

EXHIBIT C
BY-LAWS
OF
5100 MARINE DRIVE CONDOMINIUM ASSOCIATION

ARTICLE I

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 which may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments.

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 upon the sale or other disposition of such 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 such 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 which the Board or others may have against such 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 any voting rights and the right of the members to vote on any matter is hereby denied until such date.

(b) Commencing with the date of the said 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) at the time any matter is submitted to a vote of the members.

(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.

(d) Any specified percentage of the members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these By-Laws, 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.

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 in the Office of the Recorder of Deeds of Cook County, Illinois, b) sixty (60) days from the date when 75% of the Units have been conveyed by the Trustee, or c) such earlier time as selected by the Developer. 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 on such date as is selected by the Board which date is within thirty (30) days before or after the anniversary of the first annual meeting of the members. If the election of Members of the Board shall not be held on the day 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 conveniently may be.

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 prior to 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 at 8:00 P.M., 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 such other 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 delivered by mail 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. The notice of a meeting shall be deemed delivered 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 33-1/3% of the votes which may be cast at any meeting, shall constitute a quorum at such meeting. If a quorum is not present at the beginning of any meeting of members, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-Laws.

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 eleven months from the date of its execution.

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 upon the affirmative vote of more than 50% of the members represented at such meeting. The following matters shall require the affirmative vote of 66-2/3% or more of all the members at a meeting duly called for that purpose:

- a) Merger or consolidation of the Association;
- b) Sale, lease, exchange, mortgage, pledge 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 its Board of Managers, 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. Until the date of the first annual meeting of the members as hereinabove provided, the number of members of

the Board shall be three, who 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. Commencing with the date of the first annual meeting of the members, the number of the members of the Board shall be expanded to five, elected solely by, from and among, the members. Each of the first three candidates in order of finish shall serve for a term of two years and until his successor shall have been elected and qualified; each of the next two candidates shall serve for a term of one year and until his successor shall have been elected and qualified; thereafter each member of the Board shall serve for a term of two years and until his successor shall have been elected and qualified. The Board elected at such first annual meeting shall be the initial Board of Managers as provided in the Act. 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. 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.

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 which 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 any three 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. All meetings of the Board, whether regular or special, shall be open to the members of the Association.

SECTION 6. NOTICE. Written notice of any special meeting of the Board shall be mailed to all members of the Association and all members of the Board not calling the meeting at least 48 hours prior to date of such special meeting. Written notice of regular meetings of the Board shall be mailed to all members of the Association at least 48 hours prior to the date of such meeting. All such notices shall be deemed to be delivered 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.

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, provided, that if less than a majority of the members of the Board are present at the beginning of any meeting, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-Laws.

SECTION 8. MANNER OF ACTING. The act of a majority of the members of the Board present at a meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except where 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 unanimous vote of the remaining members of the Board. A member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. 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

upon 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, adopted by the Board 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 of 75% of all the members of the Association.

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 officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board, from among the members of the Board. If the election of officers shall not be held at such meeting, such 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 his 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.

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. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments which 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 his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents, in the 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 upon, the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him 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 moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article VI of these By-Laws; 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 him 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 By-Laws or as required by law; receive all notices on behalf of the Association and, together with the

President, execute on behalf of the Association amendments to Condominium Instruments and other documents as required or permitted by the Declaration, these By-Laws or the Act; be custodian of the records and, if 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 By-Laws; 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 him 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.
- (b) Preparation, adoption and distribution of the annual budget for the Property.
- (c) Levying 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 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.
- (i) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.
- (j) To have access to each Unit, from time to time, as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the

Common Elements or to another Unit or Units.

SECTION 2. SPECIFIC POWERS AND DUTIES.

(a) Anything herein contained to the contrary notwithstanding, the Association shall have the power:

(i) to engage the services of a manager or managing agent, who may be any person, firm or corporation, upon 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, upon ninety (90) days or less prior written notice;

(ii) to engage the services of any persons (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;

(iii) to establish or maintain one or more bank accounts for the deposit of any funds paid to, or received by, the Association.

(b) 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:

(i) water, waste removal, heating, electricity, telephone and other necessary utility service for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof;

(ii) such insurance as the Association is required or permitted to obtain as provided in the Declaration;

(iii) landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the Limited Common Elements (other than windows) or the air

conditioning equipment serving individual Units which the Unit Owners enjoying the use thereof 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;

(iv) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Association deems necessary or proper for the maintenance and operation of the Property as a first-class apartment Building or for the enforcement of any restrictions or provisions contained herein;

(v) any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which 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. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the 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 Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses;

(vi) maintenance and repair of any Unit or any other portion of the Property which 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 said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Unit Owner; provided that the Association shall levy a special assessment against such Unit for the cost of said 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 Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

(c) All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which 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, capital additions to, or capital improvements on, the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Fifty Thousand Dollars (\$50,000.00) without the prior approval of 66-2/3 percent of the Unit Owners.

(d) Each year on or before November 1st, the Board shall estimate the annual budget of Common Expenses (the "Annual Budget") including: the total amount required for the cost of wages, materials, insurance, services and supplies which 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, all anticipated assessments and income and each Unit Owner's proposed Common Expense assessment. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days prior to the adoption thereof. The Association shall give Unit Owners notice as provided in Section 4, Article III of the By-Laws 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. Said 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.

On or before the 1st day of April of each calendar year commencing 1980, 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 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. The Association may build up and maintain a reasonable Reserve for operations, contingencies and replacement.

In addition, the Developer shall collect from each grantee of the Trustee (except where the Association is the grantee as provided in Paragraph 14 of the Declaration) upon conveyance of the Unit, an amount equal to 1/6 of the Unit's proportionate share of the first Annual Budget prepared by the Developer. To establish such Reserve, the Developer shall collect from each Unit Owner upon conveyance by the Trustee of the Unit to such Unit Owner, an amount equal to one sixth of the Annual Budget as initially established by the Developer and shall remit such amount to the Association. Extraordinary expenditures not originally included in the Annual Budget which may become necessary during the year shall be charged first against such Reserve. In addition, the Association shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency upon such conditions as the Association deems appropriate.

If said for any reason, including nonpayment of any Unit Owner's assessment, or any non-recurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Association may at any time levy a further assessment, which shall be 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 Association may determine. The Board shall serve notice of such further assessment on all Unit Owners (in the manner provided in the By-Laws) by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable at such time or times as determined by the Association, provided, however, that in the event such further assessment with respect to any Unit exceeds the greater of five times such Unit's most recent monthly installment of Common Expenses or \$300.00, such further assessment for all Units shall not be effective until approved by 66-2/3 per cent of the Unit Owners at a meeting of Unit Owners duly called for such purpose. All Unit Owners shall be obligated to pay the further assessment.

The failure or delay of the Association to prepare or serve the annual or

adjusted budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owner's 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 which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed.

(e) The Association shall keep full and correct books of account and the same 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.

(f) 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 1% of the balance of the aforesaid charges and assessments for each month, or part thereof, that said balance, or any part thereof remains unpaid. In addition to any remedies or liens provided by law, if a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for sixty (60) days, all other monthly payments of charges and assessments due for the calendar year in which such default occurs shall accelerate and become immediately due and payable. 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 non-use of the Common Elements or abandonment of his Unit.

(g) Upon ten (10) days' notice to the Association, and the payment of a reasonable fee fixed by the Association not to exceed Fifteen Dollars (\$15.00), 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.

(h) Any mortgage or trust deed owned or held by a First Mortgagee and recorded prior to the recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in said notice and to all assessments for Common Expenses which become due and are unpaid subsequent to the date of recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed or deed (or assignment) in lieu of foreclosure shall not be liable for, and shall take the Unit and its proportionate interest in the Common Elements free from, claims for unpaid common or special assessments levied by the Association which accrue prior to the date of possession as aforesaid, except for a proportionate share of any special assessment levied against all Units to collect an amount equal to unpaid common and special assessments levied against the Unit prior to the time the First Mortgagee takes possession thereof. The lien of any mortgage or trust deed owned or held by a First Mortgagee shall be superior to the lien set forth in Paragraph 13 of the Declaration.

(i) The Association may, pursuant to the provisions of Section 11, Article IV of these By-Laws, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the Common Elements and the Units, not inconsistent with the terms of the Declaration, as it sees fit, and the Unit Owners shall conform to, and abide by, such rules and regulations. Written notice of such rules and regulations shall be delivered to all Unit Owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of the Declaration.

(j) 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 which contain pipes, or other portions of the Common Elements, which the Association has the duty or right to maintain, repair or replace. Any such designation by the Association shall not thereafter be changed except upon 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 the same and neither the Association nor any other Unit Owner shall be considered a bailee or otherwise responsible therefor.

(k) Nothing hereinabove 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.

(l) Except as provided in sub-paragraph (f) of this Article with respect to legal action for collection of unpaid maintenance expenses, and for the enforcement of liens with respect thereto, or with respect to enforcement of liens or other litigation for collection of unpaid Common Expenses, the Association shall not commence litigation, either in its own name or on behalf of the Unit Owners, without the affirmative approval of 66-2/3 per cent of the Unit Owners obtained at an annual meeting of the Unit Owners or a special meeting of Unit Owners called for such purpose.

(m) At the request of any First Mortgagee, the Association shall give such First Mortgagee notice of any default by the Unit Owner whose Unit is encumbered by the mortgage or trust deed owned or held by the First Mortgagee in the performance of the Unit Owner's duties hereunder, in the event the default is not cured within sixty (60) days after notice from the Association.

(n) 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.

(o) In the event the Federal Home Loan Mortgage Corporation is a First Mortgagee or assignee of a First Mortgagee, the Association shall give the Federal Home Loan Mortgage Corporation c/o the servicer of such mortgage notice in writing of 1) any loss

to, or taking of, the Common Elements, if the amount of such taking or loss exceeds \$10,000.00, and
2) any loss to, or taking of, a Unit as to which the Federal Home Loan Mortgage Corporation is a
First Mortgagee, or an assignee of a First Mortgagee, if the amount of loss or taking exceeds
\$1,000.00.

ARTICLE VII

Contracts, Checks, Deposits and Funds

SECTION 1. CONTRACTS. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, 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, 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

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, and shall keep at the registered or principal

office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

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 shall 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 whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the articles of incorporation or By-Laws 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 By-Laws

Until the date of the first annual meeting of the members, these By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, by the affirmative vote of a majority of the directors in office. From and after the date of the first annual meeting of the members, these By-Laws, except paragraphs (d) and (h) of Section 2 of Article VI, Article XIV and this Article XII may be altered, amended or repealed and new By-Laws may be adopted upon the approval by all members of the Board and the affirmative vote of 66-2/3 per cent 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, which is signed and acknowledged by all members of the Board and containing an affidavit by an officer of the Board certifying that the necessary affirmative vote of the members of the Association has been obtained. Article XIV and this Article XII may not be amended. Paragraphs (d) and (h) of Section 2 of Article VI may be amended as set forth in the first sentence of paragraph 20 of the Declaration. Any amendment, change or modification shall conform to the provisions of the Act and shall be effective upon recordation thereof.

ARTICLE XIII Indemnification

The Association shall indemnify 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 member of the Board 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 upon a 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 which 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.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board or an officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, 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 except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

To the extent that a member of the Board or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of this Article shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the member of the Board or officer of the Association is proper in the circumstances because he has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the members of the Association.

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, upon receipt of an undertaking by or on behalf of the members of the Board 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 members of the Board, 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 member of the Board or an officer of the Association.

ARTICLE XIV Construction

(a) Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. Said Declaration and these By-Laws 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 By-Laws and the aforesaid Declaration, the provisions of the Declaration shall control.

(b) All words and terms used herein which 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.