

Exhibit C to Condominium  
Purchase Agreement For  
Mariners' Marina Condominium

MARINERS' MARINA CONDOMINIUMS

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DECLARATIONS OF CONDOMINIUM OWNERSHIP  
AND BY-LAWS  
EASEMENTS, RESTRICTIONS AND COVENANTS

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TABLE OF CONTENTS

	<u>Page</u>
Declaration of Condominium Ownership	1
ARTICLE I Definitions	2
ARTICLE II Units	4
ARTICLE III Common Elements	4
ARTICLE IV General Provisions as to Unit and Common Elements	5
ARTICLE V Common Expenses, Mortgages and Real Estate Taxes	8
ARTICLE VI Insurance	9
ARTICLE VII Administration and Operations	12
ARTICLE VIII Maintenance, Alterations, Decorating	14
ARTICLE IX Sale, Lease or Other Alienation	15
ARTICLE X Damage or Destruction and Restoration of Building	16
ARTICLE XI Eminent Domain	16
ARTICLE XII Sale of the Property	17
ARTICLE XIII By-Laws	18
ARTICLE XIV Board of Managers	18
ARTICLE XV Members (Unit Owners)	23
ARTICLE XVI Assessments-Maintenance Fund	25
ARTICLE XVII Covenants and Restrictions as to Use and Occupancy	28
ARTICLE XVIII Remedies for Breach of Covenants, Restrictions and Regulations	31
ARTICLE XIX General Provisions	33
Signature and Notary Page	37/38
<u>Legal Description</u>	Exhibit A
<u>Plat of Survey</u>	Exhibit B
<u>Unit Owners' Percentage of Ownership Int.</u>	
Common Elements	Exhibit C
Condominium Association Budget	Exhibit D
Plat of Survey	
Club House Property	Exhibit E
Plat of Survey	
Mariners' Village	
Condominium Homesite	Exhibit F

DECLARATION OF CONDOMINIUM OWNERSHIP  
AND BY-LAWS  
EASEMENTS, RESTRICTIONS AND COVENANTS  
FOR  
MARINERS' MARINA CONDOMINIUMS

THIS DECLARATION is made and entered into by C.P.D.INC. DBA  
MARINERS' VILLAGE & MARINA:

W I T N E S S E T H;

WHEREAS, C.P.D. Inc. DBA Mariners' Village & Marina, herein after referred to as the "Developer" or "Owner" is the legal title holder of the real estate situated in the Village of Seneca, County of LaSalle, and State of Illinois legally described in Exhibit A attached hereto and made a part hereof.

WHEREAS, it is the desire and intention of the Developer to enable the Property (as hereinafter defined) which includes, but is not limited to, said real estate, together with the buildings, structures, improvements and other permanent fixtures of any kind now or hereafter thereon, and all rights and privileges belonging or in any way pertaining thereto, to be owned by the Developer and by each successor in interest of Developer, under that certain type or method of ownership commonly known as "CONDOMINIUM" and submit the Property to the provisions of the Condominium Property Act of the State of Illinois, as amended from time-to-time; and

WHEREAS, the Developer, has elected by this Declaration to establish, for the benefit of such Developer and for the mutual benefit of all future Unit Owners or occupants of the Property, or any part thereof, which Property shall be known as MARINERS' MARINA CONDOMINIUMS or such other name as may be subsequently applied pursuant to the ACT by the Developer or the Board, certain easements and rights in, over and upon said real estate and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof: and

WHEREAS, the Developer has further elected by this Declaration to declare that the several unit Owners, occupants, mortgagees and other persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall at all times hold their interests subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which are Declared to be in furtherance of a plan to promote and protect the co-operative aspect of ownership and to facilitate the proper administration of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW THEREFORE, C.P.D. Inc. DBA Mariners' Village & Marina, as the legal title holder heretofore described, 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 the Declaration are defined as follows:

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

(2) "Association" means Mariners' Marina Condominium Association, an Illinois not-for-profit corporation.

(3) "Board" means the Board of Managers, as elected pursuant to ARTICLE XIV hereof, of the Mariners' Marina Condominium Association.

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

(5) "Common Expense" means the proposed or actual expenses affecting the Property, including Reserves, if any, lawfully assessed by the Board of Managers of the Unit Owners Association.

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

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

(8) "Owner" or "developer" means C.P.D. Inc. DBA Mariners' Village & Marina.

(9) "Limited Common Elements" means a portion of the Common Elements so designated in the Declaration as being reserved for the use of a certain unit or Units to the excluding of other Units, including but not limited to, power pedestals, dock boxes, and dock fingers and/or facilities.

(10) "Majority" or Majority of the Unit Owners' means the owners of more than fifty percent (50) of the undivided ownership of the Common Elements.

(11) "Occupant" means a Person, or Persons other than a Unit Developer, in possession of one or more Units.

(12) "Parcel" means the parcel or tract of real estate, described in Exhibit A attached to and made a part of this Declaration" which Parcel is hereby submitted to the provisions of the Act.

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

(14) "Plat" means a Plat or Plats of survey of the Parcel and of all Units in the property attached to this Declaration as Exhibit B and submitted to the provisions of the Act, which may consist of a three-dimensional horizontal and vertical delineation of all such Units.

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

(16) "Purchaser" means any Person or Persons other than the Developer who purchases a Unit in a bona fide transaction for value.

(17) "Reserves" means those sums paid by Unit Owners which are separately maintained by the Board of Managers for purposes specified by the Board of Managers.

(18) "Unit" means a part of the Property designed and intended for any type of independent use.

(19) "Unit Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of one Unit.

(20) "Unit Owners Association" or "Association" means the Association of all the Unit Owners, acting pursuant to By-Laws through its duly elected Board of Managers.

(21) "Voting Member" means the Person entitled to exercise all voting power in respect to each Unit Ownership.

## ARTICLE II

### UNITS

Description and Ownership. All Units are delineated on the Plat attached hereto as Exhibit B and made a part of this Declaration and are legally described as follows:

(See Exhibit A) Units A1,A2,A3,A4,A5,A6,A7,A8,A9,A10, A11,A12,B1,B,2,B3,B4,B5,B6,B7,B8,B9,B10,C1,C2,C3,C4,C5,C6,C7, C8,C9,C10,D1,D2,D3,D4,D5,D6,D7,D8,D9,D10,E1,E2,E3,E4,E5,E6, E7,E8,E9,E10,F1,F2,F3,F4,F5,F6,F7,F8,F9,F10,G1,G2,G3,G4,G5, G6,G7,G8,G9,G10,H1,H2,H3,H4,H5,H6,H7,H8,H9,H10,I1,I2,I3,14, 15,I6,I7,I8,I9,I10,J1,J2,J3,J4,J5,J6,J7,J8,K1,K2,K3,K4, K5,K6,K7,K8,L1,L2,L3,L4,L5,L6,L7,L8, in Mariners' Marina Condominiums, as delineated on the plat of the Parcel.

Each Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each unit shall refer to such identifying number or Symbol. It is understood that each Unit consists of the space enclosed or bounded by the horizontal and vertical plains set forth in the delineation thereof in the Plat. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown in Exhibit B. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit B and every such description shall be deemed good and sufficient for all purposes. Except as provided by the Act, no Unit Owner shall, by deed, plat, condominiumization or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts, units, or parcels different from the whole Unit as shown on Exhibit B.

## ARTICLE III

### COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property except the Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, outside walks, roads and driveways, landscaping, entrances and exits, and public utility lines serving in and through the Common Elements and one or more Units.

2. Ownership of Common Elements. Each Unit Owner shall own an undivided interest in the Common Elements as a tenant-in-common with all the other Unit Owners of the Property, and, except as otherwise limited in this Declaration by provisions, including the provisions of ARTICLE IX relating to Additional Land which the

Developer may add to the property and relating to reallocation of Unit Owners' percentage interest in the Common Elements in the event Additional Land is added to the Property, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. Such right shall extend to each Unit Owner, and the agents, servants, tenants, family members and invitees of each unit Owner. Each Unit Owner's interest shall be expressed by a percentage amount, and once determined, shall remain constant and may not be changed except as provided for in the Act; provided, however, that Developer at any time prior to the conveyance of the first Unit hereunder may adjust or change the percentage of ownership of common elements allocable to Units then owned by Developer, so long as such adjustment or change does not increase or decrease the total percentage of ownership of the Common Elements allocable to all Units then owned by Developer. The Developer has so determined each Unit's corresponding percentage of ownership in the Common Elements as set forth in Exhibit C attached hereto and each Unit Owner accepts such determination.

3. Maintenance of Common Elements. The Common Elements shall be maintained by the Association at all times in compliance with the ordinances of the Village of Seneca and the Village shall have the right, but not the duty, to inspect the Common Elements.

#### ARTICLE IV

##### GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

1. Submission of Property to Provisions of Act. The Property is hereby submitted to the provisions of the Act.

2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to the 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 so affecting the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

3. Easements. (a) Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any portion of the Common Elements or any Unit as a result of the construction, repair, reconstruction, settlement or shifting of any building, a valid mutual easement shall exist in favor of the owners of the Common Elements, and the respective

unit Owners involved to the extent of the encroachment. A valid easement shall not exist in favor of any Unit Owner who creates an encroachment by his intentional, willful or negligent conduct or that of his agent.

(b) Utility Easements. The Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company and all other public utilities serving the Property are hereby granted the right to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment related to their service to the Property, into and through the Common Elements, and the Units, where reasonably necessary for the purpose of providing utility services to the Property and all the Units located or to be located therein.

4. Easements and Rights to Run with Land. All easements and rights described herein are easements and rights 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 Developer, its successors and assigns, and any Unit Owner, purchaser, mortgage and other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this ARTICLE, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such Unit Ownership as fully and as set forth in their entirety in such documents.

5. Easements Reserved the Developer. The Developer, their successors and/or assigns, and their agents, employees, contractors, guests, invitees and licensees shall have the right and easement at all times to use the Common Elements to perform any construction, maintenance, repair, renovation, restoration or rehabilitation of, in or under all or any part of the property which the Developer desires to perform and to construct on the Parcel, and to gain ingress and egress to the property described in Exhibit E (this is the club house property and the property lying around the projected marina condominium or any add-on thereto). Further, Developer reserves the right to create easements referenced in Article IV, Paragraphs 7 and 8 below.

6. Easements in favor of the Association. Each Unit is hereby subject to an easement in favor of the Association, its employees and agents to go upon such Unit as may be necessary to carry out the duties imposed upon or permitted to the Association.



7. Easement in Favor of Adjoining Condominium Project. Each unit is hereby subject to an easement for the benefit of the property described in Exhibit F (this is identified as the Mariners' Village Homesite Condominiums property) attached hereto over the common elements of this Condominium for the purpose of ingress and egress and the use of the recreational areas of the common elements.

8. Easement in Favor of Unit Owners over the Common Elements in the Adjoining Mariners' Village Condominium Homesites, if and when created. Each unit is hereby granted the right to an easement for the benefit of all the unit owners, their agents, employees, guests, invites and licensees over the common elements (except limited common elements) of the property described in Exhibit F (this is projected to be the Homesite Condominium) if and when the proposed homesite condominium is created. If said homesite condominium is not created within ten (10) years from the date of this condominium declaration then this proposed grant of easement shall lapse automatically.

9. Easement in Favor of Adjoining Mariners' Village Condominium Association for Water Access. The Mariners' Village Condominium Association (MVCA) is granted a location to house pumping equipment and associated right-of-way across Mariners' Marina Condominium Association (MMCA) property for moving said water to their common element ponds. This easement is subject to the following:

(a) A structure to house required pumping equipment is required and is the responsibility of the MVCA. The building design should be in keeping with other Marina structures.

(b) Any changes to the pumping structure or piping right-of-way require the written approval of the Mariners' Marina Condominium Association (MMCA).

(c) All devices, piping, or apparatus extending from the pumping building to the harbor and/or water require the written approval of the MMCA.

(d) Any changes to the devices, piping, or apparatus extending from the pumping building to the harbor and/or water require the written approval of the MMCA.

(e) The MVCA shall insure that the pumping building is locked at all times when it is unattended and keys will be provided to the MMCA.

(f) The MVCA assumes all liabilities for the pumping operation, pumping structure, piping, associated electrical and plumbing operation, associated water damage, any environmental impacts or requirements, or any associated fines, penalties, or other impairments.

(g) The MVCA is responsible for any permits or approvals required for this operation.

(h) The MVCA is granted ingress and egress over the MMCA common elements for the operational and maintenance needs of this water access.

10. Easement in Favor of Adjoining Mariners' Village Condominium Association for Water Discharge. The MVCA is granted associated right-of-way across Mariners' Marina Condominium Association (MMCA) property for moving pond discharge water from their common element ponds to the harbor. This easement is subject to the following:

(a) A sediment capture mechanism (e.g. a settling pond or pool) is required to minimize pond sediment from reaching the marina harbor.

(b) Any changes to the sediment capture mechanism or piping right-of-way requires the written approval of the Mariners' Marina Condominium Association (MMCA).

(c) All apparatus, piping, or structures extending from the sediment capture mechanism to the harbor and/or water require the written approval of the MMCA.

(d) Any changes to the apparatus or structures extending from the sediment capture mechanism to the harbor and/or water require the written approval of the MMCA.

(e) The sediment capture mechanism will be cleaned periodically to remove sediment build-up. The MMCA will identify when such cleaning is required. The MVCA may elect to perform such cleaning or the MMCA may perform such cleaning and bill the MVCA for such work.

(f) The MVCA assumes all liabilities for the discharge operation, sediment capture, associated water damage, any environmental impacts or requirements, or any associated penalties, fines, or other impairments.

(i) The MVCA is responsible for any permits or approvals required for this operation.

(j) The MVCA is granted ingress and egress over the MMCA common elements for the operational and maintenance needs of this water discharge.

## ARTICLE V

### COMMON EXPENSES, MORTGAGES AND REAL ESTATE TAXES

1. Common Expenses. Each Unit Owner shall pay his proportionate share of the Common Expenses of administration, maintenance, and repair of the Common Elements, notwithstanding that said administration, maintenance and repair costs may not be used equally or proportionately by all the Unit Owners, and of any other expenses incurred in conformance with the Declaration and By-Laws or otherwise lawfully agreed upon. Such proportionate share of the Common Expenses for each unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements.

Payment thereof 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.

2. Separate Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance on his respective unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created any mortgage or encumbrance or other lien on or affecting the Property or any part thereof, except only to the extent of his Unit and his respective ownership interest in the Common Elements.

3. Separate Real Estate Taxes. It is understood 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.

## ARTICLE VI

### INSURANCE

1. Fire and Hazard Insurance. The Board shall acquire as a Common Expense, a policy or policies of insurance insuring the Common Elements and the Units against loss or damage from fire, lightning and other hazards contained in the customary fire insurance policy, and extended coverage, vandalism and malicious mischief endorsements for the full insurable replacement, value of the Common Elements and the Units written in the name of and containing a provision that the proceeds thereof shall be payable to the members of the Board, as trustees for each of the Unit Owners in the percentages established in Exhibit C.

All said policies of insurance (a) shall contain a standard mortgage clause endorsements in favor of the mortgagee or Mortgagees of each Unit, if any, as their respective interest may appear; (b) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any Act. or neglect of any unit Owner; (c) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefore, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of

the Act as provided herein; (d) shall contain an endorsement to the effect that such policy shall not be terminated for non-payment of premiums without at least (10) days prior written notice to the mortgagee of each Unit; (3) 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 the Unit Owners and Occupants; and (f) shall contain a "Replacement Cost Endorsement". The proceeds of such insurance shall be applied by the Board or by the corporate trustee or agent on behalf of the Board for the reconstruction of the Building or structure located within the common elements or shall be otherwise disposed of in accordance with the provisions of the 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 contained, at all times be subject to the provisions of the Act with respect to the application of insurance proceeds to reconstruction of any Building in which a damaged unit or portion thereof is located. The Board may engage the services of, and such insurance may be payable to, a bank or trust company authorized to execute and accept trusts in Illinois to act as Insurance Trustee, or as Agent or Depository as an alternative to acting as 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 bank or trust company shall be Common Expenses.

Each unit Owner shall maintain sufficient insurance to replace all improvements located within said unit and provide evidence thereof on a continuing basis to the Board of Managers and if said unit owner(s) fail to do so the Board of Managers shall acquire said hazard insurance and assess the premium thereof to the unit owner so failing to maintain insurance. If said assessment is not paid within 60 days the provisions of this Act which allow the Board of Managers to act to enforce its action shall apply including, but not limited to, the provisions of Articles VII and VIII.

In the event of any loss, the Board shall solicit bids from reputable contractors.

Payment by an insurance company to the Board or to such corporate trustee or agent of the proceeds of any policy, and the receipt of release from the Board or such corporate trustee or agent of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust or agency agreement under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the

application of any payments of the proceeds of any policy by the Board or the corporate trustee.

Each unit Owner shall be responsible for his own insurance for his unit; his personal property in his own unit; his personal property stored elsewhere on the Property; and his personal liability to the extent not covered by the liability insurance for all the Unit Owners obtained by the Board as provided herein.

2. Appraisal. The full, insurable replacement cost of the property, including the Units but not the improvements located exclusively within the Unit, and Common Elements, shall be determined from time-to-time by the Board.

The Board shall have the authority to obtain an appraisal by a reputable appraisal company as selected by the Board. The cost of such appraisal shall be a Common Expense.

3. Public Liability and Property Damage Insurance. The Board shall acquire, as a Common expense, comprehensive public liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in amounts deemed sufficient in the judgment of the Board, insuring the Developer and Unit Owners, individually and severally, the Board, the Unit Owner Association, the Management Agent, and their respective employees. The Developer shall be included, as an additional insured in his capacity as Unit Owner and Board Member. 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. The insurance shall cover claims of one or more insured parties against other insured parties. The insurance shall contain a waiver or any rights to subrogating by the insuring company against any of the above named insured persons.

4. Workmen's Compensation and Other Insurance. The Board shall acquire, as a Common Expense, workmen's compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board, in its judgment, shall elect to obtain, including but not limited to insurance for the Association, its officers and manager against liability from good faith actions allegedly beyond the scope of their authority.

5. Waiver. Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its officers, members of the Board, the Developer, the managing agent of the Property, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units 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.

6. Notice. The Board shall notify insured persons concerning the cancellation of insurance obtained pursuant to the terms of this ARTICLE.

ARTICLE VII

ADMINISTRATION AND OPERATIONS

1. Administration. The administration of the Property shall be vested in the Board consisting of three (3) persons, and who shall be elected in the manner provided in the By-Laws contained herein, as ARTICLE XII. The Developer, after the recording of this Declaration, may cause to be incorporated under the laws of the State of Illinois a not- for-profit corporation under the name:

MARINERS' MARINA CONDOMINIUM ASSOCIATION

or a similar name, which shall be the governing body for all the Unit Owners for the maintenance, repair, replacement, administration and operation of the Common Elements and for such other purposes as are hereinafter provided. The Board of Directors of the Association shall be deemed to be the Board referred to herein and in the Act.

2. Duties and Powers of the Association. The Association is responsible for the overall administration of the Property through its duly elected Board. The duties and powers of the Association and its Board shall be those set forth in its Articles of Incorporation, the By-laws and this Declaration: provided, however, that (i) the terms and provisions of the Act shall control in the event of any in-consistency between the Act, on the one hand, and this Declaration, the Articles of Incorporation or the By-Laws on the other hand, and (ii) the terms and provisions of this Declaration shall control in the event of any inconsistency between this Declaration, on the one hand and the Articles of Incorporation or the By-Laws on the other hand.

3. Indemnity. The members of the Board and the officers of the Association shall not be liable to the Unit Owners for any mistake of judgment, or any act or omissions made in good faith at such members or officers on behalf of the Unit Owners or the Association unless any such act or omission shall have been made in bad faith, or contrary to the provisions of this Declaration. The liability of any Unit Owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Each agreement made by such members or officers

of the managing agent, as the case may be, is made as the agent for the Unit Owners or for the Association.

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

5. 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 by the Act and in the Declaration and By-Laws shall be held and performed by the Developer. The election of the initial Board shall be held not later than sixty (60) days after the conveyance by the Developer of seventy-five percent (75%) of the units or ten (10) years after the recording of the Declaration, whichever is earlier. 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 his 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, the Developer shall deliver to the Board:

(a) All original documents pertaining to the Property and its administration such as the Declaration, By-Laws, Articles of Incorporation, Condominium Instruments, minutes and code of regulations;

(b) 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;

(c) Association funds which shall have been all times segregated from any other moneys of the Developer;

(d) A schedule of all personal property, equipment and fixtures belonging to the Association, including documents transferring the Property; and

(e) Any contract, lease, or other agreement made prior to the election of a majority of the Board (other than the Developer) by or on behalf of the Unit Owners.

ARTICLE VIII

MAINTENANCE, ALTERATIONS, DECORATING

1. Maintenance, Repairs and Replacements. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own unit. Maintenance, repairs and replacements of the Common Elements including the care of trees, shrubs, and grass, grass cutting, and repairs of driveways, parking spaces shall be furnished by the Board as part of the Common Expenses, subject to the rules and regulations of the Board and the provisions of ARTICLE XIV hereof.

The Board may cause to be discharged any mechanics' lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the property or common elements, other than against a particular Unit and its corresponding percentage of ownership in the Common Elements. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorneys' fees) incurred by reason of such lien.

Whenever the Board shall determine, in its discretion, that any maintenance or repair of any Unit is necessary to protect the Common Elements, the Board may cause a written notice of the necessity for such maintenance or repair to be served by delivering a copy thereof to any occupant of such Unit, or by mailing the same by certified or registered mail to the Unit Owner at the Unit. If such Unit Owner fails or refuses to perform any such maintenance or repair within a reasonable time which is to be stated in the notice (or any extension thereof approved by the Board), the Board may cause such maintenance and repair to be performed at the expense of such Unit Owner.

If, due to the act or neglect of a Unit Owner, a member of his family, his household pet or his guest or any authorized occupancy or visitor or such Unit Owner, damage shall be caused to the Common elements or to a Unit or Units Owner by others, or maintenance, repairs or replacements shall be required, the cost of 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, to the extent such damage or maintenance is not covered by insurance.

The Board shall have exclusive authority to take, or refrain from taking, any action pursuant to this ARTICLE VIII, Section 1. All expenses which, pursuant to this Section 1, are chargeable to any Unit Owner, may be specifically assessed to such Unit Owner



and shall be payable by such Unit Owner as prescribed by the Board.

2. Alterations, Additions or 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. Any Unit Owner may make no alterations, additions and improvements, but in any event, such Unit Owner shall be responsible for any damage to other Units, the Common Elements, or the Property. Notwithstanding the foregoing, nothing shall be done in any Unit, or in, on or to the Common Elements which will impair the structural integrity or appearance of the boat dock constructed within the respective unit.

The Condominium Association or the Developer shall have the right to require the unit owner(s) to remove their boats from their respective unit(s) if in the sole opinion of the authorized representative(s) of the Association or the Developer there must be performed maintenance on the common elements which would require the entry upon any individual unit and the presence of a boat would impair the ability to perform the repairs or would create a risk of damage to the boat. The representative of the Association or the Developer shall have the right to enter any individual unit to perform maintenance on the common elements or limited common elements. Failure of the unit owner(s) to remove, or relocate their said personal property within 3 days of notice to so move will be deemed as authorization for the Associations or Developers representative(s) to move said personal property to perform the necessary required maintenance. Except in an emergency situation wherein no notice is required should the maintenance which is required be of an emergency nature to be determined solely by the association or their authorized representative or the developer. There shall be 7 days notice given to the unit owner(s) by the Association or Developer in the manner prescribed herein for all other notices. Failure of the unit owner(s) to comply with a proper request to move said boat will result in said owner(s) incurring all expense that the Association or Developer incurs, including attorney's fees and court costs, if any, resulting from said failure to comply.

## ARTICLE IX

### SALE, LEASE OR OTHER ALIENATION

1. Successors Bound. If a sale, lease, devise or gift of any Unit Ownership is made by any unit Owner, the purchaser, lessee, devisee, or donee thereunder shall be bound by and be subject to all of the obligations of such prior Unit Owner with respect to such Unit Ownership as provided in this Declaration and By-Laws. Any unit Owner making any such lease shall not be relieved thereby from any obligations under this Declaration and By-Laws. All

leases shall be in writing. The owner shall maintain insurance which will protect all the other unit owners, their successors and assigns for any liability which might arise out of such leases.

2. Right of Repurchase. The Purchase Agreement pursuant to which the Developer will convey the Units, which by this reference is incorporated herein, contains a provision which grants the Developer, as Seller, certain rights to repurchase Units.

3. Implementing Rules. The Board may adopt rules and regulations from time-to-time, not inconsistent with the foregoing provisions, for the purpose of implementing and effectuating the same.

## ARTICLE X

### DAMAGE OR DESTRUCTION AND RESTORATION OF BOATSLIP

1. Sufficient Insurance. In the event the improvements forming a part of the Common Elements of the Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment therefore; reconstruction shall be performed pursuant to the boatslip plans and Plat recorded with the City of Seneca, Illinois. In the event such repair, restoration or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all unit Owners according to each Unit Owner's percentage of ownership in the total units asset forth in relation to each other by calculation of the common elements set forth in Exhibit C.

## ARTICLE XI

### EMINENT DOMAIN

1. Reallocation of Common Elements and Condemnation Award. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board of Managers. The allocation of remaining Unit Owners shall be on an equitable basis, which need not be a Unit's percentage interest. Any condemnation award of other proceeds available in connection with

the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. Proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interest of those entitled to their use.

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

## ARTICLE XII

### SALE OF THE PROPERTY

The Unit Owners through the affirmative vote of Voting Members having at least three-fourths (3/4) of the total votes, at a meeting duly called for such purpose, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any unit Ownership entitled to notice under Section 1 of ARTICLE XIX of 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 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 the 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 XIII

BY-LAWS

The provisions of ARTICLE XIV, XV, XVI, XVII, and XVIII shall constitute the By-Laws of the Association and the By-Laws prescribed by the Act.

ARTICLE XIV

BOARD OF MANAGERS

1. Board of Managers (Board of Directors). (a) The direction and administration of the Property shall be in a Board, consisting of three (3) persons who shall appointed or elected in the manner herein provided. 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 officer, director or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust or manager of such other legal entity shall be eligible to serve as a Member of the Board.

(b) At the initial meeting the voting members shall elect three (3) Board Members. In all elections for Members of the Board, each voting member shall be entitled to accumulate his votes in the manner provided bylaw and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting shall serve' until the first annual meeting. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of one (1) year. Upon the expiration of the terms of office of the Board Members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each. Transition to new Board members shall be completed within two (2) weeks of elections. No Member of the Board or Officer shall be elected for a term of more than two years but Officers and Board Members may succeed themselves. The voting members having at least two-thirds (2/3) of the total votes may from time-to-time increase or decrease the term of office of Board Members at any annual or special meeting, provided that such number shall not be less than three (3) and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services, unless expressly authorized by the Board with the approval of voting members having two-thirds (2/3) of the total votes. Vacancies of the Board, including vacancies due to any increase in the number of persons on the Board, shall be filled by the voting members present at the next annual meeting or at a

special meeting called for such purpose. Except as otherwise provided in this Declaration, the property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. A majority of the total number of the Members of the Board shall constitute a quorum. Meetings of the Board may be called, held and conducted in accordance with such resolutions as the Board may adopt.

(c) The Board shall elect from among its members a President who shall preside over both its meetings and those of the voting members, and who shall be the Chief Executive Officer of the Board and the Association and who shall execute amendments to the Condominium Instruments, a Secretary who shall keep the minutes of all meetings of the Board, attendance of the voting members, who shall mail and receive all notices, and who shall, in general, perform all the duties incident to the office of Secretary, a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect.

(d) Any Board Member may be removed from office by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for that purpose. A successor to fill the unexpired term of a Board Member removed may be elected by the voting members at the same meeting or any subsequent annual meeting or special meeting called for that purpose.

(e) The Board shall meet at least four (4) times annually, once per quarter, and at such other times as the Board may deem necessary. Meetings of the Board shall be open to any Unit Owner and notice of any such meeting 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 notices. Notice of any such meeting shall be posted in a conspicuous place on the premises at least forty-eight (48) hours prior thereto.

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

(a) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements;

(b) Preparation, adoption and distribution of the annual budget for the Property;

(c) Levying of assessments;

(d) Collection of assessments from Unit Owners;

(e) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements;

(f) Obtaining, adequate and appropriate kinds of insurance;

(g) Owning, conveying, encumbering, leasing and otherwise dealing with units conveyed to or purchased by it;

(h) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property including but not limited to the following rules which are hereby installed and implemented until changed in accordance with this declaration:

(I) No Trucks, Campers, Etc. to be Kept on Any Street. No trucks, truck mounted campers, trailers, house trailers, buses, boats, boat trailers, campers, junk automobiles, dilapidated or disabled vehicles of any kind shall be maintained, stored or parked on any dedicated or undedicated street or right of way in the Common Elements and the dedication of any such right of way or street in the plat attached hereto shall be subject to this provision.

(II) Junk Machinery and Materials. No implements, machinery, lumber or building materials shall be permitted to remain exposed upon any boatslip so they are visible from the streets or any neighboring unit. No part of the Condominium shall be used for storage of junk or for wrecking yards.

(III) Destruction of Boatslip. In the event any structure is destroyed either wholly or partially by fire or any other casualty, said structure shall be promptly rebuilt, or repaired, all remaining portions of the boatslip or structure, including the foundations and all debris shall, within sixty (60) days from the date of such fire or other casualty, be removed from the property.

(IV) Buried Utility Lines. All public utility, cable television and radio wires, pipes, mains, tiles, conduits, cables, lines, service lines, and other appurtenances constructed, laid or installed in the Condominium must be buried beneath the ground, except the necessary floating docks, and pedestals, transformers and power units required to serve boatslips facilities in the Condominium.

(V) Clean-Up. Each unit shall at all times be kept in a clean and sightly condition. No trash, litter, junk, boxes, containers, bottles or cans shall be permitted to collect or remain exposed on any unit or limited common element.

(VI) Easements. An easement of the widths shown on said plat is hereby reserved for the use of Commonwealth Edison Company, Illinois Bell Telephone Company, Northern Illinois Gas Company, and Cable Television Operator who obtains a franchise from the County of LaSalle, their successors and assigns, and anyone working by, through or under them, all as shown by dotted or broken lines on the Plat attached hereto and marked "utility easement" or "P.U. Easement", to install, lay, construct, renew, operate and maintain pipes, mains, tiles, conduits, manholes, cables, under and beneath the ground only, with all necessary appurtenances for the purpose of serving this Condominium and adjoining property with electric, telephone, cable television, gas, and water service together with the right to enter upon said easements at all times to install, lay, construct, renew, operate and maintain said pipes, mains tiles, conduits, manholes and cables. All such utility pipes, mains, tiles, conduits, cables and appurtenances (except necessary pedestals and transformers required to serve the underground facilities so constructed, installed, laid or reconstructed in such easements or in streets or rights of way in the Condominium), must be buried under and beneath the ground; no permanent structure, fence, tree or shrubs shall be placed on said easement, but same may be landscaped and used for other purposes that do not interfere with the use of said easement for public utilities purposes.

(VII) Acceptance by Grantees. Each Grantee of a Unit in this Condominium, by the acceptance of a deed conveying any unit in this Condominium, shall accept title thereto upon and subject to each and all of the covenants, conditions, restrictions, reservations, equitable servitudes, grants and easements herein contained and by such acceptance shall for himself, his heirs, personal representatives, successors, assigns, grantees and lessees, covenant and agree to and with the grantees and subsequent owners of each said other Units, to keep, observe, comply with and perform said covenants, conditions, restrictions, reservations, equitable servitudes and grants.

To amend this Rider there must be an approval of 3/4 of the Board followed by a separate 2/3 approval of all Unit Owners.

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

(j) To have access to each Unit from time-to-time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to the Unit or Units;

(k) To pay for water, waste removal, other operating expenses, electricity, telephone and other necessary utility service for the Common Elements.

(l) To pay for landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating repair and replacement of the Common Elements.

(m) To pay for any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or By-Laws or which in its opinion shall be necessary or proper for the maintenance and operation of the property as luxury condominium boatslips or for the enforcement of these restrictions.

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

(o) To maintain and repair any unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements or any other portion of a Structure, and if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice by the Board to said Unit Owner; then Board shall levy a special assessment against such Unit Owner for the cost of said maintenance or repairs;

(p) The Board or its agent upon reasonable notice may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board as a Common Expense;

(q) The Board's powers enumerated herein and described in the Declaration shall be limited in that the Board shall have no authority to acquire and pay for any structural alterations, additions to, or improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration), requiring an expenditure in excess of Five Thousand Dollars



(\$5,000) without in each case the prior written approval of voting members having two-thirds (2/3) of the total vote;

(r) All agreements, contract, deeds, leases, vouchers for payment of expenditures and other instruments shall, be signed by such officer or officers, agent or agents of the Board and in such manner as from time-to-time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board;

(s) The Board may adopt such reasonable rules and regulations, not inconsistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the property and for the health, comfort, safety and general welfare of the unit Owners and Occupants of the property. Written notice of such rules and regulations shall be given to all Unit Owners and Occupants and the entire Property shall at all times be maintained subject to such rules and regulations;

(t) The Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board. However, all management agreements shall be cancelable with 90 days notice without cause and 30 days notice with cause,

(u) Nothing contained herein shall be construed to give, the Board, Association, or unit Owners authority to conduct an active business for profit on behalf of all the unit Owners or any of them; and

(v) Upon authorization by the affirmative vote of not less than a majority of the voting members at a meeting duly called for such purposes, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as common Expenses.

## ARTICLE XV

### MEMBERS (UNIT OWNERS)

1. Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such voting members shall be Unit Owners or may be some person designated by such Unit Owners to act as proxy on his or their behalf, provided that such designation of proxy

shall be in the form of a signed writing and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designators, or by written notice to the Board by the unit Owner or Unit Owners and, in no event, shall such designation or proxy be valid for a period exceeding eleven (11) months. Any or all unit Owners, and their designee, if any, may be present at any meeting of the voting members, but only the member of the Unit Ownership may vote or take any other action as a voting-member either in person or by proxy. The total number of votes of all voting members shall be 100, and each unit Owner or group of Unit Owners shall be entitled to the number of votes equal to the total of percentage of ownership in the Common Elements applicable to his or her or their Unit Ownership as provided in Exhibit C attached hereto, as amended from time-to-time. The Owner shall designate the voting member with respect to any Unit Ownership owned by the Owner. The Association shall have one class of membership only and nothing contained in these Condominium instruments shall permit or allow different classes of membership among the Unit Owners.

2. Meetings. (a) Meetings of the voting members shall be held at the property or at such other place in LaSalle County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members of at least a majority of the voting members and voting members having at least a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes represented at such meeting.

(b) The initial meeting of the voting members shall be held upon written notice given by the Owner or Developer, of not less than twenty-one (21) days nor more than thirty (30) days. Such written notice may be given at any time but must be given not later than sixty (60) days after seventy-five (75) percent of the units are conveyed or one hundred twenty (120) months from the date of recording of this Declaration, whichever is earlier. Thereafter, there shall be an annual meeting of the voting members on the first Wednesday of November following such initial meeting and on the first Wednesday of each succeeding November thereafter at 7:30 PM or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the voting members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting.

(c) 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 shall be called by written notice, authorized by a majority of the Board, or by the voting members having one-fourth (1/4) of the total votes and delivered 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.

3. Notices of Meetings. Notices of meetings required to be given herein shall be delivered either personally or by mail to the voting members, addressed to each such person at the address given by him to the Board for the purposes of service of such notice or, if no address has been given to the Board, to the Unit of the Unit Owner with respect to which such voting right appertains.

4. Miscellaneous. No merger or consolidation of the association, sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the Property and assets of the Association, or the purchase or sale of land or of units on behalf of all Unit Owners shall be effectuated unless there is an affirmative vote of two-thirds (2/3) of the votes of the Unit Owners, unless a greater percentage is otherwise provided for in this declaration.

## ARTICLE XVI

### ASSESSMENTS - MAINTENANCE FUND

1. Estimated Annual Budget & Assessments. Each year on or before November 1, the Board shall estimate the total amount necessary to pay the cost of all Common Expenses which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements (the "Annual Budget"). The Annual Budget shall set forth with particularity all anticipated Common Expenses by category as well as all anticipated assessments and other income. The Annual Budget shall also set forth each unit Owners proposed Common Expense assessment. Each Unit Owner shall receive a copy of the Annual Budget at least thirty (30) days prior to the adoption thereof by the Board of Managers. Each unit Owner shall receive a copy of the annual Budget at least thirty (30) days prior to the adoption thereof by the Board of Managers. The annual budget shall be assessed to the Unit Owners according to each Unit Owners' Percentage of Ownership in the Common Elements as provided in Exhibit C attached hereto, as amended from time-to-time. Each Unit Owner shall receive notice in the same manner as is provided in this Declaration for membership meetings, of any meeting of the Board of Managers concerning the adoption of the Annual Budget or any increase, or establishment of an assessment unless a written

waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. On or before January 1 of the ensuing year, and the first of each and every month of said year, said Unit Owner jointly and severally shall be personally liable for and obligated to pay to the Board or as it may direct one-twelfth (1/12th) of the assessment against his Unit ownership made pursuant to this section. On or before April 1 of each calendar year following the year in which the initial meeting is held, the Board shall 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 amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's Percentage of Ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's Percentage of Ownership in the Common Elements to the installments due in the succeeding six (6) months after rendering of the accounting.

2. Reserves and Adjustments. The Board shall establish and maintain a reasonable reserve for contingencies and replacements. Any extraordinary or non-recurring Common Expense not set forth in the annual budget as adopted, and any increase in assessments over the amount adopted shall be separately assessed against all Unit Owners. Any such separate assessment shall be subject to approval by the affirmative vote of at least two thirds (2/3) of the unit Owners voting at a meeting of such 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 Owner equal to or greater than five (5) times the unit's most recent Common Expense assessment calculated on a monthly basis or Six Hundred Dollars (\$600) whichever is less. All unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount.

3. Initial Estimate of Annual Budget. When the first Board elected or appointed hereunder takes office it shall determine the Annual Budget as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessment shall be levied against the Unit Owners during said period as provided in Section 1 of this ARTICLE.

4. Failure to Prepare Estimated Budget. The failure or delay of the Board to prepare or serve the Annual Budget or an adjustment pursuant to Section 2 of this ARTICLE on a Unit Owner shall not constitute a waiver or release in any manner and necessary reserves, as herein provided, whenever the same shall be

determined, and in the absence of any Annual Budget or adjustment, the unit Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the next monthly maintenance payment which is due not more than ten (10) days after such new Annual Budget or adjustment shall have been mailed or delivered to the unit Owner.

5. Books and Records. The Board shall keep full and correct books of account in chronological order of the receipt and expenditures affecting the Common Elements specifying and itemizing the maintenance and repair expenses incurred concerning the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any unit Owner or any representative of a unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be required by the Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such unit Owner. All Owners of the Units shall have the right to inspect the books at reasonable time or times during normal business hours.

6. Use of Funds. All funds collected hereunder shall be held and expended for the purpose designated herein and except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit C attached hereto, as amended from time-to-time.

7. Insurance. Any insurance premiums assessed on a basis reflecting increased charges for coverage on certain Units shall be assessed to each unit.

8. Assessments. If a unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may bring suit for and on behalf of themselves and as representatives of all unit Owners, to enforce collection thereof or to foreclose the lien therefore as hereinafter provided; and there shall be added to the amount due from the delinquent Unit Owner the costs of said suit, including interest and attorneys' fees. 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 Unit Owner involved when 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. Such lien shall take effect and be in force

when and as provided in the Act; provided, however, that encumbrances owned or held by any bank insurance company, savings and loan association or other lender, including all mortgage holders shall be subject as to priority after written notice to said encumbrance of unpaid Common Expenses only to the lien of all Common Expenses on the encumbered Unit Ownership which becomes due and payable subsequent to the date of the encumbrance either takes possession of the Unit, accepts a conveyance of any interest in the Unit Ownership or has a receiver appointed in a suit to foreclose its lien. In addition to the foregoing the Board or its agents shall have such other rights and remedies to enforce such collection as shall otherwise be provided or permitted by law from time-to-time. Without limiting the generality of the foregoing, if any Unit Owner shall fail to pay its proportionate share of the Common Expenses or of any other expenses required to be paid hereunder when due, the rights and remedies of the Board of Managers shall include: (1) the right to enforce the collection of such defaulting unit Owner's share of such expenses (whether due by acceleration or otherwise), together with interest thereon, at the maximum rate permitted by law and all fees and costs (including reasonable attorneys' fees) incurred in the collection thereof: (2) the right by giving such defaulting Unit Owner five (5) days written notice of the election of the Board so to do, to accelerate the maturity of the unpaid installments of such expenses accruing with respect to the balance of the assessment year: and (3) the right to take possession of such defaulting Unit Owner's interest in the Property, to maintain for the benefit of all the other Unit Owners an action for possession in the manner prescribed in "an Act in regard to Forcible Entry and Detainer" approved February 16, 1874, as amended, and to execute leases of such defaulting Unit Owner's interest in the property and apply the rents derived therefrom against such expenses.

9. Non-use. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Unit.

## ARTICLE XVII

### COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The units and Common Elements shall be owned, occupied and used subject to the following covenants and restrictions;

1. General Use. No part of the Property shall be used for other than related common purposes for which the Property was designed.

2. Obstruction of Common Elements and Unit Maintenance. There shall be no obstruction of the Common Elements. Each Unit

Owner shall be obligated to maintain and keep in good order and repair his own unit and its' limited Common Elements.

3. Prohibited Use. Nothing shall be done or kept in any Unit, or in the Common Elements, which will increase the rate of insurance for residential use, without the prior written consent of the Board. No unit Owner shall permit anything to be done or kept in his Unit, or in the Common Elements which would result in the cancellation of insurance on the common elements or which would be in violation of any law. No waste shall be committed in or on the Common Elements.

4. Unit Owner Insurance. Each Unit Owner shall be responsible for his own Insurance improvements made by said Unit Owner to his Unit, his personal property in his own Unit, his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the liability insurance for all the Unit Owners obtained by the Board as provided herein.

5. Pets, Etc. No animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that dogs, cats 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 upon seven (7) days written notice from the Board. All such pets shall, when outside the unit, be properly leashed and/or restrained, failure to properly leash and/or restrain pet can lead to removal of pet from property.

6. Nuisances. No noxious or offensive activity shall be carried on in any Unit or in the Common Element, 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.

7. Unsightliness. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung or exposed on any part of a unit or the Common Elements. The part of the unit which lies outside the unit and the Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. All rubbish, trash and garbage shall be kept so as not to be seen from neighboring units and streets, and shall be removed regularly from the portion of the Unit outside the structure constructed thereon and the Common Elements so as not to accumulate therein.

8. Commercial Activities. No industry, business, trade, occupation or profession of any kind, commercial, religious

educational or otherwise, designated for profit, altruism, exploration, or otherwise shall be conducted, maintained or permitted in any Unit.

9. For Sale and For Rent Signs. No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Board, provided that the right is reserved by the Developer and their agents, to maintain on the Property until the sale of the last Unit, all models, sales offices and advertising signs, banners, and lighting in connection therewith at such locations and in such forms as they shall determine together with the right of ingress, egress and transient parking thereof through the Common Elements.

10. Common Elements. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board. The foregoing, however, does not in any manner restrict Developer's right to add additional property to the Property as provided in ARTICLE IX of this Declaration.

11. No boat trailers, recreational vehicles, campers, trailers or disabled vehicles shall be kept on the condominium property. The Association may authorize such vehicles parked in violation of this section to be towed away. Any such towing charge shall become a lien upon the Unit of the owner of the vehicle in the same manner as provided for non-payment of assessments.

12. The only vehicles which are allowed to be kept within the Units are boats approved by the Association. Automobiles including vans, four wheel drive or two wheel drive enclosed or semi-enclosed vehicles which do not exceed the size of a standard pickup truck, may be stationed on a defined roadway or parking area.

13. Except as approved by the Board, storage of any kind, playground equipment, playpens, signs, sandboxes, grills and other cooking equipment, lawn furniture and similar items may not be placed or kept in the Common Elements except in the areas so designated.

14. Bicycles of unit owners, family members, and unit owner invitees are not to be left in Common Elements except as designated.

15. No skateboards or snowmobiles may be allowed or operated in or on the Common Elements of the Marina.



16. The Marina and its entrance channel are "No Wake" zones, any damage to other boats Units or Common Elements caused by a unit Owner from a "Wake" created by improper use of a boat within the Marina which results in a cost-to-repair by another Unit Owner or Owners or the Association shall become a lien upon the Unit of the Owner of the boat in the same manner as provided for non-payment of assessments.

17. The Unit restrictions in sections 1 through 16 of this ARTICLE XVII shall not, however, be construed in such a manner as to prohibit a unit Owner from: (i) maintaining his professional library therein, (ii) keeping his personal, business or professional records or accounts therein, or (iii) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incidental to the principal use and not in violation of Sections 1 and 12 of this ARTICLE XVII.

#### ARTICLE XVIII

##### REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

1. Abatement and Enjoyment. The violation of any restriction, condition or regulation adopted by the Board, or the breach of any covenant or provisions herein contained, shall give the Board the right, in addition to the rights set forth in the next succeeding section: (a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Unit Owners, any structure, thing or condition that may exist thereon contrary to the intent and the provisions hereof, and the Owner, the Developer or their successors or assigns, the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of twelve percent (12) per annum until paid or at such other maximum interest rate permitted by law if said rate is less than twelve percent (12) per annum, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all his personal property in his Unit or located elsewhere on the Property. Any and all of such rights and remedies may be exercised at any time and from time-to-time, cumulatively or otherwise by the Board.

2. Involuntary Sale. If any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration, or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall re-occur more than twice after such notice, then the Board shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate said violation or there shall be called a meeting of all the Unit Owners in accordance with ARTICLE XVI and a vote shall be taken as to whether the rights of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his unit shall be terminated; at this special meeting a quorum shall be two-thirds (2/3) of the total votes. There must be an affirmative vote of three-quarters (3/4) of the quorum present to approve the termination of the Unit Owner's rights and if said approval is given then an action in equity may be filed by the members of the Board against the defaulting Unit Owner or Occupant or, in the alternative, for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of the said violation and ordering the rights, title and interest of the Unit Owner in the property to 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 defaulting Unit Owner shall be enjoined, restrained and prohibited from reacquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court, reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxes 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 shall thereupon be entitled to a deed to the Unit Ownership, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the property, sold subject to this Declaration. The original unit owner(s) may, however, privately sell his and/or her unit at any time prior to judicial sale being conducted. A private sale is defined as the final transfer of the ownership of the unit by deed or assignment of beneficial interest if the property is in trust. This sale is, however, subject to all the other provisions of this declaration regarding the sale of a unit by its' owner.

## ARTICLE XIX

### GENERAL PROVISIONS

1. Notice to Mortgagees. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner whose unit Ownership is subject to such mortgage or trust deed. The Board may charge a reasonable amount to said mortgagees for the cost of providing any requested notice.

2. Notices to Board, Association and Unit Owners. Notices provided for this Declaration and in the Act shall be in writing and shall be addressed to the Association or Board, or any Unit Owner, as the case may be, at a post office box specially for this purpose as designated by the Association or Board (indicating thereon the number of the respective Unit if addressed to a Unit Owner), or at such other address as herein provided. The Association or Board may designate a different address or addresses for notices to them respectively, by giving written notice of such change of address to all unit Owners. Any Unit Owner may also designate a different address for notices to him by giving written notice of his change of address to the Board or Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or if addressed to a Unit Owner, three days after being deposited in his mailbox.

3. Notice to Decedent. Notices required to be given any devisee or personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased unit Owner is being administered.

4. Binding Effect. Each grantee of the Owner, by acceptance of a deed of conveyance, or each purchaser under any contract for such 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 or estate in the Property or any Unit, and shall inure to the benefit of such Unit Owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

5. Waiver. No covenants, restrictions, conditions, obligations 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.

6. Amendment. Except as otherwise provided in the Act this Declaration, and By-Laws, and the provisions of the Condominium Instruments, may be amended, changed or modified by an instrument in writing setting forth such amendment, change, or modification, signed and acknowledged by at least two-thirds (2/3) of the Unit Owners and the approval of any mortgagees required under the provisions of the Condominium instruments, and containing 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. Any amendment, change or modification shall conform to the provisions of the Act and shall be effective upon recordation thereof. No change, modification or amendment which affects the rights, privileges or obligations of the Owner or the Developer shall be effective without the prior consent of the Owner or the Developer. Except to the extent authorized by provisions of the Act and this Declaration and By-Laws, no amendment to the Condominium Instruments 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.

7. Special Amendment. Notwithstanding any other provisions of this Declaration, the Owner and the Developer and each of them singly reserves and shall have the right at any time and from time-to-time to record a Special Amendment to this Declaration and By-Laws to (i) conform this Declaration and By-Laws with the requirements of the Act or the requirements of any institutional lender issuing a commitment to the Owner or Developer to make first mortgage loans or (ii) correct clerical or typographical errors in this Declaration and By-Laws or (iii) complete the data on the Plat after improvements constructed at anytime on the Parcel are completed by the Developer. In furtherance of the foregoing, each Unit Owner and each holder of a mortgage, trust deed, or lien affecting any Unit and each Person having any other interest in the Property hereby grants to the Owner and Developer and each of them (and the Owner hereby reserves for each of them) an irrevocable power of attorney coupled with an interest on behalf of each unit Owner and each such holder or Person to make, sign and record on behalf of each Unit Owner and each such holder and Person any amendment described in this Paragraph 7. Each deed, mortgage trust deed, other evidence of obligation or other instrument affecting a Unit or the Property and the acceptance of any such instrument shall be deemed to be a grant and

acknowledgment of, and a consent to the reservation of, the  
aforescribed power of attorney to the Owner, Developer, and each  
of them to make, sign and record on behalf of each of the unit  
Owners, holders and Persons described in this paragraph any  
amendment described in this paragraph. The power of attorney  
described in this paragraph shall terminate seven (7) years from  
recording of this document.

8. Perpetuities and Restraints. 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 analogous statutory provisions, (b) the  
rules restricting restraints or alienations, 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 last to die of the now living lawful descendants  
of President Bush, elected president of the united states in 1988.

9. Liens. In the event any lien exists against two (2) or  
more units and the indebtedness secured by such lien is due and  
payable, the unit Owner of any such unit so affected may remove  
such unit and the undivided interest in the Common Elements  
appertaining thereto from such lien by payment of the proportional  
amount of such indebtedness attributable to such Unit. In the  
event such lien exists against the Units or against the Property,  
the amount of such proportional payment shall be computed on the  
basis of the. Percentage of ownership set forth in Exhibit C  
attached hereto, as amended from time-to-time. Upon payment as  
herein provided, it is the duty of the encumbrancer to execute and  
deliver to the Unit Owner a release of such Unit and the undivided  
interest in the Common Elements appertaining thereto from such  
lien.

The Owner of such Unit 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 hereinafter set  
forth. Each Unit Owner's liability for any judgment entered  
against the Board, if any, shall be limited to his proportionate  
share of the indebtedness as set forth herein, whether collection  
is sought through assessment or otherwise. A Unit Owner shall be  
liable for any claim, damage or judgment entered as a result of  
the use or operation of his unit, or caused by his own conduct.  
The Developer shall be liable alone for payment of any lien,  
including mechanics' liens, damages or judgments which result from  
any contract entered into by him other than as builder for a Unit  
Owner of the original structure to be constructed within the unit  
or tort committed by him in connection with the property or any  
addition thereto.

If, as a result of work expressly authorized by the Board, a  
mechanics' lien claim is placed against the Property or any

portion of the Property, each unit Owner shall be deemed to have expressly authorized it, and consented thereto, and shall be liable for the payment on the basis of the Percentage of Ownership in the Common Elements set forth in Exhibit C attached hereto, as amended from time-to-time.

10. Release of Claims. Each Unit Owner hereby waives and releases any and all claims, which he may have against any other Unit Owner, Occupant, the Association, its officers, member or the Board, the Owner, the Developer, the managing agent, and their respective employees and agents, for damage to the Common Elements, the Units or to any personal property located in the Units 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.

11. Headings. The headings and captions contained herein are inserted for convenient reference only and shall not be deemed to construe or limit the sections and ARTICLES to which they apply.

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

This Condominium Declaration Document hereby grants and creates an easement, for ingress and egress for the benefit of the property identified as "Out Lot # 8" and or the "Clubhouse Property" over the common elements to and from all public roads, lands, and waterways.

*Latest By-Laws Update  
November 7, 2015  
Board Members:*

*Steven J. Parrish - President  
Stephen J. Diaz - Treasurer  
Thomas Jungels - Secretary*