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 Eugene "Gene" Moore RHSP Fee:\$10.0
 Cook County Recorder of Deeds
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AMENDED AND RESTATED
 DECLARATION OF CONDOMINIUM OWNERSHIP
 FOR
 111 EAST CHESTNUT CONDOMINIUM

THIS AMENDED AND RESTATED DECLARATION is made and entered into by the Board of Directors of the 111 East Chestnut Condominium Association;

WITNESSETH:

WHEREAS, the Declaration of Condominium Ownership for 111 East Chestnut Condominiums was recorded in the Office of the Cook County Recorder of Deeds on December 31, 1998, as Document No. 08193114 (the "Declaration"), thus creating the 111 East Chestnut Condominium; and

WHEREAS, for the mutual benefit of all owners or occupants of the Parcel (as defined below) or any part thereof, all owners, occupants, mortgagees, and any other Persons acquiring any interest in the Property hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property; and

WHEREAS, the Board of Directors of the 111 East Chestnut Condominium Association (the "Board") administers the property of the 111 East Chestnut Condominium pursuant to the Declaration for the property legally described as:

LOTS 1, 1*, 1A, 1A*, 1B, 1B*, 1C, 1C*, 1D, 1D*, 1E, 1F, 1F*, 1H, 1J, 1K, 1L, 1M AND 1N, IN THE MARIA GOULETAS SUBDIVISION, BEING A SUBDIVISION IN THE SOUTH FRACTIONAL ¼ OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

WHEREAS, Section 27(b)(1) of the Illinois Condominium Property Act, 765 ILCS 605/27 (the "Act") provides for a procedure for amending the Declaration to bring the Declaration into compliance with the requirements of the Illinois Condominium Property Act, and provides that an amended and restated Declaration, pursuant to Section 27(b)(1) of the Act, may be adopted by a vote of two-thirds (2/3) of the members of the Board; and

WHEREAS, this Amended and Restated Declaration resolves any conflicts, comports with the requirements of the Act, and has been approved by at least two-thirds (2/3) of the members of the Board at a duly called meeting on April 21, 2009.

NOW, THEREFORE, and for the purposes set forth above, the Board declares as follows:

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

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

PIN # 17-03-225-078-1001 through 1196
 1241 through 1280
 1321 through 1400

(b) "Association" means the 111 East Chestnut Condominium Association, an Illinois not-for-profit corporation.

(c) "Board" or "Board of Directors" means the Board of Directors of the 111 East Chestnut Condominium Association.

(d) "Building" means the building located on the Parcel and containing Units as shown by the Plat attached hereto as Exhibit A.

(e) "By-Laws" means the By-Laws of the 111 East Chestnut Condominium Association attached hereto as Exhibit C.

(f) "Commercial Unit" means, Units 1001, 1002, 1003 and 1004 which are located on the tenth floor and are to be used for permitted retail uses, and Unit 101, which is located on the ground floor.

(g) "Common Elements" means all of the Parcel except the Units, and shall include the Limited Common Elements, foundations, walls, windows, roof, pipes, ducts, electrical wiring and conduits of the Building (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), flues, chutes, public utility lines, structural components of the Building (including support piers) and hallways, stairways, entrances and exits, any lobby, any storage areas, and all other portions of the Building, except the individual Units. Structural components located within the boundary of or running through a Unit and serving more than one Unit or serving or extending into the Common Elements or any portion thereof shall be part of the Common Elements. The engineer's apartment located on ninth floor shall be part of the Common Elements.

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

(i) "Declaration" means the instrument, by which the above-described real estate was submitted to the provisions of the Act and all Exhibits attached thereto as such instrument and Exhibits may be amended from time to time pursuant to the terms of this instrument.

(j) "Directors" has the same meaning as "Board" or "Board of Directors."

(k) "Limited Common Elements" means a portion of the Common Elements serving exclusively one or more Units but not all the Units, including specifically, but not by way of limitation, storage lockers, any stairway, and such portion of the perimeter walls, floors, ceilings, doors, vestibules and entryways, and all associated fixtures and structures therein as lie outside the Unit boundary.

(l) "Majority" or "Majority of the Unit Owners," unless otherwise provided herein, means the owners of more than fifty percent (50%) of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

- (m) "Meeting of the Board of Directors" means a gathering of a quorum of members of the Board held for the purpose of conducting Association business.
- (n) "Occupant" means a Person or Persons in possession of a Unit, regardless of whether said Person is a Unit Owner.
- (o) "Parcel" means, unless the context indicates otherwise, that parcel or tract of real estate described above in this Declaration, submitted to the provisions of the Act.
- (p) "Person" means an individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
- (q) "Plat" means the plat of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, consisting of a three dimensional horizontal and vertical delineation of all such Units and showing the measurements, elevations, locations and other data required by the Act, a plat of said Parcel and Property being attached to the originally recorded Declaration as Exhibit A, and incorporated by reference as Exhibit A hereto.
- (r) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained thereon or therein, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment thereon or therein, now or hereafter intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act, from time to time.
- (s) "Record" or "recording" refers to the record or recording in the office of the Recorder of Deeds in Cook County, Illinois.
- (t) "Recreational Facilities" means a portion of the Common Elements available to and designed for the recreational use, benefit, and enjoyment of members of the Association, including the pool located on the tenth floor of the Building, subject to the provisions of this Declaration, the By-Laws and such rules and regulations as the Board may adopt from time to time.
- (u) "Residential Unit" means any condominium Unit located in the Building and used as a residence. Without limiting the generality of the foregoing, the term "Residential Unit" shall be deemed to include (i) premises which are used by a professional or quasi-professional Occupant thereof as both a residence and an ancillary, or secondary facility to an office established elsewhere; (ii) premises which are owned by a corporation, partnership or other business entity and used for the purpose of entertaining and housing as an adjunct to the conduct of its business elsewhere; or (iii) premises used principally as a residence by the Occupant thereof, but also used for other purposes which are customarily incidental to such residential use, such as, without limitation, maintaining a home office or personal professional library, keeping personal business or professional records or accounts, or handling personal business or professional telephone calls or correspondence. The "Owner of a Residential Unit" shall mean any one or more Persons, whose estate or interests, individually or collectively, aggregate fee simple title to said Residential Unit. Unless specifically provided otherwise herein, Declarant shall be deemed an Owner of a Residential Unit so long as it is the legal title holder of any Residential Unit.

(v) "Unit" means any one or more of the Residential Units or Commercial Units. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on the Plat and shall include all improvements and decorating contained within such area, provided however that such Unit shall not be deemed to include any plumbing or electrical, equipment or fixtures (except for plumbing and electrical equipment and fixtures serving only such Unit), or portions thereof, located in such Unit, or any part of the walls, windows, floor and ceiling constituting the perimeter boundaries of such area, and further provided that no structural components of the Building shall be deemed to be a part of such Unit, regardless of whether the same, or any part thereof, is located within the boundaries of such Unit or exclusively serves such Unit.

(w) "Unit Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the Common Elements appurtenant thereto.

2. SUBMISSION OF PROPERTY TO THE ACT. Parcel and Property have been submitted to the provisions of the Act by the recording of the original Declaration.

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

4. UNITS. The legal description of each Unit shall consist of the identifying term (be it number, letter, word, or any combination thereof) of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying term as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his or her Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

5. ADMINISTRATION AND OPERATION OF THE PROPERTY.

(a) Association of Unit Owners. There has been formed an Association having the name "111 East Chestnut Condominium Association," an Illinois not-for-profit corporation, which Association shall be the governing body for all of the Unit Owners, for the purpose of maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The Board of Directors of the Association shall constitute the Board of Managers provided for in the Act. The By-Laws of the Association shall be the By-Laws attached to this Declaration as Exhibit C and by this reference made a part hereof. The fiscal year of the Association shall be January 1 to December 31 and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of Unit Owners in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall automatically become a member of the Association upon becoming a Unit Owner and shall remain a member of the Association so long as he or she shall be a Unit Owner. A Unit Owner's membership in the Association shall automatically terminate when he or she ceases to be a Unit Owner. Upon the transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall automatically succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be One Hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements, as set forth in Exhibit B hereto, as said Exhibit B may be amended from time to time.

(b) Board of Directors.

(i) The Board of Directors of the Association shall consist of seven (7) members (herein sometimes referred to as "Directors"). The Units shall be represented on the Board by Directors chosen and subject to removal by the Unit Owners.

(ii) A majority of Directors shall constitute a quorum. Each Director shall be a Unit Owner (or, if a Unit Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner, attorney, accountant or employee of such Unit Owner or beneficiary). If a Director shall cease to meet such qualifications, he or she shall thereupon cease to be a Director and his or her place on the Board shall be deemed vacant. Any vacancy occurring in the Board may be filled only by a Unit Owner or any other Person meeting the criteria described above. Filling a vacancy on the Board shall include authority for the remaining members of the Board to fill the vacancy by two-thirds (2/3) vote until the next annual meeting of 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 votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term, and that a meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association requesting such a meeting. Any vacancy filled by the authority of the remaining members of the Board shall fill that vacancy for the unexpired portion of the original term. Directors shall receive no compensation for their services unless such compensation is expressly provided for in a resolution duly adopted by the Unit Owners.

(c) Non-Liability of the Individual Directors, Board and Officers. The Individual Directors, Board, officers of the Association (each an "Indemnified Party" and collectively the "Indemnified Parties") shall not be liable to the Unit Owners for any mistake in judgment or for any other acts or omissions of any nature whatsoever as such individual Directors, Board or officers, except for any acts or omissions found by a court to constitute gross negligence, willful misconduct or fraud. The Association shall indemnify and hold harmless each of the Indemnified Parties against all contractual and other liabilities to others arising out of contracts made by or other acts of the Indemnified Parties on behalf of the Unit Owners, or arising out of their status as individual Directors, Board or officers, unless any such contract or act shall have been made fraudulently, through willful misconduct, with gross negligence or contrary to the provisions of this Declaration and the By-Laws. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, without limitation, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any Indemnified Party may be involved by virtue of such Person being or having been such individual Director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which an Indemnified Party shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or fraud in the performance of his or her duties as individual Director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel, selected by or in a manner determined by the Board, there is no reasonable ground for such Indemnified Party being adjudged liable for gross negligence, willful misconduct or fraud in the performance of his or her duties as individual Director or officer. The Association shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Subsection or Article IX of the By-Laws, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Indemnified Parties or out of the aforesaid indemnity in favor of the

Indemnified Parties shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements at the time loss or damage is incurred by the Association or any Unit Owner due to such liability. Every agreement made by any Indemnified Party on behalf of the Unit Owners or Association shall be deemed to provide that such Indemnified Party is acting only as agent for the Unit Owners or Association and shall have no personal liability thereunder (except as a Unit Owner) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements at the time loss or damage is incurred by the Association or any Unit Owner due to such liability. Every agreement made by any Indemnified Party on behalf of the Unit Owners or Association shall be deemed to provide that such Indemnified Party is acting only as agent for the Unit Owners or Association and shall have no personal liability thereunder (except as a Unit Owner) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements at the time loss or damage is incurred by the Association or any Unit Owner due to such liability.

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

7. OWNERSHIP OF THE COMMON ELEMENTS. 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 B and by this reference made a part hereof, as though fully set forth herein, as Exhibit B may be amended from time to time. The percentages of ownership interest set forth in Exhibit B have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by written consent of all Unit Owners. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separately from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit, or said legal description may not specifically refer to the undivided percentage of ownership in the Common Elements corresponding to said Unit.

8. USE OF THE COMMON ELEMENTS.

(a) Right to Use the Common Elements.

(i) The use of the Common Elements and the Limited Common Elements and the right of the Unit Owners with respect thereto shall be subject to and governed by the Act, the Condominium Instruments and the rules and regulations of the Board. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and subject to easements made by or assigned to the Board in common with all other Unit Owners, as may be required for the purposes of access and ingress to, egress from and use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner but also to his or her agents, servants, tenants, family members, invitees and licensees. Each Unit Owner shall have the right to the exclusive use and possession of any Limited Common Elements serving his or her own Unit alone or which are

otherwise assigned to his or her Unit by the Board, which rights shall run with the Unit of such Unit Owner (unless such right has been assigned to another Unit Owner pursuant to Section 10 below).

(ii) All pipes, wires, ducts, flues, chutes, conduits, public utility lines (to the outlets) and structural components located in or running through a Unit and serving more than one Unit or serving or extending into the Common Elements or any part thereof, shall be deemed part of the Common Elements but shall not be deemed to be Limited Common Elements. No Unit Owner may take any action which would interfere with the ability of the Association to repair, replace or maintain said Common Elements as provided herein.

9. UTILITY EASEMENTS.

(a) The right to use and possess the Common Elements, as set forth herein, shall be subject to a blanket easement over the Common Elements in favor of Ameritech, Commonwealth Edison Company, and all other public utilities serving the Property, granting such utilities the right to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers and switching apparatus, into, over, under, along and through the Common Elements for the purpose of providing utility services to the Property, together with the reasonable right of ingress to and egress from the Property for such purpose, and granting such utilities the right to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries. The Board may hereafter grant other or additional easements for utility purposes for the benefit of the Property, over, under, along and on any portion of the Common Elements, and each Unit Owner hereby grants the Board an irrevocable power of attorney to execute, acknowledge and record or register for and in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing.

(b) Notwithstanding the foregoing, upon approval of at least 66-2/3 percent of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. Upon approval by more than 50 percent of the Unit Owners, an easement may be granted for cable television. Any action pursuant to this Section 9 must be taken at a meeting of Unit Owners duly called for that purpose.

10. STORAGE AREAS. Any storage lockers in the Building outside of the respective Units shall be Limited Common Elements and shall be allocated to Unit Owners owning Residential Units in such manner and subject to such rules and regulations as the Board may prescribe. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, nor any Unit Owner shall be considered a bailee of any personal property stored in the Common Elements and none of such Persons shall be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

11. HEATING AND AIR CONDITIONING SYSTEMS. All heating and air conditioning systems and all mechanical elements related thereto which serve exclusively a single Unit shall be deemed a part of that Unit.

12. RECREATIONAL FACILITIES. The Recreational Facilities, as defined in subsection 1(t), above, shall be part of the Common Elements. Each Unit Owner shall have the right to use the Recreational Facilities (subject to easements made by or assigned to the Board or the Association) in common with all other Unit Owners, provided, however, that such use shall be subject to and governed by the provisions of the Act, Declaration and By-Laws and the rules and regulations of the Association. Such

right to use the Recreational Facilities shall extend not only to each Unit Owner but also to his or her agents, tenants, servants, family members, invitees and licensees.

13. COMMON EXPENSES. Each Unit Owner shall pay his or her proportionate share of the expenses of administration and operation of the Common Elements and any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including specifically, but not by way of limitation, the maintenance and repair of the Common Elements and any and all replacements and additions thereto (subject, however, to the Board's ability, pursuant to Section 18 below, to assess the maintenance costs of any Limited Common Elements to the Unit Owners benefited thereby). Such proportionate share of the common expenses for each Unit Owner shall be in the same ratio as his or her percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage or trust deed on the interest of such Unit Owner (the Owner or holder of such first mortgage is hereinafter referred to as a "first mortgagee"), except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the first mortgagee either takes possession of the Unit, accepts a conveyance or any interest therein (other than as security), or causes a receiver to be appointed in a suit to foreclose its mortgage. The provisions of this Section 13 applicable to the priority of liens held by first mortgagees shall not be amended, changed, modified or rescinded in any way without the prior written consent of all holders of first mortgage liens on Units.

14. MORTGAGES AND OTHER LIENS.

(a) Each Unit Owner shall have the right, subject to the provisions herein, to make or create, or cause to be made or created, any mortgage or other lien on or affecting his or her respective Unit together with his or her respective ownership interest in the Common Elements; provided, however, that from the date this Declaration is recorded no Unit Owner shall have the right or authority to make or create, or cause to be made or created, any mortgage or other lien on or affecting the Property or any part thereof, except only to the extent of his or her own Unit and the respective percentage interest in the Common Elements corresponding thereto.

(b) No liens of any nature shall be created or arise against any portion of the Property except against an individual Unit or Units. No labor performed or materials furnished to any Unit with the consent or at the request of the Unit Owner of such Unit shall be the basis for the filing of a mechanics' lien claim against any other Unit or any other Unit Owner's interest in the Common Elements. If the performance of the labor or furnishing of the materials is expressly authorized by the Board, each Unit Owner shall be deemed to have expressly authorized and consented to such performance of labor and furnishing of materials, and each Unit Owner shall be liable for the payment of his or her Unit's proportionate share of any due and payable indebtedness, as set forth in the Act. Except as otherwise provided in the Declaration and the Act, a Unit Owner shall not be liable for any claims, damages or judgments entered as a result of any action or inaction of the Board, other than for mechanics' liens as set forth above. Each Unit Owner's liability for any judgment entered against the Board or the Association shall be limited to his or her proportionate share of the indebtedness, as set forth in the Act, whether collection is sought through assessment or otherwise.

15. RIGHTS OF MORTGAGEES.

(a) No material amendment shall be made to any of the Condominium Instruments without approval from Eligible Mortgagees (as hereinafter defined) representing at least fifty-one percent (51%) of the votes of the Units that are subject to mortgages held by Eligible Mortgagees. A change to any of the following in the Condominium Instruments shall be considered "material" for purposes of this subsection 15(a): (i) voting rights; (ii) the manner of computing assessments, assessment liens, or the priority of assessment liens; (iii) reserves for maintenance, repair, and replacement of Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Elements or rights to their use; (vi) redefinition of any Unit boundaries; (vii) convertibility of Units into Common Elements or vice versa; (viii) expansion or contraction of the Property, or the addition, annexation or withdrawal of property to or from the Property; (ix) insurance; (x) rights to lease Units; (xi) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; (xii) a decision by the Association to establish self-management; (xiii) restoration or repair of the Property or Building (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Instruments; (xiv) any action to terminate the legal status of the Property after substantial destruction or condemnation occurs; or (xv) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

(b) First mortgagees that request the Association to notify them regarding any proposed action that requires the consent of a specified percentage of eligible mortgage holders shall be deemed "Eligible Mortgagees."

(c) The Unit Owners may not terminate the legal status of the 111 East Chestnut Condominium for reasons other than substantial destruction or condemnation of the Property without approval of Eligible Mortgagees representing at least sixty-seven percent (67%) of the votes of the Units that are subject to mortgages held by Eligible Mortgagees.

(d) Upon written request, any Eligible Mortgagee shall be entitled to: (i) inspect the books and records relating to the Property during normal business hours, upon reasonable notice; (ii) receive a copy, within 120 days after the end of the Association's fiscal year, of the annual audited financial statement of the Association; (iii) written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; (iv) notice of any default in the obligations hereunder of the Unit Owner or Owners of such Unit or Units encumbered by such first mortgage lien if such default is not cured within any applicable grace period after notice of such default has been sent to such Unit Owner or Owners by the Association; and (v) notice of any material amendment to the Condominium Instruments. However, the Association's failure to provide any of the foregoing to a first mortgagee who has so requested same shall not affect the validity of any action or decision which is related to the foregoing.

(e) Upon written request, an Eligible Mortgagee of any one or more Units shall be entitled to timely written notice in the event of any substantial damage to or destruction of such Unit or Units, or of any part of the Common Elements, or in the event that any portion or all of such Unit or Units or the Common Elements is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. Provided any applicable restoration provisions contained in this Declaration has been complied with, no Unit Owner or other Person shall be entitled to priority over any mortgagee with respect to the distribution to such Unit Owner or other Person, with respect to such Unit, of any insurance proceeds payable by reason of such damage or destruction or the proceeds of any such condemnation award or settlement.

(f) The provisions hereof are in addition to any other rights of mortgagees contained herein or under applicable law.

(g) When notice is to be given to any Eligible Mortgagee hereunder, the Board shall also give such notice to the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Veterans Administration (VA), the Federal Housing Administration (FHA), the Farmer's Home Administration (FaHA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market entity (any one of which is herein referred to as an "Agency"), provided such Agency is participating in purchasing or guarantying mortgages of Units in the Property and further provided the Board has notice of such participation by the Agency to be notified.

(h) In the event approval of any Eligible Mortgagee is required hereunder, such approval shall be deemed to have been received by the Association in the event no written notice providing disapproval is received from such Eligible Mortgagee within 30 days after a written request for approval is sent to the Eligible Mortgagee by registered or certified mail, return receipt requested.

(i) Upon written request by any holder, insurer, or guarantor of a first mortgage for an audited financial statement for the preceding fiscal year, the Association shall cooperate to obtain such a statement at the expense of such holder, insurer or guarantor within 120 days after the end of such fiscal year.

(j) Upon written request by the holder, insurer, or guarantor of the mortgage on any Unit, provided that such request states the name and address of the holder, insurer, or guarantor and the Unit number of the Unit on which it holds (or insures or guarantees) the mortgage, the Association shall provide timely written notice to such party of: (i) any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; (ii) any 60 day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; (iii) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (iv) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees pursuant to subsection 15(a) or 15(c) above.

(k) No provision in the Condominium Instruments shall be construed to give a Unit Owner or any other party priority over the rights of any first mortgagee of a Unit with respect to distribution by the Association of insurance proceeds or a condemnation award for losses to or a taking of condominium Units and/or Common Elements.

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

17. INSURANCE.

(a) The Board shall have the authority to and shall obtain or cause to be obtained "All Risk" insurance for the Property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements, the Limited Common

Elements and the Units, less deductibles but including coverage for the increased costs of construction due to building code requirements, with an agreed amount endorsement, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Limited Common Elements and the Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of the Association, as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the first mortgagees on each Unit, if any. Each such policy of insurance shall also contain, if possible, a waiver of subrogation rights by the insurer against such insured Persons. The premiums for such insurance shall be a common expense. The Board shall notify all Persons insured under such policy in the event of any lapse, cancellation or material modification thereof.

(b) The Board also shall have authority to and shall obtain or cause to be obtained comprehensive public liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in a minimum amount of \$1,000,000 or such greater amount deemed sufficient in the judgment of the Board. Such policy shall be issued by a company rated at least "Excellent" under the Best rating system (or its successor as the leading insurance rating system) and, if such coverage is available, shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy. In addition, the Board shall have authority to and shall obtain or cause to be obtained workers' compensation and other liability insurance as it deems prudent. All such insurance policies shall insure the Unit Owners, individually and severally, any mortgagee of record, if any, the Association, its officers, Directors and Board, the managing agent, if any, and their respective employees and agents and all Persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the Property. The Unit Owners shall be included as additional insureds but only with respect to that portion of the Property not reserved for their exclusive use. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties. Each such policy of insurance shall also contain, if possible, a waiver of subrogation rights by the insurer against such insured Persons. The premiums for such insurance shall be a common expense. The Board shall notify all Persons insured under any such public liability policy in the event of any cancellation thereof, and shall retain in safekeeping any such public liability policy for twenty-three (23) years after the expiration date of the policy.

(c) The Board also shall have authority to and shall obtain or cause to be obtained additional "All Risk" insurance and/or hazard and flood insurance, liability insurance, and fidelity bond coverage necessary to comply with requirements of the Federal National Mortgage Association ("FNMA") and/or Veterans Administration ("VA") or such other Agency as is purchasing or guarantying mortgages of Units in the Property, as such requirements may exist from time to time.

(d) The Board also shall have authority to and shall obtain or cause to be obtained such insurance as it deems prudent, in such amounts, from such sources and in such forms as it deems prudent, insuring the Property and each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that any such Person is or was a Director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a common expense. Directors' and officers' liability coverage must extend to all contracts and other actions taken by the Board in their official capacity as Directors and officers, but this coverage shall exclude actions for which the Directors are not entitled to indemnification under the General Not-for-Profit Corporation Act of 1986 or this Declaration and By-Laws.

(e) The Board also shall have authority to and may obtain or cause to be obtained such other insurance as it deems prudent or necessary for the Property or any aspect of the ownership, operation or management thereof, in such amounts, from such sources and in such forms as the Board deems prudent. The premiums for such insurance shall be a common expense. All such policies maintained by the Board as described herein shall be reviewed annually by an independent insurance consultant chosen by the Board or otherwise acceptable to the Board. The Board shall obtain and maintain a fidelity bond covering persons, including the managing agent and its employees who control or disburse funds of the Association, for the maximum amount of coverage available to protect funds in the custody or control of the Association, plus the Association reserve fund. All management companies that are responsible for the funds held or administered by the Association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds. The Association has standing to make a loss claim against the bond of the managing agent as a party covered under the bond.

(f) A Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his or her Unit or caused by his or her own conduct. Each Unit Owner shall be responsible for obtaining his or her own insurance on the contents of his or her own Unit, as well as his or her additions and improvements thereto, decorating, furnishings, personal property, therein and automobiles, other vehicles and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his or her personal liability and loss or damage by fire or other hazards beyond the extent that his or her liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his or her option and expense, obtain additional insurance.

(g) All physical damage insurance policies purchased by the Board shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed One Hundred Thousand Dollars (\$100,000.00), then all such proceeds shall be paid in trust to such lending institution in the metropolitan Chicago, Illinois area with trust powers as may be designated by the Board (which trustee is hereinafter referred to as the "Insurance Trustee"), and the Board shall enter into an Insurance Trust Agreement with such Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of the coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes stated in the Condominium Instruments, for the benefit of the insureds and their beneficiaries thereunder. If such proceeds with respect to any single loss do not exceed One Hundred Thousand Dollars (\$100,000.00), then all such proceeds shall be paid to the Board, as trustee for the insureds and their beneficiaries under such policy in direct ratio to each such insured's respective interest therein, to be applied pursuant to the terms of Condominium Instruments.

(h) The Board is hereby irrevocably appointed the agent for each Unit Owner, each mortgagee, or the named insureds and their beneficiaries and any other holder of a lien or other interest in the Property or any part thereof, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

(i) The Board may cause any insurance policy required or authorized under this Section 17 to be maintained by the managing agent or another entity other than the Board, or cause such insurance to be combined with any other insurance maintained by such other entity, and, in that event, the Board shall be deemed to have satisfied the requirements of this Section 17 provided the insurance coverage thereunder otherwise satisfies the requirements of this Section 17.

18. MAINTENANCE, REPAIRS, REPLACEMENTS AND USE.

(a) Each Unit Owner at his or her own expense shall furnish and be responsible for all maintenance of, repairs to and replacements within his or her own Unit.

(b) Maintenance, repairs and replacements of the Common Elements (including Limited Common Elements) shall be furnished by the Association, and the cost of such maintenance, repairs and replacements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. At the discretion of the Board, maintenance, repairs and replacements of the Limited Common Elements may be assessed in whole or in part to the Unit Owners benefited thereby, and further, at the discretion of the Board, the Board may direct such Unit Owners, in the name and for the account of such Unit Owners, to arrange for such maintenance, repairs and replacements, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

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

(d) The cost of electricity required to operate the heating and air conditioning systems in a Unit shall be billed to and paid by the Unit Owners.

(e) The authorized representatives of the Board shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

19. ALTERATIONS, ADDITIONS OR IMPROVEMENTS. No alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses any alterations, additions or improvements of any of the Common Elements, as provided in the By-Laws. Any Residential Unit Owner or Commercial Unit Owner may make alterations, additions or improvements within his or her Unit without the prior written approval of the Board, but such Residential Unit Owner or Commercial Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements. Notwithstanding the foregoing, except as constructed or altered by or with the written permission of the Association, nothing shall be done in any Unit or in, on or to the Common Elements which would impair the structural integrity, safety or soundness of the Building or which would structurally change the Building.

20. DECORATING. Each Unit Owner at his or her own expense shall furnish and be responsible for all decorating within his or her own Unit and the Limited Common Elements serving his or her Unit, as may be required from time to time, including painting, decorating, wallpapering, washing, cleaning, and installing paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings. Each such Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his or her Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his or her sole expense, as may be required from time to time. Said

maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he or she may see fit and at his or her sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as provided above) and any redecorating of Residential Units or Commercial Units, to the extent such redecorating of such Units is made necessary by damage to such Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. The interior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of the Unit Owner of that Unit. The exterior surfaces of all windows shall be cleaned by the Association and treated as a common expense.

21. ENCROACHMENTS. If any portion of the Common Elements encroach or shall hereafter encroach upon any part or any Unit, or if any Unit shall encroach upon any portions of the Common Elements, or if any Unit shall encroach upon another Unit as a result of the construction, repair, reconstruction, settlement or shifting of the Building, as the Common Elements and Units are shown by the surveys comprising the Plat, there shall be deemed to be mutual easements in favor of the Owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist; provided, however, that a valid easement for an encroachment shall in no event be created in favor of any Owner of a Unit if such encroachment occurred as a result of the willful conduct of said Owner or Owners.

22. TRANSFER OF A UNIT.

(a) Notice of Transfers. A Residential Unit Owner or Commercial Unit Owner may, without restriction under this Declaration, except for the restrictions on sales and leasing in subsections 22(d) and 22(e) below, sell, give, devise, lease or otherwise transfer his or her Unit, or any interest therein. Notice of any transfer under this subsection 22(a) shall be given to the Board within five (5) days following consummation of such transfer.

(b) Association's Right to Purchase at a Judicial Sale. The Board shall have the power and authority to bid and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to mortgage foreclosure, a foreclosure of the lien for common expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit.

(c) Financing of Purchase by Association. The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other such financing arrangements, as the Board may deem desirable, in order to close the purchase or lease of a Unit, or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

(d) Restrictions on Leasing of Units.

(i) All of the provisions of this Subsection (d) shall apply to any sublease of a Residential Unit by a lessee thereof, and to any renewal, extension or assignment of the lease of a Residential Unit, or interest therein, to the same extent as such provisions would apply to any initial or original lease of such Unit, or interest therein, by the Unit Owner thereof. No Residential Unit, or interest therein, shall be leased for a term less than six (6) months. Any such lease shall be furnished to the Board within ten (10) days of occupancy.

(ii) Any agreement to lease or rent a Unit must be in writing. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Declaration and By-Laws, of the Unit Owner making such lease, and the lease shall expressly so provide. Furthermore, the Unit Owner making such lease shall not thereby be relieved from any of said obligations. Every such lease shall also expressly provide that the Association may exercise against the lessee thereunder any and all remedies available to the Association under Section 24 of this Declaration, including, but not limited to, the right to take possession of the Unit, or of the interest therein, leased thereunder. In furtherance of the foregoing, each deed, lease, mortgage or other conveyance instrument with respect to a Unit, and the acceptance thereof, shall be deemed to assign, transfer and set over to the Association, and the Board, or either one of them ("Assignees"), all interest of the lessor Unit Owner and/or any other lessor of said Unit, or interest therein, in any lease of such Unit, or any interest therein, or any extensions or renewals thereof, together with all rents payable under same and all benefits and advantages to be derived therefrom, to hold and receive same unto Assignees (together with all rights against any guarantors of the lessee's obligations under such lease) as security for the payment of any lien which may exist against said Unit, or any interest therein, for such Unit Owner's unpaid proportionate share of the common expenses, pursuant to this Declaration, and the performance by said Unit Owner of each and all of said Unit Owner's obligations under this Declaration, and any such lease of a Unit, or any interest therein, shall contain and include such provisions in furtherance of said assignment as the Board may approve and deem prudent, from time to time, in order to effect such collateral assignment; provided, however, that such assignment shall not be construed as constituting the Assignee thereunder as a trustee or mortgagee in possession. In the event of a default by such Unit Owner under the terms and provisions of this Declaration, the Association and the Board, or either of them, may elect to exercise each and all of the rights and powers conferred upon them as Assignee by such assignment and to directly collect all rents and other amounts then due under such lease against the lessee thereunder; provided, however, that such amounts so collected, after deducting therefrom the expenses of operating such Unit and the expenses of such collection and enforcement, shall be applied on account of any such lien for unpaid common expenses. Any costs or expenses incurred in connection with the operation of such Unit or in connection with such collection and enforcement (including, without limitation, reasonable attorneys' fees) shall be a common expense and secured hereby, and the defaulting Unit Owner shall reimburse the Association therefore immediately upon demand.

(iii) Notwithstanding anything hereinabove to the contrary, any such assignment of the lease of a Unit, or any interest herein, by a Unit Owner, as hereinabove described, shall be subordinate to any assignment of such lease which is recorded prior to the date such lien for unpaid common expenses attaches and which is owned or held by any first mortgagee, except for the amount of said proportionate share of such common expenses which become due and payable from and after the date on which such first mortgagee either takes possession of the lessor's interest encumbered by such assignment, accepts a conveyance of any interest therein (other than as a security) or causes a receiver to be appointed in a suit to enforce such assignment. This provision shall not be amended or rescinded without the prior written consent of all such first mortgagees who are the holders or Owners of any such collateral assignments recorded prior to the date of such amendment or rescission.

(iv) Upon issuance of a deed or deeds pursuant to foreclosure of any mortgage or other lien on such Unit, or interest therein, all right, title and interest of such assignor in and to said lease shall, by virtue of this assignment, thereupon vest and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by such assignor. Such assignor hereby irrevocably appoints the Association, and the Board, or

either of them, as its agent and attorney in fact, to execute all instruments of assignment or further assurance in favor of such grantee or grantees in such deed or deeds, as may be necessary or desirable for such purpose.

(v) In the exercise of the powers herein granted the Association and the Board, no liability shall be asserted or enforced against the Association or the Board, such liability being hereby expressly waived and released by said assignor. Such Assignees shall not be obligated to perform or discharge any obligation, duty or liability under any such assigned lease, or under or by reason of this assignment, and such assignor shall and does hereby agree to indemnify such Assignees for and to hold them harmless of and from any and all liability, loss or damage which they may incur under such lease or under or by reason of this assignment and of and from any all claims and demands whatsoever which may be asserted against them by reason of any alleged obligations or undertakings on their part to perform or discharge any of the terms, covenants or agreements contained in such lease. Should any Assignee incur any such liability, loss or damage under such lease or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be a common expense and secured hereby, and assignor shall reimburse Assignee therefore immediately upon demand.

(vi) Although it is the intention of the parties that this assignment shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Assignees shall not exercise any of the rights or powers herein conferred upon them until a default shall occur under the terms and provisions of this Declaration. But upon the occurrence of any such default, the Assignees shall be entitled, upon notice to the lessee, to all rents and other amounts, then due under such lease and thereafter accruing, and this assignment shall constitute a direction to and full authority to such lessee to pay all such amounts to the Assignees without proof of the default relied upon. Said lessee is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected in so doing) any notice or demand by any Assignee for the payment to Assignee of any rental or other sums which may be or thereafter become due under the lease, or for the performance of any of such lessee's undertakings under the lease, and shall have no right or duty to inquire as to whether any default under the Declaration has actually occurred or is then existing.

(e) Miscellaneous.

(i) Any transfer or lease of a Unit not in compliance with the terms of this Section 22 shall be void and of no effect. Further, if any transfer or lease of a Unit is made or attempted without complying with the provisions of this Section 22, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to the Association hereunder and otherwise.

(ii) A transfer or lease of a Unit, or interest therein, by or to the Board or the holder of any mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to the remedies provided in such mortgage, or pursuant to foreclosure of such mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such mortgage, shall not be subject to the provisions of this Section 22.

(iii) All notices referred to or required under this Section 22 shall be given in the manner provided in Section 26 of this Declaration for the giving of notices.

(iv) The provisions of this Section 22 applicable to holders of mortgages shall not be amended or modified without the express and prior written consent of all holders of first mortgage liens on Units.

(v) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Section 22, for the purpose of implementing and effectuating said provisions.

23. USE AND OCCUPANCY RESTRICTIONS.

(a) Subject to the provisions of this Declaration, the By-Laws and the rules and regulations of the Association, no part of the Property shall be used for other than (i) housing and the related recreational and common purposes for which the Property was designed with respect to the Residential Units, and (ii) commercial uses for which the Commercial Units were designed and which are permitted uses in the zoning district in which the Property is located.

(b) Each Residential Unit or any two or more adjoining Residential Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units, provided the costs of making such alterations are paid in full by the Unit Owner or Unit Owners making such alterations, as provided in, and in accordance with the terms of this Declaration, the By-Laws and rules and regulations of the Board or Association.

(c) The Common Elements shall be used only by the Unit Owners and their tenants, agents, servants, family members, licensees and invitees and shall only be used for access and ingress to and egress from the respective Units and for such other purposes, including recreational purposes, incidental to residential use of the Units, as applicable; provided, however, that any Recreational Facilities, or other special area designed for a specific use and constituting part of the Common Elements shall be used for the purposes approved by the Board. Such use and the maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any easement presently in existence or entered into by the Board or by the Declarant at some future time, affecting any part or all of the Common Elements.

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

(e) No obnoxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants or which disrupts any other Unit Owner's reasonable use and enjoyment of the Property. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory or equipment to the plumbing or ventilation system without the prior written consent of the Association.

24. REMEDIES.

(a) The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the By-Laws shall, in addition to any other rights provided for in this Declaration or the By-Laws, give the Association the right: (1) to enter upon the Unit, or any portion of 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 Unit Owner, any structure, thing or condition ("Improvement") that may exist thereon contrary to the intent and meaning of the provisions hereof. However, no Improvement shall be altered or demolished prior to institution of judicial proceedings, and neither the Association nor the officers, employees or agents thereof shall thereby be deemed guilty in any manner of trespass; (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (3) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

(b) Provided, however, that, except in cases of emergency where damage to Persons or property is threatened, the Association shall not take any such action unless (1) it has given the Unit Owner alleged to have violated any restriction, condition or regulation adopted by the Association or to be in breach of any covenant or provision contained herein or in the By-Laws, a hearing on such allegations pursuant to rules and regulations adopted by the Association, (2) it has determined such allegations to be true and (3) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps as shall be necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owners. Any and all costs and expenses incurred by the Association in the exercise of its authority as granted in this Section 24, including but not limited to court costs, reasonable attorneys' fees as determined by a court of competent jurisdiction, and costs of labor and materials shall be paid by the Unit Owner in violation, and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the common expenses. Any such lien shall be junior and subordinate to the lien of a first mortgagee with respect to such Unit.

(c) Furthermore, if after the hearing and finding described above the Unit Owner fails to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a notice in writing informing the defaulting Unit Owner that his or her rights to continue as a Unit Owner and to continue to occupy, use or control his or her Unit shall terminate 10 days after the date of such notice. If the Unit Owner fails to desist from such violation or to take such corrective action as may be required by the end of such ten day period, an action in equity may be filed by the Association against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him or her on account of the violation of a rule or breach of covenant or provision as aforesaid and ordering that all the right, title and interest of the Unit Owner in the Property shall be sold at a judicial sale upon such notice and terms as the court shall establish. The court shall (1) enjoin and restrain the defaulting Unit Owner from re-acquiring his or her interest at such judicial sale or by virtue of the exercise of any right of redemption which may be established and (2) direct that any existing first mortgage be retired out of the proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser at the sale shall be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession. 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.

(d) Any Unit Owner in default hereunder or under the provisions of the By-Laws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed common expense with respect to his or her Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the By-Laws, this Declaration or the rules and regulations of the Association as to which the Unit Owner is in default. Until such fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the common expenses. Any such lien shall be junior and subordinate to the lien of a first mortgagee with respect to such Unit.

(e) The violation by the Association or a Unit Owner of any rule or regulation adopted by the Association or the breach of any provision herein or in the By-Laws shall give an aggrieved Unit Owner the right to enjoin, abate or remedy the continuance of such breach by appropriate legal proceedings, either at law or in equity.

25. AMENDMENT.

(a) Except as otherwise expressly provided herein, this Declaration may be modified or rescinded only by the vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements or by a written instrument setting forth such modification or rescission, signed by Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements. Such modification or rescission shall be effective only if all lien holders of record have been notified by certified mail of such modification or rescission, and an affidavit by the Secretary of the Association certifying such mailing is made a part of such instrument.

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

(c) No consent or agreement of any of the Unit Owners or mortgagees of Unit Owners of Units other than those affected by the transfer, subdivision or combination shall be required if the Association desires to amend this Declaration in order to provide for the transfer of Limited Common Elements or the subdivision or combination of Units, provided the provisions of the Act governing such special amendments are satisfied.

(d) Any modification or rescission of this Declaration shall be effective upon recording of such instrument in the Office of the Recorder of Deeds of Cook County, Illinois, provided, however, that no provisions in this Declaration may be modified or rescinded so as to conflict with the provisions of the Act.

26. NOTICES.

(a) Notices provided for in the Act, Declaration or By-Laws shall be in writing. Such notices shall be addressed to the Association or Board care of the President of the Board of the 111 East Chestnut Condominium Association, addressed to his or her Unit; or at such other address as hereinafter provided. Such notices shall be addressed to any Unit Owner, as the case may be, at his or her Unit, or at such other address as hereinafter provided. Such notices shall be addressed to any mortgagee of a Unit, as the case may be, at the address provided the Association, by such mortgagee for that purpose, or at such

other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner or mortgagee of a Unit may designate a different address for notices by giving written notice to the Association. Notices required to be delivered to any devisee or recipient of a Unit from, or personal representative of a deceased Unit Owner shall be addressed to such party at the address appearing for such party in the records of the court where the estate of the deceased Unit Owner is administered. Notices addressed as above shall be deemed delivered when either mailed by United States registered or certified mail, or delivered in person with written acknowledgment of the receipt thereof.

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

27. SEVERABILITY. If any provision or provisions, or if any portion of any provision or provisions, in this Declaration or the By-Laws is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Declaration or the By-Laws to be illegal, invalid, unlawful, void or unenforceable as written, then such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable; that the remainder of this Declaration and the By-Laws shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein; and that the rights, obligations and interests arising under the remainder of this Declaration and the By-Laws shall continue in full force and effect.

28. PERPETUITIES AND RESTRAINTS ON ALIENATION. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the descendants of Rob Blagojevich, the Governor of Illinois on the date hereof, who are living on the date hereof.

29. GRANTEES. Each Owner, by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts said deed or contract subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved or declared and all impositions and obligations imposed shall be deemed and taken to be covenants running with the land, and shall bind any Person having at any time any interest or estate in the Property, and shall inure to the benefit of such grantee or purchaser in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

30. FAILURE TO ENFORCE. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

31. CASUALTY AND CONDEMNATION.

(a) Casualty.

(i) In the event of a fire or other disaster causing loss, damage, or destruction to or of the Property, the proceeds of any policy insuring against the same and payable by reason thereof, if sufficient to reconstruct the Property, shall be applied to such reconstruction. As used

throughout this Section 31, reconstruction means restoration of the Property to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

(ii) In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, if the Property is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and fewer than fifty percent (50%) of the Units are rendered uninhabitable by such fire or other disaster, then provision for reconstruction of the Property may be made by the affirmative vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Meetings to consider reconstruction shall be held within thirty (30) days following the final adjustment of insurance claims, if any. Otherwise, such meeting shall be held within ninety (90) days after such fire or other disaster. At any such meeting, the Board or its representative shall present to the Unit Owners present an estimate of the cost of such reconstruction and the estimated amount of necessary special assessments against each Unit Owner in order to pay for such reconstruction. If the Property is reconstructed, any insurance proceeds shall be applied to such reconstruction, and special assessments may be made against the Unit Owners in order to pay the balance of the cost thereof.

(iii) In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, if the Property is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and if provision for reconstruction of the Property is not made pursuant to this Declaration, then provision for withdrawal of any portion of the Property from the provisions of the Act may be made by the affirmative vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Any meeting called to consider withdrawal from the provisions of the Act shall be held within sixty (60) days following the final adjustment of insurance claims, if any. Otherwise such meeting shall be held within ninety (90) days after such fire or other disaster. Upon any such withdrawal of any Unit or portion thereof, the percentage of ownership in the Common Elements appurtenant thereto shall be reallocated among the remaining Units not withdrawn on the basis of the relative percentages of ownership in the Common Elements appurtenant to each such remaining Unit. If only a portion of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to such Unit shall be reduced accordingly, upon the basis of the diminution in square footage of such Unit. Any such insurance proceeds shall be allocated, on the basis of square footage withdrawn or such other equitable basis as the Board may determine, among the Units withdrawn, or portions thereof, and the portions of the Common Elements withdrawn. As compensation for such withdrawals, (i) any such insurance proceeds allocated to withdrawn Units or portions thereof shall be applied in payment to the Unit Owners thereof in proportion to their relative percentages of ownership in the Common Elements appurtenant to such withdrawn Units, or portions thereof (computed before the withdrawal of any Units); and (ii) any such insurance proceeds allocated to withdrawn portions of the Common Elements shall be applied in payment to all Unit Owners (including the Owners of any withdrawn Units) in proportion to their relative percentages of ownership in the Common Elements (computed before the withdrawal of any Units). Upon withdrawal of any Unit or portion thereof, the Unit Owner thereof shall be relieved of any further responsibility or liability for the payment of any assessments therefore, if the entire Unit is withdrawn, or for the payment of a portion of such assessments proportion to the diminution in square footage of such Unit, if only a portion of the Unit is withdrawn. Upon withdrawal of any Unit or portion thereof and so long as such withdrawal shall continue, such Unit or portion thereof may not be occupied without the written consent of the Board.

(iv) In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, if the Property is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and if provision for neither reconstruction nor withdrawal is made pursuant to this Declaration, then the provisions of the Act shall apply.

(b) Condemnation. In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act and the percentage of, ownership interest in the Common Elements allocated to such Unit or portion thereof (as determined by the Board on the basis of diminution in square footage of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award, or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements other than the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use and their mortgagees. The Association shall be designated to represent the Unit Owners in any proceeding, negotiation, settlement or agreement connected with a taking or condemnation. Upon the withdrawal of any Unit or portion thereof the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

32. LAND TRUSTEE AS UNIT OWNER.

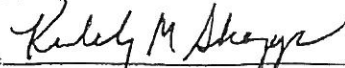
(a) In the event title to any Unit is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes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

(b) No transfer of any Unit Ownership shall take place by transfer of the beneficial interest in the land trust. No transfer of the beneficial interest in a land trust shall serve to transfer title or possession of any Unit unless the transfer is in compliance with all provisions of this Declaration.

IN WITNESS WHEREOF, the President of the Board of Directors of the 111 East Chestnut
Condominium Association has signed to these presents by his signature this 8 day of
May, 2009.


_____, President
111 EAST CHESTNUT
CONDOMINIUM ASSOCIATION

ATTEST:



Its: Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Melissa Lopez, Notary Public in and for said County, in the State aforesaid, do hereby certify that Kimberly M. Skaggs, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Association, for the uses and purposes therein set forth; and the said President did also then and there acknowledge that he, as custodian of the corporate seal of said Association, did affix the said corporate seal of said Association to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Association for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 8 day of May, 2009.

Melissa Lopez
Notary Public

My Commission Expires on 5/6/12

