

**FIRST AMENDMENT TO
THE DECLARATION OF
COVENANTS,
CONDITIONS AND
RESTRICTIONS FOR
GALENA OAKS
PROPERTY
OWNERS' ASSOCIATION**

For Use By Recorder's Office Only

This document is recorded for the purpose of amending the Declaration of Covenants and Restrictions (hereafter the "Declaration") for the Galena Oaks Property Owners' Association (hereafter the "Association"), which Declaration was recorded on August 3, 1977 as Document Number 143419 in the Office of the Jo Daviess County Recorder, Illinois, and covers the property (hereafter the "Property") legally described in Exhibit A, which is attached hereto and made a part hereof.

This Amendment is adopted pursuant to Illinois Not For Profit Corporation Act, (the "Act") Section 110.20. Section 110.20(b) of the Act provides that the Declaration may be amended by providing a written or printed notice setting forth the proposed amendment or a summary or the changes to be affected thereby shall be given to each member entitled to vote on amendments at such meeting within the time and in the manner provided in this Act for giving notices of meetings of the members. Additionally, Section 110.20(c) of the Act states that at such meeting, at which there is a quorum of members, a vote of the members entitled to vote on the proposed amendment shall be taken. The proposed amendment shall be adopted by receiving the affirmative vote of at least two-thirds (2/3) of the votes present and voted either in person or by proxy.

RECITALS

WHEREAS, by the Declaration recorded in the Office of the Jo Daviess County Recorder, the Property has been subjected to the covenants and restrictions contained therein; and

WHEREAS, the Board and the Members desire to amend the Declaration in order to provide for the orderly operation of the Property; and

This document prepared by and after recording to be returned to:

Kovitz Shifrin Nesbit
175 North Archer Avenue
Mundelein, IL 60060 — (847) 537-0500
Attn: Paul Ochmanek

WHEREAS, the following Amendment has been approved by at least two-thirds (2/3) of the Members at a meeting called for this purpose, which approvals are attached hereto and made a part hereof; and

WHEREAS, an officer of the Association has attested to said two-thirds (2/3) percent Member approval by execution of Exhibit B attached hereto and made a part hereof; and

NOW, THEREFORE, the Declaration is hereby amended as follows:

The Declaration, is hereby amended in accordance with the below,

1. Section IX, of the Declaration, is added to state,

9.01: Lease of Homes. Any Owner shall have the right to lease, all (but not less than all) of his Home upon such terms and conditions as the Owner may deem acceptable, except that no Home shall be leased, for a period less than thirty (30) days and in no event shall any Home be leased, for transient or hotel purposes; however, properties having the Guest Accommodation Licenses are permitted to lease for less than thirty (30) days. Every lease shall be in writing, a copy of which must be delivered to the Association, and shall provide that the lease, shall be subject to the terms of this Declaration and that any failure of the lessee, to comply with the terms of this Declaration shall be a default under the lease. The Owner shall provide the Board, or management company, with a copy of the annual Guest Accommodation License renewal each year they are leasing their Home. The Owners making any such lease, shall not be relieved thereby from any of his obligations under the Declaration. The provisions of CICAA, the Declaration, these Bylaws, other condominium instruments, and rules and regulations that relate to the use of the individual Home or the Common Elements shall be applicable to any person leasing a Home and shall be deemed to be incorporated in any lease. The Owner leasing the Home shall deliver a copy of the signed lease to the Board, not later than ten (10) days prior to the date of occupancy or ten (10) days after the lease is signed, whichever occurs first. In addition to any other remedies, by filing an action jointly against the Owner and the lessee, the Association may seek to enjoin a lessee, from occupying a Home or seek to evict a lessee, under the provisions of Article IX of the Illinois Code of Civil Procedure for failure of the lessor-Owner to comply with the leasing requirements prescribed hereby or otherwise contained in the Declaration, By-Laws and rules and regulations of the Association. The Board may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Illinois Code of Civil Procedure, for any other breach by tenant of any covenants, rules, regulations or the Bylaws of the Association.

9.02 As of the effective date of this Amendment, and notwithstanding any provisions of this Declaration to the contrary, short-term rental or leasing of Homes is restricted to four (4) of the Homes at any given time, and subleasing shall not be permitted.

9.03 The following provisions shall also apply to all leased Homes:

(i) The term “leasing of Home” includes a transaction wherein the title holder of a Home, who does not reside therein, permits its occupancy by persons not on title regardless of whether a formal written lease exists or if no money or any other form of consideration is paid therefore; provided that if the Owner is a corporation, partnership or other business entity, such Owner may allow a shareholder, partner or director holding at least 25% interest or shares in the entity to reside in the Home without being subject to this Amendment. Additionally, the term “leasing of Home” shall include any transaction wherein possession of a Home is provided prior to transfer of title. In no event may less than the entire Home be leased. Owners may lease to Immediate Family Members and Homes leased to Immediate Family Members shall not be counted as a leased Home. Immediate Family Members shall be defined as grandparents, parents, siblings or children (natural or adopted). Owners who have their Home occupied by an Immediate Family Members shall otherwise comply with the restrictions contained herein, and may not sublease or lease less than all of the Home to third parties. Owners shall provide the Board or management company with a written lease, even if no money, payment or other consideration is provided to the Owner.

(ii) If an Owner is currently leasing their Home as of the effective date of this Amendment, they may continue to do so until the Home is sold (“Grandfathered Home”). All Grandfathered Homes must have a current lease or Jo Daviess County Guest Accommodations License on file with the Association prior to the effective date of this Amendment to qualify under this exemption. Said Grandfathered Home shall be considered as part of the Homes counted under the caps referenced in 10.01 and 11.01 of this Amendment.

(iii) Leases permitted herein shall be for a minimum period of thirty (30) days and maximum of up to one (1) year.

(iv) **Waiting List.** If the number of short-term or long-term Homes at the Association are currently being leased at the time of application, then the Owner’s name shall be added to a waiting list to be maintained by the Board or the managing agent, and the Home may not be leased except as set forth below:

(A) Owners will be added to the Waiting List on a first-come, first-served basis, which shall be determined chronologically. For example, if an Owner desires to be placed on the Waiting List, they will be placed at the end of the Waiting List with the date and time of the placement noted (“Waiting List Date”). The Owner with the oldest Waiting List Date shall be the first person eligible to lease their Home, should a Home become available for lease.

(B) If there is an Owner on the Waiting List, the first person on the Waiting List will be notified by the Board/Management that a Right to Rent has opened, and thereafter the Owner shall have thirty (30) days to notify the Board/Management in writing of their intent to lease. The Owner must then provide a copy of an executed lease or a Jo Daviess County Guest Accommodation License within sixty (60) days following the Owner's notification to the Board/Management of his or her intent to lease ("Waiting List Period"); otherwise the Owner forfeits his right to lease and the Right to Rent will transfer to the next person on the waiting list.

(C) Once a Waiting List Period concludes, the Board will then re-notify all remaining Owners on the Waiting List when a new Waiting List Period opens, and it will be the obligation of those Owners to notify the Board in writing of their desire to stay on the Waiting List no later than thirty (30) days upon notification or their name will be removed from the Waiting List.

(D) The Board, or management company, will create a Waiting List for both short-term and long-term rentals. The Owner must expressly inform the Board, or management company, which type of rental they are interested in, and which Waiting List they would like to be placed.

(v) Homes cannot be used for transient or hotel purposes, including, but not be limited to, nightly rentals, monthly rentals, or monthly corporate housing. Owners are prohibited from sub-leasing or having sub-tenants without the approval of the Board. Leases of less than thirty (30) days may be permitted but only with prior written Board approval.

(vi) Hardship Exemption. To meet special situations and to avoid undue hardship or practical difficulties, the Board may, but is not required to, grant permission to an Owner to lease his Home for a period of one (1) year on such reasonable terms as the Board may establish. Only the Board, and only upon written application by the Owner to the Board, may grant such permission for such exemption, or any renewal of said exemption. The Board shall respond to each application in writing within thirty (30) days of the submission thereof. The Board has sole and complete discretion to approve or disapprove any Owner's application for a lease. The Board's decision shall be final and binding. Any lease approved by the Board shall be subject to the Declaration, By-Laws and Rules and Regulations governing the Association. The Owner must submit a copy of the lease to the Board.

(vii) The provisions of the Illinois Common Interest Community Association Act, the Declaration, By-Laws, other Association instruments and Rules and Regulations that relate to the use of the individual Home or the Common Elements shall be applicable to any person leasing a Home and shall be deemed to be incorporated into any lease executed or renewed on or after the effective date of this Amendment.

(viii) Any Home being leased in violation of this Amendment or any Owner found to be in violation of the Rules and Regulations adopted by the Board of Directors may be subject to a flat or daily fine and may be ineligible to continue leasing of their Home, to be determined by the Board of Directors upon notice and an opportunity to be heard.

(ix) In addition to the authority to levy fines against the Owner for violation of this Amendment or any other provision of the Declaration, By-Laws or Rules and Regulations, the Board shall have all rights and remedies, including but not limited to the right to maintain an action for possession against the Owner and/or their tenant, under 735 ILCS 5/9-111, an action for injunctive and other equitable relief, or an action at law for damages.

(x) Any action brought on behalf of the Association and/or the Board of Directors to enforce this Amendment shall subject the Owner to the payment of all costs and attorneys' fees at the time they are incurred by the Association.

(xi) All unpaid charges as a result of the foregoing shall be deemed to be a lien against the Home and collectible as any other unpaid regular or special assessment, including late fees and interest on the unpaid balance.

(xii) The Board of Directors of the Association shall have the right to lease out any Home which it has possession of pursuant to any court order, or is otherwise granted by the Owners, said Home shall not be subject to the rental cap.

(xii) Owners renting their Home shall pay the Association an annual leasing fee as determined by the Board. The annual leasing fee shall be in an amount necessary to cover any costs incurred by management for managing the leases, managing the lease waitlist, and collecting lease/insurance documents.

2. Section X, of the Declaration, is added to state,

10.01 The number of short-term rentals (thirty (30) days) is capped at four (4) Homes in the Association. All short-term rentals must provide the Board with an approved Guest Accommodation License from Jo Daviess County annually.

3. Section X1, of the Declaration, is added to state,

11.01 The number of long-term rentals (thirty (30) days or longer) is capped ten percent (10%) of the total Homes in the Association.

SIGNATURE PAGE TO FOLLOW

SIGNED, ACKNOWLEDGED, AND APPROVED THIS _____ DAY OF _____, 2023, BY ALL OF THE BOARD MEMBERS OF THE GALENA OAKS PROPERTY OWNERS' ASSOCIATION

By: _____
Its President

ATTEST:

By: _____
Its Secretary

By: _____
Its Treasurer

Sworn to and subscribed before me this
_____ day of _____, 2023

Notary Public

CERTIFICATION AS TO BOARD AND OWNER APPROVAL

I, _____, do hereby certify that I am the duly elected and qualified secretary for the Galena Oaks Property Owners' Association and as such Secretary, I am the keeper of the books and records of the Association.

I further certify that the attached Amendment to the Declaration for the Galena Oaks Property Owners' Association was duly approved and acknowledged by all of the Board by their signatures above, and at least two-thirds (2/3) of the Members at a meeting held on _____, 2023, in accordance with the provisions of Illinois Not For Profit Corporation Act, acknowledged and evidence by their signatures below.

Secretary

BOARD MEMBER SIGNATURES:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Sworn to and subscribed before me this

_____ day of _____, 2023

Notary Public

