BY-LAWS
OF
ASSOCIATION OF WHISPERING PINES, INC.

Table of Contents

		Page
ARTICLE 1.	NAME AND LOCATION	2.
ARTICLE 2.	APPLICATION, MEMBERSHIP AND INITIAL ORGANIZATION	2.
ARTICLE 3.	VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES	3.
ARTICLE 4.	MEETINGS	4.
ARTICLE 5.	BOARD OF DIRECTORS	5.
ARTICLE 6.	OFFICERS	10.
ARTICLE 7.	BUDGET, ASSESSMENTS AND DEPOSITORIES . . .	11.
ARTICLE 8.	OBLIGATIONS OF THE MEMBERS	12.
ARTICLE 9.	AMENDMENTS	17.
ARTICLE 10.	MORTGAGES, STATEMENT OF UNPAID ASSESSMENTS	17.
ARTICLE 11.	CONFLICTS	17.
ARTICLE 12.	FISCAL YEAR; TAX STATUS	18.

BY-LAWS OF

ASSOCIATION OF WHISPERING PINES, INC.

ARTICLE 1. NAME AND LOCATION

1.1 Name. The name of the corporation shall be ASSOCIATION OF WHISPERING PINES, INC. (the "Association").

1.2 Location. The principal office of the Association shall be MIBEF Corporate Services, Inc., 100 East Wisconsin Avenue, Suite 3300, Milwaukee, Wisconsin 53202-4286. The Association may have offices at such other places as the Board of Directors may from time to time determine or the Association may from time to time require.

ARTICLE 2. APPLICATION, MEMBERSHIP AND INITIAL ORGANIZATION

2.1 Application. These By-Laws, together with the Declaration of Condominium of Whispering Pines Condominium, (the "Declaration"), the Articles of Incorporation for this Association ("Articles") all amendments to the foregoing, all rules and regulations passed by the Association, and Chapter 703 of the Wisconsin Statutes, the Condominium Ownership Act, as the same may be amended, renumbered or renamed from time to time (the "Act"), shall apply to, govern and control the real property and improvements both currently and as hereafter constructed as located in Saukville, Wisconsin and more particularly described in Exhibit A of the Declaration (the "Condominium"). Any and all present or future owners, tenants, employees and other persons using the Condominium shall be governed by the Declaration, these By-Laws, the Articles and the Act. The mere acquisition, rental or occupancy of a dwelling unit (a "Unit") within the Condominium will signify the acceptance and ratification of these By-Laws by all such persons.

2.2 Members. "Members" of the Association shall consist of all "Unit Owners" as that term is defined in the Declaration.

2.3 Initial Organization. Notwithstanding any provision set forth in these By-Laws to the contrary, Whispering Pines Investments, LLC (the "Declarant"), shall designate the initial board of directors ("Board of Directors" or "Board"), consisting of three (3) persons, none of whom must be Members, who shall have all of the rights and powers reserved to the Board, under these By-

Laws. Such members of the Board or successors to any of them as designated by Declarant, shall continue to serve as follows:

2.3.1 Prior to the conveyance of 25% of the "Interests" as defined in the Declaration, by Declarant to purchasers, a special meeting of the Members shall be called, at which time one (1) member of the initial Board, or such director's successor, as designated by Declarant, shall tender his or her resignation and the Members, other than Declarant, shall elect one (1) new member of the Board of Directors in accordance with the provisions of Article 5 of these By-Laws; and

2.3.2 Upon the earlier to occur of (i) five (5) years from the date the first Unit is conveyed to any person by Declarant or (ii) thirty (30) days after the conveyance of seventy-five percent (75%) of the Interests by Declarant to purchasers, a special meeting of the Members shall be called, at which time all directors, or their successors, as designated by Declarant, but not having previously tendered their resignations in accordance with 2.3.1 above, shall tender their resignations, and the Members shall elect such number of new directors as shall be necessary so that the Board of Directors shall consist of three (3) persons.

For the purpose of determining the percentages in 2.3.1 and 2.3.2, the number of "Interests" (as defined in the Declaration) shall be deemed twenty-four (24) until such time as Declarant's right to expand the Condominium which is reserved under the Declaration, shall expire.

ARTICLE 3. VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

3.1 Voting. Each Member shall have one (1) vote for each Unit owned. If a Unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If the owners of a Unit cannot agree on how to vote, each Unit shall lose its vote for the particular item to be voted upon. Certificates of appointment shall be valid until revoked or superseded by a subsequent certificate or a change in ownership to the Unit occurs. There shall be no cumulative voting.

3.2 Majority of Members. The term "majority of Members" shall mean those Members holding more than fifty (50%) percent of the votes.

3.3 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Members" as defined in Section 2 of this Article shall constitute a quorum.

3.4 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE 4. MEETINGS

4.1 Roster of Members. The Association shall maintain a current roster of names and addresses of every Member. Each Member shall receive notice of meetings of all meetings of Members of the Association. Every Member shall furnish the Association with his or her name and current mailing address. No Member may vote at meetings of the Association until the foregoing information is furnished.

4.2 Place of Meetings. Meetings of the Association shall be held at such place as is designated by the Board of Directors.

4.3 Annual Meeting. The annual meeting of the Association shall be held on the first Tuesday of March of each year. At the annual meeting, one or more members of the Board of Directors may be elected in accordance with the requirements of Section 5.2 of these By-Laws. The Members may also transact such other business of the Association as may properly come before them.

4.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board or upon a petition signed by a majority of the Members and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Members present, either in person or by proxy.

4.5 Notice of Meetings. It shall be the duty of the Secretary to deliver or mail a notice of each meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at the address shown on the roster, at least ten (10) days but not more than thirty (30) days prior to

such meeting, unless waivers are duly executed by all Members. The delivery or mailing of a notice in the manner provided in this Section shall be considered notice served, and such notice shall be effective upon the date of delivery or mailing.

4.6 Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called and no additional notice shall be required.

4.7 Order of Business. The order of business at all meetings of the Members shall be as follows:

4.7.1 Roll call.

4.7.2 Proof of notice of meeting or waiver of notice.

4.7.3 Reading of minutes of preceding meeting.

4.7.4 Reports of officers.

4.7.5 Report of committees.

4.7.6 Election of directors (when applicable).

4.7.7 Unfinished business.

4.7.8 New business.

4.8 Parliamentary Procedure. Except where inconsistent with these By-laws, meetings of the Association shall be conducted in accordance with the latest revised edition of Roberts Rules of Order.

ARTICLE 5. BOARD OF DIRECTORS

5.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of at least three persons, of whom not more than one person is a non-Member, subject to the provisions of Section 2.3.

5.2 Election and Term of Office. The terms of office of the Directors shall be fixed as follows:

5.2.1 The term of the director elected in accordance with Section 2.3.1 shall expire on the date of the annual meeting next succeeding election. Thereafter, the term of each director elected or re-elected in succession of this director shall be for three (3) years each and shall expire on the date of the annual meeting which is three (3) years following the date of such election or re-election.

5.2.2 The terms of the directors elected in accordance with Section 2.3.2 shall be as follows:

5.2.2.1 The term of one such director shall expire on the date of the annual meeting which next succeeds by one (1) year the annual meeting at which the term of the director elected under Section 5.2.1 expires. Thereafter, the term of each director elected or re-elected in succession of this director shall be for three (3) years each and shall expire on the date of the annual meeting which is three (3) years following the date of election or re-election.

5.2.2.2 The term of the other director elected under 2.3.2 shall expire on the date of the annual meeting which next succeeds by two (2) years the annual meeting at which the term of the director elected under Section 5.2.1 expires. Thereafter, the term of each director elected or re-elected in succession of this director shall be for three (3) years each and shall expire on the date of the annual meeting which is three (3) years following the date of election or re-election.

At the time of the initial election of the directors under this Section 5.2.2, each candidate for election as director shall declare, before the votes are cast, the length of the term as director for which he or she is a candidate.

Each director shall hold office until a successor is elected and the successor has attended his or her first meeting of the Board. When more than one director is to be elected at any meeting, each Member shall cast votes for candidates equal in number to the directors to be elected; provided, however, that a Member may not cast more than one (1) vote for each Unit owned by the Member for any single candidate. The candidates who are elected shall be

those receiving the greatest number of votes, in decreasing order, until the number of directors to be elected have been so elected.

5.3 Powers and Duties. The Board shall have the powers necessary to administer the Condominium including the following:

5.3.1 Make and enforce (including enforcement through the establishment of a system of fines), rules and regulations, and amendments thereto from time to time, respecting the operation, use and occupancy of the Condominium.

5.3.2 Adopt a budget and make and collect assessments from the Members in accordance with the provisions of the Declaration, and expend said assessments for insurance, taxes, utility services for and maintenance, repair and operation of the Common Areas of the Condominium as required under the Declaration or for such other purposes as fall within the responsibility of the Association and general powers of the Board;

5.3.3 Execute contracts on behalf of the Association, employ necessary personnel, and carry out all functions and purposes necessary for the operation of the Condominium;

5.3.4 Satisfy all liens against the Condominium and pay necessary expenses connected therewith;

5.3.5 Employ a professional property manager, management company or managing agent on a salaried basis to perform such duties as the Board shall authorize including but not limited to, the duties listed in this Section; and

5.3.6 Perform such other functions as are required by law.

5.4 Fees. No fee or other compensation shall be paid to any member of the Board at any time except by specific resolution of the Members.

5.5 Vacancies. A vacancy on the Board created by any reason other than removal by a vote of the Members or the resignation of a Declarant appointed director shall be filled by vote of the majority of the remaining directors, even though they constitute

less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

5.6 Removal of Directors. At any regular or special meeting duly called, any one or more of the directors elected by the Members may be removed with or without cause by a majority of the Members and a successor elected by the Members to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

5.7 Organization Meeting. The first meeting of a Board of Directors, after one or more directors is newly elected, shall be held within ten (10) days of such election at such place as determined by the Board at the meeting at which such directors were newly elected. No notice shall be necessary in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

5.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as is designated by a majority of the directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or telefacsimile at least three (3) days prior to the day named for each meeting.

5.9 Special Meetings. A special meeting of the Board may be called by the President on three (3) days notice to each director, given personally or by mail, telephone or telefacsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner on the written request of at least two (2) or more directors.

5.10 Waiver of Notice. Before or at any meeting of the Board, any director may waive notice of such meeting in writing and such waiver shall be deemed the equivalent of notice duly given. Attendance by a director at any meeting of the Board shall also be deemed a waiver of notice. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Board Quorum. A majority of the directors shall constitute a quorum for the transaction of business at all Board meetings. If, at any meeting of the Board, less than a quorum is

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 original meeting may be transacted without further notice.

5.12 Fidelity Bonds. The Board shall require that all officers and employees of the Association responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

5.13 Liability of Directors and Officers. No person shall be liable to the Association or Members for any loss or damage suffered by it or them on account of any action taken or omitted to be taken as a director or officer of the Association if such person exercised and used the same degree of care and skill as a prudent individual would exercise under the circumstances in the conduct of such individual's own affairs, or for any action or nonaction based upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which was reasonably believed to be true. The foregoing shall not be exclusive of any other right or defense.

5.14. Unanimous Consent. Any action required or permitted to be taken by the Board under the Declaration, Articles of Incorporation or these By-Laws at a meeting may be taken without a meeting if a written consent setting forth the action so taken, is signed by all Directors then in office.

5.15. Indemnity of Directors and Officers.

5.15.1 Every person who is or was a director or officer of the Association (together with the personal representatives and heirs of such person) shall be indemnified by the Association against all loss, costs, damages and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings, to which such person is made or threatened to be made a party by reason of service as a director or officer, except as to matters resulting in a final determination of gross negligence or willful misconduct on the part of such director or officer. In event of settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be

indemnified has not been guilty of gross negligence or willful misconduct in the performance of as a director of officer in relation to the matter involved. The Association, by its Board of Directors, may indemnify in like manner, or with any limitations, any employee or former employee of the Association, with respect to any action taken or not taken as an employee. This right of indemnification shall be in addition to all other rights and defenses.

5.15.2 All liability, loss, damage, costs and expense incurred or suffered by the Association in connection with the foregoing indemnification shall be a common expense; provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify any Member who is or has been an employee, director or officer of the Association with respect to duties or obligations imposed by the Declaration, Articles or these By-Laws due to status as a Member of the Association.

ARTICLE 6. OFFICERS

6.1 Designation. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board and serve one year terms. The directors may appoint an assistant treasurer and an assistant secretary, and such other officers as in their judgment may be necessary.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board at its organizational meeting following the annual meeting. Officers shall hold office at the pleasure of the Board.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the Board, any officer may be removed, either with or without cause, and a successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

6.4 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which usually vested in the office of president of a non-profit corporation, including, but not limited

to, the power to appoint committees from among the Members from time to time as appropriate to assist in the conduct of the affairs of the Association.

6.5 Vice President. The Vice President shall take the place of the President whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint a director to serve in such capacity on an interim basis. The Vice President shall also perform such other duties imposed by the Board from time to time.

6.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and the Association. The Secretary shall have charge of such books and papers as the Board directs and in general, perform all duties incident to the office of Secretary. The Secretary shall count the votes cast at any annual or special meeting of the Association or the Board of Directors.

6.7 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all Association receipts and disbursements. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as designated by the Board.

6.8 Compensation. No officer shall receive compensation for services rendered the Association unless authorized by a resolution of the Members.

6.9 Multiple Officers. Is so elected by the Board of Directors, the same person may hold the offices of President and Treasurer and the same person may hold the offices of Vice-President and Secretary.

ARTICLE 7. BUDGET, ASSESSMENTS AND DEPOSITORIES

7.1 Budget. The Board shall adopt a budget for the operation of the Association at least annually. The budget will contain estimates of the cost of operating the Condominium and shall include all common expense items.

7.2 Assessments. The estimate of common expenses of the Condominium, in accordance with the provisions of the Declaration, shall be assessed against each Unit based on the Unit's Interest on an annual basis and paid in monthly installments provided, however, that Declarant shall only be assessed as provided in Article 5 of

the Declaration. The first installment shall be paid on a prorated basis where proper, upon receipt by a Member of the deed to a Unit. If the annual assessment based on the budget proves inadequate, or if special circumstances arise, the Board at any time may levy a special assessment for any purpose for which a general assessment may be levied which special assessment shall be payable in such reasonable manner as the Board directs. Assessments and installments of assessments shall be paid on or before ten (10) days after the date when such assessments and installments are due. Any assessment or installment not paid within ten (10) days of its due date shall be delinquent and the Member shall be charged interest at a rate equal to the sum of then "prime" or "reference" rate established by Firstar Bank Milwaukee, N.A. plus four percentage points on the unpaid assessment or installment of such assessment. Interest shall accrue from the date when the assessment or installment was first due until paid. All payments upon account shall be first applied to interest, if any, and then to the assessment payment first due. No Member who is more than ten (10) days delinquent in the payment of an assessment or installment on an assessment shall be entitled to vote at any regular or special meeting of the Members. If a Member fails to timely pay an assessment or installment, the Board may take any and all measures allowed by the Declaration or at law, including, but not limited to, the filing of a statement of condominium lien in accordance with the Act, which statement shall be signed and verified by the Secretary of the Association or any other officer authorized by the Board of Directors.

7.3 Depositories. The funds of the Association shall be deposited in such bank(s) or other depositories designated by the Board and shall be withdrawn therefrom only upon check or order signed by the officers who shall from time to time be designated by the Board for the purpose. The Board may elect to require Members to pay assessments imposed by the Board directly to a designated depository. The Board may elect to direct that checks of less than $500.00 for payment of Association obligations, bear only one (1) signature of a designated officer and that checks for a greater amount bear a signature and counter-signature of designated officers.

ARTICLE 8. OBLIGATIONS OF THE MEMBERS

8.1 Maintenance and Repair. Every Member shall promptly perform all maintenance and repair work as required under the Declaration. A Member shall be responsible to the Association and each other Member for any claims, damages or other liabilities

arising from the Member's failure to discharge the foregoing obligation. A Member shall reimburse the Association or a Unit Owner on demand for any expenditures incurred in repairing or replacing any part of such other owner's Unit or the Common Areas damaged by the reimbursing Member, any person in such Member's family, or a tenant, employee or other user or occupant of the reimbursing Member's Unit.

8.2 Use of Common Areas and Facilities. No Member shall place or cause to be placed any objects of any kind in the Common Areas except in the Limited Common Areas appurtenant to one's Unit.

8.3 Right of Entry. Each Member grants a right of entry to the professional property manager, management company or managing agent (if any) employed by the Board or to any other person authorized by the Board to enter the Member's Unit for the purpose of performing non-emergency installations, alterations or repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Member. Each Member further grants to the Board a right of entry without advance notice in case of emergency, whether the Member is present or not. Damage or loss caused due to an emergency shall be at the expense of the owner of the Unit to which entry is made if, in the reasonable judgment of those authorizing the entry, such entry was for emergency purposes.

8.4 Insurance. Each Unit Owner shall be responsible for any deductible charged to the Association by its insurer as a result of the actions or inactions of any Unit Owner or their tenants or guests. Any deductible charged to the Association because of the actions of a Unit Owner's tenant shall initially be a fine against the tenant consistent with Section 703.24 Wis. Stat. as amended from time to time. If the tenant does not pay the fine within the time period set forth in statute (currently 30 days), the fine, which shall match the amount of the deductible, shall then be assessed against the Unit Owner.

8.5 Heat. From October 1 to May 1st each year, each Unit shall be heated at all times to at least 55 degrees.

8.6 Enforcement of Condominium Documents

8.6.1 Reporting Violations: Any Unit Owner or Resident may report a violation of the Declaration, Bylaws, or Rules (Collectively referred to as the "Condominium Documents") to:

8.6.1.1. The Saukville Police Department, if the violation is an infraction of a village ordinance or any other law.

8.6.1.2. Management.

8.6.2 Violations Reported to Management Must be in Writing and Contain the Following:

8.6.2.1. Name of offender and address, if known.

8.6.2.2. Violation observed and brief description thereof.

8.6.2.3. Time and place of occurrence or, if a continuing violation, the time or times of observance of the occurrence.

8.6.2.4 Name, address and telephone number of the reporting Unit Owner or Resident.

8.6.3. Upon Receipt of a Report of Violation, Management, at its Option, Shall:

8.6.3.1. Fine the alleged offender the appropriate fine per Subsection 8.6.5 of these rules, and/or

8.6.3.2. Obtain a voluntary correction of the violation, and/or

8.6.3.3. Achieve a compromise solution to which the complainant, the alleged offender and Management agree, or

8.6.3.4. Determine that no violation exists

-If either the complainant or offender is not satisfied with the decision of Management, the complainant or offender may demand that the matter be heard by a Grievance Committee. Such demand must be in writing and be provided to Management within 14 calendar days of Management=s initial decision. If no demand is made within 14 calendar days, then the decision of Management shall be final. If a demand is timely made, Management shall submit the matter to the Grievance Committee within seven (7) days.

8.6.4. Grievance Committee Rules and Procedures:

8.6.4.1. The Grievance Committee shall consist of a member of the Board of Directors, who will act as the Chairperson, and six (6) members at large of the Association who are chosen by the Board, and serve at the leisure of the Board. The members at large shall not be officers or members of the Board of Directors of the Association.

8.6.4.2. Each member at large shall serve for two (2) years, except that the first Grievance Committee shall have three (3) members with only a one (1) year term.

8.6.4.3. For any grievance hearing, the Chairperson and three (3) of the six (6) members at large shall serve. A majority vote of the Committee will determine the action and decisions of the Committee. The Chairperson shall not cast a vote except to break a tie.

8.6.4.4. Members serving on any Grievance Committee must not be directly or indirectly involved in the specific dispute at hand.

8.6.4.5. Upon receipt by the Grievance Committee of a grievance, the Chairperson shall proceed as follows:

1. A letter shall be sent by certified mail, return receipt requested, informing all parties:

   a. Of the time, place and date of a hearing before the Grievance Committee.

   b. Of the right to counsel.

   c. That evidence shall be received and a record made whether or not the party complained against attends.

   d. That, if found in violation, a fine may be imposed in accordance with the Penalties Section, plus costs and actual attorney fees incurred by the Association.

   e. That any such fine imposed may be secured by filing a lien against the subject Unit, as prescribed by law.

2. The hearing shall be divided into two (2) sections:

   a. The hearing.

   b. The determination and decision.

      i. The Hearing Section shall be open to only the Committee, Board of Directors, the parties involved, their attorneys and witnesses.

      ii. The Determination and Decision Section of the meeting shall be open only to the Committee. The decision will be rendered in writing to concerned parties within five (5) business days of the hearing.

   c. If the complainant, or their representative, fails to appear at the hearing without a valid excuse acceptable

by the Committee Chairperson, the grievance shall be dismissed without prejudice and reasonable and necessary costs incurred by the responding party assessed against the complaining party. The matter will not be reheard unless these costs are first paid to the responding party.

d. If the alleged offender fails to appear, the complainant must prove his grievance and no presumption can be made against the alleged offender for non-appearance.

e. The burden of proof shall be on the complainant to prove the grievance by a preponderance of the evidence.

8.6.4.6. The decision of the Grievance Committee is final and non-appealable.

8.6.5. Fines. Each violation of the of the Declaration, Plat, Bylaws or Rules (collectively "Condominium Documents") or the law, shall be punishable by all means set forth in the Condominium Documents and/or the law, including by one or more of the following:

8.6.5.1. A written reprimand.

8.6.5.2. A fine, in conformity with '703.24 Wis. Stat., in an amount not to exceed $150, plus administrative costs of $20, plus reasonable attorney fees. Each day that the violation persists shall be a new violation. Notwithstanding the foregoing, any fine for the amount of the deductible charged to the Association by its insurance carrier, shall be the actual amount of the deductible and not subject to the $150 per day limit.

8.6.5.3. By the Association removing or correcting the violation, the cost of which, including reasonable attorney fees, shall be born by the Unit Owner and/or resident.

8.6.5.4. Loss of use of the Association recreational facilities.

8.6.5.5. A $25 late fee added to any monthly assessment or special assessment not paid by on time.

For any amounts not paid to the Association when due, compound interest at the rate of 1.5% per month shall be added to the outstanding balance. For any amounts not paid when due the unit owner and/or resident shall pay all costs of collection, including actual attorney fees

ARTICLE 9. AMENDMENTS

These By-Laws may be amended by the Members in a duly constituted meeting convened for such purpose. No amendment shall take effect unless approved by the owners of at least sixty-seven (67%) percent of the total Units. For the purpose of determining the percentage in the preceding sentence, the "total Units" shall be deemed to be 24 until such time as Declarant's right to expand the Condominium, as described in Article 10 of the Declaration, shall expire. No amendment shall limit any right granted to or reserved by Declarant herein or in the Declaration.

ARTICLE 10. MORTGAGES, STATEMENT OF UNPAID ASSESSMENTS

10.1 Notice to Association. Any Member who mortgages a Unit shall notify the Secretary of the Association of such mortgage or mortgages and the name and address of the mortgage or mortgagee(s). The Secretary of the Association shall maintain a record of the names and addresses of all mortgagees of which the Secretary is given notice.

10.2 Notice of Unpaid Assessments. Within ten (10) days of request by a mortgagee, proposed mortgagee or purchaser who has a contractual right to purchase a Unit, the Association shall furnish a statement setting forth the amount of the then unpaid assessments pertaining to such Unit. If any mortgagee, proposed mortgagee or purchaser of such Unit, in reliance upon such statement, disburses mortgage loan proceeds or expends the purchase price, such mortgagee, proposed mortgagee or purchaser shall not be liable for, nor shall such Unit be subject to a lien which is not properly filed in accordance with law prior to the date of the statement, for any unpaid assessments in excess of the amount set forth in the statement. If the Association does not provide such a statement within ten (10) business days after such request, then the Association is barred from making claim for any delinquent assessments other than against any such mortgagee, proposed mortgagee or purchaser under a lien properly filed in accordance with law prior to the request for the statement.

10.3 Notice to Mortgagee. Any first mortgagee of a Unit making request to the Secretary, shall be entitled to written notice from the Association of any default by the Member upon whose Unit the mortgage is held in the performance of obligations set forth in these By-Laws, this Declaration and any amendments to the foregoing or all rules and regulations of the Association, which default is not cured within thirty (30) days after notice is provided to the defaulting Unit owner. Any notice required or permitted to be given to any mortgagee pursuant to these By-Laws shall be deemed given if mailed or delivered to such mortgagee at the address shown in such record and shall be deemed effective as of the date of mailing or delivery.

ARTICLE 11. CONFLICTS

These By-Laws are intended to comply with the Act and Declaration. If any provision of these By-Laws conflicts with the Act or the Declaration, the Act or Declaration will control.

Articles 8.4 -- 8.6 of the By-Laws were added by amendment on November __, 2011.
819939-1.1

ARTICLE 12. FISCAL YEAR; TAX STATUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year. The Association is intended to qualify under Section 528 of the Internal Revenue Code as an organization intended for residential real estate management association. As such an organization, the Association is:

(a) Organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property;

(b) A minimum of 60% of the income received by the Association for each taxable year shall be received in response to assessments against its Members;

(c) 90% or more of the Association expenditures for each taxable year shall be spent on acquisition, construction, management, maintenance and care of Association property;

(d) No part of the net earnings of the Association shall inure to the benefit of any private shareholder or individual except as related to acquisition, construction or providing management, maintenance or care of Association property or by rebate of excess assessments to any Member.

The Association shall elect in the manner prescribed by the Secretary of the Treasury through regulations to have this section apply for each taxable year of the Association.

Articles 8.4 8.6 of the By-Laws were added by amendment on November __, 2011.
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