

**REVISED
BYLAWS
OF
THE TOWN HOUSE CONDOMINIUM ASSOCIATION**
(Revised and approved on _____, 2020, for purposes of conformance
with the Illinois Condominium Property Act, 765 ILCS 605)

**ARTICLE I
DEFINITIONS**

Section 1. The terms used in these Bylaws, to the extent they are defined therein, shall have the same definitions as set forth in the Second Amended Declaration of Condominium Ownership for The Town House Condominium Association ("Declaration"), which is or shall be recorded in the Offices of the Recorder of Deeds of Sangamon County, Illinois.

The term "member," as used in these Bylaws, means "Unit Owner," as defined in the Second Amended Declaration.

The term "Revised Bylaws" means the Bylaws approved by the Association on _____, 2020. The term "Bylaws" includes these Revised Bylaws.

**ARTICLE II
MEMBERS**

Section 1. Eligibility. The Town House Condominium Association ("Association"), an Illinois not-for-profit corporation, shall have one class of membership, consisting of the respective Unit Owners of the Property known as The Town House Condominium, located at 718-720 South Seventh Street, Springfield, Illinois, in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners, as set forth in Exhibit B to the Second Amended Declaration. If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or a partnership, the member may be an officer, partner, or employee of such Unit Owner or beneficiary.

Section 2. Succession. The membership of each Unit Owner shall terminate when he or she ceases to be a Unit Owner, and upon the sale, transfer, or other disposition of his or her ownership interest in the Property, his or her membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. In the event of a sale, transfer, or other disposition of a portion of such ownership interest, he or she and any new Unit Owner shall be members of the Association in accordance with their new percentages of ownership interest as provided in the Second Amended Declaration.

Section 3. Regular Meetings. There shall be a regular annual meeting of Unit Owners held each year within the month of March in that year. All such meetings of Unit Owners shall be held in Springfield, Illinois, and at such time and place as specified in a written notice of such meeting, which shall be delivered to all Unit Owners not less than ten (10) day nor more than thirty (30) days prior to the date of such meeting. One of the purposes of such regular annual meeting shall be to elect members of the Board.

Section 4. Special Meetings. Special meetings of the Unit Owners may be called by the President of the Board, by a majority of the Directors of the Board, or by the Unit Owners owning twenty percent (20%) or more of the common elements. Special meetings shall be called by the delivery of written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of each such meeting, stating the date, time, and place of such meeting and the matters to be considered. All special meetings will be held in Springfield, Illinois. Matters subject to the approval of Unit Owners under the Illinois Condominium Property Act (the "Act"), 765 ILCS 605, the Second Amended Declaration, or these Bylaws shall be submitted to the Unit Owners at special meetings in accordance with the notice and voting provisions set forth hereinbelow.

Section 5. Delivery of Notice of Meetings. Notices of meetings shall be delivered by the Secretary of the Association and may be delivered either personally, by mail, by fax, by text message or, by an email to each Unit Owner at the address, fax number, telephone number, or email address given to the Board by such Unit Owner for such purpose, or to the Unit Owner's Unit, if no other address for such purpose has been given to the Board.

Section 6. Voting. The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements; provided, however, that if at any time thirty percent (30%) of the Units by number, possess over fifty percent (50%) of the undivided ownership in the Common Elements, then any percentage vote of the Unit Owners specified in the Act, the Second Amended Declaration, or these Bylaws shall require the specified percentage by number of Units rather than by percentage of ownership of the Common Elements. If any Unit Owner consists of more than one person, and if only one of the multiple owners is present at a meeting of the Association, the owner present is entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. A Unit Owner may vote by proxy executed in writing by the Unit Owner or by his or her 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. Every proxy must bear the date of execution. The following matters shall be subject to the affirmative vote of not less than seventy five percent (75%) of the votes of all Unit Owners: (a) the merger, consolidation, or dissolution of the Association; (b) the sale, lease, exchange, mortgage, pledge, or other disposition of all or

substantially all of the property and assets of the Association; and (c) the purchase or sale of land or Units on behalf of all Unit Owners.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall consist of Unit Owners represented in person or by proxy and holding at least twenty percent (20%) of the votes entitled to be cast at such meeting.

Section 8. Installment Contract Purchaser. In the event of a resale of a Unit, the purchaser of a Unit from a seller pursuant to an installment contract for purchase shall, during such times as the purchaser 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 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 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. For purposes of these Bylaws, "installment contract" shall have the same meaning as set forth in Section 1 of the Dwelling Unit Installment Contract Act, 765 ILCS 75/1, as now amended or hereafter amended.

Section 9. Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners. In the absence of such rules, Roberts Rules of Order shall be used.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number, Election, and Term of Office. Upon the adoption of these Revised Bylaws as herein provided, the Board shall consist of those members currently serving on the

Board, and their terms in that position shall continue until their successors are elected and qualified as provided in these Revised Bylaws.

Beginning at either the first annual regular meeting of the Unit Owners after the adoption of these Revised Bylaws or at a special meeting of the Unit Owners called as provided herein occurring after the adoption of these Revised Bylaws, the Board of Directors of the Association ("Board" or "Board of Directors") (also known as and referred to as the "Board of Managers" in the Illinois Condominium Property Act) shall consist of five (5) individuals. The Directors shall be divided into two classes solely for the purpose of selecting the length of the original term for the Directors after the adoption of these Revised Bylaws, and the time for the succeeding election for expiring terms. The Directors in the first class will consist of two (2) members of the Board. Initially, the terms of the Directors in the first class will expire at the first annual regular meeting of the Unit Owners after their election hereunder, and terms of the Directors in the second class will expire at the second annual regular meeting of the Unit Owners after their election hereunder. At each annual regular meeting of the Unit Owners thereafter, Directors shall be chosen for a term of two (2) years. Directors may succeed themselves in office. Any Director elected to fill a vacancy pursuant to Section 3 of this Article III shall hold office for the remainder of the full term of the class of Directors in which the vacancy occurred. Despite the expiration of a Director's term, he or she shall continue to serve until his or her successor is elected and qualified.

Except as otherwise provided above, elections for Directors shall be held at the regular annual meeting of Unit Owners by the vote of the Unit Owners. Those candidates for election as Directors receiving the greatest number of votes cast, either in person or by proxy, at the meeting shall be elected. Any proxy distributed for Board elections by the Board shall provide Unit Owners the opportunity to designate another Unit Owner or the spouse of a Unit Owner as the proxy holder

and shall further provide Unit Owners the opportunity to express a preference for any of the known candidates for the Board or to write in a name. All Directors shall be elected at large.

Section 2. Qualifications of Board of Directors. Candidates for the Board of Directors must meet all qualifications for Board membership at the time of the election in which the candidates are running. Directors must maintain all qualifications during their tenure on the Board. If a Director fails to meet any qualification for Board membership during his or her term, that Director shall be deemed to have forfeited his or her position on the Board; he or she shall thereupon cease to be a Director; and his or her position on the Board shall be deemed vacated.

a) Each Director shall be a Unit Owner or the spouse of a Unit Owner. If a Unit Owner is a trustee of a trust, a beneficiary of such trust may serve as a Director. If a Unit Owner or such a beneficiary is a corporation or partnership, an officer, partner, or employee of such Unit Owner or beneficiary may serve as a Director.

b) Each Director shall be in good standing with the Association and shall be current in the payment of all regular, supplemental, separate, and special assessments upon Unit Owners. Any financial fines or penalties imposed against a Director as a final order of the Board must be paid within the time set by the final order of the Board, but in no event more than thirty (30) days of the date of the final order of the Board.

c) Unless the candidate has previously provided this information to the Board, each candidate shall consent to and authorize the Board and its designated agents to conduct or have conducted a comprehensive review of the candidate's background causing a consumer report and/or an investigative consumer report to be generated for employment and/or volunteer purposes. The scope of the review may include, but is not limited to, the following areas:

- credit reports
- current and previous residence
- employment history
- education background
- character references
- drug testing
- civil court history
- criminal history in all jurisdictions
- driving records.

Section 3. Vacancies. Any vacancy occurring on the Board shall be filled by two-thirds (2/3) vote of the remaining Board Members thereof, and such appointment shall last until the next annual meeting of Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term. A meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition requesting such a meeting signed by Unit Owners holding twenty percent (20%) of the votes of the Association.

Section 4. Meetings. A minimum of four (4) regular meetings of the Board shall be held annually, one of which shall be within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by two (2) of the members of the Board on not less than forty-eight (48) hours' notice in writing to each Director, delivered personally, by mail, by fax, by e-mail, or by text message, provided, however, that each Unit Owner shall receive notice, in the same manner as that provided herein for the annual Unit Owners' meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment. Meetings shall be open to any Unit Owner, and notice of such meetings shall be delivered not less than ten (10), nor more than thirty (30) days 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. Copies of notices of meetings of the Board shall be posted in entrance ways, elevators, or other conspicuous places in The Town House Condominium at least forty-eight (48) hours prior to the Board meeting. Generally, 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 Association is pending or probable or imminent in a court or administrative tribunal, (ii) to consider information regarding appointment, employment, or dismissal of an employee, (iii) to discuss violations of rules of the Association or Unit Owner's unpaid share of Common Expenses, or (iv) for any other purpose as authorized by the Illinois Condominium Act as now or hereafter amended. However, any vote on these matters shall be taken at a meeting or portion thereof open to any Unit Owner. Any Unit Owner may record (audio or video) the proceedings at meetings or portions thereof required to be open. The Board may prescribe reasonable rules and regulations regarding such recordings.

Section 5. Removal. Any Director may be removed from office for cause by the Unit Owners owning two-thirds (2/3) of the total ownership of the Common Elements.

Section 6. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in a resolution duly adopted by the Unit Owners.

Section 7. Quorum. A majority of the Directors shall constitute a quorum.

Section 8. Powers and Duties. The Board shall exercise for the Association all powers, duties, and authority vested therein by the Act, as now or hereafter amended, or the Condominium Instruments, except for such powers, duties, and authority reserved thereby to the members of the Association. The powers and duties of the Board shall include, but shall not be limited to, the following:

- (a) to administer the affairs of the Association and the Property;

(b) to administer, manage, and operate the Property, including the Common Elements, and to formulate policies with respect to the Property, including the Common Elements;

(c) to provide for the care, upkeep, maintenance, repair, replacement, and improvement of the Common Elements, and payments for such, and to approve payment vouchers or to delegate such approval to the officers of the Association, the Managing Agent, or the building manager;

(d) 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 another Unit or Units;

(e) to obtain adequate and appropriate kinds of insurance as provided in the Second Amended Declaration and the Act;

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

(g) to estimate the amount of, prepare, adopt, and distribute the annual budget and to provide the manner of assessing, levying on, and collecting from the Unit Owners their respective shares of the Common Expenses, as hereinbelow provided;

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

(i) to elect and remove the officers of the Association as hereinbelow provided;

(j) to adopt rules and regulations, with written notice thereof to the Unit Owners, governing details of the administration, management, operation, and use of the Property, including the Common Elements, and to amend such rules and regulations from time to time, and to enforce such rules and regulations;

(k) to engage the services of a Managing Agent to operate the Property and any part thereof and to maintain, repair, replace and administer the Property or any part thereof, including the parking garage, for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;

(l) to provide for the designation, hiring, and removal of employees and other personnel, including accountants and attorneys, 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, including the Common Elements, and to delegate such powers to the Managing Agent or to any employees or agents of the Managing Agent;

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

(n) to bid 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 Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements, 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, and to purchase any Unit, or leasehold or other interest therein, pursuant to the Association's first option set forth in the Second Amended Declaration.

(o) to make such mortgage arrangements and special assessments proportionately among the Unit Owners, and such other financing arrangement 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 arrangement 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;

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

(q) unless otherwise provided herein or in the Second Amended Declaration, to comply with the instructions of a majority of the Unit Owners (as such majority is defined in Subparagraph 1(j) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(r) 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 interests may appear;

(s) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(t) to disseminate to Unit Owners biographical and background information about candidates for election to the Board if (i) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the biographical information to be disseminated; and (ii) the Board does not express a preference in favor of any candidate;

(u) to establish and maintain a system of master metering of public utility services and to collect payments in connection therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act (765 ILCS 740/1);

(v) to adopt appropriate rules and conduct elections for the Board 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 adopts rules to verify the status of the Unit Owner issuing a proxy or casting a ballot; a candidate for election to the Board, or a representative of the candidate, shall have the right to be present at the counting of ballots as such election; and

(w) to exercise all other powers and duties identified in Section 18.4 of the Act and any other provision of the Act, as now or hereafter amended, notwithstanding that said power or duty is not specifically addressed herein.

ARTICLE IV OFFICERS

Section 1. Designation. At the first regular meeting of the Board following the regular annual meeting of the Unit Owners, the elected Directors present at such meeting 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 keep the minutes of all meetings of the Board and of the Unit Owners, who shall be designated as the officer to send and receive notices served by or upon the association, and execute amendments to the Declaration (including the Plat) and these Bylaws pursuant to the Act; and who shall, in general, perform all the duties incident to the office of Secretary;

(c) a Treasurer, 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 may see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in their respective offices, 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.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his or her successor has been appointed or elected and qualified. Any officer may succeed himself or herself.

Section 4. Removal of Officers. Any officer may be removed for cause at any time by vote of four members of the Board at a special meeting thereof.

Section 5. Compensation. Directors and officers shall receive no compensation for their services as Directors or officers.

ARTICLE V ASSESSMENTS

Section 1. Annual Budget. The Board shall prepare and adopt a detailed estimated annual budget for each fiscal year of the Association. Such budget shall set forth with particularity all anticipated Common Expenses by category as well as all anticipated assessments, other income, and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, management company fees expenses, and compensation, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, real estate taxes and all other Common Expenses. The annual budget shall set forth each Unit Owner's proposed Common Expenses assessment. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year are more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall so be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation, or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for the replacement of fixtures, equipment, and other tangible property, in reasonable amounts as determined by the Board. The estimated annual budget for each fiscal year shall be approved by the Board not later thirty (30) days prior to the beginning of such fiscal year. Copies of the estimated annual budget, together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes, shall be furnished to each Unit Owner at least thirty (30) days prior to approval. If an adopted budget would result in the sum of all regular 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 action, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessments. Unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the budget, it is ratified.

Section 2. Assessments. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his or her respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his or her proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his or her ownership interest in the Common Elements as set forth in Exhibit B to the Second Amended Declaration. In the event the Board does not approve an estimated annual budget or fails to determine new monthly assessments for any year, or is delayed in doing so, each Unit Owner shall continue to pay each month the amount of his or her monthly assessment as last determined. Each Unit Owner shall pay his or her monthly assessment on or before the first day of each month as may be otherwise directed by the Board. If a Unit Owner fails to pay his or her monthly assessment when due, the Unit Owner shall be charged a late payment fee in the amount of Twenty Five Dollars (\$25.00). No Unit Owner shall be relieved of his or her obligation to pay his or her assessment by abandoning or by not using his or her Unit or the Common Elements.

Section 3. Partial Year or Month. Commencing with the date of ownership of a Unit, each Unit Owner shall pay his or her assessment for the remainder of that month, which assessment shall be in proportion to his or her ownership interest in the Common elements 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.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, but in any event within one hundred twenty (120) days, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing an itemized accounting of the Common Expenses, and other expenditures, including capital expenditures, repairs, and real estate taxes, for the preceding year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves and such other information as the Board may deem advisable.

Section 5. 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 if there shall be any non-recurring Common Expenses or any Common Expenses not set forth in the annual budget as adopted, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made against each Unit Owner for his or her proportionate share of such supplemental budget, subject, however, to the following rules: Any non-recurring Common Expenses, any Common Expenses not set forth in the budget as adopted, and any increase over the amount adopted in the annual budget shall be separately assessed against all Unit Owners. Any such separate assessments shall be subject to approval by the affirmative vote of at least two-thirds (2/3) of the Unit Owners voting at a special meeting of

Unit Owners duly called for the purpose of approving the assessment if: (i) it involves proposed expenditures resulting in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year; or (ii) it is for additions and alterations to the Common Elements or to Association owned property not included in the adopted annual budget. A separate assessment for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Unit Owner approval. 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 persons, including the Unit Owners. With respect to multi-year assessments, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

Section 6. Expenditures. Except for the Management Agreement described in Article III, Section 8(k), hereof and any other expenditures and contracts specifically authorized by the Condominium Instruments, the Board shall not approve any expenditure in excess of fifty percent (50%) of the then existing balance of all reserves for a single project unless required for emergency repair, protection, or operation of the Common Elements or the Limited Common Elements, nor enter any contract of more than five (5) years' duration, without the prior approval of Unit Owners owning not less than two-thirds (2/3) of the total ownership of the Common Elements. The Board shall maintain a separate account for Capital Improvement Projects that is not used for annual, budgeted operating expenditures and cannot be used to cover budget shortfalls. This account shall be used exclusively for expenditures for capital improvement projects, including renovation and repair of essential Common Elements and Limited Common Element systems. Unless an expenditure from this account has been approved by not less than two thirds (2/3) of the

total ownership of the Common Elements or for emergency repair or protection of the Common Elements, the Board shall not approve any expenditure for a single project from this account in excess of fifty percent (50%) of the then existing balance of the account. In case of emergency repairs exceeding fifty percent (50%) of the balance of the account, the decision to authorize payment from this account requires approval by the majority of the Board recorded in a motion voted on at a regularly scheduled Board meeting. Withdrawals from this account shall require the signature of two Board officers.

Section 7. Lien. It shall be the duty of every Unit Owner to pay his or her proportionate share of the Common Expenses, as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses when due, the amount thereof together with interest thereon at the rate of nine percent (9%) per annum, or such greater percentage as may then be permitted under the laws of the State of Illinois, after such Common Expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property; provided, however, that such lien shall be subordinate to the lien of any mortgage, recorded prior to the date such payment was due, on any or all of the Units and the Common Elements appurtenant thereto, or on the interest of such Unit Owner, which mortgage is owned or held by a bank, insurance company, savings and loan association, or other lending institution, except for the amount of the proportionate share of Common Expenses that become due and payable from and after the date on which such mortgage owner or holder either takes possession of all or any part of the security described in such mortgage, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose its mortgage and causes a receiver to be appointed. The provisions of this Section 7 shall not be amended, changed, modified, or rescinded in any way without the prior written consent of all such lien holders of record.

The Association by the Board or its agents as assigned shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of such suit, reasonable attorneys' fees, and other fees and expenses, together with legal interest as aforesaid. Furthermore, if any Unit Owner fails or refuses to pay when due his or her proportionate share of the Common Expenses and such Unit Owner withholds possession of his or her Unit after demand by the Board in writing setting forth the amount claimed, the Association by the Board shall have the right to possession of such Unit. The Association by the Board shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Condominium Property Act or the Forcible Entry and Detainer

Act of the State of Illinois, as amended, the Second Amended Declaration, these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements and the Limited Common Elements, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of his or her account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 9. Discharge of Liens. The Association by the Board may discharge any mechanic's lien or other encumbrance that in the opinion of the Board constitutes a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. 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 expense, including reasonable attorneys' fees, incurred by reason of such lien.

Section 10. Holding 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 Unit Owners and 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 Unit Owners in the percentages set forth in Exhibit B to the Second Amended Declaration.

Section 11. Fidelity Insurance. The Board shall obtain and maintain fidelity Insurance covering all persons who control or disburse funds of the Association for the maximum amount of

coverage available to protect funds in the custody or control of the Association plus the Association reserve fund. All management companies which are responsible for the funds held or administered by the Association shall maintain and furnish to the Association a fidelity bond for the maximum amount of coverage available to protect such funds. The Association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Association and a management company. The Association shall be the direct obligee of any such fidelity bond. A management company holding reserve funds for the Association shall at all times maintain a separate account for each association, provided, however, that for investment purposes, the Board may authorize a management company to maintain the Association's reserve funds in a single interest bearing account with similar funds of other associations. The management company shall at all times maintain records identifying all moneys of each association in such investment account. The management company must hold all operating funds of associations which it manages in a single operating account and shall at all times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the Association shall not be subject to attachment by any creditor of the management company.

For the purpose of this subsection, a management company shall be defined as a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for a Unit Owner(s) or association of Unit Owners for the purpose of carrying out the duties, responsibilities, and other obligations necessary for the day to day operation and management of any property subject to the Act.

For purposes of this subsection, the term "fidelity insurance coverage" shall be defined as both a fidelity bond in the full amount of Association funds and Association reserves that will be

in the custody of the Association, and the Directors and officers liability coverage at a level as shall be determined to be reasonable by the Board of Directors.

ARTICLE VI USE AND OCCUPANCY RESTRICTIONS

Section 1. General. No unlawful, noxious, or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein in or thereon that, in the judgment of the Board, constitutes a nuisance or causes unreasonable noise or disturbance to others.

Section 2. Maintenance of Unit. Each Unit Owner shall maintain his or her Unit in good condition and in good order and repair, at his or her own expense, and shall not do or allow anything to be done in his or her Unit that may increase the cost or cause the cancellation of insurance on other Units or to the Common Elements. No Unit Owner shall display, hang, store, or use any clothing, sheets, blankets, laundry, or other articles outside his or her Unit, or which may be visible from the outside of his or her Unit, other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board, or paint, decorate, or adorn the outside of his or her Unit, or install outside his or her Unit any canopy or awning, outside radio or television antenna, or other equipment, fixtures, or items of any kind, without the prior written permission of the Board. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio constituting a Limited Common Element appurtenant to his or her Unit. No Unit Owner shall display, hang, store, or use any sign outside his or her Unit, in a hallway, or elsewhere, or which may be visible from the outside of his or her Unit, without the prior written permission of the Board.

Section 3. Pets. No animals, birds, fish, or reptiles of any kind shall be raised, bred, or kept in any Unit.

Section 4. Trash. Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulation of the Board.

Section 5. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing, and other articles, shall not be stored or kept in the corridors, hallways, lobby, or other Common Elements, except in the storage area specifically designated for such Unit Owner by the Board or by the Managing Agent, acting in accord with the Board's direction.

Section 6. Wiring. No Unit Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories, or equipment to the heating or plumbing system, without the prior written consent of the Board.

Section 7. No Unreasonable Storage or Hoarding in Units. All Units shall be used for residential purposes only, and items not related to the residential purpose of the Unit shall not be stored in the Unit. No Unit Owner shall use his or her Unit or allow his or her Unit to be used for the acquisition and retention of large quantities of items and materials that produce an extensively cluttered living space or that produces a condition unreasonably dangerous to the health and safety of the Unit Owner, other Unit Owners, their family members, guests, and employees of the Association.

ARTICLE VII CONTRACTUAL POWERS

The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board Member has twenty-five percent (25%) or more interest, unless notice of intent to enter the contract is given to Unit Owners within twenty (20) calendar 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 disapprove the contract; such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition. For purposes of this subsection, a Board Member's immediate family means the Board Member's spouse, parents, and children.

ARTICLE VIII AMENDMENTS

Subject to the requirements of Article V, Section 7, hereof relating to consent of lien holders, these Bylaws may be amended or modified from time to time by action or approval of Unit Owners owning sixty-six and 66.6/100 percent (66.666%) of the total ownership of the Common Elements. Such amendments shall be recorded in the Office of the Recorder of Deeds of Sangamon County, Illinois. The provisions of Section 18 of the Illinois Condominium Property Act, 765 ILCS 605/18, as now or hereafter amended, shall be embodied in these Bylaws and are incorporated herein by reference, and made a part hereof the same as though they were enumerated herein.

ARTICLE IX INDEMNIFICATION

Section 1. General. The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to the Bylaws, and the

Board, against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such Directors, officers, committee members, and Board, on behalf of the Unit Owners, or arising out of their status as Directors, officers, committee members, or Board, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include all attorneys' fees and other professional fees, amounts of judgements, amounts paid in settlement, and other costs and expenses of any nature whatsoever, reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, administrative, or otherwise, in which any such Director, officer, committee member, or Board, may be involved by virtue of being or having been such Director, officer, committee member, or Board; 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, proceeding to be liable for gross negligence or fraud in the performance of his or her duties as such Director, officer, committee member, or Board, 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 person being adjudged liable for gross negligence or fraud in the performance of his or her duties as such Director, officer, committee member, or Board.

Section 2. Success of Merits. To the extent that the Board, a member of the Board, an officer of the Association, or a member of any committee appointed pursuant to the Bylaws has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1 of this Article IX, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending against any action or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article IX.

Section 4. Miscellaneous. The Association by the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, Board, officers, committee members, or Board, or out of the aforesaid indemnity in favor of the Directors, officers, committee members, and Board, shall be limited to such proportion of the total liability hereunder as such Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Directors, officers, committee members, or Board, or by the Managing Agent on behalf of the Unit Owners, shall provide that the Directors, officers, or committee members, or Board, as the case may be, is acting only as agent 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 as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any statute, agreement, vote of members of the Board, or otherwise, both as to action in his or her official capacity and as to action in another capacity while

holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board, officer of the Association, or committee member, and shall inure to the benefit of the devisees, legatees, heirs, executors, administrators, personal representatives, successors, and assigns of such person or entity.

ARTICLE X STATUTORY POWERS

In addition to, and in furtherance of, the powers referred to in these Bylaws, the Association shall have all the powers permitted to be exercised by not-for-profit corporations under the Illinois General Not for Profit Corporation Act, as now or hereafter amended, and by the Act, as now or hereafter amended.

ARTICLE XI APPLICATION

Section 1. Lessees. The provisions of these Revised Bylaws, the Act, the Second Amended Declaration, other Condominium Instruments, and rules and regulations that relate to the use of individual Units or the Common Elements shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease executed or renewed. All leases for any Unit must be in writing. With regard to any lease entered into, the Unit Owner leasing the Unit shall deliver a copy of the signed lease to the Board as and when executed. In addition to any remedies, by filing an action jointly against the tenant and the Unit Owner, the Association may seek to enjoin a tenant from occupying a Unit or seek to evict a tenant under the provisions of the laws relating to forcible entry and detainer and eviction, for failure of the lessor-owner to comply with leasing requirements of this Article, or by these Bylaws, the Declaration, and rules and regulations. The Board may proceed directly against a tenant, under the provisions of Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101, et seq. (the Forcible Entry and Detainer Law).

Section 2. Assignment. A Unit Owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a Unit Owner pursuant to these Revised Bylaws, the Second Amended Declaration, any other Condominium Instrument, or the Act, and any such attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

ARTICLE XII GENDER

The use of the masculine gender in these Revised Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, the context so requires.