

the Vanguard Lofts Condominium (the "Condominium Declaration") with the Recorder of Deeds of Cook County, Illinois.

D. Brief Description of the Vanguard Lofts Condominium (the "Condominium").

The Condominium is located at 1250 West Van Buren, Chicago, Illinois ("Building"). It is intended that one hundred (100) residential Units ("Residential Units") will be offered for sale and one hundred (100) parking Units ("Parking Units"; the Residential Units and Parking Units shall be collectively referred to as "Unit" or "Units") will be initially offered for sale within the development.

STATUTORY DISCLOSURE

The following pages, together with the Exhibits attached hereto, contain all of the information required by Section 13-72-020 of the Code. The terms used herein, to the extent they are defined in the Code, shall be defined as set forth therein, except where otherwise provided.

13-72-020(A) IDENTITY OF PARTIES.

(1) The Developer of the Condominium is 1250 West Van Buren, L.L.C., an Illinois limited liability company ("Developer"), whose address is 853 North Elston Avenue, Chicago, Illinois 60622. The legal owner of the Condominium is LaSalle National Bank, not individually but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139, whose address is 135 South LaSalle Street, Chicago, Illinois 60603. The Manager of the Developer is Rezmar Corporation, an Illinois corporation ("Manager"), whose address is 853 North Elston Avenue, Chicago, Illinois 60622. The directors of the Manager are Daniel S. Mahru and Antoin S. Rezko and the officers of Developer are Daniel S. Mahru and Antoin S. Rezko.

(2) The Condominium Property is currently encumbered by a mortgage from LaSalle Bank National Association, whose address is 4747 West Irving Park Road, Chicago, Illinois 60641. Developer will obtain a construction loan on the condominium property with LaSalle Bank National Association, whose address is 4747 West Irving Park Road, Chicago, Illinois 60641.

(3) (a) The sales agent for the Condominium is Garrison Partners, whose address is 444 North Michigan Avenue, Suite 460, Chicago, Illinois 60611.

(b) The management agent for the Condominium will be Financial Place Management Corp., whose address is 853 North Elston Avenue, Chicago, Illinois 60622.

(c) The attorneys for the Condominium are Schain, Firsel & Burney, Ltd., whose address is 222 North LaSalle Street, Suite 1910, Chicago, Illinois 60601.

(d) The accountant for the Condominium is Altschuler, Melvoin & Glasser, L.L.P., whose address is 30 South Wacker Drive, Suite 2600, Chicago, Illinois 60606.

(e) The architects for the Condominium are Fitzgerald Associates Architects, P.C., whose address is 3110 North Sheffield, Chicago, Illinois, 60657.

(f) The engineers for the Condominium are Stearn & Joglekar, Ltd., whose address is 432 North Clark Street, Suite 300, Chicago, Illinois 60610 and Ketchmark & Associates, Inc., whose address is 100 Tower Drive, Suite 240, Burr Ridge, Illinois 60521.

(g) The general contractors for the Condominium is Hunter Alliance Corporation, whose address is 527 South Wells, Chicago, Illinois 60607.

13-72-020(B)(1) PLAT.

A preliminary plat showing the location and dimensions of the proposed Condominium together with all improvements, including the present location of all streets and driveways, is attached as Exhibit II to this Property Report.

13-72-020(B)(2) OWNERSHIP OF COMMON ELEMENTS.

The share of ownership in the Common Elements of each Unit in the Condominium is contained in the Initial Sales Price Schedule which is attached as Exhibit VI to this Property Report.

THE DESCRIPTION OF UNITS AND PERCENTAGE OF OWNERSHIP INTEREST IN COMMON ELEMENTS HEREIN IS PRELIMINARY AND MAY BE CHANGED IN MATERIAL RESPECTS UPON THE RECORDING OF THE DECLARATION AND PLAT.

The present legal and beneficial owners of the Property that will comprise all of the Units and Common Elements in the Condominium are disclosed in Section 13-72-020(A)(1) above.

13-72-020(B)(3) COMMON AND LIMITED COMMON ELEMENTS.

A description of all of the Common Elements is contained in Section 1 of Article III of the Condominium Declaration as follows:

Description of Common Elements. The Common Elements shall consist of all portions of the Property, except the Units and shall include the Limited Common Elements. Without limiting the generality of the foregoing, the Common Elements shall include the entrances and exits, including lobbies and common stairways used by several Units, exterior windows, stairwells, roof, structural parts of the Building, elevators, elevator shafts, controls and parts, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, and such component parts of walls, floors and ceilings as are not located within the Units.

No recreational facilities are proposed for the Condominium.

A description of all Limited Common Elements, as that term is defined in the Condominium Declaration, is contained in Section 3 of Article III, of the Condominium Declaration as follows:

Limited Common Elements. *Except as otherwise provided herein, the Limited Common Elements shall consist of all portions of the Common Elements set aside and allocated for the restricted use of a particular Unit or Units, including but not limited to the balconies, terraces and storage lockers, if any.*

Use of the Common Elements. Each Owner shall own an undivided interest in the Common Elements as a tenant in common with all other Owners, and, except as otherwise limited in the Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of each Residential Unit for residential purposes, and such other purposes permitted by the Declaration, which right shall be appurtenant to and run with each Unit.

13-72-020(B)(4) IMPROVEMENTS ON ZONING LOT.

There are no improvements occupying the same zoning lot which are not part of the Condominium.

13-72-020(B)(5) EASEMENTS, STREETS AND DRIVEWAY.

The Condominium Declaration contains reservations and grants of easements as are more particularly set forth therein. The streets and alleys contiguous to the Building are depicted on the map attached hereto as Exhibit II and are dedicated to the City of Chicago as public thoroughfares.

13-72-020(B)(6) DRAWINGS AND ARCHITECTURAL PLANS.

The drawings, architectural plans, and other suitable documents setting forth the necessary information for location, maintenance and repair of all of the Condominium facilities and equipment to the extent such drawings, plans and other documents exist, are on file at the sales office or the Developer's office.

13-72-020(B)(7) RENOVATIONS TO THE CONDOMINIUM AND CONVERSION.

The Developer intends to complete the proposed construction/renovation within one (1) year of the time that the Developer has submitted the last Unit to the Act subject to delays caused by occurrences and matters under which the Developer or its Contractors have no control. The exact timing of the renovations shall be determined by the Developer, in its sole and absolute discretion. The conversion process will commence with the offering of the Units for sale. The conversion process will terminate upon the sale of the last Unit by the Developer.

13-72-020(B)(8) LIMITATIONS ON USE OF UNITS.

Article VI of the Condominium Declaration contains the following limitations upon uses of a Residential Unit:

1. Use. *No part of the Property shall be used for other than housing and related common purposes for which the Property was designed. Each Residential Unit*

shall be used as a residence for a single family and for no other purposes. Parking Units shall be used only for the parking of operational motor vehicles. Camping and other recreational vehicles and related equipment and commercial vehicles larger than one ton pick-up trucks may not be parked or stored in the Parking Units for any portion or on any portion of the Common Elements. No maintenance or repair work of any kind shall be performed on any vehicles in the Parking Units or on any portion of the Common Elements.

2. Restrictions. There shall be no obstruction of the Common Elements nor shall anything be stored in, on, under or above the Common Elements (except in areas designed for such purpose) without the prior written consent of the Board, or except as hereinafter expressly provided. Owners shall be obligated to maintain and keep in good order and repair their respective Residential Units.

3. Prohibited Use. Nothing shall be done or kept in any Residential Unit or in the Common Elements which will increase the rate of insurance without the prior written consent of the Board. Owners shall not permit anything to be done or kept in their respective Residential Units or in the Common Elements which will result in the cancellation of insurance or which would be in violation of any law. No waste shall be committed in the Common Elements.

4. Owner's Insurance. Owners shall be individually responsible for insuring their personal property in their respective Residential Units, their personal property stored elsewhere on the Property and their personal liability.

5. Exterior Surfaces. Owners shall not cause or permit anything to be placed on outside walls, doors and windows of a building, and no sign, awning, canopy, shutter, air conditioning unit, radio or television antenna shall be affixed to or placed in, through or upon the exterior walls, doors, windows or roof or any part thereof, without the prior written consent of the Board.

6. Pets. Subject to rules and regulations adopted by the Board, no animals of any kind shall be raised, bred or kept in any Unit or in the Common Elements; except that animals of breed or variety commonly kept as household pets, including dogs, cats, birds and fish may be kept in Residential Units; and subject to rules and regulations adopted by the Board; provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet kept in violation of rules and regulations adopted by the Board or causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon ten (10) days' written notice from the Board.

7. Nuisances. No noxious or offensive activity shall be conducted in any Residential Unit or in the Common Elements, nor shall anything be done thereon, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants.

business or professional records or accounts therein; or (c) handling personal business or professional business calls or correspondence therefrom, or inviting personal business or professional clients therein, so long as the Unit is not advertised to the general public in any manner as a business establishment. Such uses are expressly declared customarily incident to the principal use for residential purpose and not in violation of the above Paragraphs 1 or 11.

16. Leases. *Any lease or rental agreement relating to a Unit must be in writing and shall be subject to all the terms, conditions and requirements of the Declaration, By-Laws and Rules and Regulations of the Association. No Unit may be leased or rented for a period less than six (6) months. The Owner shall provide a copy of the lease or rental agreement to the Board no later than the date of occupancy or ten (10) days after the lease is signed, whichever occurs first. The Association is hereby expressly deemed to be a third party beneficiary of any such lease; and any violation of the Declaration, By-Laws or Rules and Regulations shall be deemed a default under such lease entitling the Association to exercise any and all remedies under the lease or available at law or equity, regardless of the Owner's action or inaction in response to such default. Notwithstanding anything to the contrary contained herein, in the event that all of the Parking Units are not sold by the Developer, the Developer shall have the right to lease and/or grant easements to use all such unsold Parking Units to one or more persons not having an interest in a Unit, and such leases and/or easements shall be on such terms and conditions (including without limitation, as to the duration of such leases and easements) as Developer shall determine in its sole discretion; provided, however, that the use of such Parking Units pursuant to such leases and easements shall be subject to all rules and regulations which the Board may prescribe from time to time for all Parking Units on the Property.*

17. Zoning. *The use of a Unit is restricted by the applicable zoning of the Building as approved by the City of Chicago.*

13-72-020(B)(9) PURCHASE OF MULTIPLE UNITS.

A single purchaser may purchase more than one (1) Unit. However, the number of Units which any single purchaser will be allowed to purchase is a matter entirely within the Developer's sole and absolute discretion.

13-72-020(B)(10) STATEMENT OF LEGAL OWNERSHIP OF THE CONDOMINIUM.

*A statement of the legal ownership of the Condominium, listing all restrictions, notices, *lis pendens*, if any, and encumbrances of record, is attached as Exhibit III to this Property Report. In addition, a list of all City of Chicago Building Code Violations for the past ten (10) years is incorporated in Exhibit III.*

13-72-020(C) TRANSFER OF CONTROL OF THE CONDOMINIUM FROM THE DEVELOPER.

Provisions relating to the method and timing of transfer of control of the Condominium from the Developer to the Board of Directors of the Association, as those terms are defined in the Condominium Declaration, are described in Article XIII of the Condominium Declaration.

13-72-020(D) PENALTIES FOR UNCOMPLETED RENOVATIONS OR CONVERSION.

There are no firmly established dates for completing the renovation and, therefore, there are no provisions for penalties relative to renovation dates. Additionally, there are no provisions for penalties if conversion dates are not met.

13-72-020(E) DEVELOPER DEFAULTS ON ENCUMBRANCES.

Prior to the conveyance of a Unit, any earnest money deposit made with respect thereto will be held in a segregated account and will not be subject to attachment by any holder of a blanket mortgage loan or subject to claims by any of Developer's creditors. Upon the conveyance of a Unit, the lien of such encumbrance, except for real estate taxes not yet due and payable, will be released or insured over by the title insurer insuring the purchaser's title to the Unit, as to such Unit and the Common Elements appurtenant thereto. Accordingly, a subsequent default by the Developer on such encumbrance will not adversely affect the rights of the purchaser of such Unit after the closing of the purchase thereof.

13-72-020(F) PENDING LITIGATION.

As of the date of this Property Report, the Developer knows of no pending litigation which could affect the Condominium or the Developer's ability to convey clear title.

13-72-020(G) REAL ESTATE TAXES.

The most recent ascertainable real estate taxes affecting the Condominium are for the year 1996 and were levied against the existing land and Building, as a whole, in the aggregate amount of Twenty Three Thousand Three Hundred Eighteen and 47/100 Dollars (\$23,318.47).

The Permanent Real Estate Index Numbers currently covering the Property are: 17-17-117-014, 17-17-117-015, 17-17-117-016, 17-17-117-017, 17-17-117-018, 17-17-117-029 and 17-17-117-032.

All real estate taxes levied against the Condominium Property as a whole are designated as Common Expenses in the Declaration. As such, each Unit Owner is obligated to pay his or her proportionate share thereof, which share shall be determined by multiplying the total tax bills for the condominium Property by his or her Unit's percentage of ownership interest in the Common Elements.

If the Condominium Declaration is recorded in 1998 (as contemplated) the 1999 real estate taxes (payable in 2000) will be billed on an individual basis to each Unit Owner. It is anticipated that the first such tax bill for the entire year's taxes will be

issued in August, 2000 (for the 1999 real estate taxes) and no bill for the 1999 first installment will be issued. The taxes will be computed by the Cook County Collector. Such computation will be based upon the assessed valuation of each Unit (as determined by the Cook County Assessor) multiplied by an equalization factor (determined by the State of Illinois) and a tax rate (determined by the Cook County Treasurer).

Any Unit Owner who owns more than six units in the Condominium may be subject to rental-residential assessment rate of 33% of market value.

Unit owners, who are 65 years of age or older and reside in the Residential Unit which they own, may qualify for a homestead exemption and senior citizen exemption from the Cook County Assessor. According to the Assessor's Office, the homestead exemption and senior citizen exemption allows the Assessor to reduce the assessed valuation of the Unit by 2,500. This results in an appropriate yearly tax savings of \$250.00. The Developer makes no representation, warranty or guaranty that this exemption is available to Unit Owners in the Condominium or as to the amount of the resulting tax savings, if granted. For information, regarding this program, contact the Cook County Assessor's Office directly. In addition, any Unit Owners, regardless of age, who reside in the Residential Unit which they own, may qualify for a homestead exemption from the Cook County Assessor. According to the Assessor's office, this homestead exemption allows the Assessor to reduce the equalized valuation of the Unit up to a maximum of 4,500. This could result in an appropriate yearly savings of \$450.00. The Developer makes no representation, warranty or guaranty that this exemption is available to Unit Owners in the Condominium or as to the amount of the resulting tax savings, if any. For information regarding this program, contact the Cook County Assessor's Office directly.

If the individual Units are not individually taxed for the calendar year in which an initial sale of a Unit occurs, then pursuant to the Condominium Purchase Agreement, each purchaser is required to pay the Developer a prorated amount for such purchaser's share of the real estate taxes relative to the time period subsequent to closing for the balance of the calendar year of closing. The Developer shall be required to pay the entire real estate taxes assessed against the Condominium for that year.

If the individual Units are individually taxed for the calendar year in which an initial sale of a Unit occurs, then pursuant to the Condominium Purchase Agreement, the Developer shall be responsible for the general real estate taxes attributed to the Unit for the time period prior to closing and the purchaser shall be responsible for the general real estate taxes attributed to the Unit for the time period from and subsequent to closing. At Closing, the Developer shall pay the purchaser the amount of taxes attributable to the period prior to closing as a credit based upon the most recent ascertainable real tax bill.

Exhibit VI to this Property Report includes an estimate of one-twelfth (1/12) of a year's real estate taxes applicable to each Unit in the Condominium based upon an annual estimate of real estate taxes. THE DEVELOPER CAN MAKE NO REPRESENTATION, WARRANTY OR GUARANTY WITH RESPECT TO THE ESTIMATES CONTAINED IN SAID EXHIBIT, AS VARIOUS GOVERNMENTAL DEPARTMENTS OVER WHICH THE DEVELOPER HAS NO CONTROL HAVE THE RESPONSIBILITY FOR DETERMINING THE MANNER OF ASSESSMENT, THE

STATE EQUALIZATION RATE, THE TAX RATE AND OTHER FACTORS INVOLVED
IN THE COMPUTATION OF GENERAL REAL ESTATE TAXES.

13-72-020(H) FORMS OF SALES DOCUMENTS.

- (1) The basic purchase contract form ("Condominium Purchase Agreement") proposed to be used by the Developer is attached hereto as Exhibit IV to this Property Report, which can be amended from time to time by the Developer in its sole discretion.
- (2) The deed of conveyance form proposed to be used by the Developer is attached hereto as Exhibit V to this Property Report, which can be amended from time to time by the Developer in its sole discretion.
- (3) The Developer does not intend to finance the purchase of any Unit. Accordingly, no form of trust deed, mortgage or promissory note is included in this Property Report.
- (4) The Developer may elect, at Developer's sole discretion, to allow prospective purchasers to reserve a Unit by signing a form reservation agreement, and depositing an amount to be agreed upon with the Developer. Any such reservation agreement shall be non-binding and cancelable by the purchaser for any reason. Such a reservation agreement does not constitute any type of offer by the Developer or the prospective purchaser.

13-72-020(I) CONDITIONS.

All sales are to be made pursuant to the terms and conditions as set forth in the Condominium Purchase Agreement which is attached hereto as Exhibit IV to this Property Report which may be amended from time to time by the Developer, in its sole and absolute discretion. A statement of the initial sales price of each Unit is attached hereto as Exhibit VI to this Property Report. The Developer reserves the right to change the prices of the unsold Units at any time. Estimated closing and settlement costs are described on Exhibit XI attached to this Property Report.

Pursuant to the Condominium Purchase Agreement, Purchaser will be required to deposit with the Association at closing an amount equal to two (2) months assessments based on the assessment in effect at closing for the Unit being purchased, plus a prorated amount based upon one (1) month's assessment for the month in which the closing occurs. Exhibit VI to this Property Report contains forecasts of estimated monthly assessments based on the proposed budget of the Association which is included as Exhibit VIII to this Property Report. Furthermore, the Condominium Purchase Agreement provides for the proration of certain enumerated items including real estate taxes as described in Section 13-72-020(G) of this Property Report.

13-72-020(J) ESTIMATED MONTHLY ASSESSMENTS, TAX AND RELATED PAYMENTS.

The forecasted estimated initial monthly payments for assessments attached to this Property Report as Exhibit VIII, and the initial estimated real estate taxes are shown on the schedule attached as Exhibit VI to this Property Report. Assuming the

date control of the Condominium is transferred to a Board of Directors elected by the Unit Owners (the "Turnover Date") takes place within (2) two years after the sale and conveyance of the first Unit by Developer, and assuming no significant increase in the cost of the items listed in the initial operating budget attached hereto as Exhibit VIII, and that no items of cost or expense are incurred by the Association that are not provided for in said budget, it is anticipated the estimated monthly assessment payments for each Unit in the first year after the Turnover Date will not be significantly different from the estimated assessment payments contained in Exhibit VI. Note, however, the budget and resulting monthly assessment for the one (1) year period following the Turnover Date depends upon factors beyond Developer's control. Further, the first elected Board may continue the then-current annual budget and the assessments thereunder or revise the then-current budget and levy new monthly assessments. DEVELOPER MAKES NO REPRESENTATION, WARRANTY, GUARANTY OR ASSURANCE REGARDING FUTURE BUDGETS OR FUTURE UNIT ASSESSMENTS.

Electrical, gas, telephone and cablevision service will be provided directly to Unit Owners by relevant public utilities and be billed directly to the Unit Owners by those companies. Water, electricity and gas not separately metered to the Units will be provided directly to the Association by the relevant utility companies and will be billed to the Association as a common expense. The amounts of such bills will vary according to usage.

13-72-020(K) DEVELOPER-FINANCED UNIT PURCHASES.

This section is inapplicable since the Developer does not intend to finance the purchase of Units.

13-72-020(L) APPLIANCES AND PERSONAL PROPERTY.

The appliances and other personal property, if any, included with all the Units are: rangehood, oven, refrigerator and dishwasher. A bill of sale for the personal property located in the Unit will be given to each purchaser of a Unit at the time of closing.

13-72-020(M)(1) CONDOMINIUM INSTRUMENTS.

(a) Copies of the Condominium Declaration, a preliminary plat of survey and floor plans for the Condominium are included as Exhibits I, II and X, respectively.

THE DESCRIPTION OF UNITS AND PERCENTAGE OF OWNERSHIP INTEREST IN COMMON ELEMENTS HEREIN IS PRELIMINARY AND MAY BE CHANGED IN MATERIAL RESPECTS UPON THE RECORDING OF THE DECLARATION AND PLAT

Upon the recording of the Condominium Declaration, a plat of survey will be attached thereto delineating the Units and the Common Elements and upon Purchaser's request, a copy of the pages of the plat of survey covering the Condominium and the floor on which the Unit is located shall be delivered to purchaser at closing. The recorded plat is also subject to revision at the discretion of the Developer.

(b) The proposed Articles of Incorporation of the Vanguard Lofts Condominium Association is attached as Exhibit VII to this Property Report.

(c) The proposed By-Laws of the Vanguard Lofts Condominium Association is contained within Exhibit "D" of the Condominium Declaration attached as Exhibit I to this Property Report. Pursuant to the By-Laws, the Board of Directors has the power to adopt rules and regulations governing the administration, management, operation and use of the property and the Common Elements, and to amend such rules and regulations from time to time. As of the effective date hereof, no such rules and regulations have been adopted.

13-72-020(M)(2)(a) LEASES AFFECTING THE CONDOMINIUM.

None

13-72-020(M)(2)(b) CONTRACTS AFFECTING THE CONDOMINIUM.

None

13-72-020(M)(2)(c) INSURANCE.

The minimum coverage and amounts of insurance applicable to the Condominium Property which will be maintained by or on behalf of the Developer prior to the conveyance of the first unit is set forth in Exhibit IX attached hereto. The Condominium Declaration, when recorded, will require the Board of Directors to obtain insurance, which will initially be maintained by or on behalf of the Developer for the Association (and the premiums thereof are being included in the monthly assessment, shall be prorated with each purchaser of a Unit as set forth in Section 13-72-020(I) hereof). The Board shall have authority to purchase and maintain insurance on behalf of the officers and members of the Board against any expenses (including attorney's fees), liability or settlement based on asserted liability, incurred by them by reason of being or having served in such capacity, whether or not the Association would have the power to indemnify them against such liability or settlement under the provisions of this Section. The costs of any such insurance shall be a Common Expense.

13-72-020(N) MANAGEMENT OF THE CONDOMINIUM.

The Developer intends to engage the services of a managing agent or property manager for the development. The services to be performed by the management agent, which will be part of the common expenses of the Condominium Association, will include, without limitation, administering the Condominium and operating, maintaining and repairing the Common Elements; hiring employees, retaining professionals, and purchasing services and materials in connection therewith; procuring and supervising casualty insurance and liability insurance; paying from Association funds all related expenses including costs of administration, operation, maintenance, repair and replacement, salaries, fees, costs of the Association; submitting proposed budgets and reports to the Board of Directors; and communicating with and collecting assessments from Unit Owners.

Any management contract entered into with a property manager will commence on the date of the Closing of the first unit in the Development and will continue until the date on which the control of the condominium project passes to the first Board of Directors elected by all of the Unit Owners. The management fee due to the management agent will be a rate reasonably competitive with the rate charged by an

independent company for a project located in the same geographical area, such fee to be charged on a monthly basis commencing on the date in which such first closing occurs. The management fee shall be payable by the Association and such management fee shall thereafter be subject to increase provided the Association is given sixty (60) days prior written notice of such proposed increase and such increased management fee is competitive with that offer in the same geographic area as the Project.

The management contract may be terminated, with cause, by the Association or the management company upon thirty (30) days notice; or by the Association, without cause, upon ninety (90) days prior written notice. The management company or property manager may be a related entity of the Developer.

13-72-020(O) ESTIMATED OPERATING BUDGET.

A forecast of the estimated operating budget for the Condominium, projected for a period of one (1) year from the expected date that control of the Condominium will pass to the Board of Directors, is attached hereto as Exhibit VIII to this Property Report. The Estimated Operating Budget contains only estimates of the anticipated costs and expenses of the Association and such estimates are subject to change at the discretion of the Developer based upon existing circumstances. In addition, the Estimated Operating Budget does not provide for reserves for future capital expenditures.

THE DEVELOPER HAS NOT PROVIDED A RESERVE FOR CERTAIN POSSIBLE FUTURE COSTS OF THE CONDOMINIUM IN HIS BUDGETS. ACCORDINGLY, IT MAY BE NECESSARY TO PROVIDE FOR A SPECIAL ASSESSMENT TO ALL CONDOMINIUM UNIT OWNERS TO PAY FOR SUCH COSTS SHOULD THEY OCCUR.

13-72-020(P) PROVISIONS TO COVER OPERATING EXPENSES.

The Developer has made no special provisions to cover the proposed operations and maintenance budget in the event that an insufficient number of Units are sold. However, the Developer, as a Unit Owner, is responsible for the payment of the monthly maintenance assessments on all unsold Units, which are part of the Condominium Association. The Developer becomes an Owner of Unit upon submission of said Unit to the terms and conditions of the Declaration and the Act.

13-72-020(Q) ENGINEER'S REPORT

ATTACHED AS EXHIBIT XII TO THIS PROPERTY REPORT IS AN ENGINEER'S REPORT PREPARED BY SAMARTANO & COMPANY DATED APRIL 3, 1997 DESCRIBING THE CONDITION OF THE BUILDING PRIOR TO THE DEVELOPER'S RENOVATION OF THE BUILDING.

13-72-020(R) RECREATIONAL AND PARKING FACILITIES.

- (1) There are no planned recreational facilities of the Condominium.
- (2) One hundred (100) Parking Units will be available for purchase by certain buyers of Residential Units in a manner determined by Developer, as prices designated on Exhibit VI. There will be an additional seven (7) parking spaces, which will be part of

-- the common elements of the Association, for guests of the Unit Owners. In addition to the responsibilities of owning a Residential Unit, the Owner of a Parking Unit will be responsible for paying: (i) an additional share of common expenses (as a consequence of owning an increased percentage interest in the common elements); and (ii) real estate taxes levied on the Parking Unit.

13-72-002(S) RESTRICTIONS ON TRANSFERS OF UNITS.

THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED. Such restrictions are described in Section 13-72-020(B)(8) of this Property Report.

13-72-020(U) SIGNATURE OF THE DEVELOPER.

The undersigned, 1250 West Van Buren, L.L.C., an Illinois limited liability corporation, affirms that the foregoing Property Report and any supplements, modifications and amendments are true, full, complete and correct.

1250 WEST VAN BUREN, L.L.C., an Illinois limited liability corporation

By: REZMAR CORPORATION, an Illinois corporation
Its: Manager

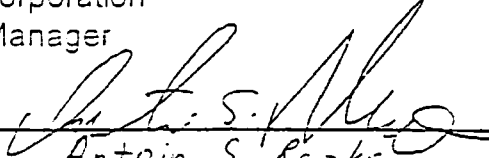
By: 
Name: Antoin S Rezk
Its: Chairman

EXHIBIT I

THIS INSTRUMENT PREPARED
BY AND RETURN TO:
GARY L. PLOTNICK
Schain, Firsel & Burney, Ltd.
222 North LaSalle Street
Suite 1910
Chicago, Illinois 60601

**DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS
AND BY-LAWS
FOR THE VANGUARD LOFTS CONDOMINIUM**

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DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS
FOR
VANGUARD LOFTS CONDOMINIUM

THIS DECLARATION made and entered this _____ day of _____, 199__, by LASALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139 (hereinafter called "Declarant").

W I T N E S S E T H T H A T:

WHEREAS, Declarant is the legal titleholder of the real estate described in Exhibit "A" hereto ("Property"); and

WHEREAS, it is the desire and intention of Declarant to enable the "Property" (as hereinafter defined) to be owned by Declarant and by each successor in interest of the Declarant under that certain type or method of ownership commonly known as "CONDOMINIUM" and to submit the Property to the provisions of the Condominium Property Act of the State of Illinois, as amended from time to time; and

WHEREAS, Declarant has elected to establish, for the benefit of Declarant and for the mutual benefit of all present and future owners or occupants of the Property, or any part thereof, which shall be known as the "Vanguard Lofts Condominium", certain easements and rights, in, under, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

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

NOW, THEREFORE, Declarant, as the legal titleholder of the Parcel hereinbefore described and for the purposes above set-forth, does hereby **MAKE AND PUBLISH THE DECLARATION AS FOLLOWS:**

ARTICLE I

DEFINITIONS

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

Act: The Condominium Property Act of the State of Illinois, as amended from time to time.

Additional Property: The real estate legally described on Exhibit "D", which is attached hereto.

Association: Vanguard Lofts Condominium Association, an Illinois Not-For-Profit corporation.

Board: The Board of Managers or the Board of Directors, as the case may be, of Vanguard Lofts Condominium Association.

Building: A structure containing Units located on the Parcel, as more specifically described in Article II hereof.

By-Laws: The provisions for the administration of the Property attached as Exhibit "E" hereto, or as the same may be from time to time duly amended.

Common Elements: All portions of the Property except the Units, but including Limited Common Elements.

Common Expenses: The expenses of administration (including management and professional services), maintenance, operation, repair, replacement, and landscaping of the Common Elements; the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board; utility expenses for the Common Elements; any expenses designated as Common Expenses by the Act, this Declaration, or the By-Laws; if not separately metered or charged to the Owners, the cost of waste removal, water, sewer, or other necessary utility services to the Condominium Property; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners, which shall be allocated to each Unit in the same ratio as the percentage of ownership in the Common Elements as set forth in Exhibit "C".

Declaration: This instrument (and all exhibits attached thereto) by which the Property is submitted to the provisions of the Condominium Property Act of the State of Illinois, and such Declaration as from time to time amended. The By-Laws are embodied in and are a part of the Declaration.

Declarant: LaSalle National Bank, not personally but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139

Developer: 1250 West Van Buren, L.L.C., an Illinois limited liability company

First Mortgagee: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Unit Ownership.

Limited Common Elements:

A portion of the Common Elements so designated in the Declaration or the Plats as being reserved for the use of a certain Unit or Units to the exclusion of other Units.

Majority:

With respect to Unit Owners means the Owners of more than fifty percent (50%) in the aggregate in interest of the undivided Ownership of the Common Elements and any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided Ownership; with respect to the members of the Board of Managers, more than fifty percent (50%) of the total number of persons then serving on the Board pursuant to the By-Laws and any specified percentage of the members of the Board of Managers means that percentage of the total number of persons then serving on the Board pursuant to the By-Laws.

Occupant:

Any Person, other than an Owner, in possession of a Unit.

Ordinance:

The City of Chicago Condominium Ordinance, as amended from time to time.

Owner:

The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit Ownership.

Parcel:

The lot or lots, tract or tracts of land described in Exhibit "A" attached hereto, which are being submitted to the provisions of the Condominium Property Act.

Parking Unit:

Those Units designated by the letter "P-" followed by a number as shown on the Plat and used for the purpose of parking permitted vehicles.

Person:

An individual, corporation, partnership, trustee or other legal entity capable of holding legal title to real property.

Plat:

The plat of survey attached as Exhibit "B" hereto, and such other plats as may be made a part hereof, which sets forth the measurements, elevations, and locations of the Property, and the location of the planes which constitute the perimeter boundaries of each Unit, a distinguishing number or other symbol to identify each Unit, and such other data as may be required by the Act.

Property:

All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including the Building, and all easements, licenses, permits, rights and appurtenances belonging thereto, and all fixtures, equipment and personal property intended for the mutual use, benefit or enjoyment of the Owners.

Turnover Date: Within sixty (60) days after seventy-five percent (75%) of the Units have been conveyed or three (3) years after date of recordation of this Declaration, whichever is sooner.

Undivided Interest: The percentage of ownership interest in the Common Elements appurtenant to a Unit as herein and hereafter allocated on Exhibit "C" hereto, and as Exhibit "C" may be amended from time to time.

Unit: Any part of the Property designed and intended for any type of independent use and which is designated on the Plat as a Unit.

Unit Ownership: A part of the Property consisting of the Unit and its Undivided Interest in the Common Elements.

ARTICLE II

UNITS

1. Description and Ownership. The Units consist of dwelling units located within the Building located on the Parcel and are delineated on the Plats of Survey attached hereto and made a part of this Declaration as Exhibit "B".

It is understood that each Unit which is a dwelling unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof on Exhibit "B". The legal description of each Unit shall consist of the identifying number or symbol of each Unit, as shown on Exhibit "B". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "B" and every such description shall be deemed good and sufficient for all purposes. An Owner may, at the Owner's expense, subdivide the Owner's residential Unit or combine the Owner's contiguous residential Units in accordance with the requirements of this Declaration, the Act, and any other applicable law, statute, ordinance, rule and regulation. All Owners are required to obtain insurance to cover the Owner's personal possessions, the Owner's personal liability and the Owner's responsibilities under this Declaration. All Parking Units, access thereto and the use thereof shall be subject to such reasonable rules and regulations as may be established by the Association.

2. Certain Structures Not Constituting Part of a Unit. No Owner shall own any pipes, wires, conduits, chutes, flues, ducts, bearing walls, bearing columns, public utility lines or other structural components or apparatus running through a Unit and serving more than that Unit, except as a tenant in common with all other Owners.

3. Easements.

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

(b) Utility and Cable Television Easements

(i) Ameritech, Commonwealth Edison Company, Peoples Gas Company, the City of Chicago, Illinois, and all other suppliers of utilities serving or proposing to serve the Property or any portion thereof are hereby granted the right to install, lay, construct, operate, maintain, renew, alter, remove and replace conduits, cables, mains, pipes, wires, transformers, switching apparatus and other equipment, and water, sewer and other utilities, into, over, under, on and through the Common Elements for the purpose of providing utility services to the Property or any portion thereof. The Board may hereafter grant additional utility easements for the benefit of the Property over, under, along and on any portion of the Common Elements, and each Owner hereby grants to the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge, register and record for and in the name of all the Owners, such instruments as may be necessary or appropriate to effectuate the foregoing. Easements are also hereby declared and granted to the Developer or its assignee to install, lay, construct, operate, maintain, renew, repair and replace any conduits, cables, pipes, wires or other equipment or components of a community antenna television service system into, over, under, on and through the Common Elements for the purpose of providing such television service to the Property or to other property.

(ii) Upon the majority vote of more than fifty percent (50%) of the total votes of the Board of Managers at a meeting duly called for such purpose, the Board may grant an easement for the installation of such additional utilities.

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

4. Separate Real Estate Taxes. Real estate taxes, special assessments, and any other special taxes or charges of the State of Illinois or any duly authorized subdivision or agency thereof, are to be separately taxed to each Owner for his Unit Ownership, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Owner, then, where the bill affects the Property as a whole or portions of the Common Elements or the Units, then each Owner shall pay his proportionate share thereof in accordance with his Undivided Interest.

Upon the affirmative vote of not less than a majority of the Voting Members, the Board, on behalf of all Owners, shall have the authority to seek relief for the Owners from any such taxes, special assessments or charges, and any expenses incurred in connection therewith shall be Common Expenses.

ARTICLE V

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 shall be furnished by the Board as part of the Common Expenses, subject to the rules and regulations of the Board.

The Board may cause to be discharged any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or 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 or any other portion of the Building, the Board may cause a written notice of the necessity for such maintenance or repair to be served upon such Unit Owner, which notice may be served by delivering a copy thereof to any Occupant of such Unit or by mailing the same by regular and certified or registered mail addressed to the Unit Owner at the Unit. Notice is deemed served when mailed and need not be actually received. If such Unit Owner fails or refuses to perform any such maintenance or repair within a reasonable time as 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 any Unit Owner shall fail or refuse to make any such payment when due, the amount thereof shall constitute a lien and be defined as an assessment or lawfully agreed upon charge against said Owner's Unit as provided in the Act.

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

The Board shall have exclusive authority to take, or refrain from taking, any action pursuant to this Article V, Section 1. All expenses which, pursuant to this Section 1, are chargeable to any Unit Owner, may be specially assessed to such Unit Owner and shall be payable by such Unit Owner as prescribed by the Board. If any Unit Owner shall fail or refuse to make any such payment when due, the amount thereof shall constitute a lien and be deemed an assessment or lawfully agreed upon charge against said Owner's Unit as provided in the Act.

2. Limited Common Elements. Any charge or expense in connection with expenditures for the Limited Common Elements shall be assessed only against that Unit to which such Limited Common Elements are assigned.

3. Alteration, 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 alterations, additions and improvements within his Unit with written approval of the Board and such Unit Owner shall be responsible for any damage to other Units, the Common Elements, or the Property as a result of such alterations, additions or improvements. Nothing shall be done in any Unit, or in, on, or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building.

4. Decorating. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the decorating within his own Unit, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. The use of and the covering of the interior surface windows, whether by draperies, shades or other items, visible on the exterior of the Property, shall be subject to the rules and regulations of the Board. Decorating of the Common Elements (other than interior surfaces within the Units as above provided), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the Common Expenses.

ARTICLE VI

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

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

1. Use. No part of the Property shall be used for other than housing and related common purposes for which the Property was designed. Each Unit shall be used as a residence and for no other purposes. Parking Units shall be used only for the parking of operational motor vehicles. Camping and other recreational vehicles and related equipment and commercial vehicles larger than one-ton pickup trucks may not be parked or stored in the Parking Units or on any portion of the Common Elements. No maintenance or repair work of any kind shall be performed on any vehicles in the Parking Units or on any portion of the Common Elements.
2. Restrictions. There shall be no obstruction of the Common Elements nor shall anything be stored in, on, under or above the Common Elements (except in areas designed for such purpose) without the prior written consent of the Board, or except as hereinafter expressly provided. Owners shall be obligated to maintain and keep in good order and repair their respective Units.
3. Prohibited Use. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance without the prior written consent of the Board. Owners shall not permit anything to be done or kept in their respective Units or in the Common Elements which will result in the cancellation of insurance or which would be in violation of any law. No waste shall be committed in the Common Elements.
4. Owner's Insurance. Owners shall be individually responsible for insuring their personal property in their respective Units, their personal property stored elsewhere on the Property and their personal liability.
5. Exterior Surfaces. Owners shall not cause or permit anything to be placed on outside walls, doors and windows of the Building, and no sign, awning, canopy, shutter, air conditioning unit, radio or television antenna shall be affixed to or placed in, through or upon the exterior walls, doors, windows or roof or any part thereof, without the prior consent of the Board.
6. Pets. Subject to rules and regulations adopted by the Board, no animals of any kind shall be raised, bred or kept in any Residential Unit or in the Common Elements; except that animals of breed or variety commonly kept as household pets, including dogs, cats, birds and fish may be kept in Residential Units, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet kept in violation of rules and regulations adopted by the Board or causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon ten (10) days' written notice from the Board.
7. Nuisances. No noxious or offensive activity shall be conducted in any Unit or in the Common Elements, nor shall anything be done thereon, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants.

8. Structural Integrity. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building, except as is otherwise provided herein.

9. Unsignhtiness. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of litter, rubbish, debris and other unsightly materials.

10. Personal Effects. There shall be no leaving unattended or storage of baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Elements, except as may be permitted under rules and regulations adopted by the Board. Notwithstanding the preceding sentence, Unit Owners shall be allowed to keep outdoor furniture and planters on their balconies and roof terraces which are Limited Common Elements appurtenant to their respective Units so long as such furniture and planters are maintained in a good and sightly condition.

11. Commercial Activity. 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 or the Common Elements except that Unit Owner may conduct his/her lawful business from the residential Unit; provided such Unit Owner does not advertise the Unit as a place of business or cause said residential Unit to be used for retail sales, manufacturing, distribution or warehousing. In addition, Unit Owner shall not construct or maintain a waiting room which is outside his/her residential Unit so that all customers, clients or other persons waiting for Unit Owner shall be confined to the boundaries of the Unit.

12. "For Sale" and "For Rent" Signs. No "For Sale" or "For Rent" signs, advertising or other displays in excess of five (5) square feet shall be maintained or permitted on any part of the Property. Notwithstanding the foregoing, the right is reserved by the Developer or its agents to place and maintain on the Common Elements or any Unit it owns, as long as Developer is engaged in sales or leasing activities in connection with the Property, sales models, a sales or leasing office, advertising signs or banners and lighting in connection therewith, at such locations and in such forms as the Developer shall determine.

13. Board Consent. Nothing shall be altered or constructed in or removed from the Common Elements, except upon written consent of the Board.

14. Developer Rights. Notwithstanding any provision hereof to the contrary, at all times and from time to time prior to the sale and Closing of the last Unit in the Property, the Developer, the Declarant, beneficiaries of Declarant, their agents, successors and assigns, hereby reserve the right: (a) to lease or sell such Units as the Developer shall determine; (b) to erect and maintain on the Property all advertising signs, banners, lighting and other sales devices for the purpose of aiding the sale or leasing of the Units in the Property; (c) to maintain sales and business offices on the Property to facilitate the sale or leasing of Units therein; (c) to continue its construction activities for completion of Units within the Property; and to utilize the Common Elements for ingress, egress and parking in connection with the construction, sale and leasing of Units in the Property.

15. Exceptions. The Unit restrictions in Paragraphs 1 and 11 of this Article shall not, however, be construed in such a manner as to prohibit an Owner of a residential Unit from: (a) maintaining a personal professional library therein; (b) keeping personal business or professional records or accounts therein; or (c) handling personal business or professional business calls or correspondence therefrom, or inviting personal business or professional clients therein, so long as the Unit is not advertised to the general public in any manner as a business establishment. Such uses are expressly declared customarily incident to the principal use for residential purpose and not in violation of Paragraphs 1 or 11 of this Article.

16. Leases. Any lease or rental agreement relating to a Unit must be in writing and shall be subject to all the terms, conditions and requirements of the Declaration, By-Laws and Rules and Regulations of the Association. No Unit may be leased or rented for a period less than six (6) months. The Owner shall provide a copy of the lease or rental agreement to the Board no later than the date of occupancy or ten (10) days after the lease is signed, whichever occurs first. The Association is hereby expressly deemed to be a third party beneficiary of any such lease; and any violation of the Declaration, By-Laws or Rules and Regulations shall be deemed a default under such lease entitling the Association to exercise any and all remedies under the lease or available at law or equity, regardless of the Owner's action or inaction in response to such default. Notwithstanding anything to the contrary contained herein, in the event that all of the Parking Units are not sold by Declarant, Declarant shall have the right to lease, and/or grant easements to use all such unsold Parking Units to one or more persons not having an interest in a Unit, and such leases and/or easements shall be on such terms and conditions (including, without limitation, as to the duration of such leases and easements) as Declarant shall determine in its sole discretion; provided, however, that the use of such Parking Units pursuant to such leases and easements shall be subject to all rules and regulations which the Board may prescribe from time to time for all Parking Units on the Property.

17. Zoning. The use of a Unit is restricted by the applicable zoning of the Property by the City of Chicago.

ARTICLE VII

DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDING

1. Sufficient Insurance. In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment thereof; provided, however, that in the event within thirty (30) days after the damage or destruction, the Owners elect either to sell the Property as hereinafter provided in Article VIII hereof or to withdraw the Property from the provisions of this Declaration and from the provisions of the Act as therein provided, then such repair, restoration or reconstruction shall not be undertaken. In the event such repair, restoration or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Owners according to each Owner's percentage of ownership in the Common Elements as

set forth in Exhibit "C", after first paying out of the share of each Owner the amount of any unpaid liens on that Owner's Unit, in the order of the priority of such liens. This Paragraph shall not apply to the application of any proceeds of any policy or policies insuring against the loss of or damage to the contents of a Unit, which policy or policies were maintained by the Owners of the Unit.

2. Insufficient Insurance. In the event the Property or the improvements thereon so damaged or destroyed are not insured against the peril causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the Owners and all other parties in interest do not voluntarily make provision for reconstruction of the improvements within one hundred and eighty (180) days after the damage or destruction, then the provisions of the Act in such event shall apply.

3. Repair, Restoration or Reconstruction. Repair, restoration or reconstruction of the improvements, as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Except to the extent otherwise provided by the Act, Section 7(b) of the By-Laws and Paragraphs 1 and 2 of this Article VII, the Association shall not use hazard insurance proceeds for other than repair, replacement or reconstruction purposes, unless Owners (other than the Declarant and Developer) having two-thirds (2/3) or more of the total votes in the Association, [i.e. having two-thirds (2/3) or more of the total percentage interest in the Common Elements as set forth in Exhibit "C"], give their prior written consent thereto.

ARTICLE VIII

SALE OF THE PROPERTY

The Owners, by affirmative vote of the Owners having three-fourths (3/4) or more of the total votes [i.e. having three-fourths (3/4) or more of the percentage interest in the Common Elements as set forth in Exhibit "C"], 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 is 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 Article XIV hereof. Such actions shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale; provided, however, that any Owner who did not vote in favor of such action and who files written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale is approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the fair market value of such Owner's interest, as determined by a fair market value appraisal, less the amount of any unpaid assessments or charges due and owing from such Owner. In the absence of agreement on an appraiser, such Owner and the Board may each select an appraiser, and the two (2) so selected shall select a third (3rd). The Owner shall bear the cost of his appointed appraiser and one-half (2) of the cost of the third (3rd) appraiser; the cost of the Board-appointed appraiser and one-half (2) of the cost of the third appraiser shall be a Common Expense. The fair market value shall be determined by a majority of the three (3) appraisers so selected. If either party shall fail to select an appraiser, then the one (1) designated by the other party shall make the appraisal.

ARTICLE IX

ASSESSMENTS-MAINTENANCE FUND

1. Annual Budget.

(a) Preparation and Passage. Each year on or before November 1, the Board shall estimate in the form of a detailed budget the total amount necessary to pay the cost of wages, materials, insurance, services, supplies and fees which will be required during the ensuing calendar/fiscal year for the acquisition of all such goods and services, together with a reasonable amount determined by the Board for a reserve for contingencies and replacements (the "estimated cash requirement"). The proposed budget shall set forth each Owner's common expense assessment. The estimated cash requirement shall be assessed to Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C" attached hereto. Each Owner shall receive, at least thirty (30) days prior to the adoption thereof by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes. Each Owner shall receive notice, in the same manner as is provided in the Act for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or of any subsequent increase or decrease therein, or establishment of an assessment. In the event any budget that is adopted differs from the proposed budget, then immediately after adoption, the Board shall distribute to each Owner a detailed annual budget as adopted by the Board, setting forth with particularity all anticipated Common Expenses by category as well as all anticipated assessments and other income.

(b) Veto. If an adopted budget requires assessment against the Owners in any fiscal/calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by Owners holding twenty percent (20%) of the votes in the Association [i.e. having twenty percent (20%) or more of the total percentage interests in the Common Elements as set forth in Exhibit "C"] filed within fourteen (14) days of the Board's adoption, shall call a meeting of the Association within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of votes (i.e. a majority of the percentage interests in the Common Elements as set forth in Exhibit "C") of the Owners are cast at such meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

(c) Payment. On or before January 1st of the ensuing year, and on the first (1st) of each and every month of said year, each Owner, jointly and severally, if there be more than one (1) Owner for any Unit, shall be personally liable for and obligated to pay to the Board as it may direct, one-twelfth (1/12) of his (or their) total assessment made pursuant to this Paragraph 1.

(d) Accounting. On or before sixty (60) days after the end of the fiscal year the Board shall supply to all Owners an itemized accounting of the Common Expenses for the preceding year actually incurred or paid, together with an indication of which portions were for capital expenditures or repairs or payment of real estate taxes, 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. Such accounting may be prepared by a certified public accountant. Any amount accumulated in excess of the amount required for expenditures shall be transferred to the capital reserve account.

(e) Foreclosure. The purchaser of a Unit at a judicial foreclosure sale, or a mortgagee who receives title to a Unit by deed in lieu of foreclosure or judgment by common law strict foreclosure, or otherwise takes possession pursuant to court order under the Illinois Mortgage Foreclosure Law, shall have the duty to pay the Unit's proportionate share of the Common Expenses for the Unit assessed from and after the first (1st) day of the month after the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure, or taking possession pursuant to any court order.

2. Reserves.

(a) Maintenance. The Board, at its option and in its sole discretion, shall accumulate and maintain a reasonable reserve for contingencies and replacements. The reserve shall include funds to cover any deductible amounts contained in insurance policies procured by the Board pursuant to the Declaration or By-Laws. Extraordinary or other expenditures not included in the annual budget which may become necessary during the year shall be charged first against such reserve.

(b) Special Assessments. If the reserves and the budgeted estimated cash requirements prove inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a supplemental assessment, which shall be assessed to the Owners according to their percentage of ownership in the Common Elements. Prior to the levying of such supplemental assessment, each Owner shall receive notice, in the same manner as provided for membership meetings, of any meeting of the Board concerning the adoption of such supplemental assessment. Subsequent to the Board's adoption of the supplemental assessment, the Board shall serve notice of such supplemental assessment on all Owners by a written statement setting forth the amount and reasons therefor. Such supplemental assessment shall become effective with the next succeeding monthly common expense assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of supplemental assessment; provided that any such supplemental assessment shall be subject to approval by the affirmative vote of the Owners having at least two-thirds (2/3) of the total votes [i.e. two-thirds (2/3) of the total percentage interests in the Common Elements as set forth in Exhibit "C"] at a meeting of the Association duly called for the purpose for approving such supplemental assessment if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of five (5) times the Unit's most recent common expense assessment calculated on a monthly basis. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amounts.

3. Initial Budget. When the first elected Board hereunder takes office, it shall determine the estimated cash requirement, as hereinabove defined, for the period commencing thirty (30) days after such election and ending at the end of the then existing fiscal year in which such election occurs. Assessments shall be levied against the Owners during the period provided in this Article.

4. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimated budget on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay his share of the Common Expenses, as herein provided, whenever the same shall be determined. In the absence of any annual budget, each Owner shall continue to pay the monthly common expense assessment at the rate established for the immediately preceding period until the new annual budget is adopted and the new monthly common expense assessment thereunder is effective. Upon the adoption of the budget, each Owner will be personally liable for the monthly common expense assessment payments thereunder.

5. Books and Records.

(a) Maintenance. The Board or its managing agent shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Owners, or their mortgagees, and their duly authorized agents or attorneys.

(i) Copies of the recorded Declaration, By-Laws, other condominium instruments and any rules and regulations adopted by the Association or the Board. Prior to the organization of the Association, the Developer shall maintain and make available the records set forth in this subparagraph (i) for examination and copying.

(ii) Detailed accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expense incurred, and copies of all contracts, leases or other agreements entered into by the Association.

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

(iv) Ballots and proxies related thereto for all elections to the Board and for any other matters and proxies related thereto voted on by the Owners, which shall be maintained for a period of not less than one (1) year.

(v) Such other records of the Association as are available for inspection by members of a Not-For-Profit corporation pursuant to Section 107.75 of the General Not-For-Profit Corporation Act of 1986, as from time to time amended.

(b) Notice. Upon ten (10) days' notice to the Board or managing agent (if any) and payment of a reasonable fee, an Owner shall be furnished a statement of said Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6. Status of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Owners in the percentages set forth in Exhibit "C"; provided, however, that sums deposited by any Owner as a capital contribution to the Association, or denominated as such by the Board, and reserves established pursuant to this Article, shall be deemed contributions to the capital of the Association and shall be held and administered as such unless and until the Board shall otherwise determine.

7. Non-Payment.

(a) Late Charges, Collection and Foreclosure of Lien. If an Owner shall fail to pay his monthly Common Expense assessment or any other charges when due, he shall be charged a late charge as determined by the Board for each thirty (30) day period (or portion thereof) during which said amounts remain unpaid. If an Owner is in default in the monthly payment of the aforesaid Common Expense assessment or any other charges for thirty (30) days, the Board may bring suit for and on behalf of the Association and as representative of all Owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the Court.

(b) Lien. To the extent permitted by any decision, statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Unit Ownership of the Owner involved 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 shall be subject as to priority to the lien for unpaid Common Expense assessments which become due and payable on or subsequent to the date on which the encumbrancer either takes possession of the Unit, accepts a conveyance of any interest in the Unit Ownership or causes a receiver to be appointed in a suit to foreclose its lien; and provided further that any First Mortgagee who obtains title to a Unit Ownership pursuant to the conditions provided in the mortgage or foreclosure of the mortgage, will not be liable for such Unit's unpaid assessments and charges which accrue prior to the acquisition of title to such Unit Ownership as long as the Association is included as a party in any foreclosure action. Any second mortgage shall at all times be subordinate in lien rights to the Association's lien for assessments, whether or not the Association has recorded a document evidencing such lien.

(c) Cumulative Rights. 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 Owner shall fail to pay his proportionate share of the Common Expenses or of any other expenses required to be paid

hereunder when due, such rights and remedies shall include (1) the right to enforce the collection of such defaulting Owner's share of such expenses together with interest thereon at the maximum rate permitted by law, late charges, and all fees and costs (including reasonable attorneys' fees whether or not awarded by a court) incurred in the collection thereof; and (2) the right to take possession of such defaulting Owner's interest in the Property, to maintain for the benefit of all the other Owners an action for possession in the manner prescribed by Article IX of the Illinois Code of Civil Procedure (735 I.L.C.S. 5/9-101 et seq.), as may from time to time be amended, and to execute leases of such defaulting Owner's interest in the Property and applying the rents derived therefrom against such expenses and other monetary obligations of the defaulting Owner.

(d) Forbearance of Assessments. The Association shall have no authority to forbear the payment of assessments by any Owner.

8. Non-Use or Abandonment. No Owner may waive or otherwise escape liability for assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit. Any claim by an Owner against the Association shall be by separate action and shall not be used as a defense or counterclaim to an action by the Association to collect assessments.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage placed at any time on a Unit by a bona fide lender. Each holder of a first mortgage on a Unit who obtains title or comes into possession of that Unit pursuant to the remedies provided in the mortgage, foreclosure, or any purchaser at a foreclosure sale, will take the Unit free of any claims for unpaid assessments or charges which become payable prior to the first to occur of acquisition of title, possession or the filing of a suit to foreclose the mortgage.

10. Initial Capital Contribution. Upon the closing of the sale of each Unit by Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to two (2) months' Annual Assessment at the rate in effect with respect to the Unit as of the closing, which amount shall be held and used by the Association for its working capital needs.

ARTICLE X

REMEDIES

1. Abatement and Enjoinment. The violation of any rule or regulation adopted by the Board, or the breach of any restriction, covenant or provision herein contained, shall give the Board the right, in addition to the rights set forth in the next succeeding Paragraph: (a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Developer, the Declarant, its beneficiaries, successors or assigns, the Board and its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise together with interest thereon at the highest legal rate per annum until paid, shall be charged to and assessed against such

defaulting Owner, and shall be added to and deemed part of such defaulting Owner's share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Owner and upon all of such defaulting Owner's personal property in the 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 Rights. If any Owner (either by such Owner's own conduct or by the conduct of any Occupant of such Owner's Unit) shall violate any of the restrictions, covenants or provisions of this Declaration or the rules and regulations adopted by the Board, and such violation shall continue for ten (10) days after notice in writing from the Board, or shall re-occur at any time after such notice, then the Board shall have the power to issue to the defaulting Owner a ten (10) day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control the defaulting Owner's Unit, and, thereupon, an action in equity may be filed by the members of the Board against the Owner or Occupant for a decree of mandatory injunction against the Owner or Occupant or, in the alternative, a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by such Owner on account of the breach of covenant, and ordering that the right, title and interest of the owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Owner from re-acquiring such Owner's 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 attorney's fees and all other expenses of the proceeding and sale, whether or not awarded by a Court, and all such items shall be taxed against the defaulting Owner in such decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments and charges hereunder or any liens, shall be paid to the Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the Court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE XI

ANNEXING ADDITIONAL PROPERTY

1. Additional Parcel. The Declarant, Developer, and their successors and assigns, hereby reserve the right and option, at any time and from time to time, within ten (10) years from the date of the recording of this Declaration in the office of the Recorder of Deeds of Cook County, Illinois, to add-on and annex to the Property, all or any portion of the property legally described on Exhibit "D" attached hereto and incorporated herein by reference ("Future Development Parcel"), and in connection therewith to reallocate percentage interests in the Common Elements as hereinafter described, by recording an amendment or amendments to this Declaration executed by the Declarant (every such instrument being hereinafter referred to as "Amendment to Condominium Declaration") which shall set forth the legal description of the additional parcel or parcels ("Additional Parcel") within the Future Development Parcel to be annexed to the Property and which shall otherwise be in compliance with the requirements of the Act. The Future Development Parcel shall consist of no more than _____ Residential

Units and _____ Parking Units. Upon the recording of every such Amendment to Condominium Declaration, the Additional Parcel shall be deemed submitted to the Act and governed in all respects by the provisions of this Declaration and shall thereupon become part of the Property. No portion or portions of the Future Development Parcel shall be subject to any of the provisions of this Declaration unless and until an Amendment to Condominium Declaration is recorded annexing such portion or portions to the property as aforesaid. The Unit Owners shall have no rights whatsoever in or to any portion of the Future Development Parcel, unless and until an Amendment to Condominium Declaration is recorded annexing such portion to the Property as aforesaid. Upon the expiration of said ten (10) year period, no portion of the Future Development Parcel which has not theretofore been made part of or annexed to the Property shall thereafter be annexed to the Property. No portion of the Future Development Parcel must be added to the Property. Portions of the Future Development Parcel may be added to the Property at different times within such ten (10) year period. Except as may be required by applicable laws and ordinances, there shall be no limitations (i) on the order in which portions of the Future Development Parcel may be added to the Property, (ii) fixing the boundaries of these portions, or (iii) on the location of improvements which may be made on the Future Development Parcel. Structures, improvements, buildings and units to be constructed on portions of the Future Development Parcel which are added to the Property need not, except to the extent required by applicable laws and ordinances, be compatible with the configuration of the Property in relation to density, use, construction and architectural style.

2. Amendments to Condominium Declaration Adding Additional Property. Every Amendment to Condominium Declaration shall include:

(a) The legal description of the portion or portions of the parcel which shall add to the legal description of the Parcel that portion or portions of the Future Development Parcel annexed to the Property;

(b) An amendment to the Plat which shall show the boundaries of the portion or portions of the Future Development Parcel annexed to the Parcel, and delineating and describing the Units constructed or to be constructed on the portions of the annexed Future Development Parcel; and

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

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

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

by such Amendment to Condominium Declaration (the "Added Common Elements");

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

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

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

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

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

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

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

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

such Existing Unit as set forth in such Amendment to Condominium Declaration, and lien of such mortgage shall automatically attach to such percentage interest in the Added Common Elements.

5. Binding Effect. Every Unit Owner and every mortgagee, grantee, heir, administrator, executor, legal representative, successor and assign of such Unit Owner, by such person's or entity's acceptance of any deed or mortgage or other interest in or with respect to any Unit Ownership, shall be deemed to have expressly agreed and consented to (i) each and all of the provisions of this Article XI; (ii) the recording of every Amendment to Condominium Declaration which may amend and adjust such person's or entity's respective percentage of ownership interest in the Common Elements from time to time as provided in this Article XI, and (iii) all of the provisions of every Amendment to Condominium Declaration which may hereafter be recorded in accordance with the provisions of this Article XI. A power coupled with an interest is hereby granted to the Developer as attorney in fact to amend and adjust the percentages of undivided ownership interest in the Common Elements from time to time in accordance with every such Amendment to Condominium Declaration recorded pursuant hereto. The acceptance of any persons or entities of any deed, mortgage or other instrument with respect to any Unit Ownership, in addition to the foregoing, shall be deemed to constitute a consent and agreement to and acceptance and confirmation by such person or entity of such power to such attorney in fact and of each of the following provisions as though fully set forth in such deed, mortgage or other instrument:

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

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

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

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

(e) Every Unit Owner, by acceptance of the deed conveying his Unit Ownership, agrees for himself and all those claiming under him, including

mortgagees, that this Declaration, and every Amendment to Condominium Declaration, is and shall be deemed to be in accordance with the Act.

ARTICLE XII

RIGHTS OF FIRST MORTGAGEES

1. First Mortgagees Approval. The prior written approval of Developer's construction lender, if applicable, and two-thirds (2/3) of all First Mortgagees (calculated on the basis of the percentage interests of their respective mortgagors as set forth in Exhibit "C") will be required for any of the following:

(a) Amendments. An amendment to the Declaration which changes: (i) voting rights; (ii) assessments, assessment liens, or subordination of assessment liens; (iii) reserves for maintenance, repair and replacement of the Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; (vi) the boundaries of any Unit; (vii) the convertability of Units into Common Elements or vice versa; (viii) the expansion or contraction of the Parcel, or the addition, annexation or withdrawal of property to or from the Property; (ix) insurance or fidelity bonds; (x) leasing of Units; (xi) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit; (xii) the restoration or repair of a building (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration; (xiii) any action to terminate the condominium status of the Parcel after substantial destruction or condemnation occurs; (xiv) any provision that expressly benefits mortgage holders, insurers or guarantors; (xv) the pro rata interest or obligations of any individual Unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; and (xvi) the pro rata interest or obligation of any individual Unit for the purpose of determining the pro rata share of ownership of each Unit in the Common Elements; or

(b) Abandonment or Termination of Condominium. The abandonment or termination of the condominium status of the Property, the removal of any part of the Property from the provisions of the Act and this Declaration, or the sale of the Property; except that the consent of First Mortgagees shall not be required for the abandonment or termination of the condominium status of the Property made pursuant to the Act in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; or

(c) Partition or Subdivision. The partition or subdivision of any Unit;
or

(d) Common Elements. The abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements, except that granting of easements for public utilities or for other public and private purposes consistent with the intended use of the Common Elements by the Association shall not require such approval; or

(e) Insurance Proceeds. The use of hazard insurance proceeds for losses to any portion of the Property, whether Units or Common Elements, for

other than the repair, replacement or reconstruction of the Property: or

(f) Litigation. The institution of any lawsuit against the Developer or Declarant or its officers or employees.

2. First Mortgagee Rights. Upon specific written request to the Board, a First Mortgagee or its servicer, or the insurer or any guarantor of a mortgagee shall receive the following as designated in the request:

(a) Budgets and Assessments. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Unit covered by the First Mortgagees' mortgage;

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

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

(d) Amendments. Written notice of the decision of the Owners to make any material amendment to this Declaration and By-Laws;

(e) Damages. Written notice of substantial damage to or destruction of any Unit (in excess of One Thousand and 00/100 Dollars (\$1,000.00)) covered by the First Mortgagee's mortgage, or any part of the Common Elements (in excess of Ten Thousand and 00/100 Dollars (\$10,000.00));

(f) Condemnation. Written notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(g) Default. Written notice of any default of the Owner of the Unit which is subject to the First Mortgagee's mortgage, where such default is not cured by Owner within thirty (30) days after the giving of Notice by the Association to the Owner of the existence of the default;

(h) Books and Records. The right to examine the books and records of the Association at any reasonable time and, if and to the extent that no audited financial statement is available, the First Mortgagee or its servicer shall have the right to have an audited statement prepared at its own expense;

(i) Management. The Association's termination of professional management and assumption of self-management of the Property;

(j) Delinquency. Written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

(k) Insurance. Written notice of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

and

(l) Action. Written notice of any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

The request of a First Mortgagee or its servicer, or the insurer or any guarantor of a mortgage shall state both the name and address of the First Mortgagee or its servicer, insurer or guarantor (as the case may be), shall specify which of the above information it desires to receive, shall indicate the address to which any notices or documents shall be sent by the Association and shall identify the Unit number or address of the Unit on which it has the mortgage. Failure of the Association to provide any of the foregoing to a First Mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a First Mortgagee, servicer, insurer or guarantor hereunder and in the event of multiple requests from purported First Mortgagees, servicers, insurers or guarantors of the same Unit, the Association shall honor the most recent request received.

ARTICLE XIII

DEVELOPER'S RESERVED RIGHTS

1. In General. In addition to any rights or powers reserved or granted to the Developer under the Act, this Declaration or the By-Laws, the Developer shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, Developer's rights under this Article shall terminate at such time as the Developer is no longer vested with or controls title to a Unit.

2. Promotion Efforts. Developer shall have the right, in its discretion, to maintain on the Parcel model Units, sales and leasing offices, displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Property for the purpose of showing the Property to prospective purchasers or lessees of Units, all without the payment of any fee or charge whatsoever. The Developer shall have a non-exclusive access easement over and across the walkways located on the Property for ingress and egress in order to exercise the rights reserved under this Section. The Developer shall have the right and power to sell or lease a Unit to whomever it chooses on whatever terms it, in its sole discretion, shall deem appropriate.

3. Control of Board. Until the initial meeting of the Owners (which shall occur no later than sixty (60) days after the Turnover Date) and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Act, this Declaration or the By-Laws shall be held and performed by the Developer. The Developer may hold and perform such rights and obligations, through the Board which, prior to the initial meeting, shall consist of three (3) individuals designated by the Developer from time to time. If the initial Board of Directors is not elected by the Owners at the time so established, the Developer or Directors designated by the Developer shall continue in office for a period of thirty (30) days whereupon written notice of resignation shall be sent to all Unit Owners entitled to vote at such election. Prior to the Turnover Date, Developer may appoint from

among the Owners three (3) non-voting counselors to the Board, who shall serve at the pleasure of Developer.

4. Dedication Rights Reserved. Developer hereby reserve the right at their sole discretion to dedicate or otherwise convey portions of the Property (but not those portions on which the Building is situated) to any public agency or governmental authority or quasi-public utility for purposes of streets, roads, roadways and utilities, and right-of-way and easements therefor. Such right to make such dedications or conveyances shall not require the consent, approval or signatures of either the Board or any Unit Owner, and such dedication or conveyance shall be considered fully accomplished and conclusively binding upon each of said Unit Owners and upon the Association when set forth in writing or in a Plat of Dedication executed by the Developer which has been recorded in the office of the Recorder of Deeds of Cook County, Illinois, provided, however, that nothing in this paragraph shall be construed to in any manner require or obligate Developer to make any such conveyance or dedication.

In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby granted to the Developer, and each of them singly, as agent and attorney-in-fact to make such dedications or conveyances. Each deed, mortgage, trust deed or other instrument with respect to a Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to each of said attorney-in-fact and shall be deemed to reserve to each of them the foregoing powers and rights.

ARTICLE XIV

GENERAL PROVISIONS

1. Provisions of the Declarant and Developer. Until such time as the initial Board provided for in this Declaration is formed, the Declarant and the Developer shall perform the powers, rights, duties and functions of the Board.

2. Enforcement. In addition to all other rights herein granted to the Association, the Association may enforce the provisions of this Declaration and the Articles of Incorporation, By-Laws and rules and regulations of the Association by any proceeding in law or in equity against any person or persons violating or attempting to violate any such provisions. All rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, and failure of the Association to enforce any such provisions shall in no way be deemed a waiver of the right to do so thereafter. All expenses incurred by the Association in connection with any such proceedings, including court costs and attorneys' fees, together with interest thereon at nine percent (9%) per annum, shall be charged to and assessed against any Owner violating any such provisions and shall be added to and deemed a part of his assessment and constitute a lien on his Lot and enforceable as provided in Article XIV. If any Owner, or his guests, violates any provision of this Declaration, the Articles of Incorporation, the By-Laws or the rules and regulations of the Association, the Board may, after affording the Owner an opportunity to be heard, levy a reasonable fine against such Owner, and such fine shall be added to and deemed a part of his assessment and constitute a lien on his Unit and be enforceable as provided in Article XIV.

3. Insurance Proceeds. In the event of (a) any distribution of any insurance proceeds hereunder as a result of substantial damage to, or destruction of, any part of the Property or (b) any distribution of the proceeds of any judgment or settlement as a result

of condemnation or eminent domain proceedings with respect to any part of the Property, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Unit with respect to any such distribution to or with respect to such Unit; provided that nothing in this Paragraph shall be construed to deny to the Association the right to apply any such proceeds to repair or replace damaged portions of the Property or to restore what remains of the Property after condemnation or taking by eminent domain of a part of the Property.

4. Special Amendment. Declarant and/or Developer reserve the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgaged Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans' Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Units, (c) to bring this Declaration into compliance with the Act, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Declarant and Developer, severally, to vote in favor of, make, consent to, execute and record a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, execute and record Special Amendments. The right of the Declarant and Developer to act pursuant to rights reserved or granted under this Paragraph shall terminate five (5) years from such time as the Declarant and Developer no longer holds or controls title to a Unit.

5. Waiver of Claims. Each Owner hereby waives and releases any and all claims which such Owner may have against any other Owner, Occupant, the Association, its officers, members of the Board, the Declarant and its beneficiaries, the Developer, the managing agent, 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. Damages. Each Owner shall be responsible for any damages to the Common Elements or to any Unit or Units and also for the maintenance, repairs or replacements caused by or resulting from his willful or wanton misconduct or his negligent act or omission, or the willful or wanton misconduct or negligent act or omission of a member of his family, his household pet, his guests, visitors or his invitees or of an Occupant of his Unit, household pets, guests, visitors or invitees of an Occupant of his Unit.

7. Notices. Notices provided for in this Declaration and in the Act shall be in writing, and shall be addressed to the Board or Association, or any Owner, as the case may be, at the address of the Unit, or at such other address as herein provided. The President of the Association is hereby designated as the person to mail and receive all notices as provided for in the Act and in this Declaration; provided, however, that the

Board may designate a different address for notices to the Board or the Association by giving written notice of such change of address to all Owners. Any Owner may also designate a different address for notices by giving written notice of such change of address to the Board. Notices to Unit Owners shall be deemed delivered when mailed by United States mail, or when delivered in person, or, if addressed to an Owner, when deposited at the door of the Owner's Unit. Notices to the Board or to the Association shall be deemed delivered when mailed by United States registered mail to the Board or Association.

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

9. Conveyance. Each grantee of the Declarant and each subsequent grantee by the acceptance of a deed of conveyance, and each purchaser under Articles of Agreement for Condominium Deed, and each tenant under a lease for a Unit, accepts the same subject to all restrictions, conditions, covenants, easements, 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 all Owners and any Person having at any time any interest or estate in the Property, and shall inure to the benefit of such Person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or lease.

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

11. Amendment. Except as provided in Section 27(b) of the Act or in Article XII of this Declaration, the provisions of Article II, Paragraphs 1 and 2 of Article III, Paragraph 7 of Article IX and this Paragraph 11 of Article XIV may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, and signed and acknowledged by the President and Secretary of the Board, all of the Owners and all First Mortgagees. Other provisions of this Declaration excepting those affected by Article XIV, Section 4, may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President and Secretary of the Board, and certifying that the Owners having at least two-thirds (2/3) of the total votes [i.e. having two-thirds (2/3) of the total percentage interests in the Common Elements] have approved such amendment at a meeting of the Association duly called for such purpose, and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all First Mortgagees, no less than ten (10) days prior to the date of such affidavit. Until such date as Declarant has conveyed title to all the Units, no provision of this Declaration which affects any rights of Declarant or Developer hereunder may be changed, modified or rescinded and no provision may be added without the prior written consent of Declarant and Developer. Any change, modification or rescission shall be effective upon recording of such instrument in the Office of the Recorder of Deeds, Cook County, Illinois.

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

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

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

15. Land Trust. In the event title to any Unit is conveyed to a land title-holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the 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 claims shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of such Unit Ownership.

16. Lease. The provisions of the Act, the Declaration, By-Laws, other condominium instruments and rules and regulations that relate to the use of the Units or the Common Elements shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease of any Unit.

IN WITNESS WHEREOF, LASALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139, executed this document as of the _____ day of _____, A.D. 199__.

LASALLE NATIONAL BANK, as Trustee Aforesaid

By: _____
Name: _____
Its: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ of LASALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139, personally known to me to be the same person whose name is subscribed to the foregoing Declaration, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of the limited liability company and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this _____ day of _____, 199__.

Notary Public

CONSENT OF MORTGAGEE

LASALLE BANK NATIONAL ASSOCIATION ("Bank"), holder of a Mortgage and Security Agreement (the "Mortgage") dated as of August 20, 1997 and recorded in the office of the Recorder of Deeds of Cook County, Illinois, on August 28, 1997, as Document Number 97636694, hereby consents to the execution and recording of the attached Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for the Vanguard Loft Condominium and agrees that said Mortgage is subject thereto.

IN WITNESS WHEREOF, the said Bank has caused this Consent of Mortgagee to be signed by its duly authorized officers on its behalf in Chicago, Illinois, on this _____ day of _____, 199__.

LASALLE BANK NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County and State, DO HEREBY CERTIFY that _____ and _____ President and _____, respectively, of LASALLE BANK NATIONAL ASSOCIATION, as such _____ President and _____, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ___ day of _____, 19__.

Notary Public

GLPIVANGUARD\DECLARATION

EXHIBIT "A"

Legal Description

PARCEL A:

LOT 20 THROUGH 25, BOTH INCLUSIVE, IN THE SUPERIOR COURT PARTITION OF THE SOUTH ½ OF BLOCK 23 IN THE CANAL TRUSTEES' SUBDIVISION OF THE WEST ½ AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL B:

LOT 25 AND THE WEST 18 FEET OF LOT 24 AND THE WEST 53 FEET OF LOTS 26 AND 27 IN S.L. BROWN'S SUBDIVISION OF THE NORTH ½ OF BLOCK 23 IN CANAL TRUSTEES' SUBDIVISION OF THE WEST ½ AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL C:

THE WEST 53 FEET OF THAT PART OF THE EAST WEST 12 FOOT PUBLIC ALLEY, HERETOFORE VACATED BY ORDINANCE OF THE CITY OF CHICAGO, DATED JULY 19, 1989 AND RECORDED OCTOBER 13, 1989 AS DOCUMENT 89487414; LYING SOUTH OF THE SOUTH LINE OF LOTS 21 TO 25, BOTH INCLUSIVE, LYING NORTH OF THE NORTH LINE OF LOT 26 AND THE EASTWARDLY EXTENSION OF THE NORTH LINE OF LOT 26; LYING WEST OF THE WEST LINE OF LOT 20 AND LYING EAST OF A LINE DRAWN FROM THE SOUTH WEST CORNER OF LOT 25 TO THE NORTH WEST CORNER OF LOT 26, ALL IN S.L. BROWN'S SUBDIVISION OF THE NORTH ½ OF BLOCK 23 IN CANAL TRUSTEES' SUBDIVISION OF THE WEST ½ AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT "B"

Plat of Survey
Showing the Parcel
and Delineation of Units

EXHIBIT "D"

LEGAL DESCRIPTION FOR ADDITIONAL PROPERTY

TABLE OF EXHIBITS

EXHIBIT "A" - LEGAL DESCRIPTION OF THE PARCEL

EXHIBIT "B" - PLATS OF SURVEY OF THE PARCEL AND THE UNITS

EXHIBIT "C" - SCHEDULE OF PERCENTAGE OF INTERESTS IN
COMMON ELEMENTS

EXHIBIT "D" - LEGAL DESCRIPTION OF ADDITIONAL PROPERTY

EXHIBIT "E" - BY-LAWS

EXHIBIT "E"

BY-LAWS FOR VANGUARD LOFTS CONDOMINIUM ASSOCIATION

Unless otherwise defined in these By-Laws, all defined terms shall have the meaning ascribed to them in the Declaration of Condominium Ownership for the Vanguard Lofts Condominium.

SECTION ONE

ADMINISTRATION OF THE PROPERTY

The direction and administration of the Property shall be vested in a Board of Managers (the "Board") of the Association (hereinafter described); provided, however, that for a period commencing on the date of recording of the Declaration and ending with the date of the initial meeting of the Board, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Act and the Declaration shall be held and performed by the Declarant and the Developer, and, except as otherwise provided in the Act, the acts and agreements made by the Declarant and the Developer with respect to the Property shall be binding upon the Board. Each member of the Board shall be an Owner or contract purchaser as defined in Section 6(c) of these By-Laws. If an Owner or contract purchaser is a corporation, partnership, trust or other legal entity other than a natural individual, then any one (1) officer, director or other designated agent of such corporation, partner or other designated agent 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. A majority of the Board must be residents of the Property if in fact such a majority resides in the Property and is willing to serve on the Board.

SECTION TWO

ASSOCIATION

The Vanguard Lofts Condominium Association (herein called the "Association"), acting through the Board, shall be the governing body for all the Owners for the maintenance, repair, replacement, administration and operation of the Property. The Association shall represent the Owners in any proceedings, negotiations, settlements or agreements relating to the handling of any losses or proceeds from condemnation, destruction or liquidation of all or any part of the Property or from the termination of the condominium status of the Property; and said representation by the Association shall be as attorney-in-fact (with an interest) of the respective Owners who hereby irrevocably so appoint the Association. The Association shall not engage in or be deemed to be

engaged in any business of any kind. Every Owner shall be a member therein, which membership shall automatically terminate upon the sale, transfer or other disposition of such Owner's Unit Ownership, at which time the new Owner shall automatically become a member therein. The Association shall have one (1) class of membership. Declarant, prior to the election of the first Board, and the Board at any time thereafter, may cause the Association to be incorporated as a Not-For-Profit Corporation under the General Not-For-Profit Corporation Act of the State of Illinois; and in such event, the Board of Directors of the Association shall be deemed to be the Board of Managers referred to herein and in the Act.

SECTION THREE

VOTING RIGHTS

A. Votes. The total number of votes of all Owners shall be one hundred (100), and each Owner shall be entitled to the number of votes equal to the percentage of ownership in the Common Elements applicable to the Unit Ownership represented by such Owner, as set forth in Exhibit "C" of the Declaration. For purposes of voting and sitting on the Board, the Developer or its designee shall be the Owner with respect to any Unit Ownership owned by Declarant. An Owner may vote by proxy executed in writing by him or by his duly authorized attorney-in-fact. The proxy shall be invalid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy, and the proxy must bear the date of execution. Any proxy distributed for Board elections must give the owner the opportunity to designate any persons the proxy holder and give the owner of the opportunity to express a preference for any known candidates for the Board or to write in a name.

B. Multiple Owners. If there are multiple Owners with respect to a Unit Ownership and if only one (1) of such multiple Owners is present at a meeting of the Association, he/she shall be entitled to cast the vote allocated to that Unit Ownership; however, if more than one (1) of the multiple Owners are present, the vote allocated to the Unit Ownership may be cast only in accordance with the agreement of a majority of the multiple Owners present. For purposes of this paragraph, there is majority agreement if any one (1) of the multiple Owners casts the vote allocated to that Unit Ownership without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit Ownership. Only one (1) of the multiple Owners may serve on the Board at any given time.

SECTION FOUR

MEETINGS

A. General Provisions. Meetings of the Association shall be held at the Property or at such other place in the State of Illinois as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the Owners having

twenty percent (20%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of the Owners having a majority of the total votes present at such meeting. Matters subject to affirmative vote of Owners having two-thirds (2/3) or more of the total votes at a meeting duly called for that purpose shall include, but not be limited to: (1) merger or consolidation of the Association; (2) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (3) the purchase or sale of land or of Units on behalf of all Owners; and (4) subject to the provisions of the Act, the commencement of any type of litigation, except for actions in forcible entry and detainer to collect assessments.

B. Initial and Annual Meeting. The initial meeting of the Association shall be held upon not less than ten (10) nor more than thirty (30) days' prior written notice given by Declarant or Developer to the Owners. Such initial meeting shall be held not later than sixty (60) days after the Turnover Date as defined in the Declaration. The formation or incorporation of the Association by Declarant or Developer shall not require Declarant or Developer to call the initial meeting of the Association any earlier than provided in the preceding sentence. Thereafter, there shall be an annual meeting of the Association on the first Tuesday in November of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated in a written notice from the Board. One of the purposes of the annual meeting shall be to elect members of the Board of Managers.

C. Special Meetings. Special meetings of the Association may be called at any time upon written notice for the purpose of considering matters which, by the terms of the Declaration or under the Act, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings may be called by the President of the Association, twenty-five percent (25%) of the members of the Board or by the Owners having twenty percent (20%) or more of the total votes.

SECTION FIVE

NOTICES OF MEETINGS

Notices of annual and special meetings shall be given pursuant to the provisions of Paragraph 7 of Article XIII of the Declaration. Written notice of any membership meeting shall be mailed or delivered to Owners no less than ten (10) and no more than thirty (30) days prior to the meeting and said notice shall state the time, place and purpose of such meeting.

SECTION SIX

BOARD OF MANAGERS (BOARD OF DIRECTORS)

A. Election.

1. At the initial meeting and at each annual meeting thereafter, the Owners shall elect a Board of Managers, all of whom shall be elected at large. If there are multiple owners of a single unit only one (1) of the multiple owners shall be eligible to serve as a member of the Board at any one (1) time.

2. The Board shall consist of five (5) members. At the initial election of the Board, the three (3) candidates receiving the highest number of votes shall be elected for a term of two (2) years and the candidates receiving the next highest number of votes shall be elected for a term of one (1) year. Upon expiration of the terms of office of the members so elected, and thereafter, successors shall be elected for a term of two (2) years each.

3. Each member of the Board shall hold office until a successor shall have been duly elected and qualified; provided that Board members may succeed themselves. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board and approved by the Owners having two-thirds (2/3) or more of the total votes.

4. The Board may disseminate to Unit Owners biographical and background information about candidates for election to the Board if: (1) no preference is expressed in favor of any candidate; and (2) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated.

B. Counting of Election Ballots. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

C. Contract Purchasers. The purchaser of a Unit from a seller other than the Declarant or the Developer pursuant to an installment contract for purchase shall during such times as he or she resides in the Unit be counted toward a quorum for purposes of election of members of the Board at any meeting of the Owners called for purposes of electing members of the Board, and shall have the right to vote for the election of members of the Board and to be elected to and serve on the Board unless the seller expressly retains in writing any or all of such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contract shall

be made available to the Association or its agents. For purposes of this subparagraph, "installment contract" shall have the same meaning as set forth in Section 1(e) of "An Act relating to installment contracts to sell dwelling structures" approved August 11, 1967, as from time to time amended.

D. Vacancies. Vacancies on the Board due to resignation, removal or death, shall be filled by the remaining members of the Board by two-thirds (2/3) vote until the next annual meeting of the Association or for a period terminating no later than thirty (30) days following the filing of a petition signed by Owners holding twenty percent (20%) of the votes in the Association requesting a meeting of the Association to fill the vacancy on the Board.

E. Management of Property. Except as otherwise provided in the 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 Board shall constitute a quorum.

F. Meetings. Meetings of the Board may be called, held and conducted in accordance with such rules and regulations as the Board may adopt. Meetings of the Board shall be open to any Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or an Owner's unpaid share of Common Expenses; however, any vote on these matters shall be taken at a meeting or portion thereof open to any Owner. Any Owner may record the proceedings of meetings, or portions thereof, required to be open by the Act by tape, film or other means, subject to such reasonable rules and regulations as the Board may prescribe. Notice of such meetings shall be mailed or delivered to Board members at least forty-eight (48) hours prior thereto unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. In addition, such copies of notices of meetings of the Board shall be posted in entranceways or other conspicuous places on the Property at least forty-eight (48) hours prior to the meeting of the Board. The Board may designate one or more locations in the proximity of the Units where the notice of meetings shall be posted. The Board shall meet at least four (4) times annually. A majority of the total members of the Board shall constitute a quorum.

G. Officers. The Board shall elect the following officers from among the members of the Board: a President who shall preside over both its meetings and those of the Association, and who shall be the chief executive officer of the Board and the Association; a Secretary who shall keep the minutes of all meetings of the Board and of the Association and who shall, in general, perform all the duties incident to the office of Secretary; a Treasurer who shall keep the financial records and books of account; and such additional officers as the Board shall see fit to elect. Such officers shall serve at the

will of the Board, which shall fill any vacancies. Officers shall be elected at the first meeting of the Board immediately following the initial meeting and each annual meeting thereafter of the Association.

H. Removal. Any Board member may be removed from office by affirmative vote of the Owners having two-thirds (2/3) or more of the total votes, at any annual or special meeting of the Association called for that purpose. A successor to fill the unexpired term of a Board member so removed may be elected by the Owners at the same meeting or any subsequent meeting called for that purpose. This right of removal shall not apply to any Board member selected by Declarant or Developer.

SECTION SEVEN

GENERAL POWERS AND DUTIES OF THE BOARD

The Board, for the benefit of all the Owners, shall acquire the following goods and services and do any of the following things, and shall pay for such goods, services and things as a common expense as follows:

A. Utilities. Sewer, water, scavenger service and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units.

B. Insurance. Insurance on the Property insuring the Common Elements and the Units against loss or damage by fire, lightning and those risks now or hereafter contained in the 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 the proceeds thereof shall be payable to, the members of the Board as trustees for each of the Owners in the percentages established in Exhibit "C". Prior to obtaining any such policy of insurance, or any renewal thereof, the Board, at its option, may obtain an appraisal from a qualified appraiser for the purpose of determining the full insurable replacement value of the Common Elements and the Units for the amount of insurance to be effected pursuant hereto. The Board shall acquire all insurance necessary to meet the insurance requirements of the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") and the Act, and whichever has the greater requirements shall control for purposes of this paragraph. Each Owner shall be required to report all additions, alterations or improvements to such Owner's Unit promptly in writing to the Board, without prior request from the Board or the managing agent, and to reimburse the Board for any additional insurance premiums attributable thereto. The Board shall not be responsible for obtaining insurance on such additions, alterations or improvements unless and until such Owner shall make such report and request the Board in writing to obtain such insurance, and shall make arrangements satisfactory to the Board to reimburse the Board for any such additional premiums; and upon the failure of such Owner so to do, the Board shall not be

obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Any such policy of insurance (1) shall contain a standard mortgage clause endorsement in favor of each mortgagee of a Unit as its interest may appear, (2) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Owner, (3) shall provide that, notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Owners elect to sell the Property or remove the Property from the provisions of the Act, (4) shall contain an endorsement to the effect that such policy shall not be terminated for non-payment of premium without at least ten (10) days' prior written notice to each mortgagee of a Unit, (5) shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Declarant and its beneficiaries, the Developer, the managing agent, if any, their respective employees and agents, the Owners and Occupants, (6) shall contain a "Replacement Cost Endorsement", and (7) shall not provide for a deductible amount greater than the lesser of Ten Thousand and No/100 Dollars (\$10,000.00) or one percent (1%) of the policy face amount. Notwithstanding the issuance of a standard mortgage clause endorsement, any losses under any such policy of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of the Declaration, these By-Laws and the Act; provided, however, that if the Board fails to perform all of the conditions precedent required by any such policy of insurance, and fails to collect the amount of the loss within the time required by law, and any mortgagee of a Unit is required to avail itself of its rights under the standard mortgage clause endorsement to collect the proceeds of any such policy of insurance, any amounts so collected through the efforts of the mortgagee shall be applied as directed by the mortgagee. The Board may engage the services of any corporation qualified to accept and execute trusts in Illinois to act as Insurance Trustee (and as successor Insurance Trustee) and to receive and disburse the insurance proceeds resulting from any loss upon such terms as the Board shall determine consistent with the provisions of the Declaration and these By-Laws. In the event the lowest of three (3) bids from reputable contractors for making all repairs required by any loss shall exceed Sixty Thousand and No/100 Dollars (\$60,000.00), the Board, upon written demand of any mortgagee of a Unit, shall engage the services of an Insurance Trustee as aforesaid.

C. Liability and Property Damage Insurance. Comprehensive public liability and property damage insurance in a minimum coverage of One Million and No/100 Dollars (\$1,000,000.00) for bodily injury and property damage arising from a single occurrence, insuring the members of the Board, the Association, and managing agent, if any, and their respective agents and employees. The Declarant (including its beneficiaries) and the Developer shall be included as additional insureds in their capacities as Owner and/or Board member. The Owners and Occupants 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 (1) or more insured parties against other insured parties. The insurance shall contain a waiver of any

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

D. Other Insurance. 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 effect.

E. Taxes. Real property taxes, special assessments, and any other special taxes or charges of the County of Cook, State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the Association. Upon authorization by a two-thirds (2/3) vote of the members of the Board or by the affirmative vote of the Owners having more than one-half (2) of the total votes, at a meeting duly called for such purpose, the Board, acting on behalf of all Owners, shall have the power to seek relief from or in connection with the assessment or levy of real property taxes, special assignments and any other special taxes or charges of the State of Illinois or of any other political subdivision thereof, or other lawful taxing or assessing body. In addition, the Board may act on behalf of all Owners in connection with any other matter where the respective interests of the Owners are deemed by the Board to be similar and non-adverse to each other.

F. Supplies and Services. Landscaping, snow removal, cleaning, maintenance, decorating, repair and replacement of the Common Elements and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper. The Board shall have the exclusive right to designate, employ and remove personnel necessary for the maintenance, repair and replacement of the Common Elements.

G. Maintenance. 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 the Declaration and these By-Laws or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the property as a first class condominium complex or for the enforcement of the Declaration, By-Laws, Rules and Regulations and the Act.

H. Mechanic's Liens. Discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a valid lien against the Property or against the Common Elements, rather than merely against the interest therein of a particular Owner. Where one (1) or more Owners (or the Occupants of his or their Units) are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs (including attorneys' fees) incurred by the Board by reason of such lien shall be specially assessed to such Owners, regardless of whether such lien is later determined to be false, fraudulent or bona fide.

I. Maintenance and Repair of Units. Maintenance and repair of any Unit if, in the opinion of the Board, such maintenance or repair is necessary to protect the Common Elements or any other portion of the Property, and the Owner of such Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair has been mailed or delivered by the Board to such Owner; provided that the entire cost of such maintenance or repair shall be deemed a part of such Owner's share of the Common Expenses.

J. Right of Entry. Upon reasonable notice, the Board or its agents may enter any Unit when necessary in connection with any construction, maintenance, pest and vermin control, testing or inspection for which the Board is responsible under the Act, the Declaration, these By-Laws or otherwise. The Board or its agents may likewise enter any balcony or patio for construction, maintenance, pest and vermin control, testing or inspection. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Board out of the maintenance fund as a common expense; provided that, if any Owner fails or refuses to permit such access to his Unit after reasonable notice and the Board or its agents are required to make a forced entry into said Unit, the Owner shall be solely responsible for any damage caused by such forced entry. In the event of an emergency, no notice is required from the Board to obtain entry.

K. Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any capital additions to or capital improvements, including structural and non-structural additions and improvements, of the Common Elements requiring an expenditure in excess of Fifty Thousand and No/100 Dollars (\$50,000.00) without in each case the prior approval of the Owners having two-thirds (2/3) or more of the total votes. This limitation shall not be construed as a limit on expenditures necessary for the Board to comply with its statutory duty of providing maintenance and upkeep of the Property as required by Section 18.4 of the Act as from time to time amended.

L. Rules and Regulations. To adopt such reasonable rules and regulations and amendments thereto as it may deem advisable for the maintenance, operation, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants of the Property, after a meeting of the Owners called for the specific purpose of discussing the proposed Rules and Regulations, notice of which contains the full text of the proposed Rules and Regulations and which conforms to the procedural requirements for the calling of a regular or special meeting of the Association under the Act. No quorum is required at this meeting of Owners. No rule or regulation shall impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution. Written notice of the adoption of such Rules and Regulations shall be given to all Owners and Occupants. The Developer or Declarant shall have the right to adopt and promulgate the initial Rules and Regulations for the Association which may be amended by any subsequent Board as provided herein

M. Management. To retain a professional manager for the Property, if and to the extent deemed advisable by the Board. The beneficiaries of the Declarant or the Developer may engage a management agent under a contract that can be terminated without cause after the election of the initial Board upon sixty (60) days written notice.

N. Leases, Licenses and Concessions. To lease or to grant licenses or concessions with respect to any part of the Common Elements, subject to the discretion of the Board and the terms of the Declaration and these By-Laws.

O. Assignment of Income. To assign the Association's right to future income, including the right to receive common expense assessments.

P. Cable Television. To record that granting of an easement for the installation of cable television cable where authorized by the Board pursuant to the Declaration and these By-Laws.

Q. Violation. To impose charges for late payments of an Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, By-Laws, and Rules and Regulations of the Association.

R. Business. The Board shall not conduct any business for profit on behalf of the Owners unless provided for or required by the Act or the Declaration or these By-Laws or approved by a majority of the Owners.

S. Powers and Duties. Nothing hereinabove contained shall be construed to limit the powers and duties of the Board as set forth in the Act, and the powers and duties set forth in the Declaration and these By-Laws shall be construed as a clarification and, where permissible, an expansion of such statutory powers and duties.

T. Fiduciary Duty. In the performance of their duties, the officers and members of the Board are required to exercise, whether appointed by either the Declarant or the Developer, or elected by the Owners, the care required of a fiduciary of the Owners.

U. Handicapped Unit Owner. To reasonably accommodate the needs of a handicapped Unit Owner as required by the Illinois Human Rights Act, as may from time to time be amended, in the exercise of its powers with respect to the use of Common Elements or approval of modifications in an individual Unit. (775 I.L.C.S. 5/1-101 et. seq.)

V. Reserves. The Board, in its sole discretion, shall have the right, upon notice to the Unit Owners, to provide for reserves for maintenance of the Property.

SECTION EIGHT

LIABILITY OF THE BOARD OF MANAGERS

A. Liability to Owners. Neither the Declarant (or its beneficiaries), the Developer, the members of the Board nor the officers of the Association shall be liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such de facto or de jure Board members and officers, except for any acts or omissions found by a court of law to constitute willful misconduct in the performance of duty.

B. Liability to Third Parties. The Owners (and, to the extent permitted by law, the Association) shall indemnify and hold harmless the Declarant (and its beneficiaries), the Developer, each of the members of the Board and each of the officers against all contractual and other liabilities to others arising out of contracts made by or other acts of the Declarant (and its beneficiaries), the Developer, the Board and officers on behalf of the Owners or the Association, or arising out of their de facto or de jure status as Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of the Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorney's fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other in which the Declarant (and its beneficiaries), the Developer, any member of the Board or officers may be involved by virtue of such person being or having been or having served as such member or officers; provided, however, that such indemnity by the Association shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of his duties as such member or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by the Board (who may be counsel regularly retained by the Association) there are no reasonable grounds for such person or officer being adjudged liable for willful misconduct in the performance of his duties as such member or officer. The Board shall have authority to purchase and maintain insurance on behalf of the officers and members of the Board against any expenses (including attorney's fees), liability or settlement based on asserted liability, incurred by them by reason of being or having served in such capacity, whether or not the Association would have the power to indemnify them against such liability or settlement under the provisions of this Section Eight. The costs of any such insurance shall be a Common Expense. It is also intended that the liability of any Owner arising out of any contract made by the Board, the officers, Declarant (or the beneficiaries of Declarant), the Developer, or out of the aforesaid Owners' indemnity, shall be limited to such proportion of the total liability thereunder as such Owner's percentage of ownership in the Common Elements bears to the total percentage of ownership in the Common Elements of all Owners. Every contract made by the Board, the officers, Declarant (or the beneficiaries of Declarant), the Developer or the managing agent on

behalf of the Owners shall provide that they are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners) and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as such Owner's percentage of ownership in the Common Elements bears to the total percentage of ownership in the Common Elements of all Owners. If the Board or Association elects to or is required to indemnify or hold harmless a Board member or officer pursuant to this section, the Board reserves the right to provide defense of such member and to settle or compromise any claim against such individuals.

SECTION NINE

SIGNATURES

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

SECTION TEN

PROFESSIONAL MANAGEMENT

Any agreement for professional management of the Property or any other contract providing for services of the Developer, may not exceed a term of two (2) years from the date of the filing of the Declaration. Any such agreement must provide for termination by either party without cause and without payment of a termination fee upon thirty (30) days' or less written notice.

SECTION ELEVEN

RESALE

A. Documents. In the event of any resale of a Unit by an Owner other than the Declarant or Developer, such Owner shall obtain from the Board and shall make available for inspection to the prospective purchaser, concurrently with execution of any contract for sale, upon demand the following:

1. A copy of the Declaration, By-Laws, other condominium instruments and any Rules and Regulations
2. A statement of the monthly common expense assessment for the selling Owner's Unit.

3. A statement of any liens, including a statement of the account of the Unit setting forth the amounts of unpaid assessments and other charges currently due and owing from the selling Unit Owner.

4. The information on the total actual expenditures, by category, made for all repairs, maintenance, operation or upkeep of the common areas of the building in which the Unit is located within the last three (3) years as found in the regular books of the Association. If the property has not been occupied as a condominium for a period of three (3) years, the information, if available, shall be provided for such lesser time as the Property has been so occupied.

5. A statement of any other fees payable by the Unit Owners.

6. A statement of any future capital expenditures approved by the Association or the Board.

7. A statement of the amount of the reserves for capital expenditures and of any portions of those reserves designated by the Association for specified projects.

8. The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association.

9. The current operating budget of the Association.

10. A statement of any judgments against the Association, and the status of any pending suits to which the Association is a party, of which it has knowledge.

11. A statement describing any insurance coverage provided for the benefit of Unit Owners.

12. A statement of whether the Board has received written notice from any Federal, State or local government of any violations of any applicable codes with respect to the Unit or of the Common Elements.

B. The Association, within ten (10) days after a written request by an Owner, shall make a good faith effort to furnish accurate information necessary to enable the Owner to comply with this Section. An Owner delivering a statement of such information shall not be liable to the purchaser for any erroneous information from the Association, provided that the errors are unknown to the Owner.

C. An Owner is not liable to a purchaser for the failure or delay of the Association to provide such information in a timely manner. Inability to obtain any of the information shall be set forth in the sworn statement of the Owner. The purchaser shall have five (5) days from receipt of such affidavit to void said contract for said failure to provide data.

D. Immediately upon execution by both parties of a sales contract by both Owner and purchaser, the Owner shall provide to the Board the name and address of the purchaser and the Board shall from that time on send duplicates of all notices sent to Owner to the purchaser.

E. If any special assessment is voted for a capital improvement between the provision of the statement of information described in (A) and the closing of the sale of the unit, and this assessment exceeds five percent (5%) of the contract sale price, said assessment shall be grounds for rescission of the Contract by the purchaser. Said rescission shall be by a writing delivered to seller not more than five (5) calendar days following receipt by the purchaser of the notice of the special assessment. Where, however, Owner notifies purchaser that Owner shall assume the special assessment obligation, the purchaser may not utilize this rescission provision.

SECTION TWELVE

AMENDMENT

The provisions of these By-Laws may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President and Secretary of the Board, and certifying that the Owners having at least a majority of the total votes have approved such amendment at a meeting of the Association duly called for such purpose, and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all First Mortgagees, no less than ten (10) days prior to the date of such affidavit. Notwithstanding the foregoing, an amendment to these By-Laws which falls within the parameters of Article XI of the Declaration shall not be effective without the prior written approval of two-thirds (2/3) of all First Mortgagees. Until such date as Declarant has conveyed title to all the Units, no provision of these By-Laws may be changed, modified or rescinded and no provision may be added without the prior written consent of Declarant and Developer. Any change, modification or rescission shall be effective upon recording such instrument in the office of the Recorder of Deeds, Cook County, Illinois.

CHICAGO GUARANTEE SURVEY COMPANY
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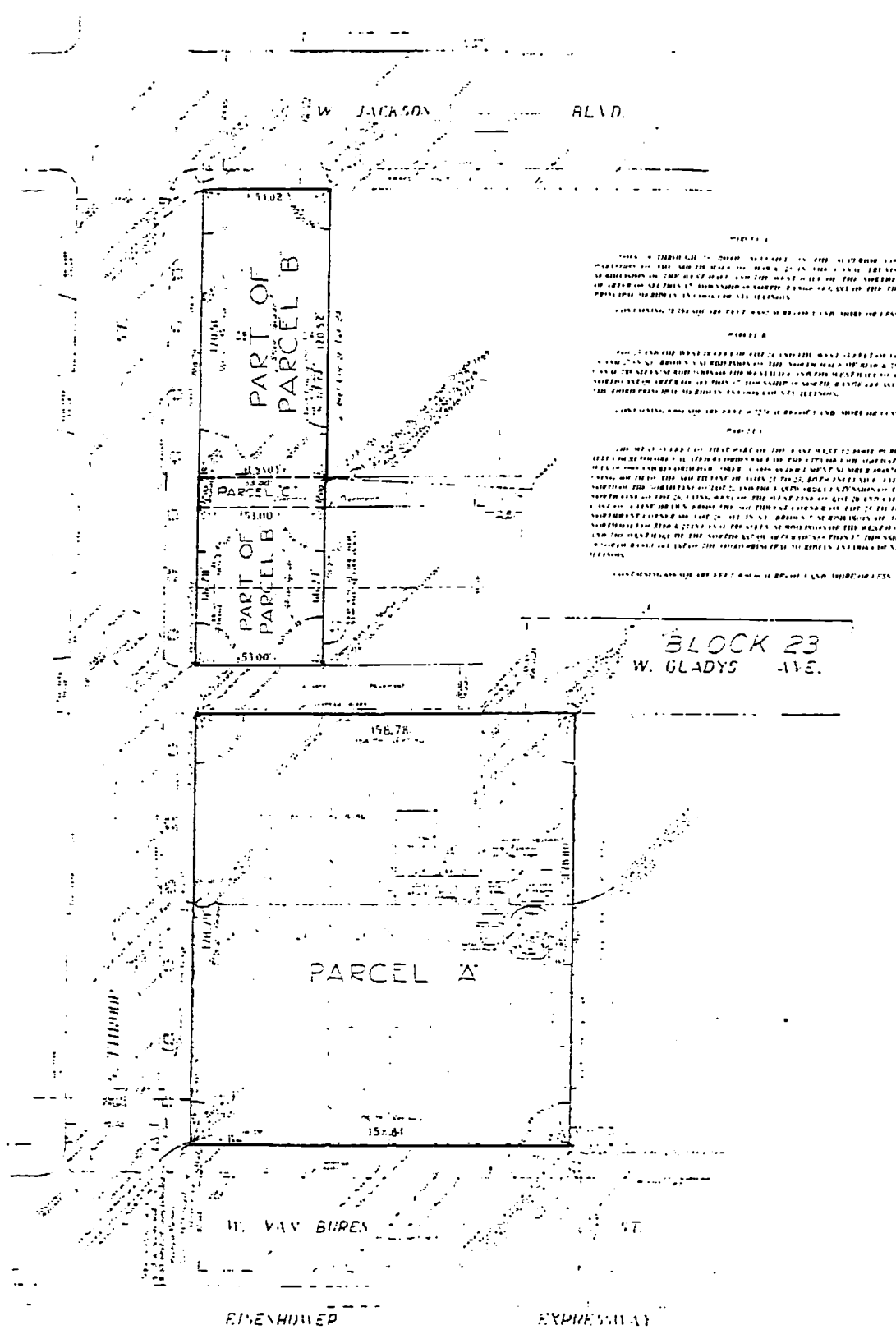
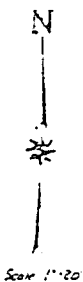


EXHIBIT III

STATEMENT OF LEGAL OWNERSHIP

Legal Ownership of the Condominium is described in Section 13-72-020A(1) of this Property Report. The following lists all restrictions, notices, lis pendens, and encumbrances of record as of the date of this Property Report:

1. Taxes for the year 1997 and subsequent years.
2. Terms, provisions, condition and limitations of the ordinance of the City Council of the City of Chicago approving the redevelopment plan and feasibility of relocation for neighborhood development program project central-west, a copy of which was recorded July 15, 1969 as Document 20900204.
3. Terms, powers, provisions and limitations of the Trust under which title to the land is held.
4. Encroachment of the 7-story brick building located mainly on the land over onto the land east and adjoining by east face at surface is 0.02 feet east and east face of brick at roof is 0.11 feet east (at the north east corner); and by surface 0.06 feet east and brick at roof is 0.17 feet east (at the south east corner), as disclosed by survey made by Chicago Guarantee Survey Company dated April 4, 1997; Order No. 9703007.
5. Possible unrecorded easement rights as disclosed by the manhole located on Parcel A as disclosed by survey made by Chicago Guarantee Survey Company dated April 4, 1997; Order No. 9703007.
6. Existing unrecorded Lease to BGB Network as disclosed by ALTA Statement dated August 20, 1997 and all rights thereunder of the Lessees and of any person or party claiming by, through or under the Lessees.

Attached hereto is a listing of the City of Chicago Building Code Violations for the last ten (10) years.

EXHIBIT IV

VANGUARD LOFTS CONDOMINIUM
PURCHASE CONTRACT

THIS CONDOMINIUM PURCHASE CONTRACT ("Contract") is made by and between _____ ("Buyer") and 1250 West Van Buren, L.L.C., an Illinois limited liability company, the sole beneficiary of LaSalle National Bank, not individually but solely as Trustee under Trust Agreement dated August 1, 1997 and known as Trust Number 121139, 853 North Elston Avenue, Chicago, Illinois 60622 ("Seller").

1. Ownership. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the premises consisting of Residential Unit _____ and Parking Unit _____ (collectively, the "Unit") in the Vanguard Lofts Condominium (the "Condominium") located at 1250 West Van Buren Avenue, Chicago, Illinois ("Building"), together with its undivided percentage interest in the Common Elements of the Parcel and improvements thereon ("Percentage Interest"; the Unit and Percentage Interest are collectively referred to as the "Premises"), as defined and set forth in the Declaration of Condominium for the Vanguard Lofts Condominium ("Declaration").

2. Description of Real Estate. The parcel of real estate on which all condominium units at the Condominium are located on the Closing Date (as hereinafter defined) shall hereinafter be referred to as the "Parcel." The Parcel and improvements thereon are collectively referred to as the "Property."

3. Personal Property. The items of personal property listed in Exhibit A attached hereto and made a part hereof ("Personal Property") are included in the Purchase Price (as hereinafter defined) and will be transferred by Seller to Buyer at Closing (as hereinafter defined) by means of a Bill of Sale. At Closing, Seller shall deliver or cause to be assigned to Buyer, without recourse, all manufacturers', installers' or suppliers' warranties, if any, covering the Personal Property and other fixtures and equipment located within and exclusively serving the Unit. AS TO SUCH PERSONAL PROPERTY AND AS TO ANY CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE OR LOCAL LAWS) WHICH MAY BE CONTAINED IN THE UNIT, SELLER NEITHER MAKES OR ADOPTS ANY SUCH MANUFACTURER'S WARRANTY NOR WARRANTS WHATSOEVER AND SPECIFICALLY EXCLUDES AND DISCLAIMS EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. Price and Terms. The total "Purchase Price" shall be \$ _____ ("Base Purchase Price") plus the total of any amounts required to be added to the Purchase Price on account of "Extras" pursuant to Paragraph 18 hereof. Buyer has paid five percent (5%) of the Base Purchase Price prior to or contemporaneously with the execution of this Contract (the "Earnest Money"). The Earnest Money shall be held in a segregated account (the "Account") used exclusively for holding earnest money deposits, for the mutual benefit of Buyer and Seller. Buyer shall pay the balance of the Purchase Price, plus or minus credits and prorations, on the Closing Date (as defined below) by certified or cashier's check. Buyer shall receive a credit on the Closing Date for interest paid on the Earnest Money while deposited in the Account as required by the Illinois Condominium Property Act.

5. Mortgage Contingency. (a) This Contract is contingent upon Buyer's ability to procure within thirty (30) days from the Acceptance Date (as defined below) a mortgage commitment for at least \$ _____ at a fixed or adjustable interest rate not to exceed prevailing rates, to be amortized over thirty (30) years, with the original service charge not to exceed three percent (3%). Buyer shall pay the Lender's customary application fee, service charge and other Lender's customary credit, appraisal, mortgage insurance and closing costs.

(b) Buyer hereby represents and warrants to Seller that the Buyer is purchasing the Premises for Buyer's personal residence, to be occupied by Buyer upon Closing hereunder. Buyer agrees to promptly apply for such mortgage loan, furnish all necessary information and execute all necessary documents, including any application and any and all other documents necessary for the completion of an application for a first mortgage on the Premises, in the form required by the Lender, together with all instruments reasonably required to complete and make the loan fully merchantable in all respects. If requested to do so by Seller, Buyer agrees to apply to a lender designated by Seller promptly after execution hereof. If, after making every reasonable effort, Buyer is unable to procure such commitment within the number of days specified in Paragraph 5(a) above and so notifies Seller thereof within that time period, this Contract shall be null and void and the Earnest Money and all accrued interest on the Earnest Money shall be returned to the Buyer; provided, however, that Seller shall retain from monies paid by Buyer a sum deemed by Seller sufficient to compensate Seller for the price of all Extras supplied to the building site or installed by Seller or for which Seller shall become obligated to pay prior to termination of this Contract. Notwithstanding the foregoing, if Seller, at its option, within sixty (60) days following Buyer's notice as aforesaid, procures for Buyer such a commitment or notifies Buyer that Seller will accept a purchase money mortgage upon the same terms, this Contract shall remain in full force and effect. Buyer agrees to cooperate with Seller or such Lender or Lenders designated by Seller in the event Seller exercises the option described above to the same extent as Buyer is required to cooperate with the Lender to which Buyer first applied.

6. Title and Conveyance. (a) Prior to delivery of a Special Warranty Deed hereunder, Seller shall cause to be recorded with the Office of the Recorder of Deeds of Cook County, Illinois the Declaration in form herewith delivered to Buyer, with such amendments as may be permitted by the Declaration and the Act. This sale is subject to the terms, provisions and conditions of the Declaration and Buyer agrees that, from and after the Closing Date, Buyer will comply with the provisions thereof and will perform all obligations of an owner

contained therein. Buyer acknowledges receipt of a copy of the proposed Declaration (which includes the By-Laws of the Association), the proposed first year's budget for the Association, the floor plan of the Unit and all other documents required by the Act (these documents being collectively referred to as "Condominium Documents") and acknowledges that he had an opportunity to review the Condominium Documents prior to the execution of this Contract.

(b) On the Closing Date, Seller shall convey or cause to be conveyed to Buyer, by Special Warranty Deed, title to the Premises, subject only to: (1) real estate taxes not yet due and payable; (2) special municipal taxes or assessments for improvements not yet completed and unconfirmed special municipal taxes or assessments; (3) applicable zoning and building laws or ordinances; (4) the Declaration including any and all amendments and exhibits thereto; (5) provision of the Illinois Condominium Property Act (the "Act"); (6) easements, covenants, conditions, agreements, building lines and restrictions of record which do not materially adversely affect the use of the Premises as a condominium residence; (7) leases and licenses affecting the Common Elements (as defined in the Declaration); (8) acts done or suffered by Buyer, or anyone claiming, by, through, or under Buyer; (9) liens, encroachments and other matters as to which the Title Insurer commits to insure Buyer against loss or damage; and (10) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of Closing and which Seller shall so remove at that time by using the funds to be paid upon delivery of the deed.

(c) The monthly maintenance assessment applicable to the Premises for the month in which the Closing occurs, prepaid insurance premiums, and any other items customarily prorated (except general real estate taxes) are to be adjusted ratably as of the Closing Date. General Real Estate Taxes and other similar items shall be adjusted ratably as of the date of Closing. Seller has been advised by the Office of the Cook County Assessor that if a Declaration is filed on or prior to December 31, 1998, a real estate tax bill for 1998 taxes (payable in 1999) will be issued for the condominium property as a whole and the separate tax bills for each unit will be first issued for 1999 taxes (payable in 2000). Consequently, prorations for general real estate taxes will be adjusted in the following manner: (i) no prorations shall be made for the real estate taxes payable in the year in which the Closing occurs, which Seller agrees to timely pay; and (ii) if individual units are not individually taxed for the calendar year in which the Closing occurs, and for purposes of prorations, Buyer shall pay to Seller, at Closing, in cash, an amount equal to one hundred percent (100%) of that portion of the amount of the most recently ascertainable tax bill issued with respect to the condominium property multiplied by the percentage of ownership in the common elements appurtenant to the Unit, prorated based upon the number of days in the calendar year of the Closing commencing on the Closing Date through December 31 of such year. Seller shall thereafter be responsible for the payment to the appropriate taxing authority of said tax bill. In the event a separate tax bill is issued for the Unit relative to the calendar year of Closing, Seller shall pay to Buyer, at Closing, as a credit, an amount equal to one hundred ten percent (110%) of that portion of the amount of the most recently ascertainable tax bill issued with respect to the condominium property multiplied by the percentage of ownership in the common elements appurtenant to the Unit, prorated based upon the number of days in the calendar year of Closing falling prior to the Closing Date.

7. Closing Date and Title Insurance. The date of Closing (the "Closing Date") is estimated to be _____, 19____. Notwithstanding such estimated Closing Date, the actual Closing Date shall be selected by Seller upon not less than fourteen (14) days prior written notice to Buyer; provided, however, the notice shall not be sent earlier than twenty-five (25) days from the Acceptance Date. This transaction shall be closed and payment of the balance of the Base Purchase Price and delivery of deed shall be made through an agency closing if Buyer's lender (if any) has an agency relationship with the Escrowee (as defined below), otherwise through a Deed and Money Escrow (the "Escrow") established with Chicago Title and Trust Company (the "Escrower") according to the general provisions of the usual form of Deed of Money Escrow then in use by the Escrowee modified to conform to the terms of this Contract. Seller shall provide, at its cost, an owner's title insurance policy issued by a title insurance company of Seller's selection (the "Title Insurer"), with extended coverage over all general exceptions, in the full amount of the Purchase Price, subject only to the matters set forth in Paragraph 6 above, Buyer's mortgage, trust deed or other security documents, liens or other matters insured over by the title insurer, and acts done or suffered by Buyer. Seller shall pay all charges normally attributed to sellers, including the cost of the Owner's title insurance policy, state and county transfer stamps and one-half (1/2) of the Escrow fee. Buyer shall pay all charges normally attributable to Buyers, including the deed and mortgage recording charges, the mortgage title insurance policy, the agency closing fee and all other costs of the Lender's escrow, if applicable, otherwise one-half of the Escrow fee, and the City of Chicago transfer stamps. Buyer shall be given possession of the Premises on the Closing Date, provided Buyer has performed all of its obligations hereunder.

8. Defaults. If Buyer shall fail to make any payment herein provided for, or shall fail or refuse to perform any other obligation of Buyer under the terms of this Contract, any supplemental agreements, or the Escrow (as hereinafter defined), then, upon notice from Seller, the Earnest Money and all interest earned thereon shall be forfeited as liquidated damages (and not as a penalty) and retained by Seller and this Contract shall be null and void and neither party shall have any further rights, obligations or liability hereunder. In the event Seller shall fail or be unable to deliver title to the Premises as herein provided on account of title defects which Buyer is unwilling to waive or fails to materially comply with any of Seller's other covenants or obligations hereunder, and fails to cure any such default within thirty (30) days after notice of such default, Buyer's sole and exclusive remedy, in lieu of any and all other legal or equitable remedies hereunder, or otherwise, shall be a refund of the Earnest Money together with interest thereon as required by the Act. Upon refund to Buyer of said funds, this Contract shall be null and void and neither party shall have any further rights, obligations or liability hereunder. In the event that this Contract shall for any reason terminate and Seller complies with its obligations under this Section, Buyer shall be deemed to have released any claim which it may then have against Seller or the Property. Tender of the deed or Purchase Price shall not be necessary where the other party has defaulted.

9. Survey and Insurance Certificate. On the Closing Date, Seller shall deliver to Buyer a copy of those pages of the survey (the "Survey") attached to the Declaration locating the Premises and the improvements on the Parcel and an insurance certificate for the Condominium disclosing the type and amounts of insurance then in force and naming Buyer and Buyer's lender, if any, as their interests may appear.

10. Reserves. On the Closing Date, Buyer agrees to deposit with the Association as a reserve an amount equal to two (2) months' assessments based on the Seller's initial estimate of monthly assessments after the control of the Association passes to the first Board of Managers elected by the members of the Association as provided for in the Declaration. The reserve payment is not a security deposit, is

not refundable and shall not be applied as a credit against Buyer's monthly assessments or user charges.

11. Broker. Buyer warrants that no broker, salesperson, or any other party other than Shoreline Marketing, Inc. and _____ were instrumental in submitting, showing, or selling the Premises to Buyer. Buyer hereby agrees to indemnify, defend, and hold harmless Seller from and against any loss, cost, damage or liability resulting from a claim by any other broker or finder claiming a right to a commission or finder's fee for showing or introducing Buyer to the Premises other than an authorized agent of Seller.

12. Offer and Acceptance. This document shall be considered a firm offer by Buyer which will remain open in consideration of Seller's reserving the Premises for Buyer for twenty (20) days from the date hereof, and may be accepted by Seller and executed any time during this period. Upon execution by Seller, an executed copy of this document shall be sent to Buyer; otherwise, the firm offer shall be considered rejected and all funds deposited by Buyer shall be promptly returned to Buyer.

13. Sales Promotion. For the purpose of completing the sales promotion of the Condominium, Seller and its agents are hereby given full right and authority to maintain on the Property (except the Unit) until the sale of the last unit, all advertising signs, model apartments, administrative offices, banners, and lighting in connection therewith, together with right of ingress, egress, and transient parking therefor through, over and upon the Common Elements.

14. Material Destruction. If, prior to Closing, the Unit or portions of the Common Elements required for reasonable access to the Unit are destroyed or materially damaged by fire or other casualty or acts of God, this Contract shall, at the option of Seller, exercised by notice to Buyer within thirty (30) days after such destruction or damage, be null and void and the Earnest Money together with interest thereon as required by the Act shall be refunded to Buyer and the parties shall have no further liability hereunder. If Seller does not elect to terminate this Contract as aforesaid, then, Buyer shall have the right to terminate this Contract if: (i) said damage to the Unit and/or the Common Elements cannot be repaired within 120 days from the date of said fire or other casualty (based on an estimation of an independent contractor), such right to be exercised by giving notice to Seller within ten (10) days after notice from Seller of the estimated time for repair; or (ii) said damage to the Unit and/or the Common Elements is estimated to be repaired within 120 days from the date of said fire or other casualty and Seller fails to repair within said time period, such right to be exercised by giving notice to Seller within ten (10) days after the expiration of said 120-day period. In any event, Buyer shall not be obligated to close until such damage is repaired. In the event of such termination by Buyer, Seller shall return the Earnest Money together with interest thereon as required by the Act and the parties shall have no further liability hereunder. For purposes of this Section, material damage is damage requiring more than Fifty Thousand and 00/100 Dollars (\$50,000.00) to repair. The time for Closing shall be extended to accommodate any delay occasioned by any such material damage to the Property.

15. Assignment. All agreements and covenants contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and permitted assigns. Buyer shall not directly or indirectly assign or transfer this Contract, or any of Buyer's rights, interests or obligations under this Contract, and if Buyer is a trust, no part of the beneficial interest or power of direction of such trust shall be assigned, without the prior written consent of Seller, which consent may be granted or withheld in the sole and absolute discretion of Seller.

16. Construction. (a) Seller agrees that the Premises will be completed substantially in accordance with the plans and specifications for the same which are on file in Seller's office or sales office, the Rider hereto, if any, and change orders entered into by Buyer and Seller subsequent to the date hereof, if any. The model unit, if any, maintained by Seller may include nonstandard features and may not be relied upon as a model of what will be included in the Premises when completed. It is understood and agreed that Seller is not custom building the Unit for Buyer, but is completing the Unit as a unit of the Condominium. Accordingly, Seller expressly reserves the right to: (i) change or deviate from the plans and specifications, including changes and adjustments in the room dimensions; (ii) substitute or change materials or brand names to those of similar color or similar or better quality or utility; and (iii) make such changes in construction as may be required by governmental regulation or law, material shortages, strikes, stoppages, labor difficulties, or such emergency situation as may, in Seller's judgment, require the same, provided that such modifications and substitutions shall not materially impair the value of the Unit or materially adversely affect the rights of Buyer hereunder. Seller agrees to proceed diligently to complete the Premises, provided, however, that Seller, at its sole option, shall not be obligated to commence the completion of the Premises until Buyer satisfies or waives all of its contingencies under this Contract. Seller shall not be liable, and the obligation of Buyer hereunder shall not in any manner be excused or varied, if construction shall be delayed or prevented by war, acts of God, riots, civil commotion, governmental regulation, strikes, labor or material shortage, unseasonable weather conditions, or other causes beyond the control of Seller.

(b) When notified by Seller, Buyer shall make all color and material selections permitted for the Premises from among such samples and on such forms as Seller shall provide. If Buyer fails to make all or any part of such selections within ten (10) days from Seller's notice, Seller is hereby authorized to complete the Premises, as Seller may deem suitable, from Seller's standard selections.

(c) When notified by Seller that the Premises is substantially completed, Buyer shall have the right to inspect the Premises with an authorized representative of Seller for the purpose of agreeing on a punch list of items not yet completed, which items shall be completed by Seller as soon as practicable. Buyer's refusal to close under this Contract because of: (i) Buyer's failure to make such inspection prior to closing, or (ii) Seller's failure to complete, prior to the Closing Date, all items on the punch list or any portion of the Common Elements, including without limitations exterior work (e.g., landscaping, walks and driveways), not required for the reasonable use of and access to the Unit, shall constitute a default by Buyer hereunder. In addition, if the Parking Unit is not substantially completed and available for use by Buyer on the Closing Date, Seller shall not be in default hereunder, and Buyer shall be obligated to close the purchase of the Parking Unit on the Closing Date, on the condition that Seller provides alternate parking for Buyer, at no additional cost to Buyer, from the Closing Date until such time as Seller notifies Buyer that the Parking Unit is substantially completed and ready for use. No portion of the Purchase Price shall be withheld or escrowed by reason of any work which may be required to be performed by Seller after the Closing in conjunction with said punch list items, Common Elements or Parking Unit, provided that Seller's obligations to complete such punch list items, Common

Elements and Parking Unit shall continue after Closing. Buyer shall grant Seller and its agents access to the Unit at reasonable times during business hours as requested by Seller either in writing or orally after the Closing to complete any construction or to correct or finish punch list items. Prior to Closing, Seller shall have sole control and exclusive possession of the Unit.

(d) The parties hereto acknowledge and agree that the Parking Unit may not be substantially complete at the same time that the Residential Unit is substantially complete. In that instance, the parties nevertheless agree to close the transaction contemplated pursuant to the terms and conditions of this Contract with the Buyer acquiring the Residential Unit and the Parking Unit. At Closing, Seller shall deliver a Deed to the Buyer for the Parking Unit as designated in Paragraph 1 above, but Buyer shall not have the right to utilize the Parking Unit until such a time as the Parking Unit has been substantially completed by Seller. In such event, the Seller shall provide adequate parking ("Substitute Parking") for the Buyer, at Seller's sole cost and expense, until such a time as the Parking Unit has been substantially completed by the Seller. The Substitute Parking shall be located within the development or on other property.

17. Limited Warranty. Seller warrants, for the benefit of Buyer, the workmanship and material of the construction work in the Unit for a period of one (1) year from the date of tender of possession of the Unit, and, for the benefit of the Association, the workmanship and materials in the Common Elements for a period of one (1) year from the date of completion of the portion of the Common Elements as to which the warranty claim is asserted (each a "Warranty Period"), against defects arising from or out of faulty workmanship or material, subject to the terms and conditions contained in Seller's Limited Warranty Manual to be delivered to Buyer. Provided notice is given to Seller during the relevant Warranty Period, Seller shall correct defective work within a reasonable time after receipt of such notice. This Limited Warranty may not be assigned or transferred by Buyer. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, SELLER HEREBY EXCLUDES AND DISCLAIMS, AND BUYER HEREBY WAIVES, ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING BY WAY OF ILLUSTRATION AND NOT LIMITATION, WARRANTIES OF FITNESS FOR PARTICULAR PURPOSE, HABITABILITY AND MERCHANTABILITY, WITH RESPECT TO THE UNIT AND COMMON ELEMENTS AND HEREBY WAIVES SUCH OTHER REMEDIES AVAILABLE TO BUYER AT LAW OR AT EQUITY. THE LIMITED WARRANTIES CONTAINED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTY, WHETHER EXPRESSED OR IMPLIED. BUYER'S EXECUTION OF THIS CONTRACT IS INTENDED AS AND SHALL BE EVIDENCE OF BUYER'S ACKNOWLEDGMENT OF SELLER'S DISCLAIMER AND BUYER'S WAIVER OF SUCH IMPLIED WARRANTY OF HABITABILITY AND OF BUYER'S ACCEPTANCE OF THE LIMITED WARRANTIES AS THE SOLE AND EXCLUSIVE WARRANTY OFFERED BY SELLER IN CONNECTION WITH THE SALE OF THE UNIT. BUYER ACKNOWLEDGES THAT (S)HE HAS READ AND UNDERSTANDS SAID DISCLAIMER AND WAIVER AND HAS HAD AN OPPORTUNITY TO SEEK PROFESSIONAL ADVICE CONCERNING ITS CONTENTS.

Buyer's Initials: _____

18. Extras. Any additions, deletions and substitutions from the plans and specifications (the "Extras") selected by Buyer shall be evidenced by a written amendment to this Contract. The amount of the cost of the Extras shall be adjustments to the Purchase Price. Upon Seller's execution of such amendment, Buyer shall pay to Seller, as additional Earnest Money, twenty percent (20%) of the cost of such Extras (the "Extras Funds"). Extras Funds shall be deposited with Seller as Earnest Money and shall be disbursed by Seller for completion of such Extras, at such times and in such amounts as Seller reasonably deems to be appropriate to pay for Extras. Buyer shall not be entitled to interest on the Extras Funds. Acceptance by Seller of any change orders for Extras requested by Buyer shall be at Seller's sole discretion. In the event that the closing shall not occur pursuant to this Contract because of Buyer's failure to obtain a loan commitment in accordance with Section 5 hereof, then Seller shall retain from the Earnest Money a sum deemed by Seller sufficient to compensate it for the price of all Extras which may be supplied to the building site or installed by it or for which Seller shall become obligated to pay prior to termination of this Contract and the balance shall be refunded to Buyer. The Closing shall not be extended or delayed (nor shall any portion of the Purchase Price be withheld or escrowed) by reason of any work resulting from an Extra ordered by Buyer.

19. Association. Until such time as an independent board of managers for the Association is elected by the unit owners of the Condominium as provided for in the Declaration, Seller shall have the right to enter into, or cause the Association to enter into, contracts or leases for such periods of time and upon such reasonable terms as it shall deem advisable (subject to the limitations imposed by the Act and Declaration) to provide the Condominium with all necessary or convenient services, including, without limitation, management, security, landscaping, janitorial, insurance, snow removal and scavenger service, all of which Buyer hereby approves and for which Buyer hereby grants his consent. If Seller advances any of its funds for the purposes set forth in this Section, Seller shall be entitled to reimbursement for such funds from the Association.

20. Miscellaneous. All notices and demands required hereunder shall be made in writing and shall be served on the parties hereto or on their respective attorneys at the addresses given in this Contract. Personal delivery of notice or the mailing of a notice by registered or certified mail, return receipt requested, or overnight mail shall be sufficient service and deemed given when the notice is personally delivered or mailed. Notice may also be served by the use of facsimile machine with proof of transmission and a copy of the notice being sent by regular mail on the date of transmission and shall be deemed given when notice is transmitted. Time is of the essence of this Contract. No representations, warranties, undertakings, or promises other than those expressed herein, whether oral, implied, written, or otherwise, shall be considered a part of this transaction. This Contract may not be amended except in a writing signed by both parties. The invalidity of any agreement, restriction, condition, reservation or any other provision of this Contract shall not impair or affect in any manner the validity, enforceability, or effect of the remainder of this Contract. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES.

This Contract, consisting of the terms and conditions set forth in the five (5) pages hereof, together with Rider(s) and/or Exhibit A attached hereto, all of which are incorporated herein by reference and specifically made a part hereof, constitute the entire agreement between Seller and Buyer.

DATED THIS ____ DAY OF _____, 1997.

BUYER:

(S.S.N. _____)

(S.S.N. _____)

ACCEPTED THIS ____ DAY OF _____, 1997 ("Acceptance Date").

SELLER:

1250 West Van Buren, L.L.C., an Illinois limited liability corporation

By: Rezmar Corporation, an Illinois Corporation
Its: Manager

By: _____
Name: _____
Its: _____

EXHIBIT "A"

PERSONAL PROPERTY

1. GE Rangehood (#JV327V)
2. GE Dishwasher (#GSD530XWW)
3. GE Stove (#JGBC10BE)
4. GE Refrigerator (#TBX1851X)

EXTRAS AMENDMENT RIDER

THIS AMENDMENT is made this ____ day of _____, 199____, by and between 1250 West Van Buren, L.L.C. ("Seller"), and _____ ("Buyer").

WHEREAS, Seller and Buyer entered into a Purchase Contract (the "Contract") for the sale and purchase of Unit(s) in Vanguard Lofts Condominium; and pursuant to Section 19 of the Contract, Seller and Buyer wish to enter into this Amendment to specify certain Extras desired by Buyer and the resulting change in the Purchase Price set forth in Section 4 of the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Seller's obligation to complete the Premises, as set forth in Section 17 of the Contract, is hereby modified by the Extras set forth in Paragraph 2 hereof, subject to Seller's continuing reservation of the right to make certain changes or substitutions as set forth in said Section 17. The amount of Extras Funds deposited (as shown below) as a result of said Extras shall be paid to Seller at the time of Buyer's execution of this Amendment.

2. Subject to the terms and conditions of the Contract, Seller agrees to construct and/or provide, and Buyer agrees to pay for, the following Extras:

TOTAL EXTRAS _____

EXTRA FUNDS PAID BY BUYER \$ _____

PURCHASE PRICE BEFORE THIS AMENDMENT \$ _____

TOTAL EXTRAS PER THIS AMENDMENT \$ _____

AMENDED PURCHASE PRICE \$ _____

3. In the event of any inconsistency between the provisions of the Contract and the provisions of this Amendment, the provisions of this Amendment shall in all cases prevail. All items defined in the Contract and used in this Amendment shall have the same definition as set forth in the Contract. Except as modified herein, the terms, conditions and covenants of the Contract shall remain unchanged and be in full force and effect.

BUYER:

SELLER:

1250 West Van Buren, L.L.C., an Illinois limited liability corporation

By: Rezmar Corporation, an Illinois corporation

Its: Manager

By: _____

Name: _____

Its: _____

LEAD INSPECTION RIDER TO PURCHASE CONTRACT

1. This Agreement is contingent upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards at the Buyer's expense for a period of ten (10) days after the Acceptance Date (the "Review Period"). (Intact lead-based paint that is in good condition is not necessarily a hazard. This contingency will terminate at the end of the Review Period unless Buyer (or Buyer's agent) delivers to Seller (or Seller's agent) a written notice (the "Deficiency Notice") listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report verifying said deficiencies. IF WRITTEN NOTICE OF DEFICIENCIES IS NOT GIVEN WITHIN THE REVIEW PERIOD, THIS PROVISION SHALL BE DEEMED WAIVED BY BUYER AND THIS CONTRACT SHALL BE IN FULL FORCE AND EFFECT.

2. Within five (5) days after the Deficiency Notice is given (the "Response Period"), Seller may, at Seller's option, elect in writing whether to correct the condition(s) prior to Closing. If Seller fails to give notice to Buyer within the Response Period, Seller will be deemed to have elected not to correct the deficiencies stated in the Deficiency Notice. If Seller elects to correct the unacceptable condition(s) stated in the Deficiency Notice, Seller shall furnish Buyer with a certification from a risk assessor or inspector demonstrating the condition has been remedied before the Closing Date. If Seller does not elect to make the requested corrections stated in the Deficiency Notice (either by responding or not responding within the Response Period), Buyer shall have three (3) days after expiration of the Response Period to notify Seller that this contingency is waived and that Buyer agrees to take the property in an "as is" condition (i.e., without the noted deficiencies being remedied by Seller). If Buyer fails to timely notify Seller of Buyer's waiver of this contingency, this Contract shall become null and void and Seller shall return the Earnest Money and any interest accrued thereon to Buyer, and neither party shall have any further rights or obligations hereunder.

BUYER:

SELLER:

1250 Van Buren, L.L.C., an Illinois limited liability corporation

By: Rezmar Corporation, an Illinois corporation

Its: Manager

By: _____

Name: _____

Its: _____



Illinois Association of REALTORS® RESIDENTIAL REAL PROPERTY DISCLOSURE REPORT



NOTICE: THE PURPOSE OF THIS REPORT IS TO PROVIDE PROSPECTIVE BUYERS WITH INFORMATION ABOUT MATERIAL DEFECTS IN THE RESIDENTIAL REAL PROPERTY. THIS REPORT DOES NOT LIMIT THE PARTIES RIGHT TO CONTRACT FOR THE SALE OF RESIDENTIAL REAL PROPERTY IN "AS IS" CONDITION. UNDER COMMON LAW SELLERS WHO DISCLOSE MATERIAL DEFECTS MAY BE UNDER A CONTINUING OBLIGATION TO ADVISE THE PROSPECTIVE BUYERS ABOUT THE CONDITION OF THE RESIDENTIAL REAL PROPERTY EVEN AFTER THE REPORT IS DELIVERED TO THE PROSPECTIVE BUYER. COMPLETION OF THIS REPORT BY SELLER CREATES LEGAL OBLIGATIONS ON SELLER THEREFORE SELLER MAY WISH TO CONSULT AN ATTORNEY PRIOR TO COMPLETION OF THIS REPORT.

Property Address: _____

City, State & Zip Code: _____

Seller's Name: _____

This report is a disclosure of certain conditions of the residential real property listed above in compliance with the Residential Real Property Disclosure Act. This information is provided as of _____ 19____ and does not reflect any changes made or occurring after that date or information that becomes known to the seller after that date. The disclosures herein shall not be deemed warranties of any kind by the seller or any person representing any party in this transaction.

In this form, "am aware" means to have actual notice or actual knowledge without any specific investigation or inquiry. In this form a "material defect" means a condition that would have a substantial adverse effect on the value of the residential real property or that would significantly impair the health or safety of future occupants of the residential real property unless the seller reasonably believes that the condition has been corrected.

The seller discloses the following information with the knowledge that even though the statements herein are not deemed to be warranties, prospective buyers may choose to rely on this information in deciding whether or not and on what terms to purchase the residential real property.

The seller represents that to the best of his or her actual knowledge, the following statements have been accurately noted as "yes", (correct), "no" (incorrect) or "not applicable" to the property being sold. If the seller indicates that the response to any statement, except number 1, is yes or not applicable, the seller shall provide an explanation, in the additional information area of this form.

- | YES | NO | N/A | |
|-----------|-------|-------|---|
| 1. _____ | _____ | _____ | Seller has occupied the property within the last 12 months. (No explanation is needed.) |
| 2. _____ | _____ | _____ | I am aware of flooding or recurring leakage problems in the crawlspace or basement. |
| 3. _____ | _____ | _____ | I am aware that the property is located in a flood plain or that I currently have flood hazard insurance on the property. |
| 4. _____ | _____ | _____ | I am aware of material defects in the basement or foundation (including cracks and bulges). |
| 5. _____ | _____ | _____ | I am aware of leaks or material defects in the roof, ceilings or chimney. |
| 6. _____ | _____ | _____ | I am aware of material defects in the walls or floors. |
| 7. _____ | _____ | _____ | I am aware of material defects in the electrical system. |
| 8. _____ | _____ | _____ | I am aware of material defects in the plumbing system (includes such things as water heater, sump pump, water treatment system, sprinkler system, and swimming pool). |
| 9. _____ | _____ | _____ | I am aware of material defects in the well or well equipment. |
| 10. _____ | _____ | _____ | I am aware of unsafe conditions in the drinking water. |
| 11. _____ | _____ | _____ | I am aware of material defects in the heating, air conditioning, or ventilating systems. |
| 12. _____ | _____ | _____ | I am aware of material defects in the fireplace or woodburning stove. |
| 13. _____ | _____ | _____ | I am aware of material defects in the septic, sanitary sewer, or other disposal system. |
| 14. _____ | _____ | _____ | I am aware of unsafe concentrations of radon on the premises. |
| 15. _____ | _____ | _____ | I am aware of unsafe concentrations of or unsafe conditions relating to asbestos on the premises. |
| 16. _____ | _____ | _____ | I am aware of unsafe concentrations of or unsafe conditions relating to lead paint, lead water pipes, lead plumbing pipes or lead in the soil on the premises. |
| 17. _____ | _____ | _____ | I am aware of mine subsidence, underground pits, settlement, sliding, upheaval, or other earth stability defects on the premises. |
| 18. _____ | _____ | _____ | I am aware of current infestations of termites or other wood boring insects. |
| 19. _____ | _____ | _____ | I am aware of a structural defect caused by previous infestations of termites or other wood boring insects. |
| 20. _____ | _____ | _____ | I am aware of underground fuel storage tanks on the property. |
| 21. _____ | _____ | _____ | I am aware of boundary or lot line disputes. |
| 22. _____ | _____ | _____ | I have received notice of violation of local, state or federal laws or regulations relating to this property, which violation has not been corrected. |

Note: These disclosures are not intended to cover the common elements of a condominium, but only the actual residential real property including limited common elements allocated to the exclusive use thereof that form an integral part of the condominium unit.

If any of the above are marked "not applicable" or "yes", please explain here or use additional pages, if necessary:

Check here if additional pages used: _____

Seller certifies that seller has prepared this statement and certifies that the information provided is based on the actual notice or actual knowledge of the seller without any specific investigation or inquiry on the part of the seller. The seller hereby authorizes any person representing any principal in this transaction to provide a copy of this report, and to disclose any information in the report, to any person in connection with any actual or anticipated sale of the property.

Seller: _____ Date: _____
 Seller: _____ Date: _____

PROSPECTIVE BUYER IS AWARE THAT THE PARTIES MAY CHOOSE TO NEGOTIATE AN AGREEMENT FOR THE SALE OF THE PROPERTY SUBJECT TO ANY OR ALL MATERIAL DEFECTS DISCLOSED IN THIS REPORT ("AS IS"). THIS DISCLOSURE IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT THE PROSPECTIVE BUYER OR SELLER MAY WISH TO OBTAIN OR NEGOTIATE. THE FACT THAT THE SELLER IS NOT AWARE OF A PARTICULAR CONDITION OR PROBLEM IS NO GUARANTEE THAT IT DOES NOT EXIST. PROSPECTIVE BUYER IS AWARE THAT HE MAY REQUEST AN INSPECTION OF THE PREMISES PERFORMED BY A QUALIFIED PROFESSIONAL

Prospective Buyer: _____ Date: _____ Time: _____
 Prospective Buyer: _____ Date: _____ Time: _____

RESIDENTIAL REAL PROPERTY DISCLOSURE ACT

SENATE BILL 828 (PUBLIC ACT 88-111) EFFECTIVE OCTOBER 1, 1994

AN ACT relating to disclosure by the seller of residential real property.

Section 1. Short title. This Act may be cited as the Residential Real Property Disclosure Act.

Section 5. As used in this Act, unless the context otherwise requires the following terms have the meaning given in this section:

"Residential real property" means real property improved with not less than one nor more than four residential dwelling units; units in residential cooperatives; or, condominium units including the limited common elements allocated to the exclusive use thereof that form an integral part of the condominium unit.

"Seller" means an owner, beneficiary of a trust, contract purchaser or lessee of a ground lease, who has an interest (legal or equitable) in residential real property.

"Prospective buyer" means any person or entity negotiating or offering to become an owner or lessee of residential real property by means of a transfer for value to which this Act applies.

Section 10. Except as provided in Section 15, this Act applies to any transfer by sale, exchange, installment land sale contract, assignment of beneficial interest, lease with an option to purchase, ground lease or assignment of ground lease of residential real property.

Section 15. The provisions of this Act do not apply to the following:

(1) Transfers pursuant to court order, including, but not limited to, transfers ordered by a probate court in administration of an estate, transfers between spouses resulting from a judgment of dissolution of marriage or legal separation, transfers pursuant to an order of possession, transfers by a trustee in bankruptcy, transfers by eminent domain and transfers resulting from a decree for specific performance.

(2) Transfers from a mortgagee to a mortgagee by deed in lieu of foreclosure or consent judgment, transfer by judicial deed issued pursuant to a foreclosure sale to the successful bidder or the assignee of a certificate of sale, transfer by a collateral assignment of a beneficial interest of a land trust, or a transfer by a mortgagee or a successor in interest to the mortgagee's secured position or a beneficiary under a deed in trust who has acquired the real property by deed in lieu of foreclosure, consent judgment or judicial deed issued pursuant to a foreclosure sale.

(3) Transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.

(4) Transfers from one co-owner to one or more other co-owners.

(5) Transfers pursuant to estate or intestate succession.

(6) Transfers made to a spouse, or to a person or persons in the lineal line of consanguinity of one or more of the sellers.

(7) Transfers from an entity that has taken title to residential real property from a seller for the purpose of assisting in the relocation of the seller, so long as the entity makes available to all prospective buyers a copy of the disclosure form furnished to the entity by the seller.

(8) Transfers to or from any governmental entity.

(9) Transfers of newly constructed residential real property that has not been occupied.

Section 20. A seller of residential real property shall complete all applicable items in the disclosure document described in Section 35 of this Act. The seller shall deliver to the prospective buyer the written disclosure statement required by this Act before the signing of a written agreement by the seller and prospective buyer that, would, subject to the satisfaction of any negotiated contingencies, require the prospective buyer to accept a transfer of the residential real property.

Section 25. (a) The seller is not liable for any error, inaccuracy, or omission of any information delivered pursuant to this Act if (i) the seller had no knowledge of the error, inaccuracy, or omission, (ii) the error, inaccuracy, or omission was based on a reasonable belief that a material defect or other matter not disclosed had been corrected, or (iii) the error, inaccuracy, or omission was based on information provided by a public agency or by a licensed engineer, land surveyor, structural pest control operator, or by a contractor about matters within the scope of the contractor's occupation and the seller had no knowledge of the error, inaccuracy or omission.

(b) The seller shall disclose material defects of which the seller has actual knowledge.

(c) The seller is not obligated by this Act to make any specific investigation or inquiry in an effort to complete the disclosure statement.

(d) The seller is under no obligation to amend this disclosure document after its delivery to a prospective buyer unless the disclosure document contains errors, inaccuracies or omissions of which the seller has actual knowledge at the time the disclosure document was completed and signed by the seller. However, seller shall remain subject to the provisions of Section 45 of this Act.

Section 30. If information disclosed in accordance with this Act is subsequently rendered inaccurate as a result of any act, occurrence, incident, or agreement subsequent to the delivery of the required disclosure document, the inaccuracy resulting therefrom does not constitute a violation of this Act.

Section 35. The disclosures required of a seller by this Act, shall be made in the following form: (form on reverse side)

Section 40. If a material defect is disclosed in the Residential Real Property Disclosure Report delivered to a prospective buyer after acceptance by the prospective buyer of an offer or counter-offer made by a seller or after the execution of an offer made by a prospective buyer that is accepted by the seller for the conveyance of the residential real property, then the Prospective Buyer may, within three business days after receipt of that Report by the prospective buyer, terminate the contract or other agreement without any liability or recourse except for the return to prospective buyer of all earnest money deposits or down payments paid by prospective buyer in the transaction. The right to terminate the contract, however, shall no longer exist after the conveyance of the residential real property. For purposes of this Act the termination shall be deemed to be made when written notice of termination is personally delivered to at least one of the sellers identified in the contract or other agreement or when deposited, certified or registered mail, with the United States Postal Service, addressed to one of the sellers at the address indicated in the contract or agreement, or, if there is not an address contained therein, then at the address indicated for the residential real property on the Report.

A prospective buyer shall have no right to terminate the contract or other agreement under this Act if the Report is delivered before the prospective buyer enters into an agreement for the conveyance, lease, or other transfer of the residential real property.

Section 45. This Act is not intended to limit or modify any obligation to disclose created by any other statute or that may exist in common law in order to avoid fraud, misrepresentation, or deceit in the transaction.

Section 50. Delivery of the Residential Real Property Disclosure Report provided by this Act shall be by:

1) personal or facsimile delivery to the prospective buyer;

2) depositing the report with the United States Postal Service, postage prepaid, first class mail, addressed to the prospective buyer at the address provided by the prospective buyer or indicated on the contract or other agreement; or

3) depositing the report with an alternative delivery service such as Federal Express, UPS, or Airborne, delivery charges prepaid, addressed to the Prospective buyer at the address provided by the prospective buyer or indicated on the contract or other agreement.

For purposes of this Act, delivery to one prospective buyer is deemed delivery to all prospective buyers. Delivery to authorized individual acting on behalf of a prospective buyer constitutes delivery to all prospective buyers. Delivery of the Report is effective upon receipt by the prospective buyer. Receipt may be acknowledged on the Report, in an agreement for the conveyance of the residential real property, or shown in any other verifiable manner.

Section 55. No transfer subject to this Act shall be invalidated solely because of the failure of any person to comply with any provision of this Act. However, a person who knowingly violates or fails to perform any duty prescribed by any provision of this Act or who discloses information on the Residential Real Property Disclosure Report that he knows to be false shall be liable in the amount of actual damages and court costs, and the court may award reasonable attorney fees incurred by the prevailing party.

Section 60. No action for violation of this Act may be commenced later than one year from the earlier of the date of possession, date of occupancy or date of recording of an instrument of conveyance of the residential real property.

Section 65. A copy of this Act, excluding Section 35, must be printed on or as a part of the Residential Real Property Disclosure Report form.

Section 99. This Act takes effect on October 1, 1994.

EXHIBIT V

THE ABOVE SPACE FOR RECORDER'S USE ONLY

This Indenture, made this _____ day of _____ A.D. 19 _____ between LaSalle National Bank, Chicago, Illinois, as Trustee under the provisions of a Deed or Deeds in Trust, duly recorded and delivered to said Bank in pursuance of a trust agreement dated the _____ day of _____, 19 _____, and known as Trust Number _____ (the "Trustee"), _____ and _____, (the "Grantees")

Address of Grantee(s): _____

Witnesseth, that the Trustee, in consideration of the sum of Ten Dollars and no/100 (\$10.00) and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto the Grantees, not as tenants in common, but as joint tenants, the following described real estate, situated in _____ County, Illinois, to wit:

Property Address: _____
Permanent Real Estate Index Number: _____
together with the tenements and appurtenances thereunto belonging.

To Have And To Hold the same unto the Grantees not in tenancy in common, but in joint tenancy, and to the proper use, benefit and behoof of the Grantees forever.

This Deed is executed pursuant to and in the exercise of the power and authority granted to and vested in said Trustee by the terms of said Deed or Deeds in Trust delivered to said Trustee in pursuance of the trust agreement above mentioned. This Deed is made subject to the lien of every Trust Deed or Mortgage (if any there be) of record in said county affecting the said real estate or any part thereof given to secure the payment of money and remaining unreleased at the date of the delivery hereof.

In Witness Whereof, the Trustee has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Assistant Vice President and attested by its Assistant Secretary, the day and year first above written.

Attest:

LaSalle National Bank

as Trustee as aforesaid,

Assistant Secretary

By _____
Assistant Vice President

This instrument was prepared by:

LaSalle National Bank
Real Estate Trust Department
135 South LaSalle Street
Chicago, Illinois 60603-4192

EXHIBIT VI

INITIAL PRICE SCHEDULE

Unit Number	Sales Price	% of ownership
FIRST FLOOR		
1A	\$139,990	0.9520%
1E	\$99,990	0.6800%
1C	\$129,999	0.8840%
109	\$99,990	0.6800%
110	\$99,990	0.6800%
111	\$99,990	0.6800%
112	\$99,990	0.6800%
113	\$104,990	0.7140%
114	\$129,990	0.8840%
115	\$119,990	0.8160%
SECOND FLOOR		
201	\$164,990	1.1220%
202	\$109,990	0.7480%
203	\$129,990	0.8840%
204	\$109,990	0.7480%
205	\$129,990	0.8840%
206	\$109,990	0.7480%
207	\$109,990	0.7480%
208	\$119,990	0.8160%
209	\$104,990	0.7140%
210	\$104,990	0.7140%
211	\$104,990	0.7140%
212	\$104,990	0.7140%
213	\$124,990	0.8500%
214	\$149,990	1.0200%
215	\$155,990	1.0608%
THIRD FLOOR		
301	\$169,990	1.1560%
302	\$114,990	0.7820%
303	\$134,990	0.9180%
304	\$114,990	0.7820%
305	\$134,990	0.9180%
306	\$114,990	0.7820%
307	\$114,990	0.7820%
308	\$124,990	0.8500%
309	\$109,990	0.7480%

EXHIBIT VI

INITIAL PRICE SCHEDULE

Unit Number	Sales Price	% of ownership
310	\$109,990	0.7480%
311	\$109,990	0.7480%
312	\$109,990	0.7480%
313	\$124,990	0.8500%
314	\$154,990	1.0540%
315	\$164,990	1.1220%
FOURTH FLOOR		
401	\$179,990	1.2240%
402	\$119,990	0.8160%
403	\$144,990	0.9860%
404	\$119,990	0.8160%
405	\$144,990	0.9860%
406	\$124,990	0.8500%
407	\$119,990	0.8160%
408	\$129,990	0.8840%
409	\$114,990	0.7820%
410	\$114,990	0.7820%
411	\$114,990	0.7820%
412	\$114,990	0.7820%
413	\$129,990	0.8840%
414	\$159,990	1.0880%
415	\$169,990	1.1560%
FIFTH FLOOR		
501	\$189,990	1.2920%
502	\$124,990	0.8500%
503	\$149,990	1.0200%
504	\$124,990	0.8500%
505	\$149,990	1.0200%
506	\$129,990	0.8840%
507	\$124,990	0.8500%
508	\$129,990	0.8840%
509	\$119,990	0.8160%
510	\$119,990	0.8160%
511	\$119,990	0.8160%
512	\$119,990	0.8160%
513	\$134,990	0.9180%
514	\$169,990	1.1560%
515	\$184,990	1.2580%
SIXTH FLOOR		
601	\$209,990	1.4280%
602	\$134,990	0.9180%
603	\$159,990	1.0880%
604	\$134,990	0.9180%
605	\$159,990	1.0880%
606	\$134,990	0.9180%

EXHIBIT VI

INITIAL PRICE SCHEDULE

Unit Number	Sales Price	% of ownership
607	\$129,990	0.8840%
608	\$139,990	0.9520%
609	\$129,990	0.8840%
610	\$129,990	0.8840%
611	\$129,990	0.8840%
612	\$129,990	0.8840%
613	\$139,990	0.9520%
614	\$179,990	1.2240%
615	\$199,990	1.3600%
SEVENTH FLOOR		
701	\$219,990	1.4960%
702	\$139,990	0.9520%
703	\$169,990	1.1560%
704	\$139,990	0.9520%
705	\$169,990	1.1560%
706	\$134,990	0.9180%
707	\$139,990	0.9520%
708	\$154,990	1.0540%
709	\$134,990	0.9180%
710	\$139,990	0.9520%
711	\$139,990	0.9520%
712	\$139,990	0.9520%
713	\$139,990	0.9520%
714	\$189,990	1.2920%
715	\$214,990	1.4620%

EXHIBIT VI

INITIAL PRICE SCHEDULE PARKING UNITS

Parking stall number	Price	% of ownership
P1	\$11,000	0.0748%
P2	\$11,000	0.0748%
P3	\$11,000	0.0748%
P4	\$11,000	0.0748%
P5	\$11,000	0.0748%
P6	\$11,000	0.0748%
P7	\$11,000	0.0748%
P8	\$11,000	0.0748%
P9	\$11,000	0.0748%
P10	\$11,000	0.0748%
P11	\$11,000	0.0748%
P12	\$11,000	0.0748%
P13	\$11,000	0.0748%
P14	\$11,000	0.0748%
P15	\$11,000	0.0748%
P16	\$11,000	0.0748%
P17	\$11,000	0.0748%
P18	\$11,000	0.0748%
P19	\$11,000	0.0748%
P20	\$11,000	0.0748%
P21	\$11,000	0.0748%
P22	\$11,000	0.0748%
P23	\$11,000	0.0748%
P24	\$11,000	0.0748%
P25	\$11,000	0.0748%
P26	\$11,000	0.0748%
P27	\$11,000	0.0748%
P28	\$8,500	0.0578%
P29	\$8,500	0.0578%
P30	\$8,500	0.0578%
P31	\$8,500	0.0578%
P32	\$8,500	0.0578%
P33	\$8,500	0.0578%

EXHIBIT VI

INITIAL PRICE SCHEDULE PARKING UNITS

Parking stall number	Price	% of ownership
P34	\$8,500	0.0578%
P35	\$8,500	0.0578%
P36	\$8,500	0.0578%
P37	\$8,500	0.0578%
P38	\$8,500	0.0578%
P39	\$8,500	0.0578%
P40	\$8,500	0.0578%
P41	\$15,000	0.1020%
P42	\$15,000	0.1020%
P43	\$15,000	0.1020%
P44	\$15,000	0.1020%
P45	\$15,000	0.1020%
P46	\$15,000	0.1020%
P47	\$15,000	0.1020%
P48	\$15,000	0.1020%
P49	\$15,000	0.1020%
P50	\$15,000	0.1020%
P51	\$15,000	0.1020%
P52	\$15,000	0.1020%
P53	\$15,000	0.1020%
P54	\$15,000	0.1020%
P55	\$15,000	0.1020%
P56	\$15,000	0.1020%
P57	\$15,000	0.1020%
P58	\$15,000	0.1020%
P59	\$15,000	0.1020%
P60	\$15,000	0.1020%
P61	\$15,000	0.1020%
P62	\$15,000	0.1020%
P63	\$15,000	0.1020%
P64	\$15,000	0.1020%
P65	\$15,000	0.1020%
P66	\$15,000	0.1020%
P67	\$15,000	0.1020%
P68	\$15,000	0.1020%

EXHIBIT VI

INITIAL PRICE SCHEDULE PARKING UNITS

Parking stall number	Price	% of ownership
P69	\$15,000	0.1020%
P70	\$15,000	0.1020%
P71	\$15,000	0.1020%
P72	\$15,000	0.1020%
P73	\$15,000	0.1020%
P74	\$15,000	0.1020%
P75	\$15,000	0.1020%
P76	\$7,500	0.0510%
P77	\$7,500	0.0510%
P78	\$7,500	0.0510%
P79	\$7,500	0.0510%
P80	\$7,500	0.0510%
P81	\$7,500	0.0510%
P82	\$7,500	0.0510%
P83	\$7,500	0.0510%
P84	\$7,500	0.0510%
P85	\$7,500	0.0510%
P86	\$7,500	0.0510%
P87	\$7,500	0.0510%
P88	\$7,500	0.0510%
P89	\$7,500	0.0510%
P90	\$7,500	0.0510%
P91	\$7,500	0.0510%
P92	\$7,500	0.0510%
P93	\$7,500	0.0510%
P94	\$7,500	0.0510%
P95	\$7,500	0.0510%
P96	\$7,500	0.0510%
P97	\$7,500	0.0510%
P98	\$7,500	0.0510%
P99	\$7,500	0.0510%
P100	\$7,500	0.0510%

EXHIBIT VII

NFP-102.10
(Rev. Jan. 1995)

ARTICLES OF INCORPORATION

(Do Not Write in This Space)

SUBMIT IN DUPLICATE

Payment must be made by Certified Check, Cashier's Check, Illinois Attorney's Check, Illinois C.P.A.'s Check or Money Order, payable to "Secretary of State."

DO NOT SEND CASH!

Date

Filing Fee \$50

Approved

TO: GEORGE H. RYAN, Secretary of State

Pursuant to the provisions of "The General Not For Profit Corporation Act of 1986," the undersigned incorporator(s) hereby adopt the following Articles of Incorporation.

Article 1. The name of the corporation is: Vanguard Lofts Condominium Association

Article 2: The name and address of the initial registered agent and registered office are:

Registered Agent	<u>Gary</u>	<u>L.</u>	<u>Plotnick</u>
	First Name	Middle Name	Last Name
Registered Office	<u>222 North LaSalle Street, Suite 1910</u>		
	Number	Street	(Do Not Use P.O. Box)
	<u>Chicago</u>	IL <u>60601</u>	<u>Cook</u>
	City	Zip Code	County

Article 3: The first Board of Directors shall be three in number, their names and residential addresses being as follows: (Not less than three)

Director's Names	Number	Street	Address City	State

(Directors to be named by Developer prior to filing Articles of Incorporation)

Article 4. The purposes for which the corporation is organized are:

To maintain, operate and manage a condominium residential building and improvements at 1250 West Van Buren, Chicago, Illinois.

Is this corporation a Condominium Association as established under the Condominium Property Act?
 Yes No (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? Yes No (Check one)

Is this a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? Yes No

Article 5.

NAMES & ADDRESSES OF INCORPORATORS

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated _____, 19_____.

SIGNATURES AND NAMES

POST OFFICE ADDRESS

- 1. _____
Signature
Garv L. Plonnick
Name (please print)
- 2. _____
Signature

Name (please print)
- 3. _____
Signature

Name (please print)
- 4. _____
Signature

Name (please print)
- 5. _____
Signature

Name (please print)

- 1. 222 North LaSalle Street, Suite 1910
Street
Chicago Illinois 60601
City/Town State Zip
- 2. _____
Street

City/Town State Zip
- 3. _____
Street

City/Town State Zip
- 4. _____
Street

City/Town State Zip
- 5. _____
Street

City/Town State Zip

(Signatures must be in BLACK INK on original document. Carbon copy, xerox or rubber stamp signatures may only be used on the true copy.)

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its President or Vice-President and verified by him, and attested by its Secretary or an Assistant Secretary.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in this State, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation which is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1934, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

FOR INSERTS - USE WHITE PAPER - SIZE 8 1/2 x 11

No. _____

FORM NFP-102.10

ARTICLES OF INCORPORATION

under the

GENERAL NOT FOR PROFIT

CORPORATION ACT

of

SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES

CORPORATION DIVISION

SPRINGFIELD, ILLINOIS 62756

TELEPHONE (217) 782-9522

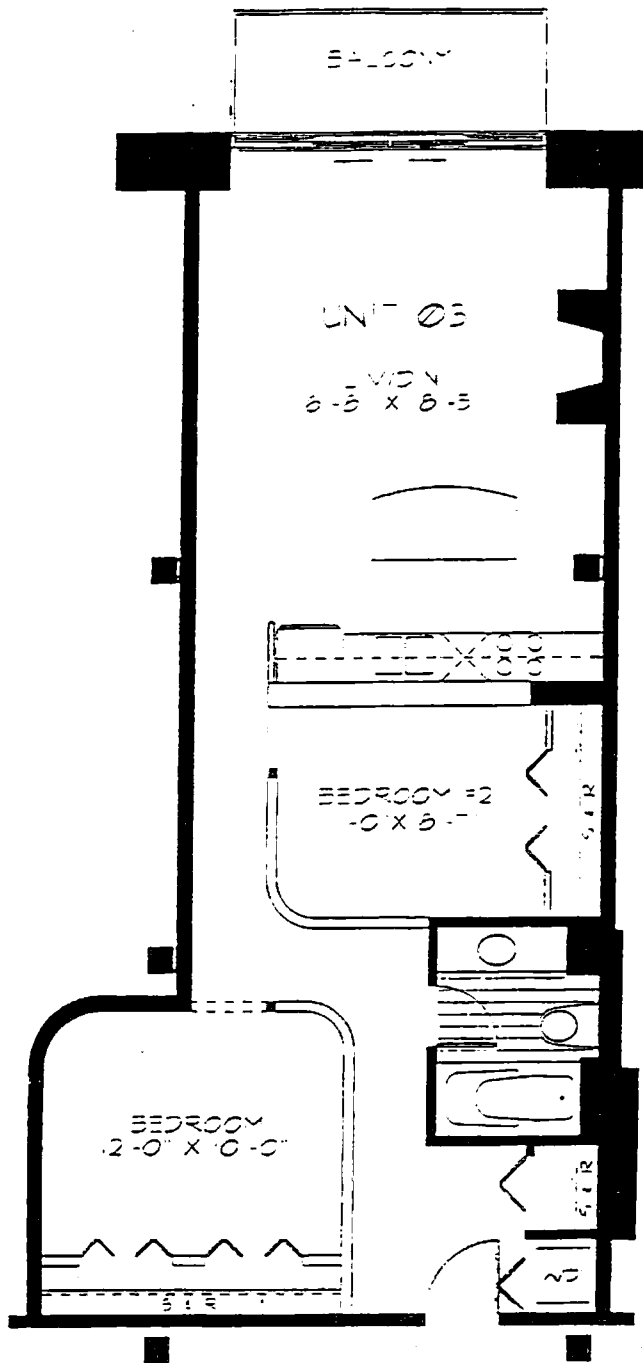
782-9523

These Articles Must Be Executed and Filed

in Duplicate)

g Fee \$50

57.9



UNITS 203, 205, 303, 305, 403
 405, 503, 505, 603, 605, 703, 705

VANGUARD LOFTS

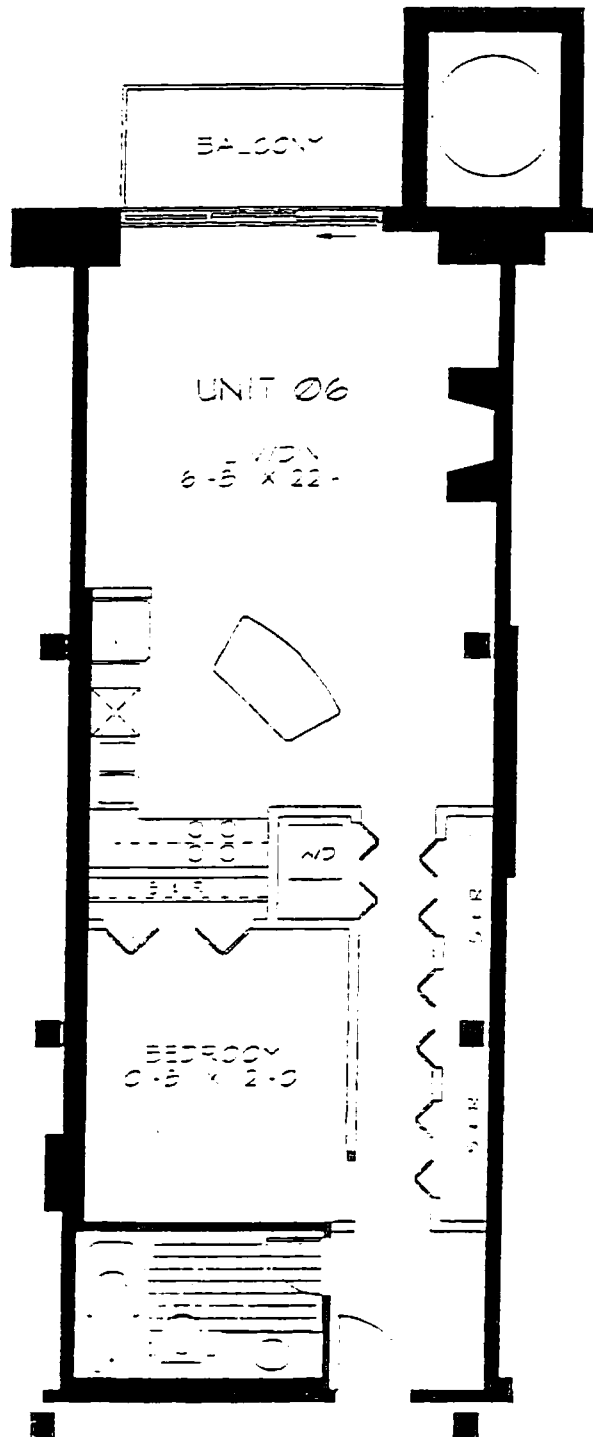
1250 W. VAN BUREN

AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

312 North Dearborn
 Chicago, IL 60610
 312.227.8222
 Fax: 312.227.8277

9714B

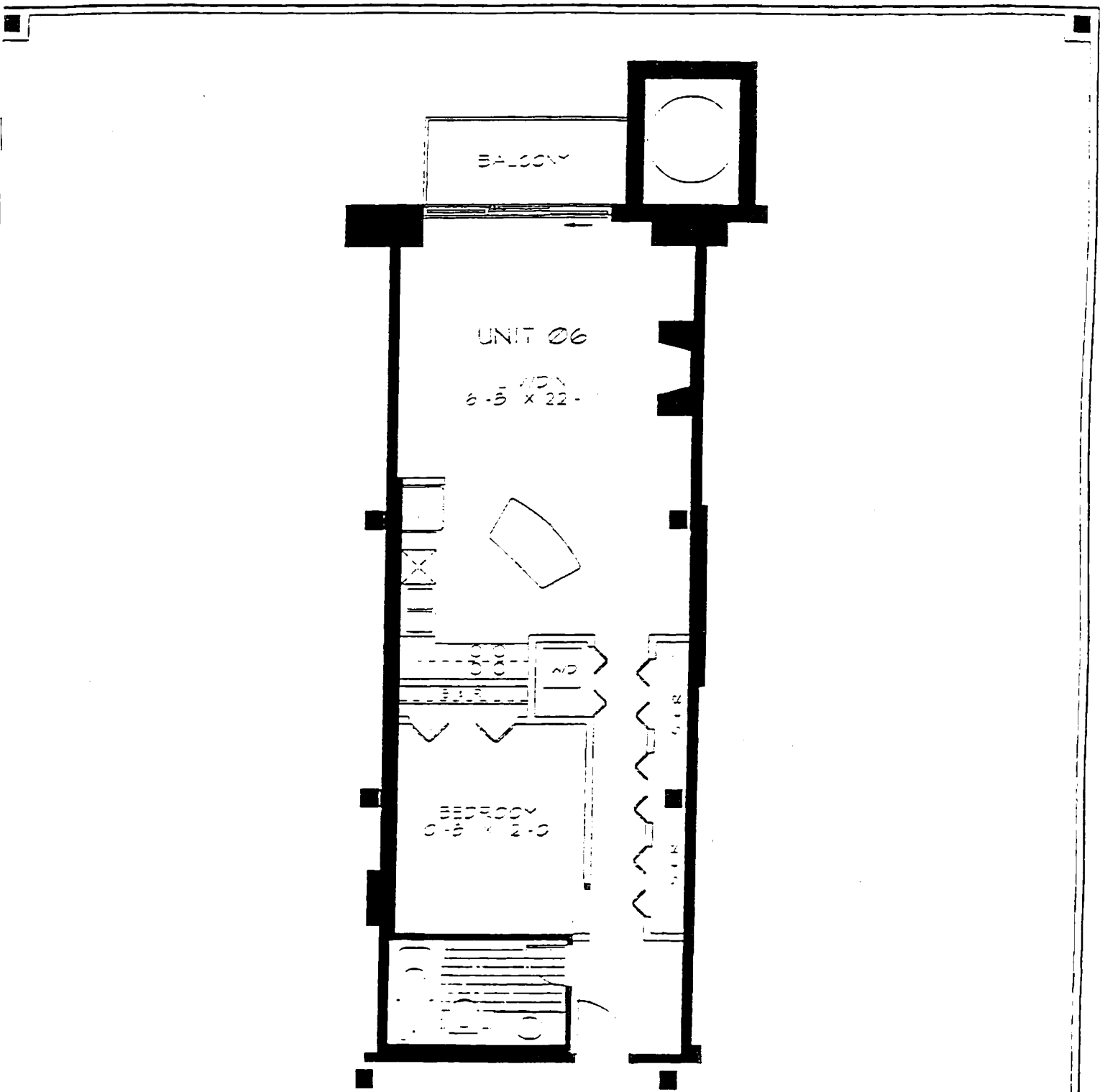


UNITS 206, 306
 406, 506, 606, 706
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

2112 NORTH STATE ST.
 CHICAGO, IL 60614
 312.327.3222
 FAX 312.327.4272

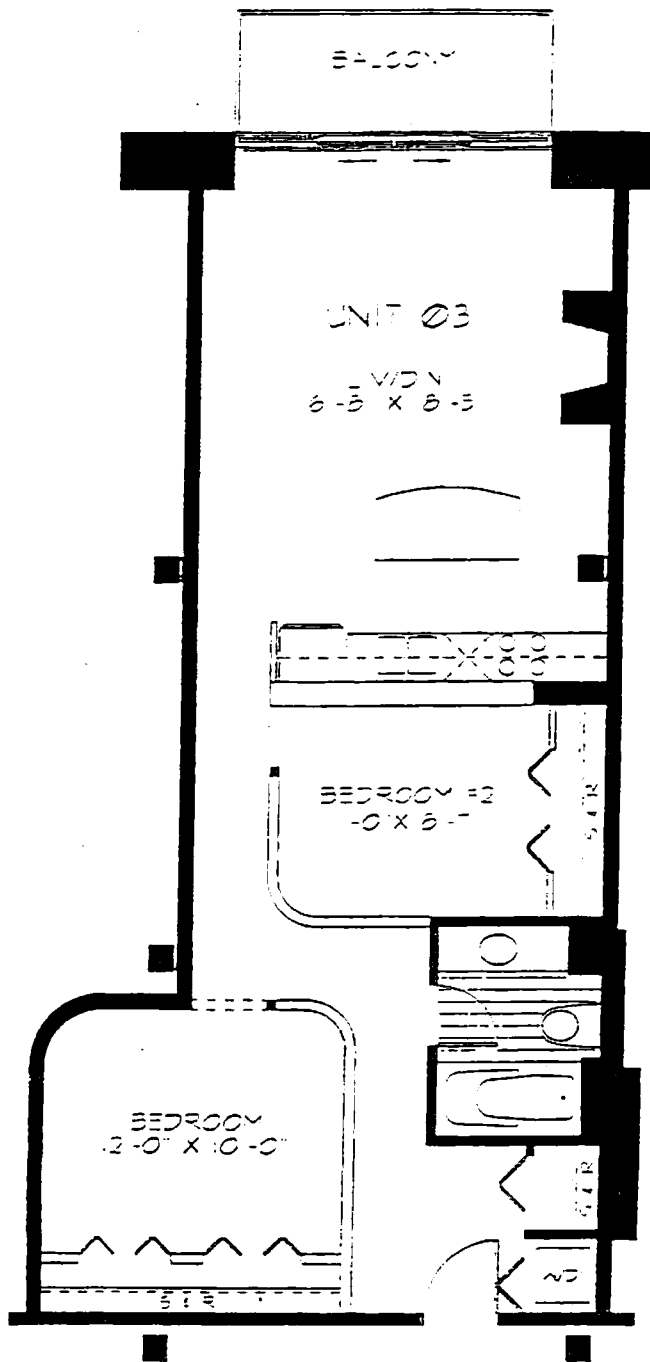
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UNITS 206, 306
 406, 506, 606, 706
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 28, 1997

FITZGERALD ASSOCIATES ARCHITECTS
 3112 North Dearborn
 Chicago, IL 60647
 (312) 271-8222
 Fax: (312) 271-8272

9714B

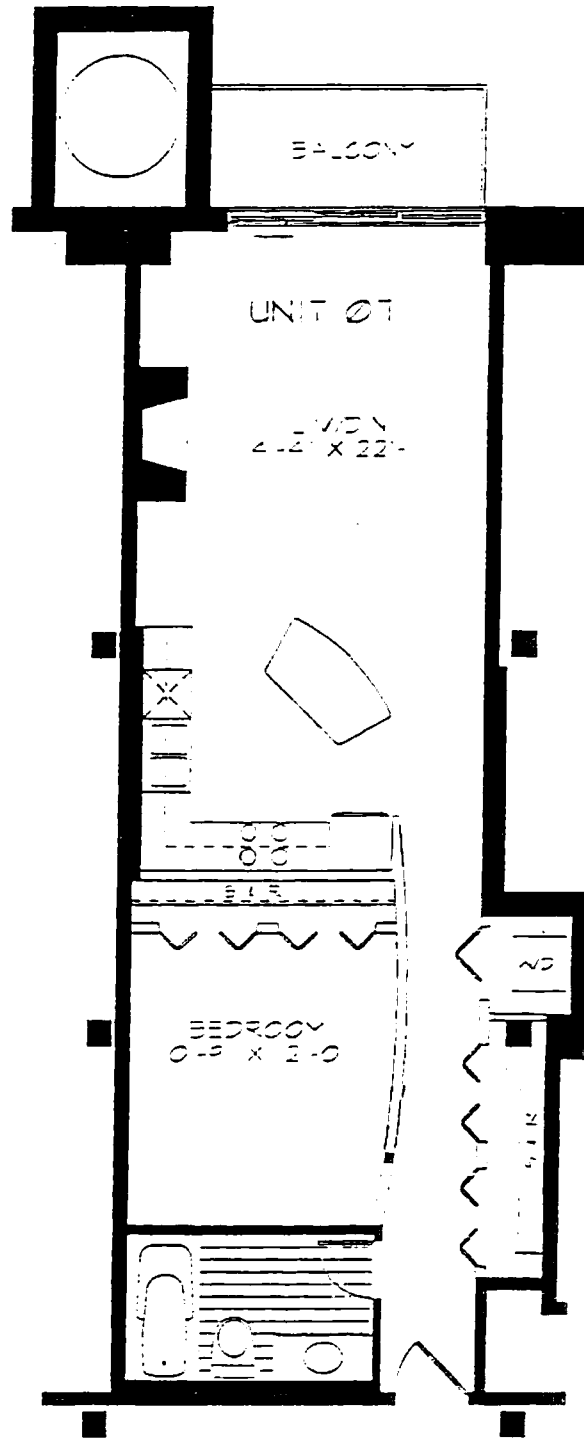


UNITS 203, 205, 303, 305, 403
 405, 503, 505, 603, 605, 703, 705
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

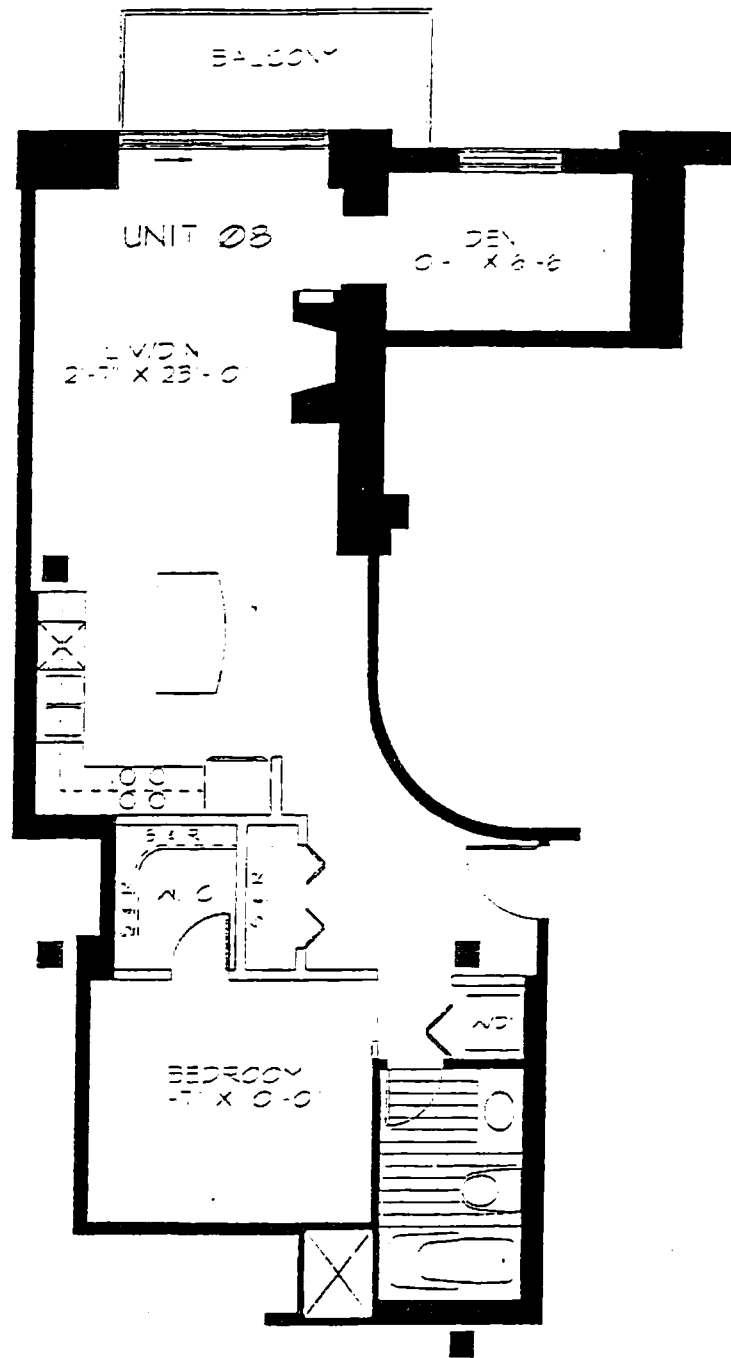
310 North Spillane
 Chicago, IL 60657
 Tel: 312.327.5222
 Fax: 312.327.5072

9714B



UNITS 207, 307
 407, 507, 607, 707
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

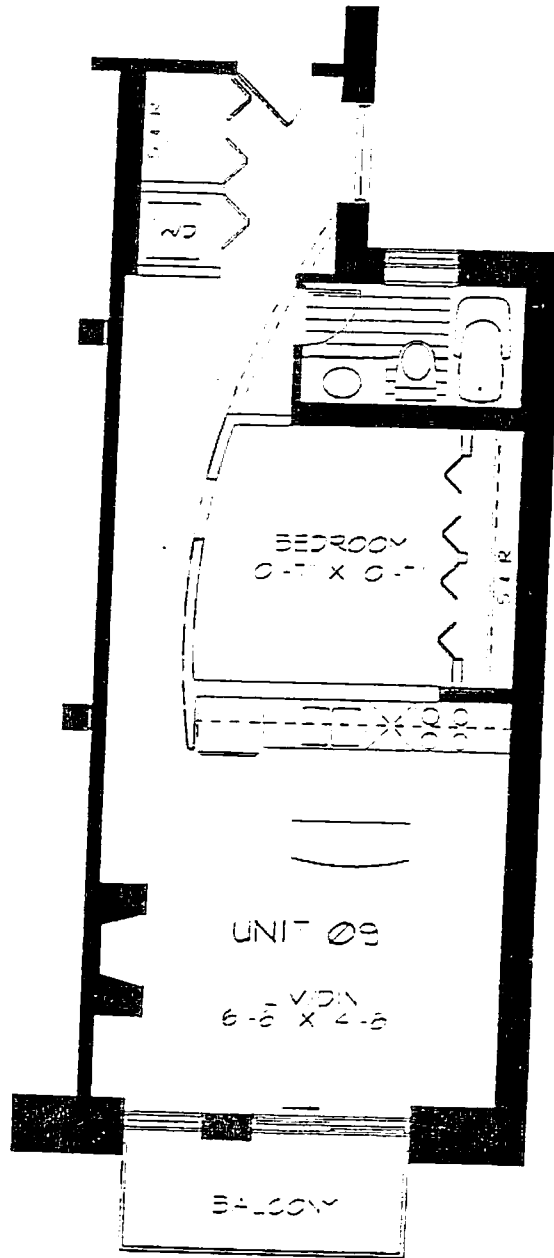
FITZGERALD
 ASSOCIATES
 ARCHITECTS
 212 North Spring
 Chicago, IL 60610
 (312) 321-1100
 FAX (312) 321-1070
 9714B



UNITS 208, 308
 408, 508, 608, 708
 VANGUARD LOFTS
 1250 W. VANBUREN
 AUGUST 20, 1997

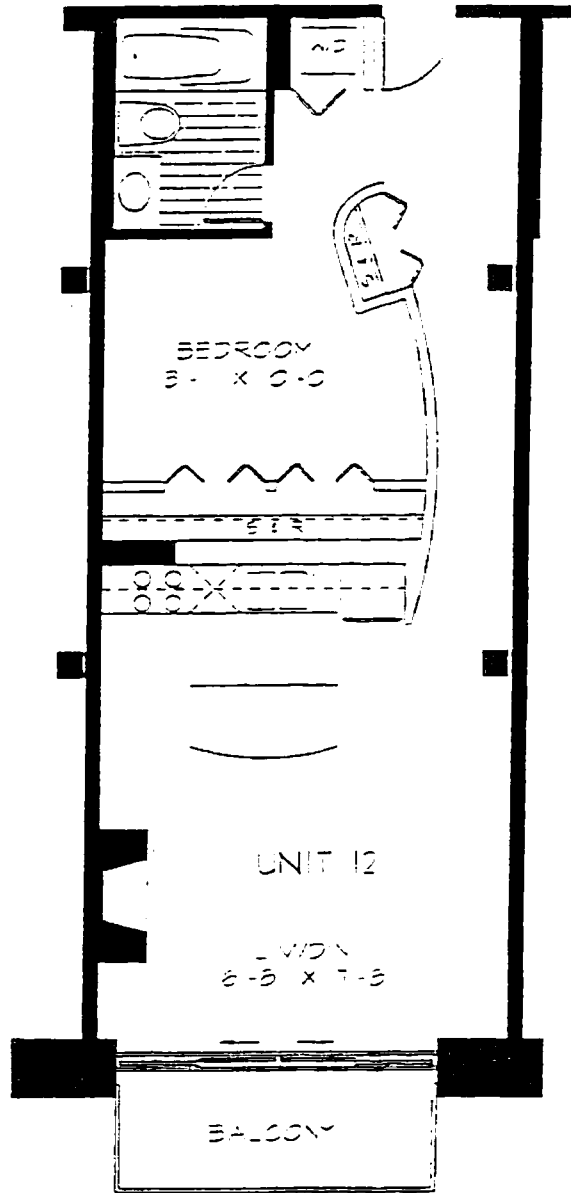
FITZGERALD
 ASSOCIATES
 ARCHITECTS
 3112 North Sheffield
 Chicago, IL 60637
 312.327.9222
 Fax: 312.327.8077

9714B



UNITS 109, 209, 309
 409, 509, 609, 709
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 30, 1997

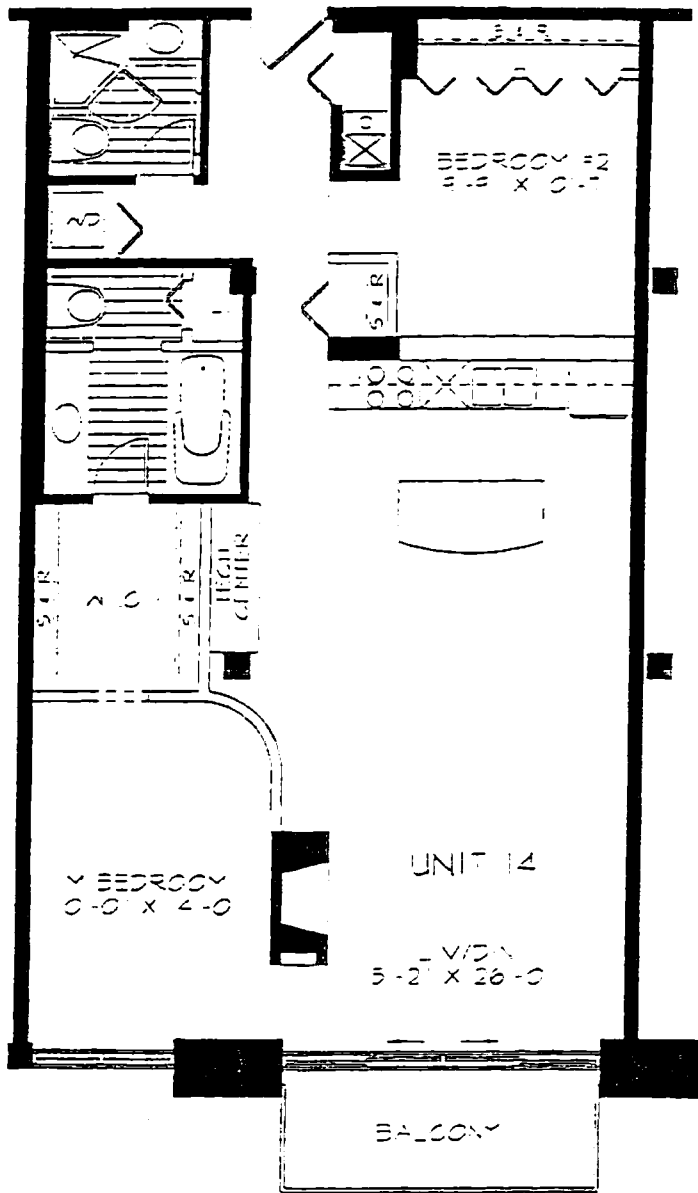
FITZGERALD
 ASSOCIATES
 ARCHITECTS
 3110 North Sheffield
 Chicago, IL 60657
 (312) 271-1111
 FAX (312) 271-8077
 9714B



UNITS 110-12, 210-12
 310-12, 410-12, 510-12, 610-12, 710-12
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS
 1110 North Dearborn
 Chicago, IL 60610
 312.321.5222
 Fax: 312.321.8077

9714B

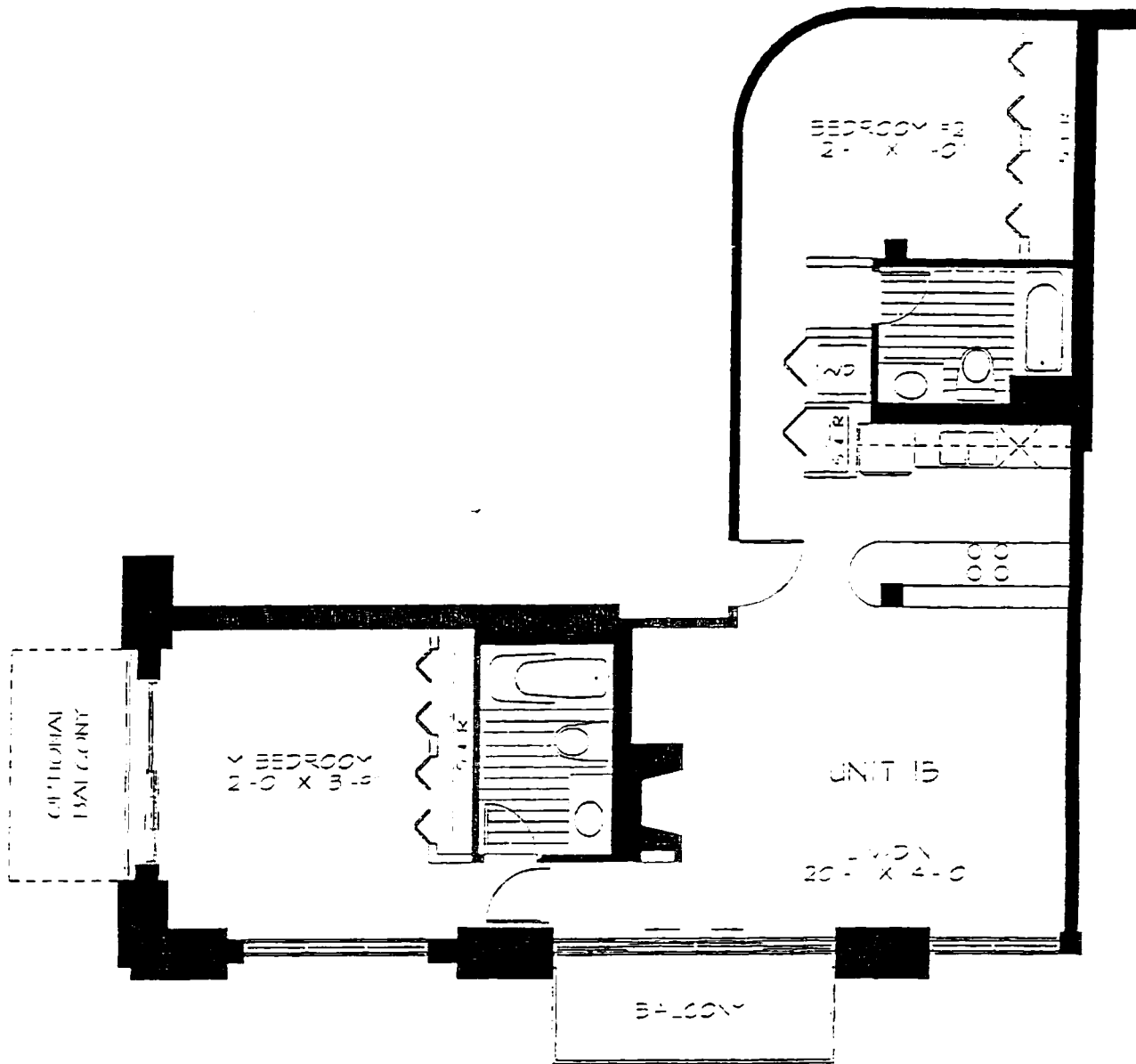


UNITS 114, 214, 314
 414, 514, 614, 714
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

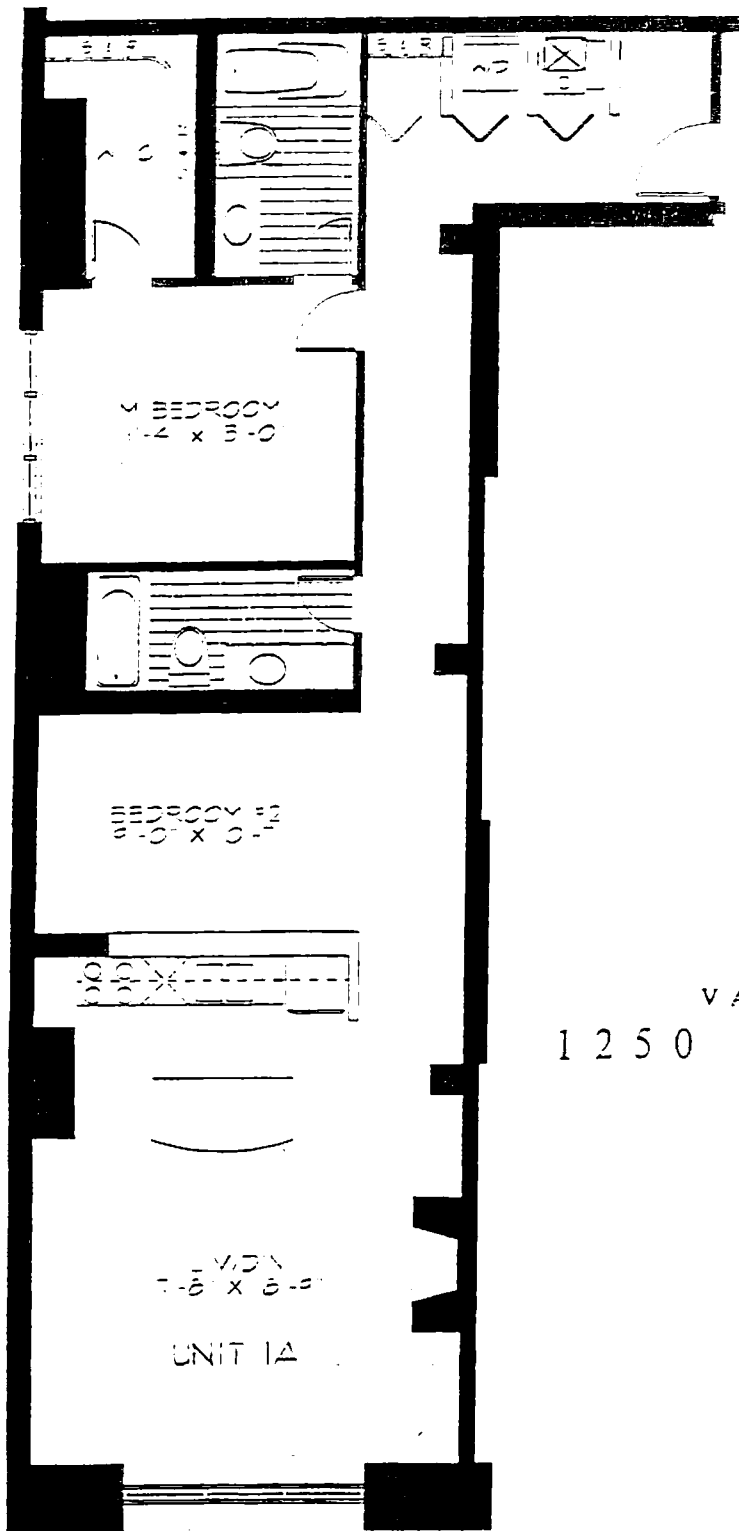
210 North Spaulding
 Chicago, IL 60610
 Tel: 312.327.1271
 Fax: 312.327.1672

9714B



UNITS 215, 315
 415, 515, 615, 715
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS
 3112 North Dearborn
 Chicago, IL 60647
 312.277.6722
 Fax 312.277.8072
 9714B

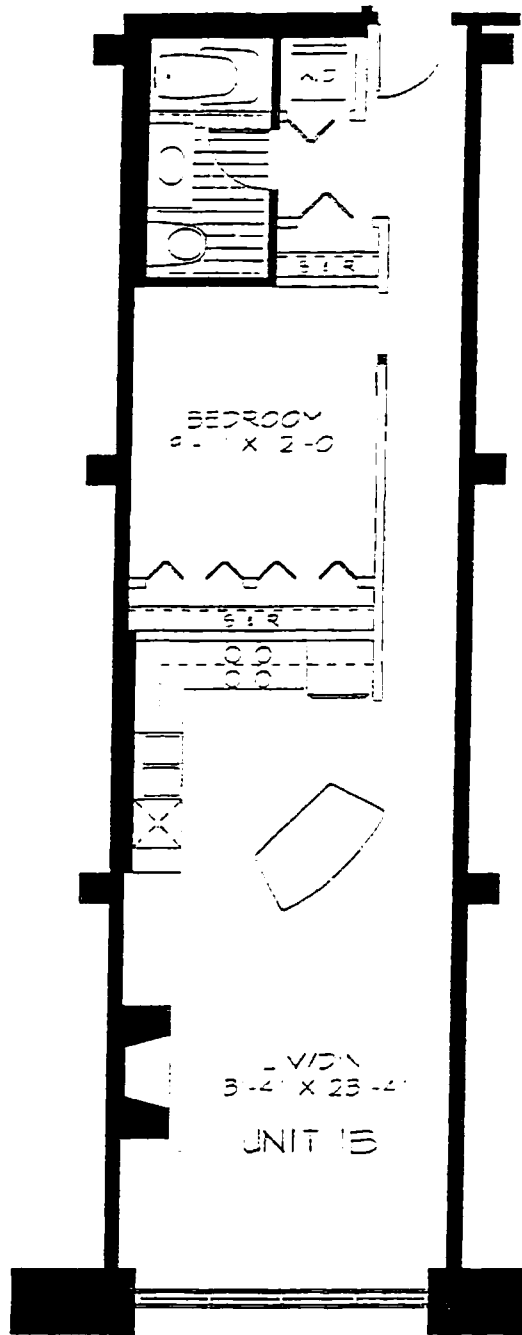


UNIT 1A
VANGUARD LOFTS
1250 W. VAN BUREN
AUGUST 20, 1997

FITZGERALD
ASSOCIATES
ARCHITECTS

212 North Dearborn
Chicago, IL 60610
312 327-8222
Fax: 312 327-8222

9714B

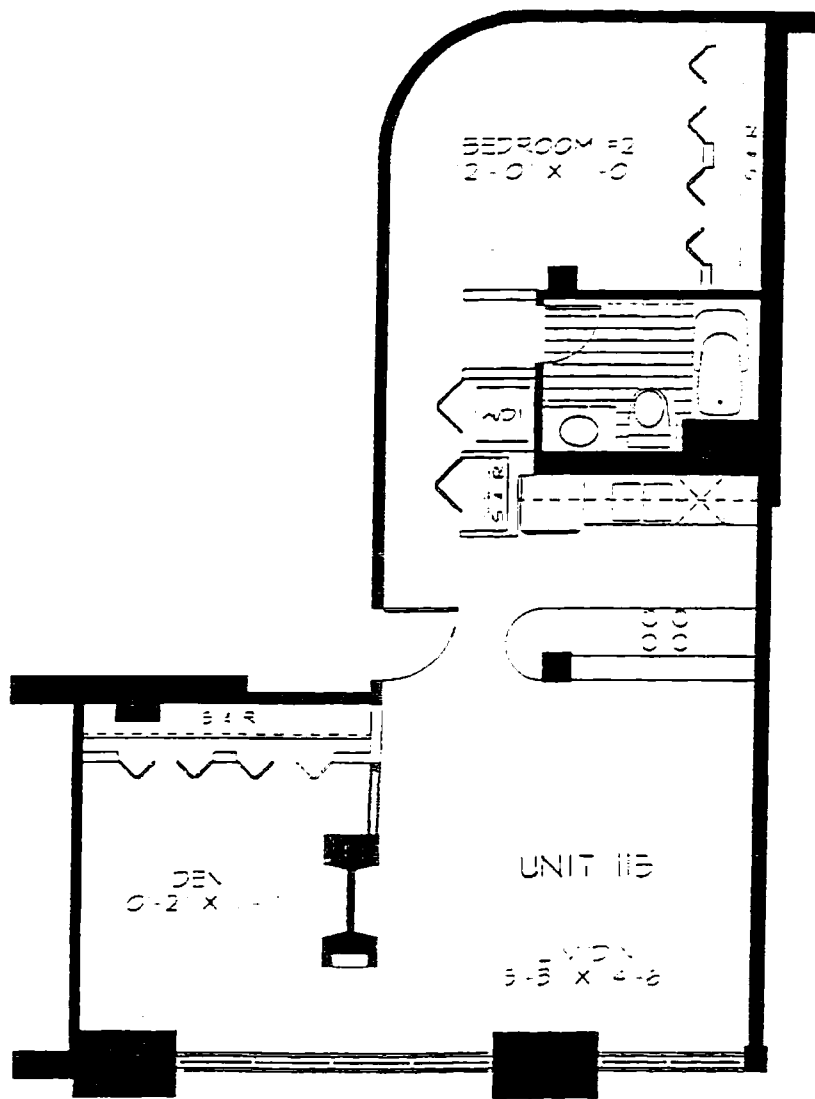


UNIT 1B
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

212 North Dearborn
 Chicago, IL 60610
 312.327.3333
 FAX 312.327.3333

9714B

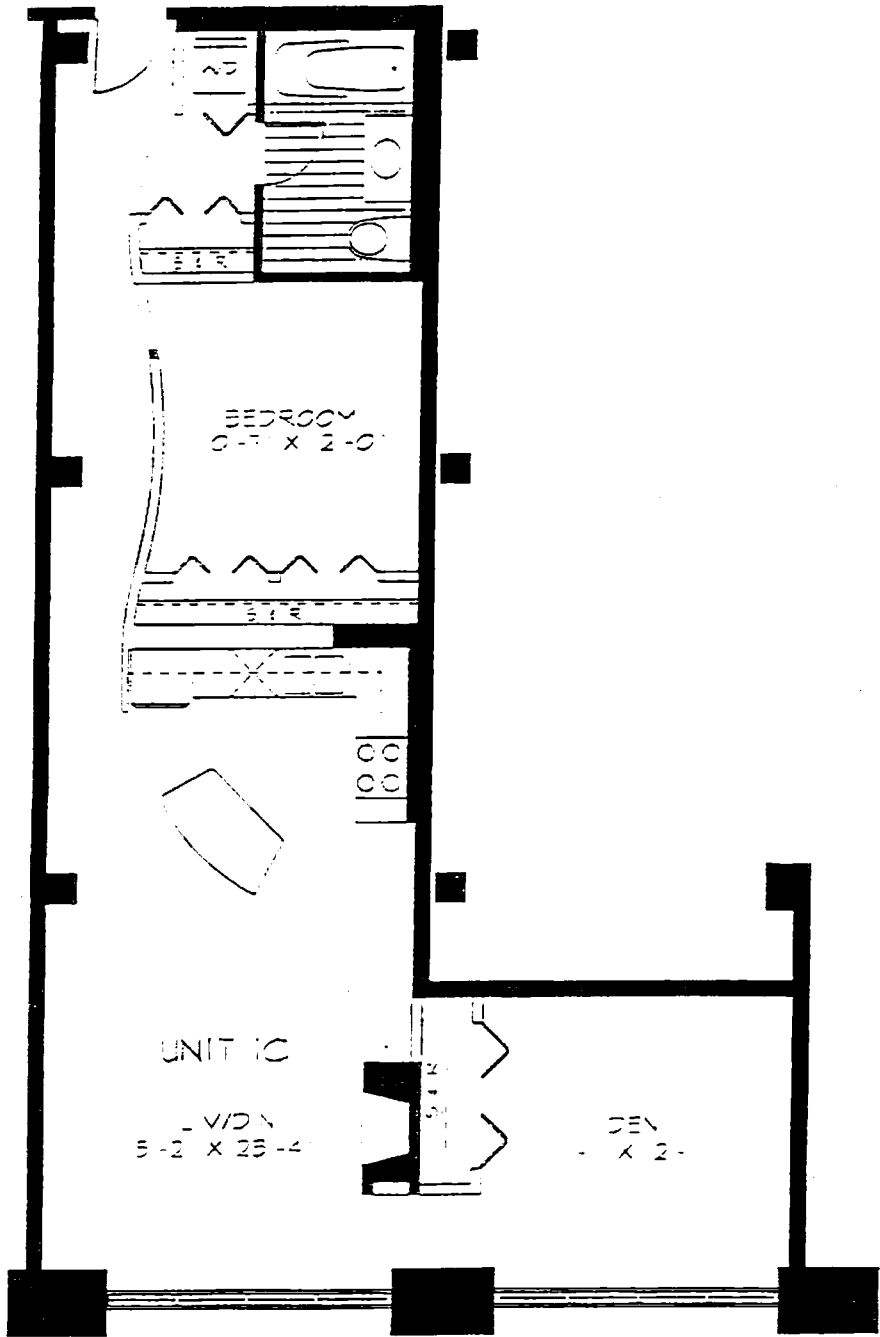


UNIT 115
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS

210 North Dearborn
 Chicago, IL 60610
 312.327.5222
 Fax: 312.327.5224

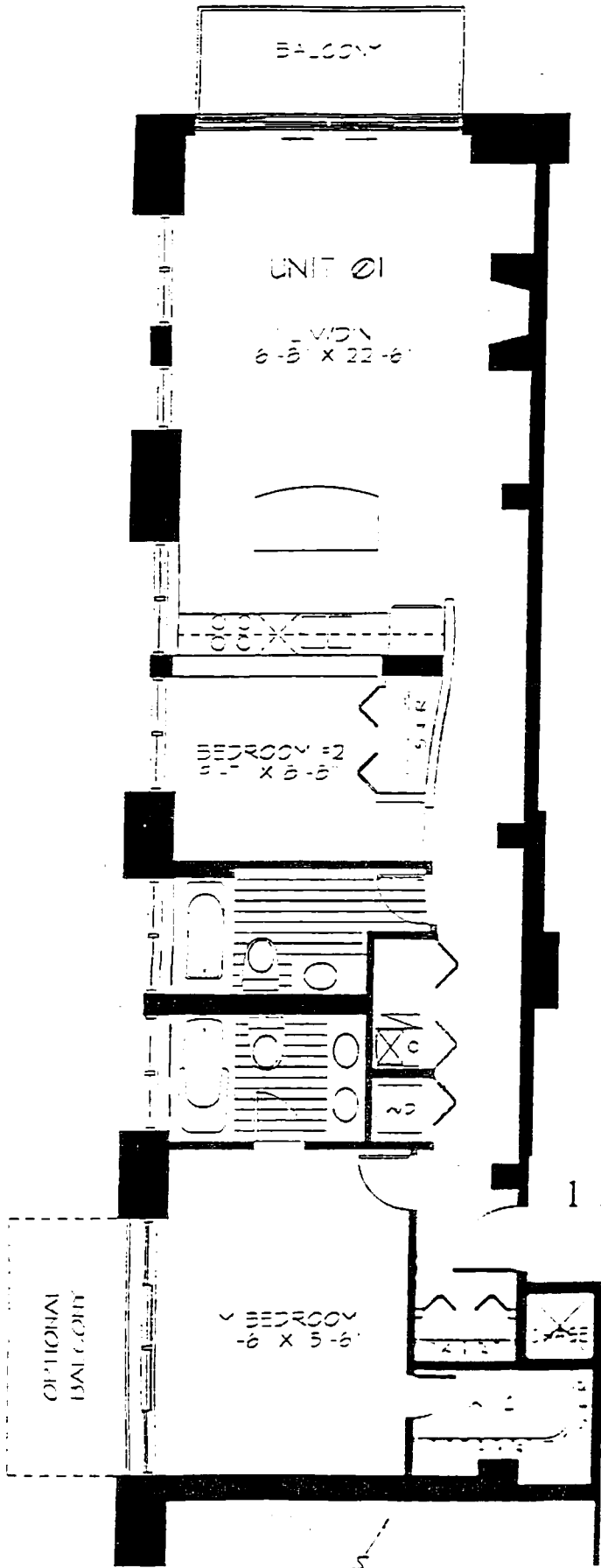
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UNIT 1C
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS
 2112 NORTH Superior
 Chicago, IL 60614
 312.327.8222
 Fax: 312.327.8072

9714B



UNITS 201, 301
 401, 501, 601, 701
 VANGUARD LOFTS
 1250 W. VAN BUREN
 AUGUST 20, 1997

FITZGERALD
 ASSOCIATES
 ARCHITECTS
 210 North Dearborn
 Chicago, IL 60617
 Tel: 312-327-5200
 Fax: 312-327-5010

9714B

EXHIBIT XI

VANGUARD LOFTS CONDOMINIUM
CHART OF SAMPLE COSTS
FOR THE PURCHASE OF A CONDOMINIUM UNIT
FINANCED WITH A FIXED RATE CONVENTIONAL MORTGAGE

The following is an estimate of a typical purchaser's charges and closing costs expended in a normal and customary closing in the Chicago metropolitan area based on a closing occurring, hypothetical purchase price of \$132,990.00 and financed through a fixed rate conventional first mortgage loan. The lender's charges are based on a mortgage equal to 90% of the purchase price of a Unit with a thirty (30) year amortization at an interest of 7.5% with no points. The charges and expenses are only estimates and should not be relied upon. Please note that the below costs do not include costs, if any, charged by the lender for document preparation, tax escrow amounts, tax search fees and other miscellaneous fees. All amounts have been rounded.

PURCHASE PRICE	\$132,990.00
TYPICAL LENDER'S CHARGES	
MORTGAGE APPLICATION FEE	200.00
CREDIT REPORT FEE	50.00
APPRAISAL FEE	150.00
INTEREST ON LOAN PRINCIPAL AMT FOR 15 DAYS (MID-MONTH CLOSING)	374.00
ESTIMATED TOTAL LENDER'S CHARGES	<u>774.00</u>
TYPICAL CLOSING CHARGES	
PRORATED ASSESSMENT (MID-MONTH CLOSING)	78.00
CITY OF CHICAGO REAL ESTATE TRANSFER TAXES	997.00
TWO MONTH ASSESSMENT CONTRIBUTION	314.00
TWO MONTH PROPERTY TAX ESCROW	
RECORDING FEES (APPROX \$25 FOR EACH INSTRUMENT TO BE RECORDED)	554.00
OTHER CLOSING COSTS (APPROX. DEED AND MONEY ESCROW FEES, FEES FOR MORTGAGE LOAN TITLE INSURANCE POLICY AND RELATED ENDORSEMENTS, MONEY LENDER ESCROW CHARGES AND OTHER RELATED EXPENSES.)	500.00
ESTIMATED TOTAL CLOSING CHARGES	<u>2,518.00</u>
TOTAL ESTIMATED CHARGES	<u><u>53,292.00</u></u>

S A M A R T A N O & C O M P A N Y

Consulting Engineers

231 N. LA SALLE STREET • CHICAGO ILLINOIS 60601 • 312 337 1326

PRESIDENT
JAMES A. SAMARTANO

ASSOCIATES
HENRY WAREK
STEVEN NEUBAUER

April 3, 1997

Mr. Moises Cukierman
Reymar Corporation
853 North Elston
Chicago, Illinois 60622

RE: 1250 West Van Buren
Chicago, IL

Dear Mr. Cukierman

We visited the referenced site on several occasions during the month of March, 1997 to perform a visual structural inspection. Our report follows.

GENERAL

The site consists of two structures; a 7 story brick masonry bearing wall structure (main building) with heavy timber construction and a 2 story addition (annex) of mixed construction:

The typical bay floor framing of the main building consists of 3" tongue and groove decking supported by 7 x 14 timber beams spaced at 4'-0" on center. The beams span approximately 17'-3" and are supported by double 7 x 15 timber girders. Typical interior timber columns range in size from 15 x 15 at the 1st floor to 9 x 9 at the 7th floor. The roof is of similar timber construction with 6 x 12 beams at 5'-4" on center supported by 9 x 13 girders. Typical floor to floor height is about 11'-0" and 1st to 2nd floor is about 14'-0". Typical floors were posted with an allowable live load of 150 pounds per square foot. Hardwood strip flooring or cement topping is typically present as wearing surface. The typical exterior wall consists of face brick and common brick construction. 52" wide x 32" deep (maximum) masonry piers support the double 7 x 15 timber girders. Steel lintels support the spandrel masonry over windows. The ground level floor appears to be concrete slab on grade construction with no basement or subgrade areas.

The 2nd floor of the annex building consists of 14" deep cast-in place concrete pan-and-joist construction. Joists are spaced at 22 inches on center and span approximately 17'-6" to 26" deep girders. 1st story columns are 12" x 12' cast in place concrete on both the interior and exterior. The annex building roof consists of 1 1/2" steel deck supported by steel bar joists spaced 5'-0 on center and are supported by steel wide flange beams. Columns from the 2nd floor to roof are also steel wide flange sections with plaster cladding. The exterior wall is a composite wall of face brick and concrete masonry unit (CMU) back up. It appears that the exterior wall is supporting the roof construction but bypasses the self supporting concrete frame at the 2nd floor. The ground level floor appears to be concrete slab on grade construction.

Inspection Report

1250 West Van Buren

Chicago, Illinois

Prepared for

Rezmar Corporation

Prepared by
SAMARTANO AND COMPANY
Consulting Engineers

Reymar Corporation
 April 3, 1997
 Page Three

First Floor

The typical slab on grade construction was in good condition with signs of slight, long term settlement at center of bays with high traffic.

Exterior Walls

In general the exterior walls were in fair condition requiring general cleaning and tuckpointing to all surfaces. The typical steel lintels supporting spandrell masonry over windows showed signs of deterioration in several areas, especially on the west and south walls. Because a wide caulk joint has covered the exterior face of steel lintel plates, we exposed 3 random areas in an attempt to estimate extent of damage for similar conditions. Steel beams were observed from exterior and interior inspection holes. At one location the lintel plate was approximately 50% destroyed with no apparent damage to the lintel beam. At the other 2 locations no significant damage was observed to the lintel plate or beam. Our repair estimate assumes lintel plate replacement at 10% of the openings and lintel beam and plate replacement at 30% of the openings. Actual repair scope will become more defined as windows are removed and lintels observed. Because there is no flashing for the lintel beams and the plate is caulked, spandrel masonry (including sills) must be maintained to prevent excessive moisture from becoming entrapped on the steel lintel surfaces.

The brick masonry parapets walls at the south and west elevations have been recently tuckpointed but they are out of plumb with an inward tilt. Also, the face bricks have extensive surface spalling, most likely from lack of maintenance on the stone coping joints. Although the out of plumb condition is structurally acceptable, and the spalled surface could be surface sealed, we recommend rebuilding the south and west parapet walls to a plumb condition with new masonry.

The boiler room walls are in fair condition and are in need of general cleaning and tuckpointing. The portion of the boiler chimney stack above the roof has been rebuilt and is in good condition. The portion from the 3rd floor to roof is in fair condition and has a large (1"±) vertical crack that has been caulked. We recommend close inspection of the crack and repair as required.

The raised dock and canopy are in fair condition requiring paint and general maintenance.

General tuckpointing and cleaning	\$120,000.00
Repair of steel lintels	\$60,000.00
Repair of parapet walls	\$20,000.00
Dock and canopy maintenance	\$10,000.00

Rezmar Corporation
 April 3, 1997
 Page Four

ANNEX BUILDING

Interior

In general the concrete pan-and -joist construction was in very good condition with no signs of excessive deflection or settlement. A significant portion of the slab top surface has deteriorated to a depth of approximately 1/2". Top surface will need to be properly prepared and re-poured. Efflorescence was observed on the interior face of masonry below the roof line, some surface rust was also observed on steel lintels below the roof. The masonry parapet coping joints are in need of maintenance to prevent further damage to the masonry wall and lintels.

Concrete surface repair	\$10,000.00
Coping repair	\$10,000.00

Exterior

The exterior brick walls are generally in good condition. There is some damage to the common brick at the north wall which will require repair. There is also a stepped crack in the face brick of the west wall at the northwest corner. We recommend replacing cracked bricks and cutting in compressible expansion joints in the face brick on both the north and west wall.

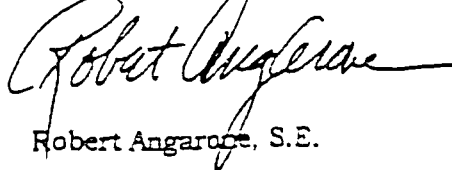
Masonry wall repair	<u>\$10,000.00</u>
Grand Total	\$340,000.00

Miscellaneous

The estimated repair costs are based on defects that are visually evident. There is a potential for additional hidden repair that can only be discovered as rehabilitation proceeds. It would be prudent to include contingency fund for inspection and additional repair as part of a major repair program.

Please call if there are any questions regarding this report.

Sincerely,
 SAMARTANO & COMPANY


 Robert Angarone, S.E.

RA/ms