CODE OF BY-LAWS

SUNSET CONDOMINIUMS ASSOCIATION

CODE OF BY-LAWS
SUNSET CONDOMINIUMS
TABLE OF CONTENTS

SECTION INAME, FORM OF ADMINISTRATION, ADDRESS

1.01 Name B-1
1.02 Form of Administration B-1
1.03 Address B-1

SECTION IIMEMBERS, RIGHTS AND OBLIGATIONS, MEETINGS

2.01 Members B-1
2.02 Annual Meeting B-2
2.03 Special Meetings B-2
2.04 Notice of Meetings B-2
(1) Content of Notice B-2
(2) Delivery of Notice B-2
(3) Failure to Receive Notice B-2
(4) Holders of Security Interests B-2
(5) Waiver of Notice B-2
2.05 Quorum B-2
2.06 Voting B-2
(1) Proxies B-3
(2) Representatives B-3
(3) Suspension B-3
2.07 Unanimous Consent Without Meeting B-3
2.08 Adjournment B-3
2.09 Order of Business B-3
2.10 Reserved Rights B-4

SECTION IIIBOARD OF DIRECTORS

3.01 Number and Qualification B-4
3.02 Election B-4
3.03 Term of Office B-4
3.04 Vacancies B-4
3.05 Removal of Directors B-4
3.06 Compensation B-4
3.07 Annual Meetings B-4
3.08 Regular Meetings B-4
3.09 Special Meetings B-4
3.10 Notice B-4
3.11 Waiver of Notice B-4
3.12 Unanimous Consent Without Meeting B-5
3.13 Quorum B-5
3.14 Open Meetings B-5
3.15 Committees B-5

3.16 Powers and Duties....B-5
(1) Rules....B-5
(2) Delinquencies....B-5
(3) Insurance....B-5
(4) Improvements....B-6
(5) Leases....B-6
(6) Borrowing....B-6

SECTION IIIAINTERIM CONTROL

3A.01 Scope....B-6
3A.02 Declarant Powers....B-6
3A.03 Board of Directors....B-6
3A.04 Turnover Date....B-6
3A.05 Assumption of Control....B-6
3A.06 Exemption....B-7
3A.07 After Turnover....B-7
3A.08 Amendments....B-7
3A.09 Termination....B-7

SECTION IVOFFICERS

4.01 Designation....B-7
4.02 Election of Officers....B-7
4.03 Term....B-7
4.04 Removal of Officers....B-7
4.05 Vacancies....B-7
4.06 President....B-7
4.07 Vice President....B-7
4.08 Secretary-Treasurer....B-7

SECTION VASSESSMENTS - MAINTENANCE FUND

5.01 Preparation of Regular Assessment....B-8
5.02 Reserve for Contingencies and Replacements; Special Assessments....B-8
5.03 Failure to Prepare Annual Budget....B-9
5.04 Books and Records....B-9
5.05 Status of Collected Funds....B-9
5.06 Remedies for Failure to Pay Assessments....B-9
5.07 Rental During Foreclosure....B-10
5.08 Amendments....B-10
5.09 Developer=s Liability for Assessments....B-10

SECTION VIACCOUNTS; FINANCES

6.01 Accounts....B-10
6.02 Audit....B-10

SECTION VIILIABILITY OF OFFICERS

7.01 Exculpation B-11
7.02 Indemnification B-11

SECTION VIIIFISCAL YEAR

8.01 Fiscal Year. B-11

SECTION IXAMENDMENT

9.01 Amendment.....B-11

SECTION XINTERPRETATION

10.01 Interpretation.....B-11
10.02 Captions B-11
10.03 Gender, Number.....B-12

CODE OF BY-LAWS

SUNSET CONDOMINIUMS

These By-Laws incorporate by reference the Declaration of Condominium and Condominium Plat, and the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes. The By-Laws are intended to provide the structure necessary for the operation and maintenance of the Common Elements of the Condominium, to control and regulate the use and enjoyment of the Condominium for the benefit of Unit Owners and all other persons authorized and invited to use it, to establish the procedure for the levy and collection of assessments to finance the operations of the Condominium, and to permit Unit Owners to participate through a democratic structure in this process of maintenance, operation, financing and control.

SECTION I
NAME, FORM OF ADMINISTRATION, ADDRESS

1.01 Name. The name of the Association created herein is SUNSET CONDOMINIUM ASSOCIATION, and is referred to herein as Association.

1.02 Form of Administration. The Association is an unincorporated association. Policy control of the Condominium, except as otherwise provided herein, is vested in a Board of Directors to be elected by the members in accordance with Section III hereof. Any Manager, retained by the Board of Directors, is responsible for implementation of the policy decisions of the Board and operates under its supervision and control.

1.03 Address. The initial address of the Association and its initial principal office is 1589 Medary Lane Onalaska, WI 54650.

SECTION II
MEMBERS, RIGHTS AND OBLIGATIONS, MEETINGS

2.01 Members. All Unit Owners in the Condominium are, by the fact of ownership of their Unit, members of the Association. As such, they are granted all rights and subject to all obligations of membership as created herein.

(1) Upon conveyance or other transfer of a Unit Owner=s interest in a Unit, the transferor ceases to be a member of the Association as to that Unit and the transferee becomes a member. The Association shall maintain a roster of the names and addresses of all Unit Owners, and upon conveyance or other transfer, it shall be the responsibility of the transferee to notify the Association of the information necessary to keep the roster current.

(2) The Association may also maintain a roster of holders of security interests in Units and may provide such notices regarding the Unit encumbered and the Condominium as a Unit security holder requests or the law, the Declaration, or any document related to the mortgage or other security instrument requires. Unit Owners are responsible for providing the information necessary to keep this roster current.

2.02 Annual Meeting. The annual meeting of the Association shall be held on the 15th day of June of each year at 7:00 p.m. at a location selected by the Board of Directors, or at such other time and place as may be designated pursuant to Section 2.04.

2.03 Special Meetings. Special meetings may be held at any time on the call of the President or on written request to the Association by owners of not less than 20% interest in the Common Elements. Special meetings held on written request as provided herein shall be

conducted within sixty (60) days of the date of receipt of the request unless it specifies a longer period.

2.04 Notice of Meetings. The Secretary of the Association shall give written notice of every meeting to every member of at least ten (20) days before the date set for such meeting.

(1) Content of Notice. The notice shall state whether the meeting is an annual or special meeting, the authority for the call of the meeting, the place, date and hour of the meeting and, where required, the purpose or question to be considered at the meeting.

(2) Delivery of Notice. The notice shall be given by delivery of a copy to the member personally or by mailing the notice to the member at his address as it appears on the Association=s roster, postage prepaid.

(3) Failure to Receive Notice. If notice is given as provided hereunder, the failure of any member to receive actual notice shall not invalidate the meeting or any proceedings conducted at the meeting.

(4) Holders of Security Interests. Upon written request to the Secretary of the Association, the holder of any recorded security interest in any Unit in the Condominium may obtain a copy of any notice permitted or required to be given by these By-Laws from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record, including notice of proposed amendments to the Declaration, or the Association=s Articles or By-Laws.

(5) Waiver of Notice. The presence of any member in person or by proxy, shall be deemed a waiver of notice as to such member unless such member objects at the opening of the meeting to the holding of the meeting because of failure to give proper notice. Members may waive notice of any meeting in writing to the Secretary.

2.05 Quorum. The presence of a majority of Unit votes, whether in person or by proxy, constitutes a quorum.

2.06 Voting. Voting is on the basis of Unit votes. Each Unit is entitled to cast one indivisible vote without regard to the number of persons who may have an ownership interest in the Unit. The vote for each Unit may be cast as agreed by the persons who have an ownership interest in the Unit and if only one such person is present, it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event they cannot agree on the manner in which the vote is to be cast, no vote may be accepted from that Unit.

(1) Proxies. A member may give another person authority to represent him and vote on his behalf at meetings of the Association. Such proxy must be in writing, dated and signed by the member, and filed with the Secretary. Except for a proxy to a mortgagee or lessee of the Unit involved, no proxy is valid for more than one hundred eighty (180) days after its date; however, a member may renew his proxy by filing a new proxy or a renewal of the existing proxy with the Secretary. A proxy may grant full or limited voting rights and may contain instructions which shall be binding on the proxy holder.

(2) Representatives. Any personal representative, executor or administrator of the estate of any member, or guardian or trustee for any member, may exercise such member=s voting rights. Such person shall file an affidavit or other proof of his status with the Secretary.

(3) Suspension. Voting rights may be suspended by vote of the Association=s Board of Directors in accordance with the Declaration, and no person who is not on the Association=s roster of Unit Owners may vote unless such person holds a proxy form one who appears on the roster.

2.07 Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws or any provision of law to be taken at a meeting of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.

2.08 Adjournment. Any meeting of the Association may be adjourned from time to time and to such place and time as may be determined by a majority vote of those present, whether or not a quorum is present. No further announcement of the time or place of the adjourned meeting is required.

2.09 Order of Business. The order of business at all annual meeting is as follows:

(a) Roll Call.
(b) Proof of Notice of Hearing.
(c) Proof of Quorum.
(d) Reading of Minutes of Preceding Annual Meeting.
(e) Report of Officers.
(fd) Report of Committees.
(g) Election of Board of Directors.
(h) Unfinished Business.
(i) New Business.
(j) Approval of Budget.
(k) Adjournment.

The order of business at all special meetings is determined by the President.

2.10 Reserved Rights. Election of directors, amendment of the By-Laws, borrowing funds, acquiring or conveying any interest in real estate, final approval of the annual budget, and levying of special assessments are reserved to vote by the members.

SECTION III

BOARD OF DIRECTORS

3.01 Number and Qualification. The affairs of the Association are governed by a Board of Directors composed of three (3) directors. All directors must be Unit Owners.

3.02 Election. Directors are elected by Unit votes at the annual meeting of the Association. Those candidates receiving the greatest number of votes from among the candidates running for the available Board positions shall be elected, notwithstanding the fact that they do not receive a majority of the votes cast. Each Unit has one (1) vote for each vacancy on the Board and cumulative voting shall not be allowed.

3.03 Term of Office. The term of office for each director is three (3) years. The terms of directors shall be staggered, so that one-third (1/3) are elected each year.

3.04 Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum. Each director so elected serves as a director until a successor is elected at the next annual meeting.

3.05 Removal of Directors. Directors may be removed for cause by a majority of the Unit votes at any annual or special meeting, notice of which includes notice of the proposed removal.

3.06 Compensation. No compensation shall be paid to directors for their services as officers or directors.

3.07 Annual Meetings. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association. No notice is necessary to newly-elected directors in order legally to constitute such meeting, provided that a quorum of the directors is present.

3.08 Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly. The time, place and manner of such regular meetings shall be as determined from time to time by resolution of the directors.

3.09 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The time, place and manner of such meetings is determined by the President.

3.10 Notice. Notice of all meetings of the Board of Directors must be given to each director personally, or by mail, at least three (3) days prior to the date of such meeting.

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

3.12 Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws or any provision of law to be taken by the Board of Directors at a meeting may be taken without a meeting, if a consent in writing, setting forth the action taken, is signed by all of the directors then in office.

3.13 Quorum. At all meetings of the Board of Directors, a majority of the directors constitutes a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.14 Open Meetings. Any Unit Owner may attend any annual, regular or special

meeting of the Board of Directors.

3.15 Committees. The Board of Directors may by resolution designate one or more committees, each committee to include one or more directors elected by the Board of Directors, which to the extent provided in said resolution as initially adopted, and thereafter amended, shall have and may exercise, when the Board of Directors is not in session, the powers of the Directors in the management of the business and affairs of the Condominium. The Board of Directors may elect one or more of its members to alternate membership of any such committee and such alternate members may take the place of any absent member or members at any meeting of such committee, upon request by the President or upon request by the chairman of such meeting.

3.16 Powers and Duties. The Board of Directors may exercise all powers of the Condominium not specifically reserved to the members and is responsible for establishing policies for the Condominium in pursuance of its purposes and supervision of the implementation of these policies by a Manager. The Board of Directors may retain the Manager.

(1) Rules. The Board of Directors shall adopt Rules for the regulation of the use and enjoyment of the Condominium.

(2) Delinquencies. The Board of Directors may set a delinquency charge, stated in terms of a percentage rate not to exceed one percent (1%) per month, on delinquent payments of regular or special assessments.

(3) Insurance. The hazard and liability insurance maintained by the Association must be maintained with an insurer licensed in Wisconsin and rated Best=s Class VI or better, or Class V if it has a general policyholder=s rating of A. Policies may not be subject to contribution or assessment, to special corporate action by the carrier to authorize payment of benefits or to limiting clauses other than insurance conditions on payment of benefits. The insurance and bond maintained by the Association must provide at least ten

(10) days= notice to the Association and to Unit first mortgagees or their assigns before a policy is substantially modified or cancelled.

(4) Improvements. The Board of Directors shall not authorize or undertake the construction or addition of any improvements to the property except as herein provided.

(a) Improvements costing less than Five Thousand Dollars ($5,000.00) require the affirmative vote of a majority of the owners.

(b) Improvements costing Five Thousand dollars ($5,000.00) or more require the affirmative vote of three-fourths (3/4) of the owners.

(c) Any resolution providing for improvements to the property shall also provide for the manner in which such improvements are to be paid, whether from the reserve fund, by special assessment or otherwise.

(d) This clause shall not apply to maintenance and repairs to any existing structure and common elements.

(5) Leases. All leases of Units shall be in writing and a copy filed with the Association. Any such lease shall specifically provide that use of the Unit and Common Elements is subject to the Declaration and the Association=s Articles of Incorporation, By-Laws and Rules. No lease may be for a period of less than thirty (30) days. The Board of Directors may set other standards, not inconsistent with this section, for approval of leases.

(6) Borrowing. The Board of Directors shall not authorize or undertake to borrow any funds prior to receiving the affirmative vote of a majority of the Unit Owners authorizing any such borrowing.

SECTION IIIA
INTERIM CONTROL

3A.01 Scope. This Section controls operation of the Association during the period prior to the sale of all Units by Declarant to Unit Owners. So long as any subsection of this Section is in effect, that subsection supersedes all contrary provisions of these By-Laws.

3A.02 Declarant Powers. So long as this subsection is in effect, Declarant has and may exercise all powers reserved by the By-Laws to the members or granted by the By-Laws to the Board of Directors.

3A.03 Board of Directors. So long as this subsection is in effect, the Board of Directors shall consist of two (2) directors, appointed by Declarant. Appropriate subsections of Section III apply to the operation of the Board.

3A.04 Turnover Date. Control of the Association shall be turned over from Declarant to a Board of Directors elected by the Unit Owners no later than thirty (30) days after the conveyance to Unit Owners of seventy-five percent (75%) of the Common Area interest, but in no event more than ten (10) years after the conveyance of the first Unit. Declarant may advance this date at its discretion.

3A.05 Assumption of Control. Within forty-five (45) days after the turnover date, the Association shall meet to elect directors under Section III hereof. Of the directors then elected, one (1) each shall serve for a term of three (3), two (2) and one (1) year, the terms to be determined by lot.

3A.06 Exemption. Until all Units have been sold by Declarant, Declarant is exempt from the restrictions herein and the Rules adopted hereunder.

3A.07 After Turnover. Following turnover date, Declarant retains the right to name one (1) voting member to the Board of Directors until all Units have been sold by Declarant. During this period, the Board of Directors shall consist of four (4) rather than three (3) members.

3A.08 Amendments. No amendments to these By-Laws amend this section with the consent of Declarant.

3A.09 Termination. Subsections 3A.02-3A.04 are in effect until the turnover date. Subsections 3A.01 and 3A.05-3A.09 are in effect until Declarant has conveyed all Units to Unit Owners. Upon termination of a subsection, it shall be automatically deleted from these By-Laws.

SECTION IV
OFFICERS

4.01 Designation. The principal officers of the Association are a President, a Vice President and a Secretary-Treasurer, all of whom shall be elected from the Board of Directors.

4.02 Election of Officers. The officers of the Association are elected at the annual meeting of the Board of Directors.

4.03 Term. The officers of the Association hold office for a term of one (1) year or until their successors are elected and qualified.

4.04 Removal of Officers. Any elected officer may be removed, with or without cause, by a majority vote of the Directors at any annual, regular or special meeting of the Board, notice of which includes notice of the proposed removal.

4.05 Vacancies. A vacancy in any principal office shall be filled by the Board of Directors.

4.06 President. The Presidente is the principal officer of the Association. He presides at all meetings of the Association and of the Board of Directors, and has all of the powers and duties set forth in these By-Laws or delegated to him by the Board of Directors.

4.07 Vice President. The Vice President takes the place of the President and performs his duties whenever the President is absent or unable to act, and shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

4.08 Secretary-Treasurer. The Secretary-Treasurer supervises the taking, preparation and preservation of minutes of all meetings of the Board of Directors or of the Association, causes all notices required by these By-Laws to be given, certifies copies of the organizational and operational documents of the Association, as amended from time to time, upon request, and executes other certificates on behalf of the Association, tallies votes at Association meetings, supervises the keeping of the financial books and records of the Association, supervises the collection of amounts due the Association and their application under the Declaration, By-Laws and policies established by the Board of Directors, and has such other powers and duties as may be delegated to him by these By-laws or by the Association.

SECTION V
ASSESSMENTS - MAINTENANCE FUND

5.01 Preparation of Regular Assessments: Each year on or before December 1, the Board shall estimate the total amount necessary to pay the cost of wages, payroll taxes, materials, insurance service, management fees, supplies, maintenance, repairs landscaping, fuel, power and other common utilities and Common Expenses, which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The Board shall apportion the cost of insurance for fire and extended coverage for those buildings containing Units among the Unit Owners of Units not located on individual grounds. Said Aestimated cash requirements@ shall be

assessed to the Owners according to each Owner=s percentage of ownership in the Common Elements. On or before January 1 of the ensuing year, 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. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all 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 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 deposited in an interest bearing escrow account for the express purpose of any future maintenance expenses or contingencies or in the Areserve for contingencies and replacements.@ Any net shortage shall be added according to each Owner=s percentage of ownership in the Common Elements to the installments due in the succeeding six (6) months after rendering of the accounting.

5.02. Reserve for Contingencies and Replacements; Special Assessments: The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Such funds shall be maintained in a Statutory Reserve Account as described in Section 703.163, Wis. Stats. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against such reserve. If said Aestimated cash requirement@ proves inadequate for any reason, including non-payment of any Owner=s assessment, the Board may, at any time, levy a further assessment, which shall be assessed to the Owners according to each Owner=s percentage ownership in the Common Elements. The Board shall serve notice of such further assessments on all 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 Owners shall be obligated to pay the adjusted monthly amount. At the time each Unit is first occupied, the Unit Owner shall pay (in addition to the first monthly assessment) to the manager or managing agent, or as otherwise directed by the Board, an amount equal to three (3) times the first full monthly assessment for such Unit Owner, which amount shall be used and

applied as an operating reserve for Common Expenses in the manner herein provided, and this amount shall not be considered to be the regular monthly assessment for the succeeding three (3) months.

5.03. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the 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.

5.04. Books and Records: 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 Owner or any representative of the Owner duly authorized in writing, at such reasonable time or times during normal business hours of week days as may be requested by the Owner. Upon ten (1) days= notice to the Board and payment of a reasonable fee as fixed by the Board not to exceed Fifteen Dollars ($15.00), any 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.

5.05. 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 Unit Owners and for such 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 the percentages appurtenant to their Units.

5.06. Remedies for Failure to Pay Assessments:

(a) If any Unit Owner shall default in the payment of any charge or assessment imposed by the Board as herein provided, the Board shall have the authority for and on behalf of itself and said Association and as the representative of all Unit Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, these By-Laws, this Declaration or otherwise available at law or in equity, for the collection of all such unpaid charges or assessments. In addition, if an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Board may bring suit for and on behalf of itself and as representative 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 said suit, together with interest and reasonable attorneys= fees to be fixed by the Court. Unpaid assessments shall bear interest at such rate as the Board may determine from time to time. To the extent permitted by 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 Unit Ownership of the Owner involved. A suit for any deficiency following foreclosure may be maintained in the same proceeding. In any event, a suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. Said lien may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate, provided a statement of lien is filed within three (3) years after the date the assessment becomes due. Said lien shall be effective against a Unit Owner at the time the assessment became due regardless of when the lien is filed. Unless otherwise provided in this Declaration, the members of the Board and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid on the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Said lien shall take effect and be in force when and as provided in the Act; provided, however, that any first mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit=s unpaid dues or charges which accrue prior to the acquisition of title to such Unit by the mortgagee. Any encumbrancer, from time to time, may

request in writing a written statement from the Board setting forth the unpaid Common Elements with respect to the Unit covered by his encumbrance, and unless the request shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance.

(b) No Unit Owner shall be permitted to vote at a meeting of the Association if the Association has recorded a statement of condominium lien on the Unit Ownership of the Owner and the amount necessary to release the lien has not been paid prior to the time of the meeting.

5.07. Rental During Foreclosure: In the event of the foreclosure of a lien for unpaid Common Expenses, the Unit Owner who is the defendant in such a proceeding shall be required to pay a reasonable rental for such Unit.

5.08. Amendments: Except for such amendments as may be required to conform any provision of the Declaration to the requirements of law, all amendments to this Article V shall only be effective upon unanimous written consent of the Owners, and their mortgagees. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use of enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

5.09. Developer=s Liability for Assessments: The Developer shall be assessed only for amounts assessed against unsold Units. However, the Developer is hereby excused from payment of any Common Expenses and assessments as to any unsold Units for a period of time, not exceeding ninety (90) days from the date of closing of the first Unit sale.

SECTION VI

ACCOUNTS; FINANCES

6.01 Accounts. The Association shall maintain such books and records and establish such financial accounts as required by law and as may be necessary accurately to reflect the condition and actions of the Association. Such books and records are open to inspection by all Unit Owners and Unit first mortgagees.

6.02 Audit. The Board of Directors may establish an audit committee, containing at least one (1) Unit Owner who is not a director, to audit the accounts of the Association. A majority of Unit first mortgagees may have an audited statement of the Association=s fiscal dealings for any fiscal year prepared at their expense.

SECTION VII
LIABILITY OF OFFICERS

7.01 Exculpation. No director or officer of the Association, in his capacity as director or officer rather than as a Unit Owner, is liable for acts or defaults of any other director, officer or Unit Owner or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence. Nothing contained in this Section exempts such director or officer from the liabilities and obligations of Unit Owners as provided by these By-laws.

7.02 Indemnification. Every director and officer of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with the claim, action, suit proceeding, investigation or inquiry of whatever nature in which he may be involved as a party or otherwise by reasons of his having been a director or officer of the Association at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding, investigation or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any

determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification is in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and inures to the benefit of the legal representatives of such person. The Association may insure its obligations under this subsection.

SECTION VIII
FISCAL YEAR

8.01 Fiscal Year. The fiscal year of the Association begins on the first day of January in each year and ends on the last day of December of the same year.

SECTION IX
AMENDMENT

9.01 Amendment. Except as otherwise provided herein, these By-Laws may be amended form time to time by affirmative vote of sixty-seven percent (67%) or more of the Unit votes at a meeting duly called fro the purpose. Any portion of these By-Laws that merely reflect or give priority to the Declaration may not be amended unless the Declaration is similarly amended.

SECTION X
INTERPRETATION

10.01 Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect.

10.02 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

10.03 Gender, Number. The use of the masculine gender in these By-Laws shall be

deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.