

EXHIBIT "C"
BY-LAWS OF
TOWNES OF PRESTBURY HOMEOWNERS ASSOCIATION

ARTICLE I
PURPOSES AND POWERS

The Association shall be responsible for the general management and supervision of the Real Estate and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements recorded on December 15, 1997 in Kane County, Illinois as Document No. 97K087147 (the "Declaration"). Any capitalized terms which are not defined herein shall have the meaning contained in the Declaration. Further, the Association shall have all powers now or hereafter granted by the General Not-For-Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II
OFFICES

2.01. Registered Office. The Association shall have and continuously maintain in this State a registered office and a registered agent whose office shall be identical with such registered office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

2.02. Principal Office. The principal office of the Association shall be maintained in Kane County, Illinois.

ARTICLE III
MEMBERSHIP

3.01. Voting Members. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification of membership. Where there is more than one owner of a Unit and there is only one Member vote associated with that Unit, if only one of the multiple Owners is

present at a meeting of the membership, he or she is entitled to cast the Member vote associated with that Unit.

3.02. Classes of Membership. The Association shall have one (1) class of voting membership. Members shall be all those Owners as defined in Section 3.01. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 3.01. When more than one person holds such interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

3.03. Meetings.

a). Quorum and Procedure. Meetings of the Members shall be held at the principal office of the Association or at such other place in Kane County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of twenty percent (20%) of the Members shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority of the total votes present at such meeting. Any Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting.

b). Initial and Annual Meeting. Elections shall be held in accordance with the community instruments, provided that an election shall be held no less frequently than once every twenty-four (24) months, for the Board of Directors from among the membership of the Association. There shall be an annual meeting of the Members on the second Thursday in January of each succeeding year at 7:00 P.M. If the date for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour of the first day next succeeding such date which is not a legal holiday. The Board of Directors shall be elected at the annual meeting. If no election is held to elect Board members within the time period specified in the By-Laws, or within a reasonable amount of time thereafter not to exceed ninety (90) days, then twenty percent (20%) of the Members may bring an action to compel compliance with the election requirements specified in the By-Laws. If the court finds that an election was not held to elect members of the Board within the required period due to the bad faith acts or omissions of the Board of Directors, the Members shall be entitled to recover their reasonable attorney's fees and costs from the Association. If the relevant notice requirements have been met and an election is not held solely due to a lack of a quorum, then this provision does not apply. The Board of Directors shall be elected at the annual meeting.

c). Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Members, or for any other reasonable purpose. Special meetings of the membership may be called by the President, the Board, twenty percent (20%) of the membership, or any other method that is prescribed in the community instruments. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.04. Notices of Meetings. Notice of any membership meeting shall be given detailing the time, place, and purpose of such meeting no less than ten (10) and no more than thirty (30) days prior to the meeting through a prescribed delivery method. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Lot of that Owner with respect which such voting right appertains, if no address has been given to the Board. The notices required herein shall state the specific purpose of the nature of the business for which the meeting is called. No business may be transacted at any meeting other than that specified in the notice.

3.05. Voting. A Member may vote:

a). (1) by proxy executed in writing by the Member or by his or her duly authorized attorney in fact, provided, however, that the proxy bears the date of execution. Unless the community instruments or the written proxy itself provide otherwise, proxies will not be valid for more than eleven (11) months after the date of its execution; or

(2) by submitting an Association-issued ballot in person at the election meeting; or

(3) by submitting an Association-issued ballot to the Association or its designated agent by mail or other means of delivery specified in the Declaration or By-Laws; or

(4) by any electronic or acceptable technological means.

Votes cast under any paragraph of this subsection are valid for the purpose of establishing a quorum.

b). The Association may, upon adoption of the appropriate rules by the Board, conduct elections by electronic or acceptable technological means. Members may not vote by proxy in Board elections. Instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less

than ten (10) and not more than thirty (30) days before the election meeting. The instruction notice must include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Board rules shall provide and the instructions provided to the Member shall state that a Member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that Member.

ARTICLE IV

BOARD OF DIRECTORS

4.01. Board of Directors. The direction and administration of the Real Estate in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided. The Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and that the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually.

Each member of the Board shall be one of the Owners; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such legal entity, shall be eligible to serve as a member of the Board and provided further that in the event a member of the Board has entered into a contract to sell his Townhouse Unit and vacates the Townhouse Unit prior to the consummation of that transaction such member shall not longer be eligible to serve on the Board and his term of office shall be deemed terminated.

4.02. Determination of Board to be Binding. All matters of dispute or disagreement between Owners or with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Owners.

4.03. Election of Board Members.

a). At all annual meetings of the Members there shall be elected a Board of Directors. In all elections for members of the Board of Directors, each Member shall not be entitled to vote on a cumulative voting 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. Five (5) Board members were elected at the initial meeting. The three (3) persons receiving the highest number of votes at the first annual meeting were elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes were elected to the Board for a term of one (1) year. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each.

b). In order to run for and serve on the Board, the Member must be a Member of the Association in good standing of the Association. A Member of the Association in good standing is defined as a Member who has paid all assessments and charges owed to the Association, and/or is who is not otherwise in default of the Declaration and/or By-Laws of the Association, and/or has not been convicted of a felony.

c). No member of the Board or officer shall be elected for a term of more than four (4) years, but officers and Board members may succeed themselves.

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

e). Upon proof of purchase, the purchaser of a Unit from a seller pursuant to an installment contract for purchase shall, during such times as he or she resides in the Unit, be counted toward a quorum for purposes of election of members of the Board at any meeting of the membership called for purposes of electing members of the Board, and shall have the right to vote for the members of the Board of the Association, and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of such rights.

4.04. Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.05. Vacancies in the Board. If there is a vacancy on the Board, the remaining members of the Board may fill the vacancy by a two-thirds (2/3) vote of the remaining Board members until the next annual meeting of the membership or until Members holding twenty percent (20%) of the votes of the Association request a meeting of the Members to fill the vacancy for the balance of the term. A meeting of the Members shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Members holding twenty percent (20%) of the votes of the Association requesting such a meeting.

4.06. Election of Officers.

a). There shall be an election of a President from among the members of the Board, who shall preside over the meetings of the Board and of the membership;

b). There shall be an election of a Secretary from among the members of the Board, who shall keep the minutes of all meetings of the Board and of the membership and who shall, in general, perform all the duties incident to the office of Secretary; and

c). There shall be an election of a Treasurer from among the members of the Board, who shall keep the financial records and books of account.

d). The Board shall elect from among the Members of the Board such additional officers as the Board shall see fit to elect.

e). All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

4.07. Removal of Board Members. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

4.08. Meeting of Board. The Board shall meet at least four (4) times annually. The initial meeting of the Board shall be held immediately following the initial meeting of the Members at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without other notice and shall be immediately after, and at the same place as the annual meeting of Members. Special meetings of the Board may be called by the President, by twenty-five percent (25%) of the members of the Board, or by any other method that is prescribed in the community instruments. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of the Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present. Except to the extent otherwise provided by the Common Interest Community Association Act, the Board shall give the Members notice of all Board meetings at least forty-eight (48) hours prior to the meeting by sending notice by using a prescribed delivery method or by posting copies of notices of meetings in entranceways, elevators, or other conspicuous places in the common areas of the

common interest community at least forty-eight (48) hours prior to the meeting except where there is no common entranceway for seven (7) or more Units, the Board may designate one or more locations in the proximity of these Units where the notices of meetings shall be posted. The Board shall give Members notice of any Board meeting, through a prescribed delivery method, concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment within ten (10) to sixty (60) days prior to the meeting, unless otherwise provided in Section 1-45(a) or any other provision of the Common Interest Community Association Act. Meetings of the Board shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Association finds that such an action is probable or imminent, (ii) to consider third party contracts or information regarding appointment, employment, or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Member's or Unit Owner's unpaid share of common expenses. Any vote on these matters shall be taken at a meeting or portion thereof open to any Member.

4.09. Execution of Instruments.

a). All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board such documents shall be signed by the President and countersigned by the Secretary. Amendments to community instruments authorized to be recorded shall be executed and recorded by the President of the Board or such other officer authorized by the Association or the community instruments.

b). The Association may not enter into a contract with a current Board member, or with a corporation, limited liability company, or partnership in which a Board member or a member of his or her immediate family has twenty-five (25%) or more interest, unless notice of intent to enter into the contract is given to Members within twenty (20) days after a decision is made to enter into the contract and the Members are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the membership, 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 provision, a Board member's immediate family means the Board member's spouse, parents, siblings, and children.

ARTICLE V

POWERS OF THE BOARD

5.01. General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

- a). To elect the officers of the Association as hereinabove provided;
- b). To administer the affairs of the Association and the Real Estate and the Common Areas:
- c). Subject to Section 5.02 b). below, to engage the services of a manager or managing agent or Management Company who shall manage and operate the Real Estate and the Common Areas:
- d). To formulate policies for the Administration, management and operation of the Real Estate and the Common Areas;
- e). To adopt administrative rules and regulations governing the administration, management, operation and use of the Real Estate and the Common Areas, and to amend such rules and regulations from time to time:
- f). To provide for the maintenance, repair and replacement of lawns, landscaped areas, Common Areas and the exterior portions of the Townhouse Units, to the extent not maintained by the Owners thereof, and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent:
- g). To provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the lawns and landscaped areas and the exterior portions of the Townhouse Units to the extent not maintained by the Owners thereof and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);
- h). To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners of such Townhouse Units their respective shares of such estimated expenses, as hereinafter provided;
- i). To exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by the Articles of Incorporation, the Declaration or these By-Laws.

j). The Board shall have the power, after notice and an opportunity to be heard, to levy and collect reasonable fines from Members or Unit Owners for violations of the Declaration, By-Laws, and rules and regulations of the Association.

5.02. Rules and Regulations: Management.

a). Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Real Estate, and for the health, comfort, safety and general welfare of the Owners and Occupants. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Real Estate shall at all times be maintained subject to such rules and regulations.

b). Management. The Board may engage the services of an agent to manage the Real Estate to the extent deemed advisable by the Board. Any management fees incurred pursuant to this Section 5.02 b). shall be paid from the assessments collected pursuant to Article VI hereof. A management company holding reserve funds of the Association shall at all times maintain a separate account for each association, unless by contract the Board of the Association authorizes a management company to maintain Association reserves in a single account with other associations for investment purposes. With the consent of the Board, the management company may hold all operating funds of associations which it manages in a single operating account, but shall at all times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the Association shall not be subject to attachment by any creditor of the management company. A management company that provides common interest community association management services for more than one common interest community association shall maintain separate, segregated accounts for each common interest community association. The funds shall not, in any event, be commingled with funds of the management company, the firm of the management company, or any other common interest community association. The maintenance of these accounts shall be custodial, and the accounts shall be in the name of the respective common interest community association.

c). Not-For-Profit. Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

5.03. Liability of the Board of Directors. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistakes of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless each of the members

of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

6.01. Preparation of Estimated Budget. Each Member shall receive through a prescribed delivery method, at least thirty (30) days but not more than sixty (60) days prior to the adoption thereof by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes. Each year on or before December 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before February 1, notify each Owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all of the Owners as provided in Section 6.09 of the Declaration. On or before March 1 following and the first of each and every month of said year, each Owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this Section 6.01. The Board shall provide all Members with a reasonably detailed summary of the receipts, common expenses, and reserves for the preceding budget year. The Board shall (i) make available for review to all Members an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, 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 or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Association. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specific Townhouse Unit have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein.

6.02. Expenditures.

a). Extraordinary Expenditures. The Board shall build up and maintain a reasonable reserve for authorized capital expenditures, contingencies and replacements ("Extraordinary Expenditures") not originally included in the annual estimate.

b). If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Association, upon written petition by Members with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Members within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

c). If total common expenses exceed the total amount of the approved and adopted budget, the Association shall disclose this variance to all its Members and specifically identify the subsequent assessments needed to offset this variance in future budgets.

d). Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member approval or the provisions of subsection b) or e) of this Section. As used herein, "emergency" means a danger to or a compromise of the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the membership.

e). Assessments for additions and alterations to the common areas or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of a simple majority of the total Members at a meeting called for that purpose.

f). The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by subsections d) and e) of this Section, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

g). The Board shall serve notice of further assessment on all such Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due

more than ten (10) days after the delivery or mailing of such notice of further assessment. All such Owners shall be obligated to pay the adjusted monthly amount.

6.03. Intentionally Left Blank.

6.04. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

6.05. Books and Records.

a). The Board shall maintain the following records of the Association and make them available for examination and copying at convenient hours of weekdays by any Member or Unit Owner, their mortgagees, and their duly authorized agents or attorneys:

(i) Copies of the recorded Declaration, other community instruments, other duly recorded covenants and By-Laws and any amendments, articles of incorporation, articles of organization, annual reports, and any rules and regulations adopted by the Board shall be available.

(ii) Detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Board shall be maintained.

(iii) The minutes of all meetings of the Board which shall be maintained for not less than 7 years.

(iv) With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Members, which shall be maintained for not less than one year.

(v) With a written statement of a proper purpose, such other records of the Board as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.

(vi) With respect to units owned by a land trust, a living trust, or other legal entity, the trustee, officer, or manager of the entity may designate, in writing, a person to cast votes on behalf of the Member or Unit Owner and a designation shall remain in effect until a subsequent document is filed with the Association.

b). A reasonable fee may be charged by the Board for the cost of retrieving and copying records properly requested.

c). In the event of any resale of a Unit by a Member or Unit Owner, the Board shall make available for inspection to the prospective purchaser, upon demand, the following:

(i) A copy of the Declaration, other instruments, and any rules and regulations.

(ii) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing.

(iii) A statement of any capital expenditures anticipated by the Association within the current or succeeding two (2) fiscal years.

(iv) A statement of the status and amount of any reserve or replacement fund and any other fund specifically designated for Association projects.

(v) A copy of the statement of financial condition of the Association for the last fiscal year for which such a statement is available.

(vi) A statement of the status of any pending suits or judgments in which the Association is a party.

(vii) A statement setting forth what insurance coverage is provided for all Members or Unit Owners by the Association for common properties.

The principal officer of the Board or such other officer as is specifically designated shall furnish the above information within thirty (30) days after receiving a written request for such information.

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

6.06. Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held in trust for the benefit, use and account of all the Owners. All funds not otherwise employed 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.

6.07. Remedies for Failure to Pay Assessments. Any assessments which are not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per year, and the Association may bring an action of law against the Owner personally obligated to pay the same, or foreclose the lien against the Townhouse Unit, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be and become a lien or charge against the Townhouse Unit of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid for the Townhouse Unit so foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Any court shall be authorized to restrain the defaulting Owner from reacquiring his Townhouse Unit at such foreclosure sale. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed on the Townhouse Units. provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Townhouse Unit which became due and payable subsequent to the date the holder of said mortgage takes possession of the Townhouse Unit, accepts a conveyance of any interest in the Townhouse Unit or has a receiver appointed in a suit to foreclose his lien.

6.08. Forcible Entry and Detainer. In addition to the rights and remedies set forth in Section 6.07, if any Owner shall default in the payment, when the same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after notice to said Owner by the Board, setting forth the amount of unpaid charges or assessments together with a demand for payment thereof, the Board shall have the right to declare said default a forcible detainer of the Townhouse Unit and shall have the right, on behalf of the other Owners, to enter and take possession of the Townhouse Unit from said defaulting Owner, to put out the Owner, or any Occupant claiming by, through or under the Owner, using such reasonable force as the Board

shall deem necessary under the circumstances and to exercise any of the rights and remedies set forth in the Forcible Entry and Detainer Act of the State of Illinois.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use their Townhouse Units and the Common Areas only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

ARTICLE VIII

COMMITTEES

8.01. Board Committees. The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors. The committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association, but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

8.02. Special Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in their judgment the best interests of the Association shall be served by such removal.

8.03. Term. Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.04. Chairman. One (1) member of each committee shall be appointed chairman.

8.05. Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

8.06. Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

8.07. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IX

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ARTICLE X

AMENDMENTS

These By-Laws may be amended or modified from time to time by action or approval of the Members entitled to cast two-thirds (2/3) of the total votes.

ARTICLE XI

INTERPRETATIONS

In the case of any conflict between the Articles of Incorporation of the Association and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XII

DEFINITION OF TERMS

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached unless such terms are otherwise defined herein.