Unit Owner, the Association, its officers, members of the Board, the Developer, the manager and managing agent of the Building, if any, 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.

4.13. Maintenance, Repairs and Replacement:

(a) By the Board: The Board or Association, at its expense, shall be responsible for the maintenance, repair and replacement of the exterior portions of the Buildings, and 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, the Board or Association shall maintain, repair and replace all Common Elements, including but not limited to chimney flues, conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to the Unit unless such is the responsibility of an individual Owner under Section 3.03(b), 4.13(b), 4.14 or any other provision of this Declaration. Decorating of the Common Elements and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses.

(b) By the Owner: Except as otherwise provided in paragraph 4.13(a) above, each Unit Owner shall furnish and be responsible for, at his own expense:

(1) All of his maintenance, repairs and replacements within his own Unit, including the windows and doors of his own Unit; all internal installations in such Unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures, and heating, plumbing and air conditioning fixtures or installations; external air conditioning compressors; and any portion of any other utility service facilities located within the Unit boundaries as specified in Section 2.01 or partially within and partially outside the Unit boundaries and serving only such Unit. The Board or Association may provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Building personnel as a Common Expense.

(2) All of the decorating within his own Unit from time to time, including painting, wallpapering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition, at his sole expense, as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board or Association. The interior and exterior surfaces of all windows and doors forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of

each respective Unit Owner. Notwithstanding anything to the contrary, no Unit Owner shall have a claim against the Board, Association or another Unit Owner for any work ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has performed or paid for, unless the same shall have been agreed to in writing in advance by the Board or Association.

4.14. Negligence of Owner: Unit Owners, the Board and the Association hereby waive any and all claims which they may have against any other Unit Owner due to the negligent act or omission of said Unit Owner, or a member of his family or household pet or of a guest or any other authorized occupant or visitor of such Unit Owner for damage caused to the Common Elements or Units owned by others, to the extent that such damage is covered by insurance carried by the Association or Board of Managers or the Unit Owner who has suffered damage. Except as otherwise set forth in this Declaration, if due to the negligent act or omission of a Unit Owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board whose determinations shall be uniformly applied considering the particular circumstances of each situation.

4.15. 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 or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the rules and regulations of the Board. 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 serving other Units or the Common Elements.

4.16. Alterations, Additions and Improvements: No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board.

[THE PROVISIONS OF THE FOLLOWING ARTICLES]
[V, VI, VII AND IX SHALL CONSTITUTE THE]
[THE INITIAL AND BASIC BYLAWS OF THE]
[ASSOCIATION AS PRESCRIBED BY THE ACT.]

ARTICLE V

Administration; Meetings; Voting

5.01. Board of Managers; Association: The direction and administration of the Property shall be vested in a Board of Managers (herein sometimes referred to as the "Board"), consisting of five (5) persons who shall be elected in the manner hereinafter provided. The Unit Owners, acting collectively through the Board, shall be known as the Long Bay Point Lakehomes Condominium Association, which may be incorporated as a not-for-

profit corporation under the laws of the State of Illinois (herein called the "Association"). Each member of the Board shall be one of the Unit Owners; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director, officer or employee of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. Every Unit Owner, upon becoming an owner of a Unit or Units, shall be a member of the Association and shall remain a member of said Association until such time as his ownership ceases, at which time the new Owner thereof shall become a member of the Association. There shall be only one class of membership in the Association. The Association may issue certificates to evidence membership therein.

5.02. Time for Election of Initial Board of Managers: The election of the initial Board of Managers shall be held not later than the earlier of the following: (i) sixty (60) days after the date by which seventy-five percent (75%) of the Units have been conveyed or (ii) three (3) years after the date of the first conveyance to a Unit Purchaser, provided, however, that said seventy-five percent (75%) figure shall include any Units added to the Declaration by Declarant as provided in Article XI and said three (3) year period shall be deemed extended for an additional three (3) years from the date of recording of each Amended Declaration annexing additional property as provided in Article XI; further provided, that anything to the contrary notwithstanding, the meeting at which the initial Board is elected shall be held no later than seven (7) years after the recording of this initial Declaration. The meeting at which the initial Board is elected shall be the first annual meeting of the Unit Owners.

5.03. Administration of Property Prior to Election of Initial Board of Managers: Until the election of the initial Board, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board of Managers by the Act, and in the Declaration and By-laws, shall be held and performed by the Developer. If the initial Board is not elected by the Unit Owners at the time so established, the Developer shall continue in office for a period of thirty (30) days, whereupon written notice of its resignation shall be sent to all of the Unit Owners entitled to vote at such election.

Within sixty (60) days following the election of a majority of the Board other than the Developer or its employees or agents, the Developer shall deliver to the Board:

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

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

(3) Association funds, which shall have been at all times segregated from any other moneys of the Developer.

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

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

5.04. Voting Rights of Unit Owners/Proxies: There shall be only one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to as a "Voting Member"). Such Voting Member may be the Owner or, if the Unit is owned by more than one Owner, then one of the group composed of all of the Owners of that individual Unit, or may be some person designated by such Unit Owner or Owners, as the case may be, to act as proxy on his or their behalf and who need not be an Owner. Such proxy designation shall be made in writing to the Board, shall bear the date of execution and shall be invalid eleven (11) months from said date unless otherwise provided in the proxy. If, in the case of multiple, individual Unit Owners, only one such Owner is present at a meeting, he shall be entitled to cast all of the votes allocated to that Unit. If more than one of the multiple Unit Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. There shall be deemed to be majority agreement if any one of such Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other such Owners of that Unit. The total number of votes of all Voting Members, in the aggregate, from time to time, shall be one hundred (100) and each Owner or group of Owners of one Unit (if owned by more than one Owner) shall have a vote equal to the total percentage of ownership in the Common Elements of that Unit as set forth in Exhibit "C", which Exhibit "C" may be amended from time to time by Developer as provided in this Declaration. The Developer may exercise the voting rights with respect to any Unit owned by the Developer.

5.05. Meetings of Unit Owners:

(a) Quorum; Procedure: As to members, the presence, in person or by proxy, at any meeting of the Voting Members (without regard to their number) having a majority of the total votes, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the members present may adjourn the meeting from time to time. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting.

When thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) in the aggregate of the

votes in the Association, any percentage vote of members specified in this Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units which would otherwise be applicable.

However, anything to the contrary notwithstanding, the affirmative vote of not less than two-thirds (2/3) of the total votes shall be necessary for:

(1) Merger or consolidation of the Association;

(2) Sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the property and assets of the Association;

(3) The purchase or sale of land or of Units on behalf of all the Unit Owners.

(b) Annual Meetings of Unit Owners: The first Annual Meeting of the Voting Members shall be held upon not less than twenty-one (21) days prior written notice given by the Developer. Thereafter, there shall be an Annual Meeting of the Voting Members on the third Saturday of February of each succeeding year, at 2:00 o'clock p.m., on the Property, or at such other place, time or date, as may be designated by written notice of the Board delivered to the Voting Members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting. At each Annual Meeting of Unit Owners, the Voting Members shall, by a majority of the total votes present at such meeting, elect members of the Board of Managers (or after Incorporation of said Condominium Association, a Board of Directors).

(c) Special Meetings of Unit Owners: Special Meetings of the Voting Members may be called at any time for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said meetings may be called by written notice, by the President, Board of Managers, or by twenty percent (20%) of the total votes. Said notice shall be given to the Voting Members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(d) Special Meeting for Certain Budget Increases: If a budget adopted by the Board requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by Unit Owners with twenty percent (20%) of the total votes of the Association filed within fourteen (14) days of the Board's action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of votes of the Unit Owners are cast at the meeting to reject the budget, it shall be deemed ratified, whether or not a quorum is present. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

(e) Notices of Meetings: Notices of meetings required to be given under the Act or hereunder, i.e., Annual Meetings other than as scheduled in subsection 5.05(b), above, and Special Meetings, shall be given pursuant to Section 13.03, below.

(f) Order of Business at Meetings of Unit Owners: The order of business at all meetings of Units Owners shall be as follows:

- (1) Roll Call.
- (2) Proof of Notice of meeting or waiver of notice.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Reports of Committees.
- (6) Election of inspectors of election.
- (7) Election of Board of Managers.
- (8) Unfinished business.
- (9) New business.

5.06. Board of Directors (Board of Managers):

(a) Board Members: There shall be five (5) Board members, and a majority shall constitute a quorum. The Board shall act by majority vote of Board members present at a meeting when a quorum exists. Three members of the Board shall be elected at the first annual meeting of the members for a term of two years. Two members of the Board shall be elected at the first annual meeting of the members for a term of one year. The Board elected at such first annual meeting shall be the initial Board of Managers as provided in the Act. Thereafter, members of the Board shall be elected for a term of two years. Each member of the Board shall be one of the Unit Owners; provided, however, that in the event a member of the Association is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a member of the Board. A member of the Board may succeed himself in office.

(b) Vacancies: Vacancies on the Board may be filled by the remaining members of the Board by two-thirds (2/3) vote until the meeting of the Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the total votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term, upon which a meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than (30) days following the filing of such petition.

(c) Removal of Board Members: Any Board member or successor Board member may be removed from office, with or without cause, by affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes cast at any

special meeting at which a quorum is present and called for the purpose. A successor, to fill the unexpired term of a Board member removed, may be elected by a majority vote of the Voting Members at the same meeting or any subsequent meeting called for that purpose.

(d) Appointment and Removal of Officers: The Board shall appoint, by majority vote, from among its members, a President, who shall preside over both its meetings and those of the Voting Members (Association), a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members of the Association, and who shall, in general, perform all the duties incident to the office of Secretary, including mailing and acting as recipient of all notices provided for herein and by the Act, and a Treasurer to keep the financial records and books of account. An officer may be removed, with or without cause by a majority vote of the Board of Directors, and upon such removal, the Board by majority vote, shall appoint his successor for the remainder of said officer's term.

(e) Annual and Special Meetings:

(i) Meetings of the Board of Managers: Regular meetings of the Board of Managers shall be held at least four (4) times annually, on the third Saturday of February, May, August, and November or at least four (4) other times and at such other times as the Board deems necessary. Meetings of the Board shall be open to any Unit Owner. Notice of any such meeting shall be given to each Unit Owner at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the Unit Owner entitled to such notice. Copies of notices of meetings of the Board shall be posted in entranceways, or other conspicuous places in the Buildings at least 48 hours prior to said meetings, except where there is no common entranceway for fifteen (15) or more Units, the Board may designate one or more locations in the proximity of these Units where the notice of meetings shall be posted. Members of the Board shall be given at least fifteen (15) days' notice of meetings of the Board other than those regularly scheduled meetings set forth above.

(ii) Open Meetings: Meetings of the Board shall be open to any Unit Owner, except for the portion of any meeting held (a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent, (b) to consider information regarding appointment, employment or dismissal of an employee, or (c) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of Common Expenses; any vote on these matters shall be taken at a meeting or portion thereof open to any Unit Owner; any Unit Owner may record the proceedings at any meeting required to be open by the Act by tape, film or other means; and the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

(f) Notices of Meetings: Notices of meetings of the Board required to be given under the Act or hereunder, shall be given pursuant to Section 13.03, below.

(g) Compensation of Board Members and Officers: Neither Board members nor officers shall receive any compensation for their services.

5.07. General Powers and Duties of the Board: Without limiting the general powers which may be provided by law,

this Declaration and the Act, the Board shall have the following general powers and duties:

(a) To administer the affairs of the Association and the Property.

(b) To elect the officers of the Association as hereinabove provided.

(c) To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof, upon such terms and for such compensation and with such authority as the Board may approve, provided that no management agreement may run for a period of beyond two (2) years, and further provided that any contract originally negotiated by the Developer which extends for more than a period of two (2) years from the recording of this initial Declaration, shall be subject to cancellation by more than one-half (1/2) of the votes of the Unit Owners (other than the Developer) cast at a special meeting of members called for that purpose during a period of ninety (90) days following the expiration of the two (2) year period. At least sixty (60) days prior to the expiration of the two (2) year period, the Board, or, if the Board is still under Developer control, then the Board or the Developer shall send notice to every Unit Owner, notifying them of this provision, what contracts, leases or other agreements are affected and the procedure for calling a meeting of the Unit Owners for the purpose of voting on termination of such contracts, leases or other agreements. During the ninety (90) day period, the other party to the contract, lease or other agreement shall also have the right of cancellation.

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

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements.

(f) To provide for the operation, care, upkeep, maintenance, replacement and improvement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the offices or the manager or managing agent.

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

(h) To prepare, adopt and distribute the annual budget for the Property including estimating the amount of the annual budget, and providing the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided.

(i) To comply with the instructions of a majority of the Voting Members (unless a greater plurality is required with respect to any issue or matter as elsewhere herein specified), as expressed in a resolution duly adopted at any annual or special meeting of the Voting Members.

(j) To exercise all other powers and duties of the Board of Managers or Unit Owners as a group referred to in the Act, and all powers and duties of a Board of Managers referred to in the Declaration or By-laws.

(k) The Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys.

(1) Copies of the recorded Declaration and By-laws and any amendments, Articles of Incorporation of the Association, annual reports and any rules and regulations adopted by the Association or the Board. Prior to the organization of the Association, the Developer shall maintain and make available the records set forth in this subsection.

(2) Detailed accurate records 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, and copies of all contracts, leases, or other agreements entered into by the Association.

(3) The minutes of all meetings of the Association and the Board, which shall be maintained for a period of not less than seven (7) years.

(4) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 25 of the General Not-For-Profit Corporation Act, approved July 19, 1943, as amended.

(5) A reasonable fee may be charged by the Association or its Board for the cost of copying.

5.08. Specific Powers and Duties of the Board: The Board, for the benefit of the Board, the Association and all Unit Owners (including the Developer but solely in his capacity as a Unit Owner) shall acquire, and shall pay for, out of the maintenance fund hereinafter provided, for the following:

(a) Casualty Insurance: A policy or policies of insurance insuring the Common Elements and the Units against loss or damage by the perils of fire, lightning and those contained in standard extended coverage, (broad form), with vandalism and malicious mischief endorsements, for the full insurable replacement cost of the Common Elements and the Units, written in the name of, and with the proceeds thereof payable to, the Board of Managers (or Directors), as trustee for each of the Owners in the percentages established in Exhibit "C". Prior to obtaining any such policy or policies of Insurance, or any renewal thereof, except for the initial policy or policies obtained by the Developer, the Board, at its election, may from time to time obtain an appraisal from a qualified appraiser for the purpose of determining the full replacement value of the Common Elements and the Units for the amount of insurance to be effected pursuant hereto. In no event shall said appraisal be

obtained less frequently, than once in any twelve (12) month period. The cost of any and all such appraisals shall be common expenses. All such policies of insurance (1) shall contain standard mortgage clause endorsements in favor of each mortgagee of each Unit, if any, as their respective interests may appear, with such modifications as may be required by the Act, (2) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Owner, (3) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event of Owners election to sell the Property or remove the Property from the provisions of the Act, (4) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least ten (10) days' prior written notice to the mortgagee of each Unit, (5) shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Developer, the managing agent, if any, their respective employees and agents, and Owners and Occupants, (6) shall contain a "Replacement Cost Endorsement", and (7) shall include the Developer as an additional party insured in its capacity only as Unit Owner and Board member. The Board may engage the services of a bank or trust company authorized to do trust business in Illinois and having a capital of not less than Fifteen Million Dollars (\$15,000,000.00) to act as Insurance Trustee and to receive and disburse the insurance proceeds resulting from any loss upon such terms as the Board shall determine consistent with the provisions of this Declaration. The fees of such Insurance Trustee shall be common expenses. The proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board for the reconstruction of the Buildings, or shall be otherwise disposed of, in accordance with the provisions of this Declaration and the Act; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein or in any mortgage contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the Buildings. The Board shall notify insured persons concerning the cancellation of insurance obtained pursuant to the terms as herein stated.

Nothing herein shall be construed to require or permit the Board to insure the personal property of Unit Owners or to procure insurance for Unit Owners against personal tort liability arising out of their ownership of their Units.

As provided in the Act, the Board may assess the common expense for insurance premiums on a basis which reflects increased charges for coverage on certain Units.

(b) Liability Insurance: Comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable (but not less than One Million Dollars (\$1,000,000.00) for any one person injured, and for any one occurrence and Forty Thousand Dollars (\$40,000.00) for property damage) and liability insurance insuring the officers of the Association, members of the Board and members of any committee appointed pursuant to the By-laws of the Association against liability for good faith actions beyond the scope of their respective authorities. The above referred to insurance shall cover claims of one or more of the insured parties against the other insured parties. The insurance shall contain a waiver of

any rights to subrogation by the insuring company against any of the above named insured persons.

(c) Workmen's Compensation; Other Insurance: The Board shall obtain Workmen's compensation insurance to the extent necessary to comply with any applicable laws and such other forms of insurance as the Board in its judgment elects, from time to time, to procure.

(d) Fidelity Bond: The Board shall have the authority to, and may, obtain a fidelity bond or insurance similar to same, indemnifying the Association, The Board and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or the managing agent, or of any other person handling the funds of the Association, the Board or the Unit Owners. The amount of coverage for any such fidelity bond or bonds shall be no less than the amount equal to three (3) months aggregate assessments on all units plus the amount held in reserve by the Association pursuant to Section 6.03 as hereinafter set forth. The premium for such fidelity bond shall be a Common Expense.

(e) Additional Expenses: Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, Insurance or assessments which the Board is required to secure, to pay for pursuant to the terms of these restrictions or By-laws, or which in its opinion shall be necessary or proper for the maintenance and operation of the Property or for the enforcement of this Declaration.

(f) Certain Maintenance of Units: Maintenance and repair of any Unit as provided in the Declaration and 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 Building, and the Owner or Owners of said Unit have 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 or Owners, provided that the Board shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair. The Board or its agents may enter any Unit when necessary to determine whether any construction or maintenance is necessary and further to perform such maintenance and repairs. It may likewise enter any attic for inspection, maintenance, repair or construction. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, at the expense of the maintenance fund.

(g) Capital Additions and Improvements: The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration) having a total cost in excess of Two Thousand Dollars (\$2,000.00), nor shall the Board authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of Two Thousand Dollars (\$2,000.00), without, in each case the prior approval of the Voting Members holding two-thirds (2/3) of the total votes cast at a duly convened meeting of Unit Owners.

(h) Certain Utility Services to Units: The Board may pay, from the maintenance fund, water charges and taxes, waste removal and/or any utilities which are not

separately metered or otherwise directly charged to individual Owners, however, the Board may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as determined by the Board. The Board reserves the right to levy additional assessments against any Owner, to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund.

5.09. Vouchers: All vouchers for payment of expenditures by the Board 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 vouchers shall be signed by the Treasurer and countersigned by the President of the Board.

5.10. Rules and Regulations; Management:

(a) Rules: The Board shall 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, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which shall contain the full text of the proposed rules and regulations and conform to the requirements of Section 18(b) of the Act; however, no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution.

(b) Association - Not for Profit Activities: 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.

5.11. Declarant and Developer's Reserved Contract and Management Rights: The Declarant reserves the right to appoint itself as agent for and on behalf of the Association, as manager for the Property under a contract expiring not later than two (2) years from the date of recording of this initial Declaration, upon such terms and provisions as the Declarant may deem appropriate. Any contract, lease or other agreement pertaining to any matter, or any renewal thereof, made prior to the election of the majority of the Board of Managers by or on behalf of the Unit Owners individually or collectively, the Unit Owners' Association or the Board of Managers, which extends for a period of more than two (2) years from the recording of this initial Declaration, shall be subject to cancellation by more than one-half (1/2) of the votes of the Unit Owners (other than the Developer) cast at a special meeting of members called for that purpose during a period of ninety (90) days following the expiration of said two (2) year period. During the ninety (90) day period the other party to the contract, lease, or other agreement shall also have the same right of cancellation. At least sixty (60) days prior to the expiration of the two (2) year period, the Board, or, if the Board is still under Developer control, then the Board or the Developer shall send notice to every Unit Owner, notifying them of this provision, what contracts, leases and other agreements are affected, and the procedure for calling a meeting of the Unit Owners for the purpose of voting on termination of such contracts, leases or other agreements. In any event, if any mortgages encumbering any Units are issued by or insured by governmental or quasi-governmental agencies (for example, the Veteran's Administration or the

Federal National Mortgage Association), then Declarant and Association may terminate any management, agreement, contract, lease other agreement due to cause effective as of thirty (30) days from the date of written notice of cancellation is given to the other party.

ARTICLE VI

Assessments - Maintenance Fund

6.01. Preparation of Estimated Budget: Each year, at least thirty (30) days prior to the adoption thereof by the Board of Managers, the Board shall prepare and distribute to all Unit Owners a detailed proposed annual budget setting forth the total amount necessary to pay the cost of wages, materials, insurance, services and supplies and all anticipated common expenses, by category, as well as any anticipated assessments and other income which will be required during the Association's ensuing fiscal year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and a reserve for replacements of the Common Elements and their components, thereby determining the estimated cash requirements required for the ensuing year. The Board shall distribute a detailed written copy of said proposed budget to each Owner at least thirty (30) days prior to said meeting. The Board shall then meet, upon due notice to its members and the Unit Owners, to consider of a said budget. Upon enactment of a budget, said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements. The budget shall set forth each Unit Owner's proposed common expense assessment. Any non-recurring common expense, any common expense not set forth in the budget as adopted, and any increase in assessments over the amount adopted, shall be separately assessed against all Unit Owners pursuant to and subject to the provisions of Paragraph 6.02 of this Declaration as hereinafter set forth. The initial budget and common expense assessment based thereon, shall be adopted prior to the conveyance of any Unit. On or before January 1 of the ensuing year, and the first of each and every month of said year, each Owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all owners an itemized accounting of the common 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. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from Owners under the current year's estimate, until exhausted, and any net shortage shall be added, according to each Owner's percentage of ownership in the Common Elements, to the installments due in the succeeding six (6) months, after rendering of the accounting; provided, however, that the Board may withhold the aforesaid credit to the extent that it decides, in its sole discretion, to allocate any part or all of such excess to the reserve for contingencies or to the reserve for replacements the Board is required to maintain pursuant to Section 6.03, hereof.

In connection with the expenditures for the Limited Common Elements, the Board may provide for the separate assessment of only those Units to which the exclusive use of such

Common Elements is reserved, except as elsewhere provided to the contrary in this Declaration.

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

6.02. Separate Assessments: Any non-recurring common expenses, any common expenses not set forth in the budget as adopted, and any increase in assessment over the amount adopted, shall be separately assessed by the Board; provided, however, any such separate assessments shall be subject to approval by the affirmative vote of at least two-thirds (2/3) of the total votes of the Unit Owners voting at a meeting of Unit Owners duly called for the purpose of approving the assessment if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of five (5) times the Unit's most recent common expense assessment calculated on a monthly basis or Three Hundred Dollars (\$300.00), upon written notice given to the Voting Members not less than ten (10) days nor more than thirty (30) days prior to the meeting.

6.03. Reserve for Contingencies and Replacements: The Board shall build up and maintain a reasonable reserve for contingencies and a reasonable reserve for replacements of the Common Elements and their components. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against each appropriate reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, a separate assessment shall be assessed in accordance with Section 6.02 hereof, which shall be assessed to the Owners according to each Owner's percentage ownership in the Common Elements. If said separate assessment is duly adopted, such further assessment shall become effective with the next monthly maintenance payment which is due. All Owners shall be obligated to pay said further assessment. The reserve for replacements of the Common Elements and their components shall be held in a segregated account in the name of the Association.

6.04. Payment of Assessments: Payment of any assessment shall be in amounts and at times as determined by the Board.

6.05. Budget for First Year: When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31 of the calendar year in which said election occurs. Assessments shall be levied against the Owners during said period as provided in Section 6.01 of this Article.

6.06. Failure to Prepare Annual Budget: The failure or delay of the Board to prepare or distribute the annual or adjusted estimate to 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. 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 Unit Owner is sent notice of said new annual or adjusted estimate. Said Owner shall commence paying said new assessment as of the due date of the monthly assessment immediately following the date such new annual or adjusted estimate shall have been mailed or delivered.

6.07. Statement of Account: Upon ten (10) days' notice to the Board and payment of a reasonable fee established from time to time by the Board, 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. In addition, any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request to an unaudited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting.

6.08. 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 Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in their respective percentage ownership in the Common Elements.

6.09. Remedies for Failure to Pay Assessments: If an Owner is in default in the monthly payment of the aforesaid charges or assessments, the Board or manager may, from time to time, record notice of said lien with the Recorder of Deeds of Jo Daviess County, Illinois, and if said default continues for thirty (30) days, the Board may bring suit for and on behalf of itself and as representative of all Owners, to enforce collection thereof and/or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with interest at the rate of ten percent (10%) per annum, or such other lawful rate as may be set by the Board from time to time by appropriate rule making procedure, and reasonable attorneys' fees and court costs to be fixed by the court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be and become a lien or charge against the Unit Ownership of the Owner involved as of the date due and payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Unless otherwise provided in this Declaration, the members of the Board and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Said lien shall take effect and be in force when and as provided in the Act. Any encumbrancer may, from time to time, request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit covered by his encumbrance, and, unless the request shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of the making of such request shall not be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien of a Unit may pay any unpaid common expense payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his

encumbrance. The Board, its agents and their successors in office shall also have the right to maintain for the benefit of all the other Unit Owners, an action for possession in the manner prescribed by Article IX of the Illinois Code of Civil Procedure relating to Forcible Entry and Detainer.

The Association or the Board shall also have the right to impose late charges against any Unit Owner for nonpayment of its proportionate share of Common Expenses, or any other expenses lawfully agreed upon, such charge not to exceed the greater of fifteen dollars (\$15.00) or one and one-half percent (1-1/2%) per month until paid, which shall also become a lien pursuant to this Section 6.09.

6.10. Association's Lien Subordinated to Mortgages: The lien for assessments as herein provided, and any fines, interest, late charges, penalties, fees or expenses levied in connection with unpaid assessments, shall be subordinate to the lien of any first mortgage on any Unit recorded prior to the date that any such assessments or other charges become due. Where title to the Unit 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 such assessments or other charges which become due prior to the date of the transfer of title.

6.11. Responsibility of Transferees for Unpaid Assessments: In a voluntary transfer of a Unit, the transferee of the Unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board or managing agent of the Association setting forth the amount of the unpaid assessments against the transferor due the Association and such transferee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the transferor in excess of the amount therein set forth. The Board may charge a reasonable fee for issuing said statement.

6.12. Nonuse by Owner or Waiver by Association: No Unit Owner may waive or otherwise avoid liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit, nor shall the Association have the authority to forebear the payment of assessments by any Unit Owner.

6.13. Assessments for The Galena Territory Association, Inc.: The Property is subject to the covenants and restrictions contained in the General Declaration of Covenants and Restrictions for The Galena Territory Association, Inc., as amended and supplemented from time to time. Unit Owners are bound by said document to pay assessments on an annual basis to said Association commencing on and prorated as of the date of any Unit Owner acquires title to his Unit.

ARTICLE VII

Covenants and Restrictions as to Use and Occupancy

7.01. The Units and Common Elements shall be occupied and used as follows:

(a) Residential Purposes: No part of the Property shall be used for other than housing and related common purposes for which the Property was designed. Provided, however, that people may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions as to residential use shall not be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

(b) Obstruction of Common Elements: There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Board, except as expressly provided herein. Each Owner shall be obligated to maintain and keep in good order and repair his own Unit.

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

(d) Exterior Exposure of Buildings: Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside of 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, without the prior written consent of the Board.

(e) Pets: 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 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 subject to these restrictions upon three (3) days' written notice from the Board.

(f) Nuisances: No noxious or offensive activity shall be carried on in any Unit 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.

(g) Impairment of Structural Integrity of Building: Nothing shall be done in any Unit, or in, on or to the Common Elements, which will impair the structural integrity of the Buildings, or which would structurally change the Buildings except as is otherwise provided herein. No Unit Owner shall

overload the electric wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

(h) Window and Door Coverings; Signs: The Board may provide, by its Rules and Regulations, for uniform maintenance and appearance standards regarding the windows and doors of Units. All draperies, shades or other items visible from the exterior of the Buildings shall be of a neutral color. No "For Sale" or "For Rent" or other similar sign shall be displayed in or about the Unit doors or windows or anywhere else on the Property without the prior written consent of the Board.

(i) Alterations of Common Elements: Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.

(j) Required Carpeting and Sound Absorbent Materials: Each Unit Owner shall be required to keep all floor areas of each Unit covered with wall to wall carpeting, including separate padding beneath said carpeting, except for the floor of the kitchen, utility room, bathroom(s), screen porch and entry foyer. As to washing machines, dryers, trash compactors or similar appliances or devices which may vibrate or cause noise, the Unit Owner of the Unit housing said appliance shall install sound absorbent material, insulation or devices to reduce the transmission of sound.

(k) Maintenance of Reasonable Temperature: So as to prevent freezing of water pipes constituting Common Elements and damage to other Common Elements, it shall be the duty and obligation of all Unit Owners to maintain a reasonable temperature as set from time to time by Rules and Regulations promulgated by the Board, but which in no event shall be less than sixty degrees (60°) Fahrenheit during the months of October through March.

ARTICLE VIII

SALE OF THE PROPERTY

8.01 Sale of the Property. The Unit Owners through the affirmative vote of Voting Members having at least seventy-five percent (75%) of the total votes, at a meeting duly called for such purpose, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit entitled to notice under this Declaration. Such action shall be binding upon all Unit Owners, and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner or form may be necessary to effect such sale; provided, however, that any Unit Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the fair market value of his interest, as determined by arbitration as hereinafter provided, less the amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on the fair market value of such interest, such Unit Owner and the Board shall each select an appraiser, and two so selected shall select a third, and the fair market value, as determined by said third

appraiser, shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal. The cost of the appraisal shall be divided equally between such Unit Owner and the Board, and the Board's share shall be a Common Expense.

ARTICLE IX

Remedies for Breach of Covenants, Restrictions and Regulations

9.01. 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, in addition to the rights as set forth in the next succeeding sections: (a) to enter upon the property upon which, or as to which, such violation or breach exists and to 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 Developer, or its successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass or conversion of or damage to property; 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, together with interest thereon at the rate of ten percent (10%) per annum, or such other lawful rate as may be set by the Board from time to time by appropriate rule making procedure, until paid, shall be charged to and assessed against the defaulting Owner, and shall be added to and be deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same pursuant to Section 6.09 hereof. All said rights and remedies are cumulative and may be exercised at any time and from time to time by the Board.

9.02. Fines: If any Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the rules and regulations adopted by the Board, the Board, after thirty (30) days written notice to such Owner setting forth the alleged violation in reasonable detail and setting forth a time and place of a hearing regarding said alleged violation, and after reasonable opportunity to be heard, may levy reasonable fines for any such violation, which shall also become a lien pursuant to Section 6.09 hereof.

9.03. Involuntary Sale: If any Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the rules and regulations adopted by the Board, or fail to pay any expense lawfully agreed upon or any fine imposed in accordance with Section 9.02, and such violations shall continue for thirty (30) days after notice in writing from the Board to said Owner, or shall occur repeatedly during any thirty (30) day period after written notice or request to cure such violation from the Board to said Owner, then the Board shall have the power to issue to and serve upon the defaulting Owner notice in writing from the Board allowing the Board or its agents the right to possession of said Unit and denying the Owner the right to continue as an Owner and to continue to occupy, use or control his Unit and the Common Elements. If said violation shall continue for seven (7) days after said notice is given, 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 an 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 all 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 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 thereat 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 writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration, and the purchaser shall become a member of the Association, in the place and stead of the defaulting Owner. The foregoing remedy shall include the right to maintain for the benefit of all other Unit Owners an action for possession in the manner prescribed by Article IX of the Illinois Code of Civil Procedure relating to Forcible Entry and Detainer.

ARTICLE X

Damage or Destruction and Restoration of Buildings

10.01. Insurance:

(a) Sufficient Insurance: In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss, or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event, within thirty (30) days after said damage or destruction, the Unit Owners elect either to sell the Property or to withdraw the Property from the provisions of this Declaration and from the provisions of the Act, as provided in the Act, as provided in the Act, reconstruction shall not be undertaken.

(b) Insufficient Insurance: In the event the Property or the improvements thereon so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the improvements within one hundred eighty (180) days after said damage or destruction, then the provisions of Section 14(1)(2) and (3) of the Act shall apply as if set forth herein.

10.02. Substantial Restoration: Repair, restoration, or reconstruction of the improvements, as used in this Article X,

means restoring the improvements to substantially the same condition in which they existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

ARTICLE XI

Annexing Additional Property

11.01. Future Development Area: Declarant is the legal owner of the real estate legally described in Exhibit "A-1" attached hereto and by this reference made a part hereof (herein called "Future Development Area" or "additional property"), which real estate Declarant, in Declarant's sole discretion, intends hereafter to develop as part of the Long Bay Point Lakehomes Development, in parcels, and to improve with multifamily structures. The approval of any of the Unit Owners to future amendments to this Declaration for said additional parcels shall not be required and said Unit Owners may not prohibit such adding on of said additional property. This entire residential community comprising the Parcel and the Future Development Area is herein called the Long Bay Point Lakehomes Development. Declarant intends, but shall not be required, to submit all or portions of the Future Development Area to the provisions of the Act as any intended improvements thereon are substantially completed on such portion as hereinafter provided in this Article XI. All improvements on any added parcels shall be substantially completed before its addition to this Declaration.

11.02. Reservation of Right to Annex Additional Property by Amendment: The Declarant hereby reserves the right from time to time, within ten (10) years of the date of recording of this Declaration, to annex and add additional property in the Future Development Area and thereby to add to the general plan of condominium ownership created by this Declaration by separate amendments to this Declaration, all or any portion of the Future Development Area hereinabove described in this Article XI at different times, with no limitation as to the order nor any limitation fixing the boundaries of the portions added, and no requirement that any particular portion must be added. The maximum number of Units to be created on the Property and the Future Development Area are one hundred thirty (130) and the maximum number of Units to be created on any portion of the Future Development Area added to the Property shall not exceed an average gross density of sixteen (16) units per acre with respect to the acres comprising any such added portion; provided, however, that such density restriction shall not apply with respect to any acres added to the Future Development Area which are not made a part of this condominium. There shall be no limitation on the location of improvements which may be located on the additional property. The additional phases which shall contain such additional Units, and the additional Units themselves, shall not be required to be constructed or designed in such manner as to be compatible with the use, density, configuration and architectural style of the Property and the existing Units.

11.03. Amendment to Declaration and Plat: The adding of additional Units and Property shall be pursuant to the provisions of the Act and an amendment to this Declaration shall be duly executed by the Developer in accordance with said Act without affecting the validity of this Declaration and said amendment shall have appended to it the amended Plat as required by Sections 5 and 6 of the Act.

11.04. Powers of Declarant/Developer to Adjust Percentage Interests: In furtherance of the foregoing, the Declarant, hereby reserves the right, acting by and through its duly authorized officers to shift the percentages of the undivided ownership interest to the Common Elements appurtenant to each Unit to the percentages set forth in each such amended Declaration recorded pursuant to this Article XI. Each deed, mortgage, or other instrument with respect to a Unit, and the acceptance thereof shall be deemed a grant and acknowledgement of and consent to such power to the Declarant, and its duly authorized officers, and shall be deemed to reserve to each of them the power to shift and reallocate from time to time percentages of undivided ownership interest in the Common Elements appurtenant to each Unit to the percentages set forth in each such recorded amended Declaration.

11.05. Adjustments to Percentage Interest: The percentages of undivided ownership interest in the Common Elements as amended by each amended Declaration shall be determined and adjusted in the following manner:

(a) The Common Elements as amended by such amended Declaration shall be deemed to consist of:

(i) the Common Elements as existing immediately prior to the recording of such amended Declaration (hereinafter referred to as the "Existing Common Elements"); and

(ii) the Common Elements added by such amended Declaration (hereinafter referred to as the "Added Common Elements").

(b) The Units as amended by such amended Declaration shall be deemed to consist of:

(i) the units as existing immediately prior to the recording of such amended Declaration (hereinafter referred to as the "Existing Units"); and

(ii) the Units added by such amended Declaration (hereinafter referred to as the "Added Units").

(c) The value of each of the Added Units shall be added to the aggregate value of the Existing Units and the total thereof shall be deemed to be the new value of the Property as a whole. "Value" as used in this paragraph shall be determined by the Developer as of the date of the recording of the amended Declaration and shall be determined on the basis of the respective square footage of the Units (both existing and as increased by the amended Declaration), to the total square footage of all the Units. Such determination by the Developer shall be conclusive and binding for all purposes upon all Unit Owners, mortgagees and other parties who then or in the future have any interest in the Property notwithstanding the sale price of any Unit.

(d) The percentages of undivided ownership interest, as amended and adjusted by such amended Declaration, in the entire Common Elements, consisting of the Existing Common Elements plus the Added Common Elements to be allocated among all the Units, consisting of the Existing Units plus the Added Units, shall be computed by taking as a basis the value of each Unit in relation to the value of the Property as a whole, determined as aforesaid.

(e) The Existing Units shall be entitled to their respective percentages of ownership, as amended and adjusted and set forth in an amended Exhibit "C" attached to such amended Declaration, in the Added Common Elements as well as in the Existing Common Elements. The Added Units shall be entitled to their respective percentages of ownership, as set forth in such amended Exhibit "C", not only in the Added Common Elements but also in the Existing Common Elements.

(f) Each and all of the provisions of this Declaration and the Exhibits attached hereto, as amended by each such successive amended Declaration and the amended Exhibits attached thereto, shall be deemed to apply to each and all of the Units, including all such Added Units as well as all Existing Units, and to all of the Common Elements, including all such Added Common Elements as well as all Existing Common Elements.

(g) The recording of an amended Declaration shall not alter or affect the amounts of any liens for Common Expenses due from any Existing Unit Owners prior to such recording, nor the respective amounts theretofore assessed to or due from Existing Unit Owners for Common Expenses or other assessments.

11.06. Requirements of Amended Declaration: Each amended Declaration shall include:

(a) An amendment to the legal description (Exhibit "A" to this Declaration) which shall add to the legal description of the Parcel that portion or portions of the Future Development Area annexed to the Property.

(b) An amendment to Exhibit "B" of this Declaration delineating the horizontal and vertical planes of all units to be added and designating all Common Elements in the annexed parcel.

(c) An amendment to Exhibit "C" of this Declaration which shall set forth the amended percentages of ownership interest in the Common Elements, including the Common Elements attributable to those portions of the Future Development Area annexed to the Property, allocable to each Unit, including all existing Units and additional Units added by such amended Declaration.

11.07. Binding Effect on Grantees and Mortgagees: Each Owner of a Unit, by acceptance of a deed thereto, further acknowledges, consents and agrees, as to each such amended Declaration that is recorded, as follows:

(a) The portion of the Future Development Area described in each such amended Declaration shall be governed in all respects by the provisions of this Declaration.

(b) The percentage of undivided ownership interest in the Common Elements appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded amended Declaration and upon the recording of each such amended Declaration, the amount by which such percentage of undivided ownership interest in the Common Elements appurtenant to a Unit of an Owner is reduced, as set forth in each such recorded amended Declaration, shall thereby be released and divested from such Owner and reconveyed and reallocated among the other Owners as set forth in each such recorded amended Declaration.

(c) Each deed, mortgage or other instrument affecting a Unit shall be deemed given subject to the conditional limitation that the percentage of undivided ownership interest in the Common Elements appurtenant to each Unit shall, upon the recording of each amended Declaration, be divested pro tanto to the reduced percentages set forth in such amended Declaration and vested among the other Owners, mortgagees and others owning an interest in the other Units in accordance with the terms and percentages of each such recorded amended Declaration.

(d) A right of revocation is hereby reserved by the Declarant to so amend and reallocate the percentages of undivided ownership interest in the Common Elements appurtenant to each Unit.

(e) The percentage of undivided ownership interest in the Common Elements appurtenant to each Unit shall include any additional Common Elements annexed hereto by a recorded amended Declaration and each deed, mortgage or other instrument affecting a Unit shall be deemed to include such additional Common Elements and the ownership of any such Unit and lien of any such mortgage shall automatically include and attach to such additional Common Elements as such amended Declarations are recorded.

(f) Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Elements annexed thereto by, and described in, any recorded amended Declaration, for the purposes therein set forth, except as to any portion of the use which is limited by exclusive easements granted to the Owners of specific Units as may be provided in any such amended Declaration.

(g) The recording of each such amended Declaration shall not alter the amount of the lien for expenses assessed to a Unit prior to such a recording.

(h) Each Owner by acceptance of the deed conveying his Unit, agrees for himself, and all those who claim under him, including mortgagees, that this Declaration and each amended Declaration is and shall be deemed to be accordance with the Act, and for purposes of this Declaration and said Act, any changes in the respective percentages of undivided interest in the Common Elements as set forth in each such amended Declaration shall be deemed to be made by agreement of all Owners.

(i) Declarant hereby reserves the right to amend this Declaration in such manner, and each Owner agrees to execute and deliver such documents necessary or desirable, to cause the provisions of this Article XI to comply with the Act.

(j) The foregoing provisions of this Declaration, and of deeds and mortgages of the Units and Common Elements, contain and may contain clauses designed to accomplish a shifting of the Common Elements. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Elements can be accomplished.

ARTICLE XII

Master Association

12.01. Master Association:

(a) Developer's Authority to Establish Master Association: If the Future Development Area, or any portion thereof, is developed with residential dwelling units which are not submitted to the provisions of the Act pursuant to Article XI hereof and which, therefore, do not become a part of the condominium created hereby, the Developer shall have the right to establish a Master Association, as defined in the Act, for the purpose of managing that part of the Property constituting all of the Common Elements except the Buildings, or those Common Elements constituting only the swimming pool, deck, bathhouse and that portion of Long Bay Point Drive described in Section 4.07(e) hereof.

(b) Termination of Developer's Right: Developer's reserved right hereunder shall terminate at such time as it ceases to own any remaining portion of the Future Development Area, or on December 31, 1987, whichever occurs first, unless earlier relinquished by Developer in a document executed by it and recorded with the Recorder of Deeds for Jo Daviess County, Illinois.

(c) The Master Association Common Areas: Any of the Common Elements managed by any such Master Association shall hereinafter be referred to as the "Master Association Common Areas." The Master Association Common Areas shall not include any of the Buildings submitted to this Declaration or any of the Buildings which may be constructed within the Future Development Area and not submitted to this Declaration.

(d) Withdrawal of Common Elements/Partial Release of Mortgage: If the Developer elects to establish a Master Association pursuant to subparagraph (a), above, the Common Elements which may constitute the Master Association Common Areas may be withdrawn from this Declaration and the Act and remised and conveyed by quitclaim deed or other appropriate instrument to the Master Association and thereby submitted to the terms and provisions of the Master Association Declaration, but all of the use and easement rights as now benefit the Unit Owners shall be deemed to be retained for the benefit of the Unit Owners, all of whom shall become Members of the Master Association upon the recording of the Master Association Declaration. To the extent so remised and conveyed, the lien of any mortgage recorded against any Unit prior to any such conveyance shall be deemed to be partially released with respect to the percentage interest relating to said Unit as shown on Exhibit "C" hereto and reconstituted to the extent of said Unit's newly created proportionate interest in the Master Association.

(e) Rights of Unit Owners as Members of the Master Association: Any Common Elements withdrawn from this Declaration and the Act and submitted to the Master Association Declaration as afore said shall be held subject to the terms and provisions of the Master Association Declaration and the rules and regulations governing the Master Association. All Unit Owners shall automatically become Members of the Master Association upon the recording of the Declaration establishing any such Master Association, and hereby agree to be bound by all the terms and conditions of the Master Association Declaration and the rules and regulations governing the Master Association as they apply to the Master Association Common Areas, including, but

not limited to, payment of assessments to the Master Association and the enforcement thereof by lien or other right or remedy as set forth in this Declaration, it being the intent of the Developer to provide a beneficial way of maintaining and enjoying the Master Association Common Elements constructed to benefit, or otherwise benefiting, the Unit Owners as well as owners of other residential units constructed on the Future Development Area, should those other units not be made part of this condominium.

(f) Common Budget: There shall be a separate budget for any such Master Association and all common expenses pertaining to the maintenance of the Master Association Common Areas (formerly budgeted for the Long Bay Point Lakehomes Condominium Association) will then be applied to the budget for any such Master Association.

(g) Joint Use of the Master Association Common Areas: All members of any such Master Association, including the Unit Owners, shall have, in common with each other the same rights, privileges, duties and obligations with respect to the use, enjoyment and maintenance of the Master Association Common Areas as are hereby given to the Unit Owners under this Declaration.

(h) Voting Rights and Assessments: Notwithstanding each Unit Owner's Percentage Interest under this Declaration, voting rights and assessments with respect to any such Master Association shall be allocated among the Unit Owners under this Declaration and all other members of any such Master Association on the basis of one vote or share for each residential dwelling unit owned.

(i) Master Association Powers and Duties: Any such Master Association shall have the same powers and duties with respect to the Master Association Common Areas as are given to the Association under this Declaration; without limiting the generality of the foregoing, the Declaration establishing any such Master Association shall also provide that:

(a) Each Unit Owner shall receive, at least thirty (30) days prior to the adoption thereof by the Board of the Master Association, a copy of its proposed annual budget;

(b) The Board of the Master Association shall annually supply to all Unit Owners an itemized accounting of the common expenses for the preceding year actually incurred and paid, together with a tabulation of the amount collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves;

(c) Each Unit Owner shall receive written notice mailed or delivered no less than ten (10) and no more than thirty (30) days prior to any meeting of the Board of the Master Association concerning the adopting of the proposed annual budget or any increases thereto, or the establishment of any assessment;

(d) The meetings of the Board of the Master Association shall be open to any Unit Owner except for the portion of any meeting held (1) to discuss litigation when an action, against or on behalf of the Master Association has been filed and is pending in a court or administrative tribunal, or when the Board of the Master Association finds that such action is probable or imminent, (2) to consider information regarding appointment, employment or dismissal of an employee, or (3) to discuss violations of the rules and regulations of the Master Association or unpaid common expenses owed to the Master

Association. Any vote on the above matters shall be taken at a meeting or portion thereof open to any Unit Owner; any Unit Owner may record the proceedings at meetings required to be open by the Act by tape, film or other means; the Board of the Master Association shall have the right to prescribe reasonable rules and regulations to govern the right to make such recordings; notice of such meetings shall be mailed or delivered at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened; and copies of notices of meetings of the Board of the Master Association shall be posted in entrance ways, elevators, or other conspicuous places in the condominium at least forty-eight (48) hours prior to the meeting of the Board of the Master Association except where there is no common entrance way for seven (7) or more Units, the Board of the Master Association shall have the right to designate one or more locations in the proximity of such Units where the notices of the meetings shall be posted.

(j) No Obligation to Develop Additional Residential Units: Nothing in this Article shall be deemed to require the Developer to build additional residential dwelling units on the Future Development Area; provided, however, that if any residential dwelling units are built on the Future Development Area, which are not made a part of this condominium, then the provisions of this Article shall apply and, further, in no event shall more than one hundred thirty (130) total residential units be developed on the total area comprising the Parcel and the Future Development Area.

(k) Further Assurances: In furtherance of the foregoing, each Unit Owner agrees that a power coupled with an interest is hereby reserved and granted to the Developer to vote in favor, make, or consent to any special amendment on behalf of each Unit Owner as proxy or attorney-in-fact, as the case may be, to establish and effectuate any such Master Association, to cause all Unit Owners to become members if any such Master Association automatically upon the recording of the Declaration establishing such Master Association and to withdraw said Common Elements from this Declaration and the Act and submit them to any such Master Association Declaration consistent with the provisions of this Article and the Act regarding Master Associations. Each deed, mortgage, trust deed or other evidence of obligation, or other instrument affecting a Unit, and the acceptance thereof, shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer to vote in favor of, make, execute and record any such special amendment as such attorney-in-fact to vote in favor of, make, execute and record any such special amendment and to make, execute and record any deed or partial release of mortgage contemplated or required by Section 12.01(d). The right of the Developer to act pursuant to the rights reserved or granted under this subsection shall terminate as provided in subsection (b), above.

ARTICLE XIII

General Provisions

13.01. Notices to First Mortgagees: Upon the specific written request to the Board, the holder, insurer or guarantor of any duly recorded first mortgage or trust deed against any Unit Ownership shall be given the following:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Unit covered by the first mortgagee's mortgage.

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

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

(d) Notice of the decision of the Owners to make any material amendment to this Declaration, the By-Laws or the Articles of Incorporation of the Association.

(e) Notice of substantial damage to or destruction of any Unit or any part of the Common Elements.

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

(g) Notice of any default of the Owner of the Unit which is subject to the first mortgagee's mortgage which is not cured by the Owner within 30 days after the giving of notice by the Association to the Owner of the existence of the default.

(h) The right to examine the books and records of the Association at any reasonable time.

The request of a first mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be made by the Association. Failure of the Association to provide any of the foregoing to a first mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a first mortgagee hereunder and in the event of multiple requests from purported first mortgagees of the same Unit Ownership, the Association shall honor the most recent requested received.

13.02. Consent of First Mortgagees: In the event certain Units are encumbered by first mortgages issued or insured by the Federal Home Loan Mortgage Corporation, or similar governmental lending agencies which require the following conditions by their rules or regulations then:

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

(b) No amendment shall be made to the Declaration which changes the ratio of assessments against Unit Owners without the prior written consent of such agency, except that no such consent shall be required for amendments made pursuant to Article XI or Sections 9.01(b) or 12.11 of this Declaration and related provisions of the Act.

(c) There shall be no termination of the condominium, no removal of any part of the Property from the provisions of the Act and this Declaration, nor any sale of the

Property without the prior written consent of such agency, except no such consent shall be required for the termination of the condominium made pursuant to the Act in the case of substantial destruction or other casualty or in the case of a taking by condemnation or eminent domain.

13.03. Service of Notices on Owner or Board: Notices provided for in this Declaration and in the Act shall be in writing, and shall be addressed to any Owner at the last known address of such Owner as it appears on the records of the Association at the time of such mailing. Notices to the Board shall be directed to the Association in care of: The Branigar Organization, Inc., P.O. Box 1000, Galena, Illinois 60136. The Association or Board or any Owner may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Owners or to the Board or the Association. Notices addressed as above shall be deemed delivered when mailed, postage prepaid, as set forth above. Whenever any notice is required under this Declaration, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

13.04. Covenants to Run With Land: Each grantee of Declarant, by acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for Deed, or any contract for any deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, 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 any interest in said land, and shall inure to the benefit of such Owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

13.05. Non-Waiver of Covenants: 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.

13.06. Amendments to the Declaration: Except as otherwise provided in the Act, including Section 27(b) thereof, and this Declaration, the provisions of this Declaration may be amended, changed, or modified by an instrument in writing setting forth such amendment, change, or modification, signed and acknowledged by the President of the Association or at least two-thirds (2/3) of the members of the Board and certifying that at least two-thirds (2/3) of the total votes of the Unit Owners have approved such amendment at a meeting of the Unit Owners duly called and held for such purposes; provided, however, that three-fourths (3/4) of the total votes of the Unit Owners must approve any amendment, change or modification so long as the Declarant or the Developer own any Unit subjected to the Act whether by this Declaration or any amendment thereto for the purpose of annexing additional property pursuant to Article XI. Any Amendment which under this Declaration requires the approval of any mortgagees shall be accompanied by an affidavit by an officer of the Board certifying that a copy of the amendment, change, or modification has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit, not less than ten (10) days prior to the date of such affidavit. Nothing in this paragraph shall be construed to require any such mortgagee

approval. Any amendment, change, or modification shall conform to the provisions of the Act and shall be effective upon recordation thereof in the Office of the Recorder of Deeds, Jo Daviess County, Illinois. No change, modification, or amendment which affects the rights, privileges, or obligations of the Developer shall be effective without the prior written consent of the Developer. Except to the extent authorized by provisions of the Act, no amendment to this Declaration shall change the boundaries of any Unit or the undivided interest in the Common Elements, the number of votes in the Association, or the liability for Common Expenses appertaining to a Unit.

13.07. Special Amendment: Declarant and Developer reserve the right and power to record a special amendment to this Declaration at any time and from time to time, with the prior approval of the Federal Housing Commissioner which amends this Declaration to (i) comply with the requirements of the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act, or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant and Developer 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 acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant and Developer to vote in favor of, make, execute and record any special amendments. The right of the Declarant and Developer to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant and Developer no longer hold or control title to a Unit.

13.08. Severability: The invalidity of any covenant, restriction, condition, limitation, or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity or enforceability of any other provisions of this Declaration, which shall be remain in full force and effect.

13.09. Perpetuities and Restraints on Alienation: 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 provision shall continue only until twenty-one (21) years after the death of the now living lawful descendants of Ronald Reagan, President of the United States of America.

13.10. Ownership by Trust: 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 trust property remain vested in the trust beneficiary, then the trust estate under such trust and the benefi-

ciaries 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 liability shall be asserted against any such title holding trustee personally for payment of any claim, lien or obligation or for the performance of any agreement, covenant, or undertaking hereby created, and the Declarant shall not be obligated to sequester funds or trust property to apply in whole or in part thereon, but the amount thereof shall continue to be a charge or lien upon the Unit Ownership, notwithstanding any changes in the beneficial interest of any such trust or transfers of title to such Unit Owners.

13.11. Indemnification: The Association shall indemnify any person who was or is a party, or is threatened to be a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the association) by reason of the fact that he is or was a member of the Board or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and reasonable cause to believe that his conduct was unlawful.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board or an officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in suit, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

To the extent that a member of the Board or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of this Section shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the member of the Board or officer of the Association is proper in the conduct set forth in the first two paragraphs of this Section. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a

quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the total votes of the members of the Association.

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

The sums necessary to discharge the obligations of the Association under this Section shall be Common Expenses.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board, or otherwise, both as to action in his official capacity and as to action in other capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Board or an officer of the Association.

13.12. Condemnation:

(a) In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the Association shall represent all the Unit Owners and the award or proceeds of settlement shall be payable to the Association, or any trustee appointed by the Association, to be held in trust for Unit Owners according to their percentage interest in the Common Elements and their first mortgage holders as their interests appear. The responsibility for payment of assessments for any Unit or portion thereof which is withdrawn from the condominium by condemnation or otherwise, shall cease.

(b) Any restoration or repair of the Property, including the Units, Common Elements and Limited Common Elements after a partial condemnation shall be substantially in accordance with this Declaration and the original plans and specifications.

13.13. Declarant's Successors and Assigns: All rights granted to the Declarant under this Declaration shall inure to, and all obligations of the Declarant under this Declaration shall be binding upon the successors and assigns of the Declarant; provided, however, that the Unit Owners purchasing individual Units for their own occupancy, shall not be deemed to be successors or assigns of the Declarant.

IN WITNESS WHEREOF, THE BRANIGAR ORGANIZATION, INC., has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents by its Vice President and attested by its Secretary, this 14th day of June, 1984.

THE BRANIGAR ORGANIZATION, INC.

by: _____

Richard Alan
Sr Vice President

ATTEST:

Ann B. Blum
Secretary



LIST OF EXHIBITS
FOR
DECLARATION OF CONDOMINIUM OWNERSHIP
LONG BAY POINT LAKEHOMES - A CONDOMINIUM

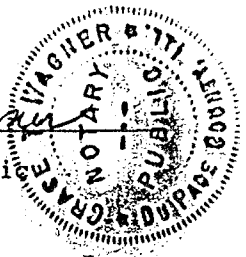
- | | |
|-------------|---|
| EXHIBIT A | Property Initially Subject to the
Condominium Declaration |
| EXHIBIT A-1 | Future Development Area |
| EXHIBIT B | Plat of Condominium and Legal Description
of Units |
| EXHIBIT C | List of Units and Percentage Interest in
the Common Elements |

STATE OF ILLINOIS)
) SS
COUNTY OF DU PAGE)

I, Grace T. Wagner, a Notary Public in and for said County, in the State aforesaid, do hereby certify that CECIL D. ABARR^{Sr}, Vice President of THE BRANIGAR ORGANIZATION, INC., an Illinois corporation, and, DENNIS B. ALEXANDER, Secretary of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said Secretary did also then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 14th day of June 1984.

Grace T. Wagner
Grace T. Wagner
Notary Public



My Commission Expires:

8-16-84

EXHIBIT "A"

PROPERTY INITIALLY SUBJECT TO
THE CONDOMINIUM DECLARATION

Lot 1, as amended, in Branigar's Eagle Ridge Unit G of The Galena Territory, a subdivision in Jo Daviess County, Illinois, according to the Plat thereof recorded on April 29, 1983, as Instrument No. 166386, as amended on March 14, 1984, by Instrument No. 171624 recorded on May 30, 1984.

EXHIBIT "A-1"

FUTURE DEVELOPMENT AREA

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 1 EAST OF THE FOURTH PRINCIPAL MERIDIAN, EAST GALENA TOWNSHIP AND IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 28 NORTH, RANGE 2 EAST OF THE FOURTH PRINCIPAL MERIDIAN, GUILFORD TOWNSHIP, JO DAVIESS COUNTY, ILLINOIS, WHICH IS BOUNDED BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 24, THENCE NORTH 58°05'46" WEST 345.24 FEET TO THE POINT OF BEGINNING:

THENCE NORTH 68°10' WEST 156.00; THENCE NORTH 40° WEST 180.00 FEET; THENCE NORTH 48° EAST 420.95 FEET; THENCE SOUTH 69° EAST 160.35 FEET; THENCE NORTH 6° WEST 190.00 FEET; THENCE NORTH 35°40' EAST 515.00 FEET; THENCE EAST 115.60 FEET; THENCE SOUTH 36°40' EAST 296.05 FEET; THENCE SOUTH 25°30' EAST 300.00 TO A POINT ON A CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTH, RADIUS 370.03 FEET, WHOSE CHORD BEARS NORTH 79°33'06" EAST 342.31 TO A POINT; THENCE SOUTH 72°53'48" EAST 156.16 TO A POINT ON A CURVE IN THE NORTHWESTERLY RIGHT-OF-WAY OF AN EXISTING ROADWAY; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHEAST, RADIUS 749.20; WHOSE CHORD BEARS SOUTH 30°29'55" WEST 91.51 FEET TO A POINT; THENCE NORTH 60° WEST 68.83 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTH, RADIUS 304.03 FEET, WHOSE CHORD BEARS SOUTH 73° WEST 444.71 FEET TO A POINT OF TANGENT; THENCE SOUTH 26° WEST 77.20 FEET, TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTHWEST, RADIUS 319.48 FEET, WHOSE CHORD BEARS SOUTH 33°30' WEST 83.40 TO A POINT; THENCE SOUTH 37° EAST 87.18 FEET; THENCE SOUTH 34° WEST 315.99 FEET; THENCE NORTH 80°30' WEST 663.51 FEET TO THE POINT OF BEGINNING.

EXCEPT LOT 1, AS AMENDED, IN BRANIGAR'S EAGLE RIDGE UNIT G OF THE GALENA TERRITORY, A SUBDIVISION IN JO DAVIESS COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED ON APRIL 29, 1983, AS INSTRUMENT NO. 166386, AS AMENDED ON MARCH 14, 1984, BY INSTRUMENT NO. 171624 RECORDED ON MAY 30, 1984.

EXHIBIT "B"

PLAT OF CONDOMINIUM
AND
LEGAL DESCRIPTION OF UNITS

PLAT OF SURVEY TO BE PREPARED AND RECORDED WITH THIS DECLARATION
PRIOR TO THE FIRST CLOSING OF THE SALE OF A UNIT SUBJECT TO
THIS DECLARATION.

Clarification added 10/18/2011 :

The legal description of each unit was
recorded separately on the plat of survey
filed at the Jo Daviess County Courthouse.

EXHIBIT "C"

LIST OF UNITS AND PERCENTAGE
INTEREST IN THE COMMON ELEMENTS

<u>UNIT NUMBER</u>	<u>PERCENTAGE INTEREST</u>
A-1	4.269%
A-2	3.158%
A-3	3.288%
A-4	4.140%
A-5	3.158%
A-6	3.158%
A-7	6.137%
A-8	5.284%
A-9	5.414%
A-10	6.317%
A-11	6.492%
A-12	5.414%
A-13	5.502%
A-14	3.375%
A-15	3.158%
A-16	4.269%
A-17	3.246%
A-18	3.158%
A-19	4.140%
A-20	5.502%
A-21	5.284%
A-22	6.137%
	<hr/>
	100.000%