

**EXHIBIT "C"**

**AMENDED AND RESTATED BY-LAWS OF ROCK COVE TOWNHOUSE  
ASSOCIATION, INC.**

**ARTICLE I**

**NAME OF CORPORATION**

The name of this corporation is ROCK COVE TOWNHOUSE ASSOCIATION, INC.

**ARTICLE II**

**PURPOSE AND POWERS**

Section 2.01: PURPOSES

The purposes of this Townhome Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare and the common use and enjoyment thereof by members of the Townhome Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit "C" to, and subject to the provisions of, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rock Cove Townhouses (the "Declaration"). All terms used herein shall have the meanings set forth in the Declaration.

Section 2.02: POWERS

The Townhome Association shall have and exercise all powers as are now or may hereafter be granted by the Act, General Not-For-Profit Corporation Act of the State of Illinois, the Declaration and these By-Laws.

**ARTICLE III**

**OFFICES**

Section 3.01: REGISTERED OFFICE

The Townhome Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

Section 3.02: PRINCIPAL OFFICE

The Townhome Association's principal office shall be maintained at the office of the managing agent engaged by the Townhome Association.

**ARTICLE IV**

**MEETINGS OF MEMBERS**

Section 4.01: VOTING RIGHTS

Any or all members may be present at any meeting of the members, but the voting rights shall be vested exclusively in the Voting Members. If the Ownership of a Townhome Unit shall be in more than one (1) person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Townhome Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Townhome Unit as the Voting Member for such Townhome Unit. Each Voting Member shall be entitled to one vote for each Townhome Unit in the Townhome Association which he or she represents. The Voting Members may vote in person or by proxy. All proxies shall be in writing, revocable, valid only for eleven (11) months from the date of execution and filed with the secretary.

Section 4.02: PLACE OF MEETING; QUORUM

Meetings of the members shall be held at the principal office of this Townhome Association or at such other place as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order as from time to time published. Voting Members representing at least 10% of the total votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of a majority of the votes represented at such meeting.

Section 4.03: ANNUAL MEETINGS

There shall be an annual meeting of the Owners on the last Saturday of April of each succeeding year, or at such other reasonable time or date as may be designated by written notice of the Board of Directors delivered to the Owners not less than ten (10), and not more than thirty (30), days prior to the date fixed for said meeting.

Section 4.04: 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, require the approval of all or

some of the Owners or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, a majority of the Board of Directors, or by Voting Members representing twenty percent (20%) of the total votes, and delivered not less than ten (10), and not more than thirty (30), days prior to the date fixed for said meeting. The notices shall specify the date, time, and place of the meeting and the matters to be considered.

Section 4.05: NOTICE OF MEETINGS:

Notices of meetings required to be given herein may be delivered to the members by one of the methods provided in Article IX, Section 9.07 of the Declaration. A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

Section 4.06: VOTING BY MAIL OR ELECTRONICALLY

Where there is an act requiring the vote of the Voting Members, such election or vote on such proposed action may be conducted by mail via a Townhome Association-issued ballot in such manner as the Board shall determine and/or may be conducted by any electronic or acceptable technological means as further provided in the Act.

**ARTICLE V**

**BOARD OF DIRECTORS**

Section 5.01: IN GENERAL

The affairs of the Townhome Association and the direction and administration of the property shall be vested in the Board, which shall consist of three (3) persons ("Directors"). Each Director shall be an Owner or a Voting Member.

Section 5.02: BOARDS AFTER TURNOVER DATE

Each member of the Board shall be an Owner or a Voting Member, or both. Each member of the Board must be in good standing with the Townhome Association, meaning members of the Board shall not be in violation of the Townhome Association's Declaration, By-Laws or rules and regulations and shall be current on all payments of assessments and other charges due and owing to the Townhome Association. In the event an 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 or such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as Director. Upon the adoption of the amendment to the Original By-Laws adopted on January 3, 1992, the three (3) Directors on the Board at that time chose, by lot, their initial terms of office, with one (1) Director having a three (3) year term, one Director having a two (2) year

term, and one (1) Director having a one (1) year term. Following the assignment of those initial terms of office and going forward, each new Director shall be elected for a three (3) year term. Each newly elected Director shall serve a term of three (3) years and until his or her successor is elected and qualified.

Section 5.03: ELECTION

- (a) Each Director shall hold office until his or her term expires or until his or her successor shall have been elected or qualified. Directors may succeed themselves in office. In all elections for members of the Board, each Voting Member shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of Townhome Units in the Townhome Association which the Voting Member represents and cumulative voting shall be permitted. The candidate or candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.
- (b) Provided, however, that upon the adoption of appropriate rules by the Board, the Townhome Association may conduct elections by electronic or acceptable technological means, as further provided in the Act. If the Board elects to conduct elections via one of these methods and adopts appropriate rules therefor, then 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 shall include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and shall 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 Members 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. In the event the Board adopts the necessary rules to conduct elections by electronic or acceptable technological means, then Voting Members may not vote by proxy in Board elections.

Section 5.04: ANNUAL MEETINGS

The Board shall hold an annual meeting within ten (10) days after the annual meeting of the members at such place as shall be fixed by the Directors at the annual meeting of the Owners, and no notice shall be necessary to the Director in order legally to constitute such meeting, providing a majority of the Board is present.

Section 5.05: REGULAR MEETINGS

Regular meetings of the Board shall be held at such time and place as shall be

determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, at least two (2) days prior to the day named for any such meeting and such notice shall state the time and place of such regular meeting and such notice shall be posted conspicuously on the Premises so as to inform the Owners of such meetings.

Section 5.06:            SPECIAL MEETINGS

Special meeting of the Board may be called by the President or at least twenty-five percent (25%) of the Directors then serving.

Section 5.07:            Open Meetings

All meetings of the Board shall be open to any Owner, subject to the authority of the Board, except that the Board may close any portion of a noticed meeting or meet separately from a noticed meeting:

- (a) To discuss litigation when an action against or on behalf of the Townhome Association has been filed and is pending in a court or administrative tribunal, or when the Townhome Association finds that such an action is probable or imminent;
- (b) To consider third party contracts or information regarding appointment, employment, engagement or dismissal of an employee, independent contractor, agent, or other provider of goods and services;
- (c) To interview a potential employee, independent contractor, agent, or other provider of goods and services;
- (d) To discuss violations of rules and regulations of the Townhome Association;
- (e) to discuss an Owner's unpaid share of Common Expenses owed to the Townhome Association; or
- (f) To consult with the Townhome Association's legal counsel.

However, any vote on the above matters shall be taken at a meeting or portion thereof open to any Owner.

Section 5.08:            Meetings Notice

- (a) At least forty-eight (48) hours prior to a meeting of the Board, copies of notices of meetings of the Board shall be provided to each Owner in the manner provided in Article IX, Section 9.07 of the Declaration or shall be



posted in entranceways or other conspicuous places on the Premises. However, if there is no common entranceway for seven (7) or more Townhome Units, then the Board may designate one (1) or more locations in the proximity of the Townhome Units where the notices of meetings shall be posted.

- (b) Provided, however, that each Owner shall receive written notice in the manner provided in Article IX, Section 9.07 of the Declaration of any meeting of the Board concerning the adoption of the proposed annual budget, regular assessments, or a separate or special assessment not less than ten (10), and not more than sixty (60), days prior to such Board meeting.

#### Section 5.09: WAIVER OF NOTICE

Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

#### Section 5.10: QUORUM

A majority of the Directors sitting from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

#### Section 5.11: COMPENSATION/REIMBURSEMENT FOR EXPENSES

Directors shall receive no compensation, except as expressly provided in a resolution duly adopted by the affirmative vote of 75% of the total votes. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Townhome Association for reasonable out-of-pocket expenses incurred in the course of the performance of his or her duties as a Director.

#### Section 5.12: REMOVAL OR RESIGNATION OF DIRECTOR

Any Director may be removed from office, with or without cause, by the affirmative vote of Voting Members having at least two-thirds (2/3) of the total votes in the Association. Any Director may resign at any time by submitting his or her written resignation to the Board.

Section 5.13: Vacancies in Board

Vacancies in the Board may be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors on the Board. A Director appointed to fill a vacancy shall serve until the next annual meeting of Owners or until Owners holding at least twenty percent (20%) of the total votes in the Townhome Association request, via a petition delivered to the Board, a meeting of the Owners to fill the vacancy for the balance of the term. If such a petition is presented to the Board, the Board shall call a meeting of the Owners within thirty (30) days of receiving such petition for purposes of electing a new Director to the Board to fill the vacancy for the balance of the term.

Section 5.14: POWERS AND DUTIES OF THE BOARD

The Board shall have all of the powers and duties granted to it or imposed upon it by the Declaration, these By-Laws, the Act and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

- (a) To engage the services of a manager or managing agent, who shall manage and operate the Common Area and Townhouse Unit Exteriors upon such terms and with such authority as the Board may approve;
- (b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Townhome Association;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Area and Townhouse Unit Exteriors for which the Townhome Association is responsible under the Declaration and these By-Laws;
- (d) To procure fire and extended coverage insurance and other insurance as provided for under the Declaration;
- (e) To estimate and provide each Owner with an annual budget showing the Common Expenses;
- (f) To set, give notice of, and collect assessments from the Owners as provided in the Declaration;
- (g) To pay the Common Expenses;
- (h) To own, convey, encumber, lease or otherwise deal with real property conveyed to or purchased by the Townhome Association; and

- (i) To delegate the exercise of its power to committees appointed pursuant to Article Seven of these By-Laws.

Section 5.15: Owner Comment Period

A portion of each Board meeting shall be reserved for comments by Owners in attendance at such meeting. Provided, however, that the duration and meeting order for such Owner comment period is within the sole discretion of the Board.

**ARTICLE VI**

**OFFICERS**

Section 6.01: OFFICERS

The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, Treasurer, and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. The President, Secretary and Treasurer shall be Directors and all other officers may, but need not be, Directors.

Section 6.02: VACANCY OF OFFICE

Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

Section 6.03: POWERS OF OFFICERS

The respective officers of the Townhome Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois Not-for-Profit Corporation including, but not limited to, the following:

- (a) The President shall be the Chief Executive Officer of the Townhome Association and shall preside at all meetings of the members and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws as provided in the Declaration and these By-Laws.
- (b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;
- (c) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the corporate seal of the Townhome Association and have charge of such other books, papers and documents as the Board may prescribe. The Secretary has authority to delegate any or all of his or her



powers and duties to the Townhome Association's manager or managing agent and/or any employees of such manager or managing agent.;

- (d) The Treasurer shall be responsible for Townhome Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Townhome Association books of accounts kept for such purpose. The Treasurer has authority to delegate any or all of his or her powers and duties to the Townhome Association's manager or managing agent and/or any employees of such manager or managing agent.

Section 6.04: OFFICERS' COMPENSATION

The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting Members.

**ARTICLE VII**

**COMMITTEE DESIGNATED BY BOARD**

Section 7.01: BOARD COMMITTEES

The Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which 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 Townhome Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him or her by law.

Section 7.02: SPECIAL AND STANDING COMMITTEES

Other committees not having and exercising the authority of the Board in the management of the Townhome Association may be designated by a resolution adopted 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 Owners or representative of Owners and the Board shall appoint the members thereof and shall designate a Director to act as a liaison between such committee and the Board. Any member thereof may be removed by the Board whenever in his or her judgment the best interests of the Townhome Association shall be served by such removal. The powers and the duties of any such standing committee shall be as set from time to time by resolution of the Board. The chairman of each standing committee shall be a Director (who shall act as the liaison between the committee and the Board), and the other members of the committee (which need not be Directors) shall be appointed and removed from time to time by the Board.

Section 7.03: TERM

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

Section 7.04: CHAIRMAN

One member of each committee shall be appointed chairman.

Section 7.05: VACANCIES

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

Section 7.06: 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.

Section 7.07: RULES

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

**ARTICLE VIII**

**CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

Section 8.01: CONTRACTS

The Board may authorize any officer or officers, agent or agents of the Townhome 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 Townhome Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Townhome Association.

Section 8.02: PAYMENTS

All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Townhome Association shall

be signed by such officer or officers, agent or agents of the Townhome Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice President of the Townhome Association.

Section 8.03: BANK ACCOUNTS

All funds of the Townhome Association not otherwise employed shall be deposited from time to time to the credit of the Townhome Association in such banks, trust companies or other depositories as the Board shall elect.

Section 8.04: SPECIAL RECEIPTS

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

**ARTICLE IX**

**FISCAL MANAGEMENT**

Section 9.01: FISCAL YEAR

The fiscal year of the Townhome Association shall be established by the Association and may be changed from time to time by a resolution adopted by two-thirds (2/3) of the Board.

Section 9.02: ANNUAL STATEMENT

Within a reasonable time after the close of each fiscal year, 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 Townhome Association.

Section 9.03: SPECIAL STATEMENT

Within ten (10) days after receipt of a written request from an Owner (together with payment of a reasonable fee, if any, set by the Board) the Board shall provide the

Owner with a statement containing the following information:

- (a) The status of the Owner's account and the amount of any unpaid assessments or other charges due and owing from the Owner;
- (b) A brief description of any expenditures for major repairs, alterations, additions, or improvements to the Community Area which are anticipated within the period of twelve (12) months from the date of the statement; and
- (c) The status and amount of any and all Capital Reserves.

Section 9.04: ASSESSMENT PROCEDURE:

Annual assessments and special assessments shall be made and collected as provided in the Declaration.

**ARTICLE X**

**BOOKS AND RECORDS**

The Townhome 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 of the Townhome Association a record giving the names and addresses of the members.

The Board shall maintain the following records of the Association and make them available, within thirty (30) days of a written request for same to the Board, for examination and copying at convenient hours of weekdays by any Owner or such Owner's mortgagees and their duly authorized agents or attorneys:

- (a) Copies of the recorded Declaration, other Townhome Association instruments, other duly recorded covenants and By-Laws and any amendments, Articles of Incorporation, annual reports and any rules and regulations adopted by the Townhome Association;
- (b) Detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Townhome Association and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Townhome Association;
- (c) The minutes of all meetings of the Townhome Association and the Board shall be maintained for a period of not less than seven (7) years;

- (d) 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 Voting Members shall be maintained for a period of not less than one (1) year;
- (e) With a written statement of a proper purpose, such other records of the Townhome Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the Illinois General Not-for-Profit Corporation Act of 1986.

The Association may charge a reasonable fee for the costs of retrieving and copying any such documents.

## ARTICLE XI

### SEAL

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Townhome Association and the words "Corporate Seal, Illinois".

## ARTICLE XII

### AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time by the affirmative votes of Voting Members having at least 70% of the total votes, and provided further, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.

### END OF TEXT OF BY-LAWS

This instrument was prepared by:

KEY & COSTELLO, P.C.  
128 South County Farm Road  
Wheaton, Illinois 60187

RETURN TO:  
SUSAN MILLER  
ROCK COVE TOWNHOUSE ASSOCIATION  
2000 TERRITORY DRIVE  
GALENA IL 60136