

EXHIBIT "C"

BY-LAWS OF

Acadia On The Green Building 2 Condominium Association

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ACADIA ON THE GREEN BUILDING 2 CONDOMINIUM ASSOCIATION**

ARTICLE I

MEMBERS

(UNIT OWNERS)

1.1 **Eligibility.** The Association, an Illinois not-for-profit organization, shall have one class of membership which shall consist of all of the Unit Owners of the Property known as ACADIA ON THE GREEN BUILDING 2 CONDOMINIUM, Downers Grove, Illinois (the "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners. The foregoing and other capitalized terms herein are used in these By-Laws as such terms are defined in the Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for the Property, which Declaration is recorded in the Office of the Recorder of Deeds of DuPage County, Illinois, and incorporated herein by this reference (the "Declaration"). The words "member" or "members" as used in these By-Laws mean and shall refer to "Unit Owner" or "Unit Owners" as the case may be, as defined in the Declaration.

1.2 **Succession.** The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

1.3 **Annual Meeting.** The Unit Owners shall hold regular meetings, one of the purposes of which shall be to elect members to the Board (the "Initial Board"). The first meeting of Unit Owners (the "Initial Meeting") shall be held not more than thirty (30) days after the earlier of: (i) thirty (30) days after the date that the Developer has sold and delivered its deeds for at least 75% of the Units, (ii) three (3) years from the date of recording of the Declaration in the Office of the Recorder of Deeds of DuPage County, Illinois, or (iii) the date designated in a written notice from the Declarant to all of the Unit Owners. At the Initial Meeting, the voting members shall elect the "Initial Board".

The Developer shall give no less than twenty-one (21) days notice of the Initial Meeting to elect the Initial Board and shall provide to any Unit Owner within three (3) working days of the request, the names, addresses, telephone numbers (if available), and weighted vote of each Unit Owner entitled to vote at such meeting. Subsequent to the Initial Meeting, there shall be a

regular annual meeting of Unit Owners held each year on or about the first Tuesday of October of each year or at such other time as the Board shall designate. All such meetings of Unit Owners shall be held at such place in DuPage County, Illinois, and at such time as specified in the written notice of such meeting. In the event the Developer does not call a meeting for the purpose of election of the Initial Board within the time provided in this paragraph, Unit Owners holding 20% of the aggregate interest in the Association may call a meeting by filing a petition for such meeting with the Developer, after which said Unit Owners shall have authority to send notice of said meeting to the Unit Owners and to hold such meeting.

1.4 Special Meetings. Special meetings of the Unit Owners may be called by the President, the Board or by 20% of the Unit Owners. Matters subject to the approval of Unit Owners, as set forth in the Act, the Declaration or these By-laws shall be submitted to the Unit Owners for their approval at special meetings which shall be called for such purpose by the President, the Board or 20% of the Unit Owners.

1.5 Delivery of Notice of Meetings. Notices of meetings stating the time, place and purpose thereof shall be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board. All such notices shall be delivered to all Unit Owners not less than ten (10) days and not more than thirty (30) days prior to the date of such meeting. Any notice of any meeting mailed to a Unit Owner shall be deemed delivered on the second regular mail delivery day following the day of deposit of such notice in the United States mail, postage prepaid, addressed as aforesaid.

1.6 Voting.

(a) The aggregate number of votes for all Unit Owners shall be one hundred (100), and, except as otherwise herein provided, shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit "B" to the Declaration. Notwithstanding the foregoing, if 30% or fewer of the Units, by number, possess over 50%, in the aggregate of the votes in the Association, any percentage vote of the members of the Association specified herein or in the Declaration or the Act shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to the Units that would otherwise be applicable.

(b) There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "voting member." Such voting member may be the Unit Owner or one of the group comprising all of the Unit Owners of a Unit Ownership, or may be some person designated to act by proxy for such Unit Owner(s) and who need not be a Unit Owner. Such designation shall be made in writing to the Board by the Unit Owner or the Unit Owner's duly authorized attorney in fact and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner(s). The proxy shall be invalid after eleven months from the date of its execution,

unless otherwise provided in the proxy. Every proxy must bear the date of execution. Any proxy distributed for elections to the Board shall give the Unit Owners the opportunity to designate any person as proxy holder and shall give the Unit Owners the opportunity to express a preference for any of the known candidates for election to the Board or to write in a name. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If only one of the multiple Unit Owners is present at a meeting of the voting members, such Unit Owner shall be entitled to cast all the votes allocated to such Unit. If more than one of the multiple Unit Owners are present, the votes allocated to such Unit may be cast only in accordance with the agreement of a majority in interest of such multiple Unit Owners. If any one of such multiple Unit Owners casts the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any of the other multiple Unit Owners of such Unit, such votes shall be counted. In the event of such protest, the votes attributable to such Unit shall not be counted.

(c) Subject to the terms of the Declaration, the affirmative vote of not less than two-thirds (2/3) of the total ownership of the Common Elements shall be required in order to approve any of the following proposed actions: (i) merger or consolidation of the Association; (ii) sale, lease, exchange or other disposition (excluding the mortgage or pledge) of all, or substantially all, of the Property and assets of the Association; and (iii) the purchase or sale of land or Units on behalf of all Unit Owners.

(d) That the association may, upon adoption of the appropriate rule by the Board, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the Unit and the vote itself, provided that the Board further adopt rules to verify the status of the Unit Owner issuing a proxy or casting a ballot; and further, that a candidate for election to the board of managers or such candidate's representative shall have the right to be present at the counting of ballots at such election.

1:7 Quorum. A quorum of Unit Owners for any meeting shall be constituted by the presence in person or by proxy at such meeting of at least twenty percent (20%) of the Unit Owners unless the Unit Owners, in accordance with the Act, provide otherwise.

1:8 No Assignment. A Unit Owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a Unit Owner under the Act, the Declaration, these Bylaws or the rules and regulations of the Association; and that such an attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

ARTICLE II

BOARD OF DIRECTORS

2.1 Number, Election and Term of Office. The first Board of Directors of the Association (referred to in the Act as the "board of managers," and sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter sometimes referred to as "directors"). Directors shall be elected at the regular annual meeting of voting members, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board") or appointed by Developer shall serve until the Initial Meeting of voting members. At the Initial Meeting of the voting members, the Board shall be increased to five (5) members. Those candidates for election as director who receive the greatest number of votes cast at the meeting shall be elected. Directors elected at the Initial Meeting shall serve as directors until the first regular annual meeting of voting members and until their successors shall have been elected and qualified. At the first regular annual meeting of members, the three (3) candidates receiving the greatest number of votes shall be elected to serve as directors for a term of two (2) years and the two (2) candidates receiving the next highest number of votes shall be elected for a term of one (1) year, and shall serve until their successors shall be elected and qualified. Except as provided in Section 4, each successor to a director elected at the first regular annual meeting of members shall serve for a term of two (2) years and shall serve until his successor shall be elected and qualified. Directors may be elected to succeed themselves, but the term of any director shall not exceed two years. All members of the Board shall be elected at large.

2.2 Biographical Information. 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.

2.3 Qualification. Each director (except for directors appointed by the Developer or the Trustee) shall be a Unit Owner, or, if a Unit Owner is a corporation, a director may be an officer of such Unit Owner, or if a Unit Owner is a partnership, a director may be a partner of such Unit Owner, or if a Unit Owner is a trust, a director may be a beneficiary of such Unit Owner. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. If there are multiple Unit Owners of a single Unit, only one (1) of the multiple Unit Owners shall be eligible to serve as a member of the Board at any one time.

2.4 Vacancies.

(a) Except as hereinbelow provided, any vacancy occurring on the Board, other than a vacancy among any directors appointed by the Developer, may be filled by not less than a two-thirds (2/3) vote of the remaining directors, and any director so elected to fill a vacancy (an

"Interim Director") shall hold office for a term expiring on the date of the next annual meeting of voting members. Notwithstanding the foregoing, if the Board shall receive a petition signed by not less than Unit Owners holding 20% of the votes in the Association requesting a meeting of Association members to fill any such vacancy (other than that of a director appointed by the Developer), the Board shall call a special meeting for such purpose within thirty (30) days of the date of receipt of such petition and, at such special meeting, a successor shall be elected by a majority vote of those members present at such meeting either in person or by proxy to serve as director for the unexpired remainder of the term of the director whom he succeeds.

(b) Notwithstanding anything to the contrary contained in subsection 4(a), if an Interim Director is chosen by the Board to fill a vacancy on the Board, and the term of the member of the Board whose vacancy has been so filled would not otherwise have expired until one year after the next annual meeting of members of the Association, then the successor to such Interim Director to be elected at the next annual meeting of members shall be elected for a term of one (1) year only in lieu of two (2) years.

(c) Vacancies among directors appointed by the Developer may be filled by appointment by the Developer.

2.5 Meetings.

(a) The Board shall meet at least four (4) times annually, one of the meetings to be held within ten (10) days following the regular annual meeting of Unit Owners. Written notice stating the date, time and place of regular meetings shall be delivered, either personally or by mail or telegram, to a director at the address given to the Board by said director for such purpose not less than forty-eight (48) hours prior to the date of each such meeting.

(b) Special meetings of the Board shall be held upon a call by the President or by 25% of the members of the Board on not less than forty-eight (48) hours' notice in writing to each director, delivered personally or by mail or telegram at the address given to the Board by said director for such purposes.

(c) Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board by written consent without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

(d) Meetings of the Board shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Board and/or 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 a Unit Owner's unpaid share of Common Expenses. Any vote on the matters listed in clauses (i), (ii), and (iii) above shall be taken at a Board meeting or

portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings at meetings of the Board required by the Act to be open to any Unit Owner by tape, film or other means; provided, however, that the Board may prescribe reasonable rules and regulations to govern the right of Unit Owners to make such recordings. Except where such meetings concern the adoption of the proposed annual budget or any increase or establishment of an assessment (in which case each Unit Owner shall receive notice in the same manner as provided for membership meetings), notice of each such meeting shall be mailed or delivered to each Unit Owner not less than forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the Unit Owner entitled to such notice before the meeting is convened. With respect to any meeting of the Board where adoption of the annual budget for the Association is on the agenda, all Unit Owners shall receive written notice of such meeting not less than ten (10) days and not more than thirty (30) days prior to the date of such meeting, stating the time and place of said meeting and the matters to be considered. Copies of notices of meetings of the Board shall be posted in entranceways, elevators, or other conspicuous places in the Property at least forty-eight (48) hours prior to the meeting of the Board.

2.6 Removal. Any director may be removed from office for cause by the vote of Unit Owners owning at least two-thirds (2/3) of the total ownership interest in the Common Elements.

2.7 Compensation. Directors shall receive no compensation for their services.

2.8 Quorum. A majority of directors shall constitute a quorum.

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

2.10 Contract Purchasers. In the event of a resale of a Unit, the purchaser of a Unit from a seller other than the Developer pursuant to an installment contract for purchase shall during such times as he resides in the Unit be counted toward a quorum for purposes of election of members of the Board at any meeting of the Unit Owners called for purposes of electing members of the Board, shall have the right to vote for the election of members of the Board and shall have the right 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 Section 10 "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 amended.

2.11 Powers and Duties. The Board shall have the following powers and duties, subject to the provisions of the Declaration:

- (a) to elect and remove the officers of the Association as hereinafter provided;

- (b) to administer the affairs of the Association and the Property;
- (c) to, at its option, engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) after a meeting of the Unit Owners, at which a quorum of Unit Owners need not be present, called for the specific purpose of discussing proposed rules and regulations, or amendments thereto, notice of which shall contain the full text thereof, to adopt and from time to time amend rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements; provided, no rule or regulation may 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; nor may any rules or regulations conflict with the provisions of the Act, the Declaration or these By-Laws;
- (f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent; provided, however, that all landscaping, snow removal and scavenger services shall be contracted for jointly with any other condominium or homeowner's association administering any portion of the Development Area;
- (g) to provide for the designation, hiring and removal of employees and other personnel, accountants and attorneys (including tax attorneys who may be retained as provided in the Act), and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate such powers to the manager or Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;
- (j) to have access to each Unit from time to time as may be necessary for the maintenance, repair, or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to such Unit or to another Unit or Units;

(k) to obtain adequate and appropriate kinds of insurance as provided in the Declaration;

(l) to determine the fiscal year of the Association and to change such fiscal year from time to time as the Board deems advisable;

(m) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

(n) to enter into agreements or arrangements for premises suitable for use as apartments for building personnel, upon such terms as the Board may approve;

(o) to bid for and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to a foreclosure of the lien for Common Expenses under the Act, or an order or direction of a court, or at any other private or public sale, upon the consent or approval of two-thirds of the Unit Owners other than the Unit Owner whose Unit is subject to such sale, provided that such consent shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Unit;

(p) to make such mortgage arrangements and special assessments proportionately among the Unit Owners, and such other financing arrangements as the Board may deem desirable in order to close and consummate the purchase or lease of a Unit, or interest therein, by the Association; provided, however, that no such financing arrangements shall be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased and the percentage interest in the Common Elements appurtenant thereto;

(q) to obtain a fiduciary or other bond as the Act may require in amounts and covering all persons required by the Act, the cost of which shall be a Common Expense;

(r) to own, encumber, lease, convey, and otherwise deal with Units conveyed to or purchased by it;

(s) to act in a representative capacity in relation to matters involving the Common Elements or more than one Unit, on behalf of the Unit Owners, as their interest may appear;

(t) to obtain loans in the name of the Association for the purpose of providing funds for the repair, replacement and renovation of the Common Elements and to assign future income of the Association including assessments due from Unit Owners as security for repayment thereof;

(u) to impose charges for late payment of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an

opportunity to be heard, to levy reasonable fines for violation of the Declaration, these By-Laws or the rules and regulations of the Association, all in the manner set forth in the Declaration;

(v) to acquire and pay out of the maintenance fund hereinafter provided for, the following:

(i) Services of any person or firm to act on behalf of the Unit Owners in connection with real estate taxes and special assessments of the Unit Ownerships, and in connection with any other matter where the respective interests of the Unit Owners are deemed by the Board to be similar and nonadverse to each other. The cost of such services shall be Common Expenses.

(ii) Painting, cleaning, outside window washing, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units and of windows and hallway and perimeter doors appurtenant thereto, which the Unit Owners shall paint, clean, decorate, maintain, and repair), and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper.

(iii) Any other materials, supplies, utilities, furniture, equipment, labor, services, maintenance, repairs, or structural alterations which the Board is required to secure or pay for, pursuant to the terms of the Declaration and/or these By-Laws, which the Unit Owners are required to pay pursuant to the Declaration and/or Declaration of Covenants, Conditions, Restrictions and Easements or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a luxury quality condominium development or for the enforcement of the restrictions contained herein.

(iv) Any amount necessary to 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 lien against the Property or against the Common Elements, rather than merely against the interests therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien shall be specifically assessed to said Unit Owners.

(v) Maintenance and repair of any Unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements or any other portion of the Building, and if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner, provided that the Board shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair.

(w) to exercise the rights of, and perform all of the covenants and obligations imposed upon, the Association, Unit Owners, or Owners of a Dwelling Unit (as defined in the Declaration of Covenants, Conditions, Restrictions, and Easements) under the Declaration of Covenants, Conditions, Restrictions and Easements and to execute any and all instruments required pursuant thereto;

(x) to grant and record easements for installation of cable and associated equipment to companies furnishing pay television service to the Property as permitted by law;

(y) to exercise all other powers and duties of the Board provided for by the Act, the Declaration, the Illinois Not-For-Profit Corporation Act or otherwise permitted by law;

(z) to record the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility where authorized by the Unit Owners in conformity with the Act;

(aa) to record any easement pursuant to the provisions of the Declaration;

(bb) to grant leases and licenses with respect to the Common Elements;

(cc) subsequent to the Initial Meeting of members, except for (i) litigation seeking to enforce any remedy available to the Association at law or in equity, including those provided for in the Declaration, in the case of a violation of any provision of the Declaration, these By-Laws or the rules and regulations of the Association, including by way of example and not limitation, failure by a Unit Owner to pay his proportionate share of Common Expenses, or (ii) litigation in connection with real estate tax assessments on the Property, the Board shall have no authority to commence any litigation without the prior consent of not less than seventy-five percent (75%) of all Unit Owners.

ARTICLE III

OFFICERS

3.1 Designation. At the first regular Board meeting following each regular annual meeting of Unit Owners, the directors present at said meeting (provided a quorum is present) shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a director, and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall be a director, and who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall be designated to mail and receive all notices as provided for in the Act, and who shall, in general, perform all the duties incident to the office of Secretary;

(c) a Treasurer, who shall be a director, and who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional officers as the Board shall see fit to elect.

3.2 Powers. The respective officers shall have the general powers usually vested in such officers, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

3.3 Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified. Officers may be elected to succeed themselves.

3.4 Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the members thereof at a special meeting of the Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer whom he succeeds.

3.5 Removal. Any officer may be removed for cause at any time by a majority of the Board at a special meeting thereof.

3.6 Compensation. The officers shall receive no compensation for their services.

ARTICLE IV

ASSESSMENTS

4.1 Annual Budget.

(a) On or before sixty (60) days prior to the commencement of each fiscal year of the Association, the Board shall cause to be prepared an estimated annual budget for such fiscal year.

(b) Such budget shall take into account the estimated Common Expenses and cash requirements for the fiscal year, including salaries, wages, payroll taxes, legal and accounting fees, replacements, landscaping, insurance, utility charges and all other Common Expenses including reasonable reserves for capital expenditures and deferred maintenance for repairs or

replacements of the Common Elements. The annual budget shall also take into account the estimated net available cash income for such fiscal year from the operation or use of the Common Elements. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

(c) A copy of the estimated annual budget for each fiscal year shall be furnished to each Unit Owner at least thirty (30) days prior to its adoption by the Board together with an indication of which portions are intended for capital expenditures, maintenance, or repairs .

4.2 Notification of Meetings Regarding Assessments. Each Unit Owner shall receive notice, in the same manner as is provided in the Act for notice of meetings of the voting members, of any meeting of the Board concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or the adoption of a separate (special) assessment.

4.3 Assessments. On or before the first day of the first month and of each succeeding month of the fiscal year covered by the estimated annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Except as may be otherwise provided in the Declaration, such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit "B" of the Declaration.

4.4 Procedures Regarding Regular and Separate Assessments.

(a) Except as provided in subsection (c) below, if an adopted annual budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board, upon written petition by Unit Owners with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board's action in adopting such regular or separate assessments, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of such petition to consider the annual budget or separate assessment. Unless a majority of the total votes of the Unit Owners are cast at such meeting to reject the budget or separate assessment, the budget and such separate assessment shall be deemed ratified.

(b) Any Common Expense not set forth in the annual budget or any increase in assessments over the amount adopted in the annual budget shall be separately assessed against the Unit Owners.

(c) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Unit Owner approval or the provisions of subsection (a) above or (d) below. As used herein, "emergency" means an

immediate danger to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.

(d) Assessments for additions and alterations to the Common Elements or to property owned by the Association not included in the annual budget adopted by the Board shall be separately assessed and shall be subject to the approval of two-thirds (2/3) of the total votes of all Unit Owners. The Board may adopt separate assessments payable over more than one fiscal year.

(e) With respect to multi-year assessments not governed by subsections (c) and (d) above, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which such separate assessment is approved.

4.5 Partial Year or Month. The Initial Board shall determine and adopt, prior to the conveyance of the first Unit by the Trustee, the "estimated cash requirements" for the period commencing on the first day of the month in which the sale of the first Unit is closed and ending on the last day of the Association's fiscal year, and shall continue to determine the "estimated cash requirement" for each succeeding fiscal year until such time as the first Board elected by the voting members takes office. If such first year, or any succeeding year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of acceptance by each Unit Owner of a deed of conveyance from Declarant for his Unit, he shall pay his assessment for the following month or fraction of a month, which assessment, except as may be otherwise provided in the Declaration, shall be in proportion to his respective ownership interest in the Common Elements as set forth in Exhibit "B" of the Declaration and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

4.5 Failure to Prepare Annual Budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessments for Common Expenses by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements. The Association shall have no authority to forbear the payment of any assessments by any Unit Owner.

4.6 Annual Report. Within ninety (90) days after the end of each fiscal year, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner an itemized accounting of the Common Expenses for the preceding year actually incurred and paid, together with an indication of which portions were for capital expenditures, maintenance, or repairs, payments to reserves and with a tabulation of the amounts collected pursuant to the budget for the preceding year, and showing the net excess or deficit of income over expenditures plus reserves, if any, and such other information as the Board may deem desirable. Audited

financial statements may be obtained by the Board at its option, the cost of which will be a Common Expense.

4.7 Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, or in the event any nonrecurring Common Expense is anticipated for any year, then the Board, subject to the provisions of Section 4 hereof, may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a separate assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

4.8 Limit on Expenditures. Unless contained in the annual budget, or in a separate assessment adopted in conformity with the provisions of these By-Laws, and except for items constituting operating expenses, the Board shall not approve any non-recurring single expenditure in excess of Fifty Thousand Dollars (\$50,000.00) unless required for repairs, replacement, protection or operation of the Common Elements or enter into any contract having a term in excess of four (4) years (with the exception of cable television or satellite master antenna television contracts), without the prior approval of Unit Owners owning two-thirds (2/3) of the total ownership interest in the Common Elements.

4.9 Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the Common Expenses, in the same ratio as his percentage of ownership in the Common Elements as set forth in Exhibit "B" of the Declaration or as may be otherwise provided in the Declaration, and as assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses or any user charges when due, the amount thereof, together with interest at the maximum rate permitted by the laws of the State of Illinois, shall constitute a lien on the interest of such Unit Owner as provided in Section 7.1 of the Declaration, and the Act. The Association shall have the right to exercise any and all rights provided for herein and in the Declaration in the event of any failure by a Unit Owner to pay when due his proportionate share of the Common Expenses or user charges.

4.10 Records of the Association. The Managing Agent or Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys:

(a) Copies of the Declaration and any amendments, Articles of Incorporation of the Association, annual reports 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 subsection (a) for examination and copying.

(b) 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 expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Association.

(c) The minutes of all meetings of the Association and the Board. The Association shall maintain such minutes for a period of not less than seven (7) years.

(d) 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 amended.

(e) A reasonable fee may be charged by the Association for the cost of copying.

(f) Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

4.11 Discharge of Liens. A Unit Owner is not authorized to act in any manner so as to cause any purported mechanic's lien to be asserted against a Common Element. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than against a particular Unit only. When less than all the Unit Owners are responsible for the existence or assertion of any such lien, such Unit Owners 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. Nothing herein shall be deemed an authorization to a Unit Owner to cause any such lien to attach to a Common Element.

4.12 Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such separate assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held, in trust, for the benefit, use and account of all the Unit Owners in the percentages as set forth in Exhibit "B" of the Declaration. The Board, in its reasonable discretion, may reallocate funds held in reserve accounts among such accounts.

4.13 Start-Up Costs. At the time the initial sale of each Unit is closed, the purchaser of the Unit shall pay to the Association an amount equal to two (2) times the first full monthly assessment for such Unit. The amounts so paid shall be used and applied for start-up costs and as a working capital reserve in connection with the initial operating expenses for the Common Elements and for future working capital needs. The amounts so paid shall not be refundable or be applied as a credit against the Unit Owner's monthly assessments.

ARTICLE V

CONTRACTUAL POWERS

5.1 The Board may not enter into a contract with a current member of the Board or with a corporation or partnership in which a member of the Board has a twenty five percent (25%) or more interest, unless notice of intent to enter the contract is given to Unit Owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Unit Owners, for an election to approve or disprove the contract; such petition shall be filed within twenty days after such notice and such election shall be held within thirty (30) days after filing the petition. No other contract or other transaction between this Association and one or more of its directors or between this Association and any corporation, firm or association in which one or more of the directors of this Association are directors, or are financially interested, shall be void or voidable because such director or directors are present at any meeting of the Board or a committee thereof which authorizes or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board and is noted in the minutes, and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; and

(b) contract or transaction is just and reasonable to the Association at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such a contract or transaction.

ARTICLE VI

AMENDMENTS

6.1 These By-Laws may be amended or modified from time to time by action or approval of Unit Owners owning at least sixty-six and two-thirds percent (66 2/3%) of the total ownership interest in the Common Elements as set forth in Exhibit "B" of the Declaration; provided, however, that the provisions of Article II, Section 1 shall not be amended without the consent of the Developer. These By-Laws may not be amended in any manner rendering them inconsistent with the requirement of the Condominium Act of Illinois.

Such amendments shall become effective upon recording such amendments; provided, however, that no provision in these By-Laws may be amended so as to conflict with the Declaration or the Act.

ARTICLE VII

INDEMNIFICATION

7.1 Liability Of The Board of Managers. Neither the members of the Board nor the officers of the Association shall be liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board members and officers except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the members of the Board and each of the officers of the Association against all contractual and other liabilities to others arising out of acts of or contracts made by the Board and officers of the Association on behalf of the Unit Owners or arising out of their status as Board members or officers of the Association unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid, and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member of the Board or officer of the Association; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Board member or officer of the Association, or (b) any matter settled or compromised, unless, in the opinion of the independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Board member or officer of the Association. It is also intended that the liability of any Unit Owner arising out of acts by the Board or officers of the Association, or out of the aforesaid indemnity in favor of the members of the Board and officers of the Association, shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. Every agreement made by the Board or by the managing agent shall be only on behalf of the Unit Owners, shall provide that members of the Board or the managing agent, as the case may be, are acting only as agents for the Unit Owners, and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder, if any, as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. Absence of such provision in any such agreement shall not alter the agency relationship in any way from that as described in the immediately preceding sentence in this Section 1.

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