

This Instrument Prepared By and
After Recording Mail To:

SEDGWICK INVESTMENTS LLC
1525 W. Homer, Suite 401
Chicago, IL 60642
Attention: F. Martin Paris, Jr

For Recorder's Use Only

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, PARTY WALLS AND EASEMENTS FOR
THE 1611 NORTH HERMITAGE AVENUE BUILDING
1611 NORTH HERMITAGE AVENUE
CHICAGO, ILLINOIS

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Exhibit A — Legal Description of the Premises
Exhibit B — Legal Description of Commercial Property
Exhibit C — The Condominium Property

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THE 1611 NORTH HERMITAGE AVENUE BUILDING
1611 NORTH HERMITAGE AVENUE
CHICAGO, ILLINOIS

This Declaration (“Declaration”) is made and entered into as of the 3rd day of March, 2013, by Sedgwick Investments LLC, an Illinois limited liability company (“Declarant”).

RECITALS:

A. Declarant is the owner of the real property legally described on Exhibit A attached hereto (the “Premises”); and

B. Declarant intends to construct on the Premises a four (4) story building (the “Building”) consisting of nineteen (19) residential condominium units, twenty-seven (27) garage units, and a portion of the Building which will be devoted to commercial, retail and/or office uses; and

C. After the recording of this Declaration, Declarant intends to separate the ownership of the Building into two parcels consisting of the Condominium Property (as hereinafter defined) and the Commercial Property (as hereinafter defined); and

D. Declarant desires to establish for its own benefit and for the mutual benefit of all future owners, tenants and occupants of the Premises as constituted from time to time, certain mutually beneficial easements, restrictions, obligations and privileges with respect to the use, conduct and maintenance thereof; and

E. Declarant desires and intends that the owners, tenants, mortgagees, occupants and other persons hereafter acquiring any interest in the Premises shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, obligations, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to facilitate the proper administration of the Premises and the improvements thereon and all of which are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof.

NOW, THEREFORE, Declarant declares as follows:

1. **DEFINITIONS.**

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

1.1. Board.

The Board of Directors of the Condominium Association as constituted at any time or from time to time.

1.2. Building.

The building commonly known as 1611 North Hermitage Avenue, Chicago, Illinois, to be located on the Premises, as altered, modified, replaced or improved from time to time.

1.3. Building Facade.

The foundation and exterior walls of the Building, exclusive of the roof.

1.4. Charge.

Any amount which becomes due and payable from one Owner to the other Owner hereunder.

1.5. Commercial Property.

Those portions of the Premises which are not included in the Condominium Property, all as legally described on Exhibit B hereto.

1.6. Commercial Property Facility.

Any fixture or item of personal property which is a component part of an operating system which serves the Commercial Property exclusively but which is located in, on or upon the Condominium Property, including, without limitation, ducts, flues, black iron exhaust, black iron ductwork, pipes, conduits, wires and meters.

1.7. Commercial Property Owner(s).

The Owner or Owners from time to time of the Commercial Property; provided, that, if at any time the Commercial Property is submitted to the Condominium Property Act of the State of Illinois then for purposes hereof, the Commercial Property Owner(s) shall be deemed to be the condominium association which is responsible for administering the Commercial Property under the condominium declaration recorded with respect to the Commercial Property.

1.8. Common Property Areas.

The sidewalks, driveways, loading and delivery areas, common hallways, and lobby areas, and trash storage areas located on the Premises or immediately adjacent thereto and which serve both the Commercial Property and the Condominium Property.

1.9. Condominium Association.

The 1611 N. Hermitage Condominium Association created pursuant to the Condominium Declaration, and its successors and assigns.

1.10. Condominium Declaration.

That certain Declaration of Condominium Ownership and of Easements, Restrictions, Covenants, and By-laws for 1611 N. Hermitage Condominium which is hereafter recorded against the Condominium Property.

1.11. Condominium Property.

That portion of the Premises which is subjected to the provisions of the Illinois Condominium Property Act consisting of the residential units and parking units, all as more fully designated on Exhibit C attached hereto.

1.12. Condominium Property Facility.

Any fixture or item of personal property which is a component part of an operating system which serves the Condominium Property exclusively but which is located in, on, or upon the Commercial Property including, without limitation, ducts, flues, pipes, conduits, wires, and meters.

1.13. Condominium Property Owner.

For purposes hereof, the owner of the Condominium Property shall mean the Condominium Association which is responsible for administering the Condominium Property under the Condominium Declaration, provided that prior to the time that the initial Board of the Condominium Association is elected by the owners of the Units, the developer of the Condominium Property shall have the power to act on behalf of the Condominium Association.

1.14. Occupants.

A person or persons, other than an Owner, in possession of a Unit.

1.15. Owners.

Owner shall mean either the Condominium Property Owner or the Commercial Property Owner(s), or where the context so requires, either one or both of them.

1.16. Proportionate Share.

For purposes hereof, the Condominium Property Owner's Proportionate Share of Shared Expenses shall be ninety and 88/100s percent (90.88%), and the Commercial Property Owner(s)'s Proportionate Share of the Shared Expenses shall be nine and 12/100 percent (9.12%). Each individual Commercial Property Owner(s) shall be responsible for its

Proportionate Share of the Shared Expenses. The individual Commercial Property Owner(s) Proportionate Share of Shared Expenses shall be determined by dividing the total square footage of an individual Commercial Unit by the overall square footage of the Commercial Property.

1.17. Parcels.

The two separate portions of the Premises consisting of the Condominium Property and the Commercial Property.

1.18. Shared Expenses.

The cost of furnishing maintenance, repairs, alterations, additions, improvements and replacements to the Building Facade, the Shared Partition and the Shared Facilities and any other costs or expenses which are designated in this Declaration as Shared Expenses as more fully detailed on Exhibit D attached hereto.

1.19. Shared Facility.

Any component part of any operating system which serves both the Commercial Property and the Condominium Property. Without limiting the foregoing, the Shared Facilities shall include the Building Facade, the roof, and all ducts, flues, pipes, conduit, wires and similar items of property which are located anywhere in the Building and which are part of a system which serves both the Commercial Property and Condominium Property.

1.20. Shared Partition.

A partition which separates the Commercial Property from the Condominium Property.

1.21. Unit.

A condominium unit consisting of a residential or parking garage unit in the Condominium Property.

2. PROPERTY SUBJECT TO DECLARATION.

2.1. Subject Property.

The Premises shall be subject to the provisions of this Declaration. It is the intention of Declarant to convey the Condominium Property to non-related Owners, and from and after the date of such conveyance, each owner of a Unit shall have the right to mortgage or encumber his respective Unit. At any time hereafter, Declarant may convey the Commercial Property to non-related Owners and Declarant and/or any subsequent Owner of the Commercial Property shall have the right to mortgage or encumber his respective Parcel. Except for the Declarant, no Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Premises or any part thereof, except his own Parcel.

2.2. Conveyances Subject To Declaration.

All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any person or entity having at any time any interest or estate in any part of the Premises. Reference in any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration as fully and completely as though they were set forth in their entirety in any such document.

3. PARTY WALLS, EASEMENTS AND AGREEMENTS.

3.1. Easements With Respect To Commercial Property.

Subject as hereinafter provided, the following easements are hereby declared with respect to the Commercial Property, for the benefit of the Condominium Property:

(a) Support. A perpetual, non-exclusive easement in and to all structural members, footings, caissons, foundations, exterior walls, columns and beams located within the Commercial Property for the support of all improvements and structures located on or within the Condominium Property.

(b) Condominium Property Facilities. A perpetual, non-exclusive easement to install, use, maintain, repair and replace from time to time the Condominium Property Facilities, provided that such installation, use, maintenance, repair, replacement or removal does not interfere with the reasonable use and enjoyment of the Commercial Property by the Owner of the Commercial Property, its lessees, guests and invitees.

(c) Building Facade Easement. A perpetual, non-exclusive easement to come on, over and across the Building Facade for the purpose of gaining access to those portions of the Building Facade which are part of the Condominium Property, and the roof of the Building, for purposes of performing renovation, maintenance, repairs and replacements thereto including, without limitation, renovation, maintenance, repair and replacement of the exterior walls and windows and maintenance, repairs or replacements to the roof of the Building. The exercise of this easement shall not unreasonably interfere with the right of the Commercial Property Owner(s) to maintain or repair those portions of the Building Facade which are part of the Commercial Property to the extent permitted hereunder. The Condominium Property Owner shall give prior notice of its intention to exercise its rights under this easement to the Commercial Property Owner(s), except for emergency situations.

(d) Non-exclusive Easement. A perpetual, non-exclusive easement over and across corridors, stairways, passageways and other means of access located on the

Commercial Property for the purposes of emergency exit from the Building and reasonably exercising the easements declared in this Article.

All of the above described easements shall be subject to the right of the Owner of the Commercial Property to enter upon any of such easement areas for the purpose of maintaining, repairing or replacing any portion of the Commercial Property or for reasonable access to and from other portions of the Commercial Property.

3.2. Easements With Respect To Condominium Property.

Subject as hereinafter provided, the following easements are hereby declared with respect to the Condominium Property, for the benefit of the Commercial Property:

(a) Support. A perpetual, non-exclusive easement in and to all structural members, footings, caissons, foundations, exterior walls, columns and beams located within the Condominium Property for the support of all improvements and structures located on or within the Commercial Property.

(b) Commercial Property Facilities. A perpetual, non-exclusive easement to install, use, maintain, repair and replace from time to time the Commercial Property Facilities, provided that such installation, use, maintenance, repair, replacement or removal does not interfere with the reasonable use and enjoyment of the Condominium Property by the Owner of the Condominium Property, its lessees, guests and invitees.

(c) Building Facade Easement. A perpetual, non-exclusive easement to come on, over, across, and through the Building Facade for the purpose of gaining access to those portions of the Building Facade which are part of the Commercial Property, including without limitation any black iron exhaust, black iron ductwork, black iron venting, and the roof of the Building, for purposes of performing renovation, maintenance, repairs and replacements thereto including, without limitation, renovation, maintenance, repair and replacement of the exterior walls and windows and maintenance, repairs or replacements to the roof of the Building. The exercise of this easement shall not unreasonably interfere with the right of the Condominium Property Owner to maintain or repair those portions of the Building Facade which are part of the Condominium Property. The Commercial Property Owner shall give prior notice of its intention to exercise its rights under this easement to the Condominium Property Owner, except for emergency situations.

(d) Signage. A perpetual, non-exclusive easement to come on, over and across the Condominium Property for the purpose of installing, maintaining, repairing and replacing from time to time exterior signage owned by the Commercial Property Owner(s) and located on the exterior of the Building. No signage may be leased, rented or otherwise used by the Commercial Property Owner(s) for commercial advertising of any unrelated business activities.

(e) Loading Docks and Hallways. A perpetual, non-exclusive easement to come on, over and across those portions of the doors, thresholds, ground floor lobby and hallway areas of the Condominium Property for access to the loading docks and delivery areas of the Building which are located on the Condominium Property.

(f) Non-exclusive Easement. A perpetual, non-exclusive easement on, over and across corridors, stairways, passageways and other means of access located on the Condominium Property for the purpose of emergency exit from the Building and reasonably exercising the easements declared in this Article.

3.3. Easement For Encroachments.

If by reason of the design, construction, reconstruction, settlement or shifting of the Building or other improvement located on the Premises a portion of the Condominium Property or any improvement thereto encroaches upon any portion of the Commercial Property or any improvement thereto encroaches upon the Condominium Property or any improvement thereon, then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof. The Owner who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Owner who is responsible for the maintenance of the Premises upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such improvement unless otherwise provided in this Declaration.

3.4. Utilities.

Declarant or the Owners may grant easements at any time hereafter for utility, cable and satellite television purposes upon, over, under, along, on and through any portion of the Premises for the purpose of providing the Premises or any part thereof with utility services. All utility conduits now existing or hereafter from time to time constructed upon, over, under, along, on and through the Premises and servicing any portion thereof shall, subject to applicable law and governmental or utility rule or regulation, inure to the benefit of the Premises.

3.5. Specific Utility Easements.

Southwestern Bell Company, Commonwealth Edison Company, Northern Illinois Gas Company and all other public utilities serving the Premises are hereby granted the right to install, lay, construct, renew, operate, maintain, repair or replace conduits, cables, pipes, wires, transformers, switching apparatus and other equipment in, on, over, under, upon and through the Commercial Property and the Condominium Property where reasonably necessary for the purpose of providing utility services to the Premises, together with the reasonable right of access to and egress from the Premises for said purpose.

3.6. Party Wall Agreement.

The walls, ceilings, floors and other Shared Partitions separating the Commercial Property and the Condominium Property, above and below grade are hereby designated Party Walls. The Owners of the Parcels separated by a Party Wall shall in each case be responsible for the maintenance and repair of said Party Wall, including all structural elements and utility lines which serve both of the Parcels separated by a Party Wall. The cost of maintaining and repairing a Party Wall shall be a Shared Expense divided evenly between the Owners of the Parcels separated thereby. In the event that a Party Wall is in need of repair or rebuilding, the same shall be repaired or rebuilt in the same place and with the same materials as existed prior to the event giving rise to the need for repair or rebuilding. The covenants and rights herein granted, together with the obligations herein imposed are covenants running with the land to remain in full force and effect perpetually; provided that nothing herein contained shall be construed as a conveyance by an Owner of his right in the fee of the Parcel upon which a Party Wall stands. Notwithstanding anything in this Section 3.6 to the contrary, all maintenance and repair to that part of the Party Wall which is the surface of an interior wall of a Parcel or relates to utility lines, black iron exhaust, ducts, black iron ductwork, or similar apparatus solely for the benefit of a single Parcel shall be the responsibility of, and shall be paid for by, the Owner of said Parcel.

3.7. Roof Agreement.

(a) The roof shall be part of the Condominium Property and the Owners of the Condominium Property shall be responsible for the maintenance of the roof in accordance with the Condominium Declaration. Notwithstanding the foregoing, the Commercial Property Owner(s) may cause the roof to be repaired or replaced in the event that the Condominium Property Owner fails to so repair or replace such roof and the Commercial Property Owner(s) has notified the Condominium Property Owner in writing and such failure shall have continued for thirty (30) days after notice.

(b) No Owner shall be permitted to place, secure or install a satellite dish which is greater than one (1) meter in diameter on the roof without the express written approval of the Board and the Commercial Property Owner(s).

(c) Any Owner who shall penetrate the roof of any Unit must notify the Board in writing as to the nature of the penetration and shall be responsible with respect to any and all damage caused thereby.

3.8. Reserved Rights Of Declarant.

At all times hereafter until the conveyance of the last Unit to an owner other than Declarant, Declarant, its agents, successors and assigns shall have the right to (a) erect and maintain on the Premises any advertising signs, banners, lighting and other sales and rental devices for the purpose of aiding the sale or leasing of the Units, (b) maintain sales, business and construction offices, and models on the Premises to facilitate the sale and/or rental of the Units and completion of or improvements to the Units, and common areas of the Condominium Property, (c) ingress and egress to and from portions of the Condominium Property in connection

with the sale or leasing of the Units, (d) store construction material on the Premises when and where it deems such necessary in conjunction with the renovation, repair, maintenance or reconstruction of all or any part of the Premises, and (e) avail itself of all utilities and utility conduits serving the Premises or any portion thereof, without the consent of any owner, the Condominium Association or any mortgagee of a portion of the Condominium Property.

3.9. Limitations Upon Rights of Use and Enjoyment.

The rights of use and enjoyment created hereby shall be limited by and subject to the following:

(a) The right of Declarant or the Condominium Property Owner to prescribe rules and regulations for the use of the Building, Shared Facilities and the Shared Partition.

(b) The right of Declarant or the Owners hereunder, or as provided in the By-laws of the Condominium Association, or in any rules and regulations promulgated hereunder or thereunder to suspend the enjoyment rights of any owner, his heirs, licensees, invitees, successors and assigns for any period during which any assessment provided for herein remains unpaid and for any period during which any infraction of the published rules and regulations in effect; provided, however, that neither Declarant, Commercial Property Owner(s) nor the Condominium Association may, for any reason, deny to any owner of a Unit the right of ingress and egress between the Unit which he owns and the closest public or private access street.

(c) The reserved right of Declarant or the Condominium Association to grant easements for utility purposes, as provided in Section 3.4 hereof.

3.10. No Dedication to Public Use.

Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Premises, to or for any public use or purpose whatsoever.

3.11. Easements to Run with the Land.

Except as otherwise specifically limited in this Declaration, all easements and rights described herein are easements appurtenant and running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on Declarant, its successors and assigns, and any Owner, Occupant, purchaser, mortgagee and other person having an interest in the Premises, or any part or portion thereof. Reference to the easements and rights described in any part of this Declaration, in any deed of conveyance, lease, mortgage, trust deed or other evidence of obligation shall not be required to grant such easements and rights to the respective grantees, lessees, mortgagees or trustees of such real estate, or any portion thereof; such easements and rights being granted and reserved as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such document.

4. OPERATING COVENANTS AND RESTRICTIONS.

4.1. Nuisances.

Subject to the rights of Declarant herein specified, no noxious or offensive activity shall be carried on in any Unit or any roof area or garage nor shall anything be done therein (or thereon, as the case may be), either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners and Occupants. For purposes of this agreement, the preparation, cooking, and distribution of food shall not be considered a noxious or offensive activity.

4.2. Building Facade And Common Property Area Maintenance.

To preserve the overall uniformity of the Building, the Condominium Association shall be responsible for the cleaning, maintenance, snow removal, repair and replacement of the Building Facade and the Common Property Area. The cost of any such cleaning, maintenance, snow removal, repairs and replacement shall be a Shared Expense.

4.3. Alterations To The Building Facade.

Neither the Commercial Property Owner(s) nor the Condominium Property Owner shall make (or permit to be made) any modification, addition, or alteration in or to the Building Facade which is part of the Commercial Property or the Condominium Property, respectively, and shall not place or permit to be placed any sign, display, lighting, window treatment, or other decorating whatsoever on any portion of the Building Facade or in any window located on the Building Facade which is (or may be) visible from the exterior of the Building without first obtaining the prior written consent of the other Owner. Nothing herein contained shall limit or restrict the rights of the Commercial Property Owner(s) to install, maintain, use and replace exterior signage on a location to be designated by Declarant, as more fully provided in Article 3 hereof.

4.4. Maintenance Of Shared Facilities.

The Condominium Association shall furnish maintenance, repairs and replacement of Shared Facilities. The cost of furnishing all of such services including any reasonable management fees, administrative fees and charges for supervising and undertaking such responsibilities by the Condominium Property Owner shall be Shared Expenses hereunder.

4.5. Insurance.

(a) The Condominium Property Owner and the Commercial Property Owner(s) shall each keep their respective Parcels insured against loss or damage by fire and other risk casualties and hazards as may be insured from time to time by prudent owners of first class residential and commercial buildings in an amount at least equal to the full replacement value thereof. Upon request from time to time, each Owner shall

provide to the other Owner evidence of insurance coverage required under the terms of this Declaration.

(b) The Condominium Property Owner and the Commercial Property Owner(s) shall each maintain comprehensive general liability insurance against claims for personal injury, death or property damage occurring in or upon their respective Parcels. Such insurance shall be in amounts as may be required by law and as may be carried from time to time by prudent owners of first class commercial and residential property, but in any event to afford protection for limits for not less than (i) \$2,000,000 for injury or death to a single person, (ii) \$2,000,000 for injury or death in any one occurrence, and (iii) \$1,000,000 for property damage.

(c) The Condominium Property Owner and Commercial Property Owner(s) may jointly purchase an insurance policy or policies which name both parties and their respective mortgagees, as their interests may appear. In such event, the costs of the premiums shall be shared on such basis as may be agreed upon by the Condominium Property Owner and the Commercial Property Owner(s).

(d) The Condominium Property Owner and the Commercial Property Owner(s) each hereby waives and releases any and all claims which it may have against the other or any other owner of any portion of the Premises and their respective employees and agents for damages to any portion of the Premises caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this waiver is allowed by such policy or policies. To the extent possible, all insurance policies obtained hereunder shall contain waivers of the insurer's rights to subrogation against the Commercial Property Owner(s), the Condominium Property Owner, and any other owner of any portion of the Premises, and their respective employees and agents.

4.6. Compliance With Laws.

The Condominium Property Owner and the Commercial Property Owner(s) shall:

(a) comply with all laws, rules, orders, ordinances, regulations or requirements now or hereafter enacted or promulgated by the United States, the State of Illinois, the City of Chicago, or any other municipality or governmental agency now or hereafter having jurisdiction over the Building; and

(b) comply with all rules, regulations and requirements of any insurance rating bureau having jurisdiction over the Building or any portion thereof.

If insurance premiums increase because of the nature of the use of a portion of the Building, the Owner of such portion shall be responsible for payment of the increase in the premium.

4.7. Abandonment.

Subject to the rights of any holder of a first mortgage on a portion of the Premises or the rights of any regulatory agency which may have an interest in the Premises, if either the Condominium Property or the Commercial Property shall be abandoned (as defined below), then the Owner of the portion of the Premises which is not abandoned shall have the right, to the extent not prohibited by law, to take possession of the abandoned property and to operate and maintain such property, including, without limitation, to lease portions of such property and make repairs to such property. Any income earned from the leasing or operation of such property may be applied to pay costs of ownership, maintenance and repair, including Charges due hereunder. For purposes hereof, the Condominium Property or the Commercial Property shall be deemed to be “abandoned” if such property is vacated by its Owner for at least ninety (90) consecutive days with the intent not to return and any one or more of the following conditions is satisfied:

- (a) the property is not in good condition and repair;
- (b) the heat is not being maintained at a level necessary to keep the mechanical systems in good working order;
- (c) inadequate security is being furnished to such property; and
- (d) the property is being defaced or vandalized.

4.8. Restrictive Covenants.

(a) The Condominium Property shall at all times be used for purposes described in the Condominium Declaration and for no other purpose without the prior written consent of the Commercial Property Owner(s).

- (b) The Commercial Property may be used for any lawful purpose.

4.9. Separate Real Estate Taxes.

It is intended that real estate taxes are to be separately taxed to each Owner of a Parcel. In the event that for any year, such taxes are not separately taxed but are taxed for the Premises as a whole, one of two options are available. First the Condominium Association shall apply for and seek a division to accomplish the separate taxation, and for such year each Owner shall pay its proportionate share thereof in the same manner as provided for the payment of assessments and subject to the same enforcement rights as provided in Article 6 hereof. The second option is until such time as real estate taxes are separately taxed to each Owner, the assessed valuation respecting the total Property and the taxes computed thereon, and the cost of counsel for any tax appeal, and appraisal fees, if any, shall be allocated between the Owners and paid by the respective Owners as follows: 90.88% by the Condominium Property Owner and 9.12% by the Commercial Property Owner, and the Commercial Property Owner shall be responsible for and shall pay to or as directed by, or shall reimburse the Condominium Property Owner (within

fifteen (15) days after demand by the Condominium Property Owner) for its share of the total real estate taxes levied and assessed against the Property. In the event some but not all of the Commercial Property have their own permanent index number, the percentage of tax liability as specified herein shall be equitably adjusted between the Commercial Property Owner(s) according to Paragraph 1.16.

5. DAMAGE TO BUILDING/STRUCTURAL SUPPORT.

5.1. In General.

The Condominium Property Owner and the Commercial Property Owner(s) shall keep their respective Parcels in good condition and repair and shall not do anything which would jeopardize the structural integrity of any portion of the Building or the safety of the occupants of the Building.

5.2. Damage To Building.

If any portion of the Building is damaged or falls into disrepair, then such damage or the area which is in disrepair shall be repaired and restored by the party which is responsible for the maintenance of such portion of the Building. Notwithstanding anything to the contrary herein contained, in the event of any damage or disrepair to the Building Facade and such damage or disrepair affects only the Commercial Property, then the Condominium Property Owner may at its option, require the Commercial Property Owner(s) to repair such damage or disrepair even though the Condominium Property Owner is responsible for the maintenance of the Building Façade and Shared Facilities. If any disrepair or damage adversely affects the structural support of any other portion of the Building or substantially and adversely affects the use and enjoyment of any other portion of the Building and if at any time the Owner of the disrepaired or damaged portion of the Building (the "Delinquent Owner") is not proceeding diligently with the work of repair or restoration, then the other Owner (the "Non-Delinquent Owner") may give written notice (the "Restoration Notice") to the Delinquent Owner specifying with respect in which such repair or restoration is not proceeding diligently. If, upon expiration of thirty (30) days after the giving of such notice, the work of repair or restoration is not proceeding diligently, then the Non-Delinquent Owner may perform any such repair or restoration and may take any appropriate steps necessary to remove any debris on the Premises and to complete such work. The Non-Delinquent Owner shall be entitled to reimbursement from the Delinquent Owner for any amounts spent as a Charge hereunder and shall have a lien against any insurance proceeds payable under the policy of insurance covering any such damage. Without limiting the foregoing, if for any reason any portion or portions of the Condominium Property which furnish the support to the Commercial Property are destroyed, damaged or fall into disrepair and the Condominium Property Owner fails or refuses to repair or restore those portions of the Condominium Property which are necessary to support the improvements to the Commercial Property, then subject to the procedures set forth in this Section, the Commercial Property

Owner(s) shall have the right and power, at its option, to come upon the Condominium Property and repair and restore only those improvements to the Condominium Property which are necessary to support improvements to the Commercial Property as provided herein without any obligation to restore or repair any other portions of the improvements to the Condominium Property.

5.3. Sufficient Insurance.

In the event the improvements forming a part of the Building, or any portion thereof, including any Units, shall suffer substantial damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus the reserve for contingencies and replacements, 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 and if necessary, the reserve for contingencies and replacements, shall be applied by the Owner or the payee of such insurance proceeds in payment therefor.

5.4. Insufficient Insurance.

(a) In case of fire or other disaster and the Building suffers substantial damage and if the insurance proceeds and the reserve for contingencies and replacements are insufficient to reconstruct the Building and the Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Building within one hundred eighty (180) days from the date of damage or destruction, then the Board may record a notice setting forth such facts and upon the recording of such notice:

(i) The Premises shall be deemed to be owned in common by the Owners;

(ii) The undivided interest in the Premises owned in common which shall appertain to each Owner shall be the Proportionate Share previously assigned such Owner under the terms of this Declaration;

(iii) Any liens affecting any of the Parcels shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the Premises as provided herein; and

(iv) The Premises shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Premises, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the Proportionate Share of each Owner in the Premises, after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Premises owned by each Owner.

(b) In the case of fire or other disaster and the damage or destruction is not deemed to be “substantial” and if the insurance proceeds and the reserve for contingencies and replacements are insufficient to reconstruct the Building, the Building shall be reconstructed and each Owner shall be responsible for its Proportionate Share of the amount necessary to pay for the cost of repairs or reconstruction which is not covered by insurance proceeds.

(c) For purposes hereof, damage or destruction to the Building is deemed substantial if the cost of repair and replacement is in excess of \$1,000,000 or the extent of damage affects more than five percent (5%) of the total square footage of the Building.

5.5. Repair, Restoration Or Reconstruction.

As used in this Article, “repairs, restoration, or reconstruction” means restoring the damaged Building or portion thereof (excluding additions, alterations, improvements or betterments to a Parcel) to substantially the same condition in which it existed prior to the fire or other disaster, with each Parcel having the same vertical and horizontal boundaries as before. Any repairs, restoration or reconstruction shall be in accordance with law and this Declaration.

5.6. Appointment Of Trustee.

In the event of any damage or disrepair which is the subject of this Article 5, either Owner may, at its option, elect to appoint a Trustee to administer the funds (whether insurance proceeds or otherwise) necessary to repair or restore the Building. The Trustee to be appointed hereunder shall be a financial institution located in Chicago, Illinois, and must be acceptable to both Owners. Upon appointment of the Trustee, all sums due from each party shall be deposited with the Trustee and thereafter disbursed in accordance with usual and customary construction lending practices. All expenses of the Trustee shall be deemed Shared Expenses and each party shall pay its Proportionate Share.

6. DETERMINATION OF SHARED EXPENSES AND COLLECTION OF CHARGES.

6.1. Cost Sharing.

Prior to November 1 of each year, the Condominium Property Owner shall furnish to the Commercial Property Owner(s) a budget for the Shared Expenses showing with reasonable detail the costs for furnishing each category of Shared Expenses (the “Budget”). The Condominium Property Owner shall have the right from time to time to upon ten (10) days prior written notice to the Commercial Property Owner(s) to change the budget to reflect changes (either up or down) in the anticipated or actual expenses incurred. The Condominium Property Owner shall be responsible for paying its Proportionate Share of all Shared Expenses and the Commercial Property Owner(s) shall pay the balance; except that, the cost of any maintenance, repair or replacement to any Shared Facility or any part of the Shared Partition which is caused by the acts of negligence of an Owner shall be paid by such Owner, to the extent not covered by insurance.

6.2. Reimbursement Of Expenses.

The Condominium Property Owner shall invoice the Commercial Property Owner(s) from time to time for its share of the Shared Expenses, provided that statements therefor shall be sent no more frequently than once each calendar month. The Commercial Property Owner(s) shall promptly pay any such invoice. If the Commercial Property Owner(s) fails to pay any such invoice when due, then it shall become a Charge hereunder payable by the Commercial Property Owner(s) to the Condominium Property Owner.

6.3. Payment Of Charges.

Each Owner shall be obligated to pay to the other Owner (“Payee”) all Charges which may become payable hereunder. Each Charge, together with interest thereon and costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the portion of the Premises owned or administered by the Owner against which such Charge is made; provided, that, any Charge which becomes a lien against a portion of the Premises which is subject to a condominium declaration shall attach to the Units created thereunder based on the relative percentage interests allocated to each unit. The lien or personal obligation created under this Section shall be in favor of and shall be enforceable by the Payee.

6.4. Non-Payment Of Charges.

Any Charge which is not paid when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the highest contract rate of interest then permitted in Illinois (or, if there is none, 18% per annum) from the due date to the date when paid and the Payee of the Charge may (i) bring an action against the Owner which is obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and/or (ii) enforce and foreclose any lien which it has or which may exist for its benefit.

6.5. Lien For Charges Subordinated To Mortgages.

The lien for Charges, provided for in Section 6.3, shall be subordinate to the lien of any first mortgage at any time placed upon any portion of the Premises but shall be prior to any lien for assessments levied by any condominium association which administers any portion of the Premises. The lien for charges, provided for in Section 6.3, shall not be affected by any sale or transfer of a portion of the Premises which is subject to the lien created under this Article, except that a sale or transfer pursuant to a decree of foreclosure or in lieu of foreclosure of any first mortgage shall extinguish the lien for Charges which became payable prior to such sale or transfer. However, any such sale or transfer pursuant to a decree of foreclosure or in lieu of foreclosure shall not relieve the purchaser or transferee of such portion of the Premises from liability for, nor the portion of the Premises so sold or transferred from the lien of, any Charges thereafter coming due.

6.6. Reserves for Contingencies and Replacements.

The Condominium Property Owner may, at its option, elect to maintain a reasonable reserve for contingencies and replacements in each Budget. To the extent of any changes required to the Budget, the Condominium Property Owner shall serve notice of such further assessment to each Owner affected by the further assessment by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due no more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners of Parcels affected by the further assessment shall be obligated to pay the adjusted monthly amount.

6.7. Failure to Prepare Annual Budget.

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

6.8. Books and Records.

The Condominium Property Owner shall keep full and correct books of account in chronological order of its receipts and expenditures. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of any Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Condominium Property Owner and payment of a reasonable fee, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due to and owing from such Owner.

6.9. Status of Collected Funds.

All funds collected hereunder shall be held and expended for the purposes designated herein, and shall be deemed to be held for the benefit, use and account of the Owners who paid the same.

7. GENERAL PROVISIONS.

7.1. Amendments.

The covenants and restrictions of this Declaration shall run with and bind the Premises subject to this Declaration, and shall inure to the benefit of and be enforceable by the Condominium Association, Declarant and each Owner, their respective legal representatives, heirs, successors and assigns. The covenants and restrictions of this Declaration may be

amended by an instrument signed by the Owners provided, however, that any provision relating to the rights and obligations of Declarant may not be amended without the express written consent of Declarant. Any such amendment shall not become effective until recorded in the Office of the Recorder of Deeds of Cook County, Illinois.

7.2. Declarant Rights.

Declarant shall have the right to specifically assign the rights, privileges, powers, options and benefits reserved to it under this Declaration, and upon such specific assignment, the assignee shall be entitled to said rights, privileges, powers, options and benefits as fully and to the same extent and with the same effect as if such assignee were herein by name specifically granted such rights, privileges, powers, options and benefits, and Declarant shall thereafter be released from any liability or responsibility hereunder.

7.3. Notices.

Any notice required or permitted to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed by certified mail, return receipt requested, postage prepaid, to the last known address of the person who appears as Owner at the time of such mailing. Any notice required or permitted to be sent to the Condominium Association under the provisions of this Declaration shall be deemed to have been properly sent when mailed in the same manner as notice to an Owner, addressed to the Condominium Association, c/o its legal registered agent or at such other place as may be designated by the Condominium Association pursuant to notice. Notice shall be deemed given when deposited in the United States mails.

7.4. Nonwaiver Of Covenants.

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

7.5. Indemnity.

The directors and any other officers of the Declarant, and the Commercial Property Owner(s) and their managers, members and agents and their respective successors and assigns shall not be liable to the Owners for any mistake of judgment or acts or omissions made in good faith as such directors, officers, managers and members. Each agreement made by such directors or officers or by the managing agent on behalf of the Owners or the Condominium Association shall be executed by such directors or officers, as agents for the Owners or Condominium Association. The Commercial Property Owner(s) shall indemnify and hold harmless the Condominium Property Owner, and each of the parties specified herein, against all contractual liability to others arising out of contracts made pursuant to the terms of this Declaration, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. The liability of the Commercial Property Owner(s) arising out of this paragraph shall be computed in accordance with Section 6.1.

7.6. Enforcement.

Enforcement by the Condominium Association, Declarant or any Owner of the easements, covenants and restrictions in this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any easement, covenant or restriction, to restrain violation and/or to recover damages, and against the land to enforce any lien created by these covenants. The violation of any restriction, condition or regulation adopted by the Owners, or the breach of any of the covenants and restrictions herein contained, shall give either Owner the right, in addition to all other rights herein set forth, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any violation or breach. An Owner determined to have violated this Declaration shall reimburse the Condominium Association, Declarant and Commercial Property Owner(s), as the case may be, for their costs of enforcement including, but not limited to, reasonable attorneys' fees and expenses.

7.7. Waiver Of Damages.

Declarant shall not be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authority granted or delegated by or pursuant to this Declaration to Declarant (or its representatives or designees) in its capacity as developer, contractor, Owner, manager or seller of the Premises, whether or not such claim (a) shall be asserted by any Owner, Occupant, the Board or the Condominium Association, or by any person or entity claiming through any of them, (b) shall be on account of injury to person or damage to or loss of property wherever located and however caused or (c) shall arise *ex contractu* or *ex delictu* (except in case of willful malfeasance).

7.8. Title In Trust.

In the event title to any Parcel is conveyed to a land title holding trustee pursuant to a trust agreement which provides that all powers of management, operation and control of such Parcel remain vested in the beneficiary or beneficiaries of such trust, then the beneficiary or beneficiaries of such trust shall be deemed to be the Owner of such Parcel for purposes of this Declaration and any rules and regulations promulgated by the Owners, and shall be responsible for payment of the assessments provided for in this Declaration, and such land title holding trustee shall not be personally liable for payment of any such assessment. The amount of any assessment shall continue to be a charge or lien upon the Parcel and the personal obligation of the beneficiary or beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Parcel.

7.9. Severability; Perpetuities.

The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof. If any provision hereof would otherwise violate the rule against perpetuities or any other law imposing time limitations, then such provision shall remain in effect no longer than twenty-one (21) years after the death of the

last survivor of the now living descendants of the United States Senators from the State of Illinois serving at the time of the recordation hereof.

7.10. No Partition.

Except as specifically set forth herein, there shall be no partition of the Shared Facilities or the Common Property Areas through judicial proceeding or otherwise until this Declaration is terminated.

7.11. Alternate Dispute Resolution; Mediation; Arbitration.

(a) Disputes in which the matter in controversy has either no specific monetary value or a value of \$100,000 or less, other than the levying and collection of assessments, or that arises out of violation of this Declaration or rules and regulation promulgated hereunder shall be mediated or arbitrated. A dispute not required to be mediated or arbitrated that is submitted to mediation or arbitration by the agreement of the disputants is also subject to this Section.

(b) The Illinois Uniform Arbitration Act shall govern all arbitrations proceeding under this Section 7.11.

(c) The Owner may require the disputants to bear the costs of mediation or arbitration.

7.12. Assignment.

Declarant shall have the right to assign any or all of its rights and privileges hereunder by deed or other instrument upon such terms and conditions or with such limitations as it may deem fit.

7.13. Interpretation.

The article and section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration.

7.14. Release From Liability Upon Conveyance.

Upon any conveyance of all or any portion of the Commercial Property, Declarant shall be released from any liability or obligation hereunder and each Owner shall look to such successor in interest.

7.15. Non-Recourse.

It is expressly understood and agreed by every person, firm, corporation or entity hereafter claiming any interest under this Declaration that Declarant has joined in the execution of this Declaration for the purpose of subjecting the title holding interest and the Premises to the terms of this Declaration; that any and all obligations, duties, covenants and agreements of every

nature herein set forth by Declarant as aforesaid to be kept or performed are intended to be kept, performed and discharged by the Owners and not by Declarant personally. In the event of conflict between the terms of this Section and the remainder of this Declaration on any questions of apparent liability or obligation resting upon Declarant, the exculpatory provisions hereof shall be controlling.

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IN WITNESS WHEREOF, Declarant has caused its name to be signed to these presents as of the date first set forth above.

DECLARANT:

SEDGWICK INVESTMENTS LLC, a
Delaware limited liability company

By: MK Manager Corp., an Illinois
corporation, its Manager

By: _____
F. Martin Paris, Jr., its President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that F. Martin Paris, Jr., as President of MK Manager Corp., an Illinois corporation, the manager of Sedgwick Investments LLC, a Delaware limited liability company (the "Company"), personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of March, 2013.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

PARCEL 1:

LOTS 76, 77, 78, 79, 80 AND 81, IN JOHN FITCH'S RESUBDIVISION OF BLOCK 26 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. EXCEPT THEREFROM: THE NORTH 27.14 FEET OF LOTS 76, 77, AND 78, TAKEN AS A TRACT, IN JOHN FITCH'S RESUBDIVISION OF BLOCK 26 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 27.14 FEET OF LOTS 76, 77, AND 78, TAKEN AS A TRACT, IN JOHN FITCH'S RESUBDIVISION OF BLOCK 26 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: _____, Chicago, Illinois

PIN: 14-31-429-028
14-31-429-029
14-31-429-030
14-31-429-033
14-31-429-034

EXHIBIT B

LEGAL DESCRIPTION OF COMMERCIAL PROPERTY

EXHIBIT D

SHARED EXPENSES

The following Shared Expenses (as defined in Paragraph 1.16) shall be performed and borne by the Condominium Property Owner. The Commercial Property Owner shall be responsible for reimbursement to the Condominium Property Owner in accordance with the terms and provisions of Paragraph 6. The Commercial Property Owner's proportionate share of each Shared Expense shall be 9.12%.

For purposes of this Declaration, the Shared Expenses are as follows:

- A. General Property Insurance.
- B. Snow and Ice Removal
- C. Sewer
- D. Water
- E. Fire Alarm
- F. Window Washing