

EXHIBIT "C"

BY-LAWS **EAST URBANA CONDOMINIUM**

ARTICLE I

Unit Owners

Section 1. There shall be one person with respect to each Unit ownership who shall be entitled to vote at any meeting of the Unit Owners. There shall be one class of membership in the association which is comprised of the Unit Owners, and that membership shall hold an annual meeting at which it shall elect members of the Board of Managers.

When 30% or fewer of the Units by number possess over 50% in the aggregate of the votes in the association, any percentage vote of members specified herein or in the condominium instruments shall require the specified percentage by number of Units rather than percentage of interest in the common elements allocated to Units that would otherwise be applicable. For purposes of this section, when making a determination of whether 30% or fewer of the Units, by number, possess over 50% in the aggregate of the vote in the association, a Unit shall not include a garage unit or a storage unit.

Section 2. Meetings of the Unit Owners shall be called by written notice which shall be mailed or delivered giving members no less than ten (10) and no more than thirty (30) days' notice of the time, place and purpose of such meeting. A quorum at such meetings shall be 20% of the Unit Owners.

Section 3. Special meetings of the members may be called by the president of the association, the president of the Board of Managers (who shall be one and the same person) or by twenty percent (20%) of Unit Owners.

Section 4. Matters subject to the affirmative vote of not less than two-thirds (2/3) of the votes of Unit Owners at a meeting duly called for that purpose shall include:

- (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, and
- (c) the purchase or sale of land or of units on behalf of all Unit Owners.

Section 5. Upon ten (10) days notice to the manager or Board of Managers and payment of a reasonable fee, 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 owner.

ARTICLE II

Board of Managers

Section 1. The direction and administration of the Property shall be vested in the Board of Managers (hereinafter referred to as the "Board"), consisting of four (4) persons, each of whom shall be one of the Unit Owners; provided, however, that in the event a Unit Owner is a

corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board.

The first unit owner Board of Managers shall be elected not later than 60 days after the conveyance by the Developer of 75% of the Units, or 3 years after the recording of the Declaration, whichever is earlier. No member of the Board or officer shall be elected for a term of more than 2 years, but members may succeed themselves. Any member of the Board may be removed from office at a special meeting called for that purpose and upon affirmative vote of a majority of Unit Owners.

Section 2. Meetings of the Board may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of the Board or of the Unit Owners. Three Board members must be present for a quorum. The Board shall meet at least four (4) times annually at such time and places as the Board members shall choose. Such meetings shall be open to any Unit Owner. The dates of quarterly meetings of the Board shall be scheduled annually in advance at each meeting set for approval of the annual budget. At least 5 days notice shall be given to Board members of the call of any other meeting of the Board.

Section 3. The Board shall elect from among its four members a president who shall preside over its meetings and who shall be its chief executive officer and a secretary-treasurer to keep the financial records, books of account, minutes of all meetings, and perform all the duties incident to the office of secretary. No officer shall be elected for a term of more than one (1) year, but officers may succeed themselves. Members of the Board and officers shall serve without compensation.

Section 4. If an officer or Board member ceases to be a Unit Owner, his office or board seat shall immediately be vacated. The remaining members of the Board may appoint a replacement until the next annual meeting. Any member of the Board may be removed from office by majority vote at a meeting of Unit Owners called for that purpose.

Upon the occurrence of a vacancy for any reason, the remaining members of the Board are authorized to fill such vacancy by two-thirds vote until the next annual meeting of Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding 20% of the votes of the association requesting a meeting of the Unit Owners to fill such vacancy for the balance for the term. A meeting of Unit Owners shall be called for purpose of filling a vacancy no later than thirty (30) days following the filing of such petition.

The Board may provide to Unit Owners biographical and background information about candidates for election to the Board, if all candidates are identified to the Unit Owners and given an opportunity to include biographical and background information in the information to be provided. The Board shall not express a preference in favor of any candidate.

Any proxy distributed for Board elections by the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and give the Unit Owners the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

Section 5. 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.

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 member of a Board member's immediate family has 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 20% of the Unit Owners, for an election to approve or disapprove such a 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, a Board member's immediate family means a Board member's spouse, parents and children.

Section 6. The Board shall have the following additional powers and duties:

(a) To engage the services of a manager or managing agent who shall operate and manage the property for all the Unit Owners upon such terms and with such authority as the Board may approve.

(b) To formulate policies for the administration, management and operation of the property.

(c) To adopt rules and regulations governing the administration, management, maintenance, operation, use, conservation and beautification of the property and for the health, comfort, safety and general welfare of the Unit Owners, and to amend such rules and regulations from time to time.

(d) To provide for any construction, alteration, installation, maintenance, repair, painting and replacement for which the Board is responsible under the Declaration and By-Laws and for such purposes to enter and to authorize entry into any Unit, causing as little inconvenience to the Unit Owners as practicable and repairing any damage caused by any such entry at the expense of the maintenance fund.

(e) To provide for the designation, hiring and removal of employees and other personnel, including, lawyers and accountants, and to engage or contract for the services of others, and to make purchases for the management and operation of the property.

(f) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses as hereinafter provided.

(g) To pay the common expenses, including expenses for insurance and sewer maintenance; however, the Board may not enter into a contract with a current Board member or with a corporation or partnership or limited liability company in which a Board member or a member of the Board member's immediate family has 25% or more interest.

(h) To exercise all other powers and duties of the Board of Managers or Unit Owners' Association referred to in the Declaration, these By-Laws or the Condominium Property Act of the State of Illinois.

Section 7. Each Unit Owner shall receive, at least 30 days prior to the adoption thereof by the Board, notice of any meeting of the Board of Managers concerning the adoption of the

proposed annual budget or any increase or establishment of an assessment, and shall include therewith 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. Written notice of such meeting shall be mailed or delivered given Unit Owners no less than ten (10) and no more than thirty (30) days' notice of the time, place and purpose of such meeting.

The Board shall annually supply to all Unit Owners 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.

If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding 115 percent of the assessments for the preceding year, the Board, upon written petition by Unit Owners with 20 percent of the votes of the association filed within fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing the petition to consider the budget. Unless a majority of the votes of the Unit Owners are cast at the meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property and anticipated expenses by the association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

The president of the Board of Managers is designated the officer responsible for mailing and receipt of all notices and for the execution of amendments to the condominium instruments.

Section 8. All Unit Owners shall provide to the Board the name and address of any mortgagee of the respective Units to which notice of delinquency in payment of assessments, notice of a lapse or cancellation of insurance, notice of action of eminent domain or notice of casualty loss may be sent. Any such mortgagee shall have the right to timely written notice of any such event.

ARTICLE III

Assessments

Section 1. Each year on or before December 1, or at such other time as the Board may select, the Board shall prepare a proposed annual budget estimating the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services. The budget may be adopted only after each Unit Owner has had a copy of the proposed budget for thirty (30) days.

Any common expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all Unit Owners. Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Unit Owner approval. Any expense related to a Limited Common Element may be assessed to the Unit to which the Limited Common Element is assigned.

Section 2. After the budget has been adopted, the amount of the budget shall be assessed to the Unit Owners in shares equal to their percentage interest in the Common Elements. On or

before January 1 of the ensuing year, or at such other time as the Board may select, each Unit Owner shall be obligated to pay to the Board, or as it may direct, all of the assessment made pursuant to this Section. On or before March 1 of each calendar year, the Board shall supply to all Unit Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited equally to each Unit Owner.

Section 3. If a Unit Owner is in default in the payment of an assessment or assessments for thirty (30) days, the Board may bring suit for and on behalf of themselves and as representatives of all Owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. 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 herein provided shall be and become a lien or charge against the Unit or Units 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. Said lien shall take effect and be in force when and as provided in the "Condominium Property Act" of Illinois. No failure or delay of action in enforcement shall be deemed to waive such lien.

Section 4. The Board shall keep full and correct books of account 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. Such records and the vouchers authorizing the payments shall be available for inspection by any Unit Owner or any representative of a Unit Owner duly authorized in writing or any mortgagee having a bona fide lien of record against any Unit, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. Upon notice to the Secretary-Treasurer and payment of a reasonable fee, 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 owners.

Section 5. No Unit Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Elements or abandonment of a Unit.

ARTICLE IV

General Provisions

Section 1. Covenants and Restrictions as to Use and Occupancy.

(a) The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit. No Unit shall be used other than for a residential purpose.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Building, or contents thereof, applicable for residential use, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of

any law. No waste shall be committed in the Common Elements.

(c) Unit Owners shall not cause or permit anything to be placed on the outside walls of a Unit, without the prior consent of the Board.

(d) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants.

(e) No sign of any kind shall be displayed to the public view on any portion of the Property or Unit except one (1) professional sign of not more than three (3) square feet, one (1) sign of not more than five (5) square feet advertising the Property for sale during the sales period.

(f) No animals shall be bred or kept on any part of the Property or in any Unit, except that no more than two (2) dogs, cats or other common household pets may be kept providing that they are not kept, bred or maintained for commercial purposes.

(g) No Owner shall keep, or allow to be kept upon the Property or in any Unit any car, truck, trailer, camper, boat, motorcycle or other motorized vehicle unless such item is kept in the enclosed garage space appurtenant to the Unit.

(h) Within 15 days of the recording of a mortgage or trust deed against a Unit given by the Owner to secure a debt, the Owner shall provide the Board the identity of the lender and relevant account number together with a mailing address at which the lender can receive notices from the Board. Failure to comply with this requirement will subject the Owner to costs, expenses and reasonable attorney fees incurred by the Board as a result of such failure.

(i) Within any area designated as a Limited Common Element, the Unit Owner of such area shall be permitted to install improvements and plantings in accordance with regulations to be adopted by the Board. The Unit Owner shall be responsible for maintenance of all improvements and plantings within the Limited Common Elements appurtenant to that Owner's Unit, and shall further be responsible for maintaining casualty and liability insurance coverage applicable to such Limited Common Elements to the extent that such coverage is not maintained by the Board.

Section 2. Insurance.

(a) At such time as the association comprises seven (7) or more Units owned by other than the Developer, it shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the association for coverage in the maximum amount available to protect funds in the custody or control of the association plus the association reserve fund. The association shall be the direct obligee of any such fidelity bond.

(b) In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds therefor; provided, however, that in the event within thirty (30) days after said damage or destruction, the Unit Owners elect either to sell the Property as provided in the Condominium Property Act or to withdraw the Property from the provisions of the Act as therein provided, then such repair, restoration or reconstruction shall not

be undertaken.

(c) In the event the Property or the improvements thereon so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds and any available reserves are not sufficient to pay the cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provisions for reconstruction of the improvements within one hundred eighty (180) days after said damage or destruction, then the provisions of the "Condominium Property Act" in such event shall apply.

(d) Repair, restoration or reconstruction of the improvements as used in this Article means restoring the improvements to substantially the same condition in which they existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

Section 3. Remedies for Breach of Covenants and Restrictions.

The violation of any restriction or condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board the right, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. In any action taken to interpret or enforce any provision hereof, the prevailing party shall be entitled to recover costs and reasonable attorney fees.

Section 4. Assignments Prohibited. A Unit Owner may not assign, delegate, transfer, surrender or avoid the duties, responsibilities and liabilities of a Unit Owner under the condominium instruments or rules and regulations of the association. Any such attempted assignment, delegation, transfer, surrender or avoidance shall be deemed void.

Section 5. Laws Incorporated. Any portion of a condominium instrument, including the Declaration and these By-Laws, which contains provisions contrary to the requirements of the Illinois Condominium Property Act, shall be void as against public policy and ineffective. The Declaration and these By-Laws shall be deemed to incorporate any provision required by the Illinois Condominium Property Act.

ARTICLE V

Amendments

The By-Laws may be amended or modified from time to time upon a vote of two-thirds (2/3) of the Unit Owners at any meeting called for that purpose, provided, however, that no provision in these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration of Condominium Ownership or the Condominium Property Act. Further, amendments of a material adverse nature to mortgagees, including termination of the legal status of the condominium after substantial destruction or condemnation occurs, shall not be adopted without the consent of mortgagees that represent not less than 51% of the votes of Unit estates subject to the interest of such mortgagees. If a mortgagee fails to submit a response to any written proposal for an amendment within 60 days after it receives proper notice of the proposal by certified or registered mail with "return receipt" requested, that mortgagee shall be deemed to have approved the proposed amendment. All amendments shall be recorded in the Office of the Recorder of Deeds of Champaign County, Illinois.