

EXHIBIT "B"
BYLAWS
OF
1030 W. HIGGINS CONDOMINIUM ASSOCIATION

ARTICLE I
General Provisions

The Association is responsible for the overall administration of the Property through its duly elected Board. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Act, as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with law that may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments. All capitalized terms used but not defined herein that are defined in the Declaration of Condominium pursuant to the Condominium Property Act shall have the same meaning as ascribed to such terms in the Declaration.

ARTICLE II
Members

Section 1. Classes of Members, Membership, and Termination Thereof. The Association shall have one class of members. The designation of such class and the qualifications of the members of such class shall be as follows:

Each Unit Owner shall be a member of the Association, which membership shall terminate on the sale or other disposition of a member's Unit, at which time the new Unit Owner shall automatically become a member of the Association. Such termination shall not relieve or release any former Unit Owner from any liability or obligation incurred under or in any way connected with the condominium or the Association during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies that the Board or others may have against a former Unit Owner arising from, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be issued by the Association.

Section 2. Votes and Voting Rights.

a. Until the date of the first annual meeting of the members, as provided in Article III, Section 1, hereof, no member of the Association shall have the right to elect the members of the Board. All such members of the Board of Managers shall be appointed and shall hold office as provided in Article IV, Section 2, of these Bylaws.

b. Commencing with the date of the first annual meeting of the members, the total number of votes of all members shall be 100. Each member shall be entitled to the number of votes equal to his percentage ownership interest in the Common Elements (as defined in the Declaration).

c. If a Unit is owned by more than one person, the voting rights with respect to such Unit 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. Any proxy must be executed in writing by the Unit Owner, or his duly authorized attorney in fact, must bear the date of execution, and shall become invalid 11 (eleven) months from the date of its execution. If only one of the persons constituting such Unit Owner is present, he shall be entitled to cast the votes allocated to the Unit. If more than one of the persons constituting such Unit Owner are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of such persons. Agreement by a majority in interest of such persons shall be deemed to exist if any of the persons casts the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any other persons constituting the Unit Owner.

d. Any specified percentage of the members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these Bylaws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the Condominium as provided in the Declaration, provided, however, that when 30% or fewer of the Units, by number, possess over 50% in the aggregate of the votes as provided herein, any percentage vote of the members specified herein or in the Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

Section 3. Transfer of Membership. Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1, hereof.

Section 4. Installment Contracts. Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of such Unit pursuant to an installment contract for purchase from a seller other than the Trustee or Developer shall, during such times as he resides in the Unit, be counted toward a quorum for purpose of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board and have the right to vote for the election of members of the Board and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of such rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote for a particular office, or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the installment contract as they relate to the subject matter of this Section shall be made available to the Association or its agents. "Installment Contract" shall have the same meaning as set forth in Section 1(e) of the Dwelling Unit Installment Contract Act, 765 ILCS 75/0.01, *et seq.*, approved August 11, 1967, as amended.

ARTICLE III Meetings of Members

Section 1. Annual Meeting. The first annual meeting of the members shall be held on such date as is fixed by the Developer, which date shall in no event be later than the earlier of (a) three years from the date the Declaration is Recorded, (b) sixty (60) days from the date when 75% of the Units have been conveyed by the

Declarant or (c) such earlier time as selected by the Declarant. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held in the month of September each year, provided, however, that no such meeting need be held less than one year after the first annual meeting of the members. If the election of members of the Board shall not be held when designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as it conveniently may be held. In the event the Developer fails to call the first annual meeting of members by the latest date set forth above, 20% of the members may call the first annual meeting by filing a petition to such effect with the Developer, setting forth a date for such meeting. After the filing of such petition, the members filing the petition may send notice of the first annual meeting of members as provided herein and may hold such meeting pursuant to the notice. The Board may disseminate to the members biographical and background information about candidates for election to the Board if reasonable efforts are made to identify all candidates and all candidates are given an opportunity to include biographical information and background material in the information to be disseminated and the Board does not express a preference in favor of any candidate. A Unit Owner shall be entitled to receive from the Board or the Developer acting as the Board as provided herein and in the Act, within three working days after the request therefor, the names, addresses, and weighted vote of each Unit Owner entitled to vote at the next annual meeting of members.

Section 2. Special Meetings. Special meetings of the members may be called by the Board, the President, or not less than 20% of the members. All matters to be considered at special meetings of the members called by not less than 20% of the members shall first be submitted in writing to the Board not less than ten (10) days before the date of the special meeting of the members called to consider such matters.

Section 3. Place and Time of Meeting. All meetings of the members shall take place after normal work hours in some section of the Property designated by the person or persons calling the meeting, or at such other reasonable place or time designated by the Board or the person or persons calling the meeting.

Section 4. Notice of Meetings. Written or printed notice stating the purpose, place, day, and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting not less than ten (10), nor more than thirty (30), days before the date of such meeting, by or at the direction of the President or the Secretary, or the officer or persons calling the meeting, except that notice of the first annual meeting of the members shall be given to the members at least twenty-one (21) days prior thereto. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. Quorum. The members present at a meeting in person or by proxy holding 20% of the votes that may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote either in person or by proxy, executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

Section 7. Manner of Acting. Except as set forth below, and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be on the affirmative vote of more than 50% of the members represented at such meeting. The following matters shall require the affirmative vote of 67% or more of all the Unit Owners at a meeting duly called for that purpose:

- a. Merger or consolidation of the Association;
- b. Sale, lease, exchange, or other disposition of all, or substantially all, of the property and assets of the Association; or
- c. The purchase and sale of land or Units on behalf of the Unit Owners.

ARTICLE IV Board

Section 1. In General. The affairs of the Association shall be managed by the Board, which shall act as the Board of Managers of the Condominium as provided in the Act and the Declaration.

Section 2. Number, Tenure, and Qualifications. The number of members of the Board shall initially be three (3). Until the date of the first annual meeting of the members as hereinabove provided, members of the Board shall be the directors named in the Articles of Incorporation of the Association if the Association is incorporated; otherwise, the members of the Board shall be as appointed by the Developer. Such members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the number of members of the Board shall be increased to five, and members of the Board shall be elected solely by, from, and among, the members of the Association for a term of one year and until their respective successors shall have been elected and qualified. All members of the Board shall be elected at large. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, partnership, trust, or other legal entity other than a natural person or persons, then any shareholder, officer, or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity may be eligible to serve as a member of the Board. If there are multiple owners of a single Unit, only one of the multiple owners shall be eligible to serve as a member of the Board at any one time. A member of the Board may succeed himself in office.

Section 3. Election. At each annual meeting of the members, the members shall be entitled to vote on a cumulative basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to

be elected. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of the ballots at such election. The Board may disseminate to Unit Owners biographical and background information about candidates for election to the Board if (a) no preference is expressed in favor of any candidate and (b) 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.

Section 4. Regular Meetings. A regular annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of members. The Board shall, by regulations that the Board may from time to time adopt, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four times per year.

Section 5. Special Meetings. Special meetings of the Board may be called by or at the request of the President or 25% of the members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 6. Notice. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours before the date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least 48 hours before the date of such meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his address as it appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at or the purpose of any regular or special meeting of the Board shall be specified in the notice. Notices of a regular meeting of the Board need not be served on members of the Board. However, copies of notices of meetings of the Board shall be posted in entranceways or other conspicuous places in the condominium designated by the Board at least 48 hours before the meeting.

Section 7. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are present at the commencement of the meeting, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

Section 8. Manner of Acting. The act of a majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except when otherwise provided by law or in the Condominium Instruments.

Section 9. Vacancies. Any vacancy occurring in the Board by reason of death, removal, or resignation of a member of the Board shall be filled by the two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next meeting of the members; provided that if a petition is filed with the Board signed by members holding 20% of the votes of the Association requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of office of his predecessor, the term of the member so elected by the Board shall terminate 30 days after the filing of the petition, and a

meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. Members of the Board, including those appointed by the Developer, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective on receipt of said resignation. If, as a result of the death, removal, or resignation of a member of the Board, no member of the Board remains in office, a special meeting of members may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 10. Removal. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of 66 2/3% of all the members of the Association at a special meeting called for such purpose.

Section 11. Adoption of Rules and Regulations. All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, which rules and regulations conform to the requirements of the Act and the Declaration and these Bylaws. No quorum is required at such meeting of the members. No rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United State or Section 4 of Article I of the Illinois Constitution. Rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto the rule or regulation at a special meeting of the members called for such purpose and held before the effective date of the rule or regulation, by a vote 66 and 2/3 rds. of all the members of the Association.

Section 12. Open Meetings. All meetings of the Board, whether regular or special, shall be open to the members of the Association, except for meetings

- a. to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent;
- b. to consider information regarding appointment, employment, or dismissal of an employee; or
- c. to discuss violations of rules and regulations of the Association, or a Member's unpaid share of Common Expenses.

Any vote on the above matters shall be taken at a meeting, or portion thereof, open to any member. Any member may record the proceedings at meetings required to be open by the Act or these Bylaws by tape, film, or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 13. Contracts. The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member or a Board member's family 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 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 Section 13, a Board member's immediate family means the Board member's spouse, parents, and children.

Section 14. Powers and Duties. The powers and duties of the Board shall include, but not be limited to, the operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements. However, nothing in the foregoing sentence shall be deemed to invalidate any provision in the Condominium Instruments placing limits on expenditures for capital additions or capital improvements to the Common Elements (other than for purposes of repairing, replacing, or restoring portions of the Common Elements) by the Board without the prior approval of the Unit Owners.

Section 15. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of the Declaration, the rules and regulations, or the Bylaws, the determination thereof by the Board shall, absent manifest error, be final and binding on each and all of such Unit Owners.

ARTICLE V Officers

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Treasurer, and a Secretary.

Section 2. Election and Term of Office. The President, Secretary, and Treasurer of the Association shall be elected annually by the Board at the first regular meeting of the Board held after the annual meeting of the members from among the members of the Board. The Vice President or Vice Presidents shall be elected annually by the Board at the first regular meeting of the Board held after the annual meeting of the members from among the membership of the Association. If the election of officers shall not be held at this meeting, the election shall be held as soon thereafter as conveniently may be possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified. An officer may succeed himself in office. Officers shall serve without compensation.

Section 3. Removal. Any officer elected by the Board may be removed by a majority vote of the members of the Board.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term of the member of the Board no longer serving.

Section 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments the Board has authorized to be executed, and any amendment to the

Declaration or Plat as provided in the Act, and, in general, shall perform all duties incident to the office of President, and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice President. In the absence of the President, or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such money in the name of the Association in those banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; receive all notices on behalf of the Association; together with the President, execute on behalf of the Association amendments to the Condominium Instruments and other documents as required or permitted by the Declaration, these Bylaws, or the Act; be custodian of the records and, if the Association is incorporated, of the seal of the Association and, if the Association is incorporated, see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

ARTICLE VI Powers and Duties of the Association and Board

Section 1. General Duties, Powers, etc., of the Board. The Board shall exercise for the Association all powers, duties, and authority vested in the Association by the Act and the Condominium Instruments, including but not limited to the following:

- a. Operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements to the extent the operation, care, upkeep, maintenance, replacement, and improvement of Limited Common Elements is not imposed on Unit Owners hereunder.
- b. Preparation, adoption, and distribution of the annual budget for the Property.
- c. Levying and expending of assessments.
- d. Collection of assessments from Unit Owners.

e. Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements.

f. Obtaining adequate and appropriate kinds of insurance.

g. Owning, conveying, encumbering, leasing, and otherwise dealing with Units and land conveyed to or purchased by it.

h. Adoption and amendment of rules and regulations covering the details of the operation and use of the Property, but no such rule or regulation shall make improper or legal any program or activity of the Developer that immediately prior to the adoption or amendment of the rule or regulation was otherwise proper or legal hereunder.

i. Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.

j. Having 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.

k. Borrowing money at such rates of interest as it may determine, issuing its notes, bonds, and other obligations to evidence such borrowing, and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income.

l. Paying real estate property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or other lawful taxing or assessing body, that are authorized by law to be assessed and levied on the real property of the condominium (other than assessments on Units not owned by the Association).

m. Imposing charges for late payments of a Unit Owner's proportionate share of the Common Expense, or any other expenses lawfully agreed on, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, Bylaws, and rules and regulations of the Association.

n. Assigning its rights to future income, including the right to receive Common Expenses assessments.

o. Recording the dedication of a portion of the Common Elements to a public body for use, as, or in connection with, a street or utility, when authorized by the members under the provisions of Paragraph 5c of the Declaration.

p. Recording the granting of an easement for the laying of cable television cable when authorized by the members under the provisions of Paragraph 5c of the Declaration.

q. Recording the grant of an easement for construction, maintenance, or repair of a project for protection against water damage or erosion.

r. Making reasonable accommodation of the needs of handicapped Unit Owners, as required by the Human Rights Act, in the exercise of its powers with respect to the use of the Common Elements or approval of modification in an individual Unit.

In the performance of their duties, the officers and members of the Board shall exercise, whether appointed by the Developer or elected by the members, the care required of a fiduciary of the members.

Section 2. Specific Powers and Duties. Anything herein contained to the contrary notwithstanding, the Association shall have the following powers:

a. To engage the services of a manager or managing agent, who may be any person, firm, or corporation, on such terms and compensation as the Association deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, on ninety (90) days' or less prior written notice.

b. To engage the services of any person (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance, and management of the Property, or in connection with any duty, responsibility, or right of the Association and to remove, at any time, any such personnel.

c. To establish or maintain one or more bank accounts for the deposit of any funds paid to or received by the Association.

d. To invest any funds of the Association in certificates of deposit, money market funds, or comparable investments.

e. Upon authorization of a two-thirds vote of the members of the Board, or by affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, acting on behalf of all Unit Owners, to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments, or charges of the State of Illinois or any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them. The granting of licenses, leases, or concessions as provided in Paragraph 4 of the Declaration shall not be considered conducting an active business for profit.

Section 3. Authorized Expenditures. The Association shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent, or other personnel above provided for, the following:

a. Water, waste removal, heating, electricity, telephone, or other necessary utility services for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof.

b. Such insurance as the Association is required or permitted to obtain as provided in the Declaration.

c. Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing, and replacing portions of the Common Elements (but not including the Limited Common Elements, which the Unit Owners enjoying the use thereof shall paint, clean, decorate, maintain, and repair) and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements. Anything in the foregoing to the contrary notwithstanding, and except when the need for repair or replacement is due to the act or omission of a Unit Owner, guest, occupant, family member, or pet, the Association shall be responsible for the repair and replacement (and cleaning of the exterior surfaces) of all windows.

d. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments that the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein.

e. Any amount necessary to discharge any mechanics lien or other encumbrance levied against the Property or any part thereof that may in the opinion of the Association constitute a lien against the Property or against the Common Elements rather than merely against the interest therein of particular Unit Owners. When 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 Association by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

f. Maintenance and repair of any Unit or any other portion of the Property that a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Association, to protect the Common Elements or any other portion of the Property, and the owner of said Unit has failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of the maintenance or repair is delivered by the Association to the Unit Owner; provided that the Association shall levy a special assessment against such Unit Owner for the cost of the maintenance or repair, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

g. Maintenance and repair (including payment of real estate taxes and common expenses) with respect to any Unit owned by the Association.

h. If, due to the act or neglect of a Unit Owner or of a member of its family or household pet or of a guest or other authorized Occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required that would otherwise be a Common Expense, the assessment against such Unit Owner of a charge for such damage and such maintenance, repairs, and replacements as may be determined by the Board, to the extent not covered by insurance, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

All expenses, charges, and costs of the maintenance, repair, or replacement of the Common Elements, and any other expenses, charges, or costs that the Association may incur or expend pursuant hereto, shall be approved by the Association, and a written memorandum thereof prepared and signed by the Treasurer. There shall be no structural alterations to, capital additions to, or capital improvements on the Common Elements or property owned by the Association (other than for purposes of repairing, replacing, and restoring existing portions of the Common Elements) requiring an expenditure in excess of Five Thousand Dollars (\$5,000) without the prior approval of 67 percent of the Unit Owners. Separate or special assessments for additions or alterations to the Common Elements or to Association-owned property not included in an Annual Budget (defined in Article VI, Section 4, of the Bylaws) are subject to the approval of 67 percent of the Unit Owners.

As used herein, the term "repairing, replacing, and restoring" means to repair, replace, or restore deteriorated or damaged portions of the then-existing decorating, facilities, structural or mechanical components, interior or exterior surfaces, or energy systems and equipment to their functional equivalent prior to the deterioration or damage. In the event the replacement of a Common Element may result in an improvement over the quality of such Common Element as originally designed, the Board may provide for such improvement, provided that if the improvement over and above the functional equivalency of what existed before results in a proposed expenditure in excess of 5 percent of the annual budget, the Board, on receipt of a written petition by Unit Owners with 20 percent of the votes of the Association, within 14 days after the Board's action to approve such expenditure, shall call a special meeting of Unit Owners within 30 days after its receipt of such petition. Unless a majority of the total votes of the Unit Owners are cast at this special meeting to reject the expenditure, the Board's decision to make the expenditure is ratified.

Section 4. Annual Budget.

a. Each year, on or before November 1st, the Board shall estimate the annual budget of Common Expenses (Annual Budget), including the total amount required for the cost of wages, materials, insurance, services, and supplies that will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (as hereinafter specified) and each Unit Owner's proposed Common Expense assessment, together with an indication of which portions of the Annual Budget are intended for capital expenditures or repairs

or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days before the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 4, of the Bylaws of the meeting of the Board, at which the Board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted.

b. If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, or any nonrecurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of such further assessment on all Unit Owners (as provided in Article III, Section 4, of the Bylaws) by a statement in writing, giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable to such time or times as determined by the Board. All Unit owners shall be obligated to pay the further assessment.

c. If an adopted Annual Budget or any special assessment requires assessment against Unit Owners in any year exceeding 115% of the assessments (both regular and special, if any) for the preceding year, the Board, on written petition by Unit Owners representing 20% of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or special assessment. Unless a majority of the votes of the Unit Owners are cast at a meeting to reject the budget or special assessment, it is ratified. In determining whether special assessments, together with regular assessments, exceed 115% of similar assessments in the preceding year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation, and the Board may approve such assessment without the right of Unit Owner veto set forth in this paragraph. As used herein, "emergencies" mean an immediate danger to the structural integrity of the Common Elements or to the life, health, safety, or property of the Unit Owners.

d. The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such Owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuing year, and the 1st day of each and every month of said year. Notwithstanding the foregoing, assessments will not begin until such time as the Developer elects to stop paying all Association expenses; provided, however, that the Board will begin assessing all Unit Owners, if and when a request is made therefor by FHLMC, FNMA, HUD, FHA, or VA.

e. The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the monthly

assessment charges at the then-existing monthly rate established for the previous period until the monthly assessment payment that is due more than ten (10) days after such new annual Budget shall have been mailed.

f. Anything herein or in the Declaration to the contrary notwithstanding, the Board may charge to fewer than all Unit owners such portion of the insurance premium for insurance the Association is required or permitted to obtain that reflects increased charges for coverage on the Units owned by such Unit Owners, on such reasonable basis as the Board shall determine. Such charge shall be considered a common expense with respect to the Units owned by such Unit Owners for all purposes herein and under the Declaration.

g. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

Section 5. Annual Accounting.

a. On or before the 1st day of April of each calendar year commencing 2008, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions of the Annual Budget were for capital expenditures or repairs or payment of real estate taxes, and 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. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after rendering of the accounting.

b. The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual reports and other financial data prepared by the Association, or at its direction.

c. The Association shall provide an audited financial statement for the preceding fiscal year within one-hundred-twenty (120) days after the end of such fiscal year on submission of a written request by any holder, insurer, or guarantor of a first mortgage secured by a Unit.

Section 6. Reserves.

a. The Association shall build up and maintain a reasonable Reserve for operations, contingencies, and replacement. To establish such Reserve, the Developer shall collect from each Unit Owner, on conveyance by the Trustee of a Unit to such Unit Owner, an amount equal to two (2) months' assessments for each Unit based upon the budget initially established by the Developer for the first year

following the first annual meeting of the members, and shall remit such amount to the Association. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year shall be charged first against such Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency on such conditions as the Association or the Board deems appropriate.

b. The Annual Budget shall provide for reasonable Reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board shall take into consideration the following: (1) the repair and replacement cost and the estimated useful life of the property the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the Building and Common Elements, and energy systems and equipment; (2) the current and anticipated return on investment of Association funds; (3) any independent professional reserve study the Association may obtain; (4) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (5) the ability of the Association to obtain financing or refinancing. Anything to the contrary in the foregoing notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this section by a vote of not less than 67% of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this section, such fact must be disclosed after the meeting at which such waiver occurs by the Association in the financial statements of the Association and, highlighted in bold print, in the response to any request of a prospective purchaser for the information prescribed under §22.1 of the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of such Reserve requirements, the Association may by a vote of not less than 67% of the total votes of the Association elect to again be governed by the Reserve requirements of this section.

Section 7. Default in Payment.

a. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Association may assess a service charge of up to 4% of the balance of the aforesaid charges and assessments for each month, or part thereof, that the balance, or any part thereof, remains unpaid. The Association may bring suit for and on behalf of itself, and as representative of all Unit Owners, to enforce collection thereof, or to foreclose the lien therefor as provided by law; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. In addition, the Association may also take possession of such defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit.

b. Each such assessment, together with interest, court costs, late charges, and reasonable attorneys' fees and costs of collections, or the amount of any unpaid fine, shall also be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. The personal obligation for delinquent assessments

shall not pass to successors in title or interest unless assumed by them or required by applicable law.

Section 8. Books of Account and Statement of Account.

a. The Association shall keep full and correct books of account, which shall be open for inspection by any Unit Owner, or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

b. Upon ten (10) days' notice to the Association and the payment of a reasonable fee fixed by the Association not to exceed Fifty Dollars (\$50), any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 9. Other Powers and Duties. The Association may number and assign to any Unit Owner the exclusive privilege to use for storage purposes any portion of the Property designated for such purposes; provided, however, that the Association shall have the right of access to all such storage spaces that contain pipes or other portions of the Common Elements that the Association has the duty or right to maintain, repair, or replace. Any such designation by the Association shall not thereafter be changed except on the affirmative vote of a majority of the Unit Owners. All property stored in any storage area shall be at the sole risk of the respective Unit Owner who has the privilege to use it, and neither the Association nor any other Unit Owner shall be considered a bailee, or otherwise responsible therefor.

ARTICLE VII Contracts, Checks, Deposits, and Funds

Section 1. Contracts. The Board may authorize any officer or officers or agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Association. In the absence of such determination by the Association, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

Section 4. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE VIII Books and Records

Section 1. Maintaining Books and Records. The Association shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board.

Section 2. Availability for Examination. The manager 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 recorded Declaration and Bylaws and any amendments thereto, Articles of Incorporation of the Association if incorporated, annual reports if unincorporated, and any rules and regulations adopted by the Association or the Board; before the first annual meeting of members of the Association, the Developer shall maintain and make available for examination and copying the records set forth in this subsection a.

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, which shall be maintained for seven years.

d. A record giving the names and addresses of the members entitled to vote.

e. Ballots and proxies related thereto for all elections to the Board and for any other matters voted on by the Unit Owners, which shall be maintained for not less than one year; provided, however, that in the event the Association adopts rules for secret ballot election as provided in the Act, then, unless directed by court order, only the voting ballot excluding the Unit number shall be subject to inspection and copying.

f. Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to the General Not For Profit Corporation Act of 1986 of the State of Illinois, as amended.

A reasonable fee covering the direct out-of-pocket cost of providing such information and copying may be charged by the Association or the Board for the cost of providing such information and copying.

ARTICLE IX
Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

ARTICLE X
Seal

If the Association is incorporated, the Board may, but shall not be required, to provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

ARTICLE XI
Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of 1986 of the State of Illinois or under the provisions of the Articles of Incorporation or Bylaws of the Association or the Declaration, a waiver thereof (subject to all the provisions of such instruments) in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII
Amendments to Bylaws

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted on the affirmative vote of 67% of all of the members at a regular meeting, or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment, or repeal that is signed and acknowledged by an authorized member of the Board and that contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.

ARTICLE XIII
Liability of Board Members and Officers; Indemnification

Neither the director nor the officers of the Association shall be liable to the Association or the Unit Owners for any mistake of judgment, or for any other acts or omissions of any nature whatsoever, as such director and officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall defend, indemnify, and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or

proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Expenses incurred in defending a civil or criminal action, suit, 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 in the specific case, on receipt of an undertaking by or on behalf of the director or the officer of the Association to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article. The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors, or otherwise, both as to action in his official capacity and as to action in other capacity while holding such office, and shall continue as to a person who has ceased to be a director or an officer of the Association. Directors appointed by the Developer, and officers elected by directors appointed by the Developer, shall be entitled to all the protections of this Article.

ARTICLE XIV Construction

a. Nothing hereinabove contained shall in any way be construed as altering, amending, or modifying the Declaration. The Declaration and these Bylaws shall always be construed to further the harmonious, beneficial, cooperative, and proper use and conduct of the Property. If there is any inconsistency or conflict between these Bylaws and the aforesaid Declaration, the provisions of the Declaration shall control.

b. All words and terms used herein that are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

c. In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.

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