

BY-LAWS
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BY-LAWS
OF
LAKE NAGAWICKA SHORES CONDOMINIUM, INC.
AMENDED AND RESTATED AS OF June 11, 2016.

PREAMBLE

The following are the By-Laws of Lake Nagawicka Shores Condominium, Inc.

All present and future unit owners, mortgagees, lessees, and occupants of units and their employees and any other persons who may use the facilities of Nagawicka Shores Condominium (“Condominium”) in any manner are and shall be subject to the Declaration, the Articles of Incorporation, these By-Laws and all Rules and Regulations made pursuant to these By-Laws and any amendment hereof. The acceptance of a deed of conveyance or a mortgage or the entering into a land contract or lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, these By-Laws and any Rules and Regulations, as they may be amended from time to time, are accepted, ratified, and that unit owners and all parties noted above will comply with them.

These By-Laws shall be deemed covenants running with the land and shall be binding on the unit owners, their heirs, administrators, personal representatives, successors and assigns.

ARTICLE I

Name, Address and Purpose

The name of the corporation is Lake Nagawicka Shores Condominium, Inc. (“Association”), which is a non-stock, non-profit corporation organized and existing under the

Wisconsin Non-Stock Corporation Law, Chapter 181 of the Wisconsin Statutes. The principal office of the corporation is as listed with the Wisconsin Department of Financial Institutions. The purpose of the Association is to serve as the Association of unit owners of NAGAWICKA SHORES CONDOMINIUM located in the City of Delafield, Wisconsin, as provided in the Condominium Ownership Act, Chapter 703 of the Wisconsin Statutes and subject to the terms and conditions of the Declaration for NAGAWICKA SHORES CONDOMINIUM.

ARTICLE II

Definitions

The terms used in these By-Laws shall have the same meaning as set forth in the Act and as follows, unless the context otherwise requires:

(a) “Association” means LAKE NAGAWICKA SHORES CONDOMINIUM, INC., a non-stock, non-profit corporation organized and existing pursuant to Chapter 181 of the Wisconsin Statutes, its successors and assigns, which is the means through which the condominium unit owners acting as a group shall administer, manage, operate and control the property.

(b) “Unit” means a part of a condominium intended for any type of individual, private or independent use, including one or more cubicles of air or one or more rooms or enclosed spaces in the building having outer boundaries as follows:

The boundaries of each unit shall be the interior surfaces of the perimeter walls, floors and ceilings of the unit. All windows (including skylights), window frames, doors, including all glass and locks in windows and doors shall be a part of the unit. Each two-car garage immediately adjacent and appurtenant to each unit shall be a part of the unit.

In the event a unit owner shall, with the approval of the Association's Board of Directors, add to his unit a structure (such as a porch, fireplace, skylight, etc.) which extends beyond the above-mentioned outer boundaries, such structure shall be included within the definition of "unit." The perimeter boundaries and building plans are shown on the Condominium Plat (Exhibit C to the Declaration). The floor plans are also attached to the Declaration as Exhibit D. A unit shall include all fixtures and improvements including, but not limited to, heating and air-conditioning units, water heaters and water conditioners contained in the unit. A unit shall not include the structural elements of the building nor any pipes, wires, conduits, flues, shafts, ducts, public utility lines and apparatus within a unit which is part of any system serving more than one unit.

(c) "Unit Owner" means a person, a combination of persons, a partnership, a corporation, a trustee or any other legal entity who holds legal title to a condominium unit which is part of the property or who has equitable ownership of a condominium unit as a land contract vendee, but the definition excludes those having an interest or lien in a condominium unit as security for the performance of an obligation.

(d) "Common Elements" means all of the condominium except its units. "Limited Common Elements" means those common elements identified in the Declaration or the Condominium Plat as reserved for the exclusive use of one or more but less than all the unit owners.

(e) "Property" means the real estate together with all buildings and improvements described in Exhibit A of the Declaration.

(f) "Mortgagee" means the holder of any recorded mortgage encumbering one or more units or a land contract vendor.

(g) “Common Expenses and Common Surpluses” mean the expenses and surpluses of the Association.

(h) “Majority” or “Majority of Unit Owners” means the unit owners with more than fifty percent (50%) of the votes assigned to the units in the Declaration.

(i) “Person” means an individual, corporation, partnership, association, trustee or other legal entity.

ARTICLE III

Members, Voting and Meetings

3.1 Members. The rights and qualifications of the members are as follows:

(a) Defined. Members shall be all unit owners, and shall have one (1) vote for each unit owned. Each unit owner upon acquiring title to a unit under terms of the Declaration shall automatically become a member of the Association and shall remain a member of the Association until such time as his/her ownership of such unit ceases for any reason, at which time his/her membership in the Association shall automatically cease.

(b) One Membership Per Unit. One (1) membership and one (1) vote shall exist for each unit. If title to a unit is held by more than one (1) person, the membership related to that unit shall be shared by such owners in the same proportionate interests and by the same type of tenancy in which the title to the unit is held.

(c) Membership Roster. Unit owner(s) shall furnish the Association with his/her name, unit number, email address, phone number and current mailing address. In the event a unit owner changes his/her contact information, the unit owner shall notify the Association in writing of such change. No unit owner may vote at meetings of the Association until such information is furnished. The Association shall maintain a current Membership Roster

showing the owners of each unit and their contact information. In the event the Association files a Statement of Condominium Lien on a unit for failure to pay assessments or other expenses, the unit owner or owners and their designate shall be prohibited from voting at any membership meeting unless and until the amount necessary to release that lien has been paid at the time of the membership meeting.

(d) Transfer of Membership. Each membership shall be appurtenant to the unit upon which it is based and shall be transferred automatically upon conveyance of that unit. Membership in the Association may not be transferred, except in connection with the transfer of a unit. Upon transfer of a unit, the Association shall, as soon as possible thereafter, be given written or email notice of such transfer by the owner or seller of record, including all contact information required by the Membership Roster, identification of the unit, the date of transfer, and any other information about the transfer which the Association may deem pertinent. The Association shall make appropriate changes to the Membership Roster effective as of the date of transfer.

3.2 Quorum and Proxies for Members' Meetings. A quorum for members' meetings shall consist of a majority of voters entitled to vote. If only one of multiple owners is present at a Members' meeting, the owner is entitled to cast the vote for that unit. If more than one of the multiple owners is present, the owners must decide amongst themselves who will cast the vote appurtenant to their unit. If an agreement cannot be reached among the owners as to who will cast their unit's vote at that meeting, no vote shall be cast for that unit. Votes may be cast in person or by proxy. Except as otherwise provided herein, the act of a majority of votes present in person or by proxy at any meeting at which a quorum is present shall be an act of the members. Proxies shall only be valid for one meeting, and must be filed with the Association at least

twenty-four (24) hours before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. Only Association members may hold proxies. In the event of a general proxy, which gives the proxy holder the right to vote as he or she sees fit on any Association business, an Association member is restricted from holding more than two (2) proxies.

3.3 Time, Place, Notice and Calling of Members' Meetings. Written or email notice of all meetings stating the time and place within the State of Wisconsin, and the purpose for which the meeting is called shall be given by the President or Secretary of the Association to each member at his address as it appears on the Membership Roster of the Association and shall be mailed, emailed or personally delivered not less than ten (10) days prior to the date of the meeting. Meetings shall be held at such time and place as may be designated by the Board of Directors, within the State of Wisconsin. The Annual Meeting shall be in the 4th quarter of the year, the date to be at the discretion of the Board of Directors, for the purpose of electing directors and transacting any other business authorized to be transacted by the members. Special meetings shall be held whenever called by the Board of Directors and must be called whenever at least one-third (1/3) of all members request such a meeting by written and signed request to the Board of Directors.

3.4 Method of Conducting Meetings. All membership meetings will be conducted in accordance with the then current edition of Robert's Rules of Order. The President shall preside at all membership meetings and the Secretary shall record the resolutions passed at such

meetings. Two (2) non-board members appointed by the President shall count the votes at membership meetings.

ARTICLE IV

Board of Directors

4.1 Number and Qualification of Directors. The Board of Directors shall consist of five (5) persons, to be classified with respect to the terms for which they severally hold office as set forth in paragraph 4.3 below. All members of the Board shall be Association members.

4.2 Powers and Duties of the Board of Directors. The affairs of the Association shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised by the Board of Directors. The Board of Directors may obtain and pay for the services of any person or entity as a managing agent to manage the affairs of the Association. The Board of Directors may hire such other personnel as it shall determine for the proper operation of the condominium. Such powers and duties shall be exercised in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws.

The Board of Directors may acquire and convey property both real and personal, tangible and intangible of any kind or nature for and on behalf of the Association as it deems advisable and necessary for the operation of the Association. All such property shall be titled in the name of the Association. The Board of Directors may not acquire or convey property with a cost of more than five thousand dollars (\$5000) without the prior written approval of a majority of the members of the Association given at a regular or special meeting of the members.

4.3 Election and Term of Directors. Directors will be elected at the Annual Meeting of the Association. Candidates with the highest number of votes will win. All five directors will

be elected for two year terms, with two directors elected in even-numbered years and three in odd-numbered years.

4.4 Vacancies. Vacancies on the Board of Directors caused by any reason other than removal by a vote of the members shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected to complete the term of the resigning director at the next Annual Meeting of the members.

4.5 Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the members of the Board present at the meeting, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created.

4.6 Regular Meetings and Notice. A regular Annual Meeting of the Board of Directors shall be held immediately after, and at the same place as, the Annual Meeting of the members. Regular Board meetings, including the Annual Meeting, shall be scheduled in January of each year and Association members shall be informed of the schedule. If there are revisions to the schedule, members shall be informed of the change not less than 15 days prior to the re-scheduled meeting. Minutes will be available to the members within 14 days of the Board meeting. The schedule of meetings, any revisions of the schedule and meeting minutes shall be posted on the Association website and / or distributed to Association members.

4.7 Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President or three (3) directors on three (3) days prior written notice to each director, given personally or by mail / email, which notice shall state the time, place and purpose of the meeting. If a special meeting is called, the membership shall be informed of the meeting

as soon as practical. Minutes shall be available within 14 days of the meeting. The meeting notice and minutes shall be posted on the Association website and / or distributed to Association members.

4.8 Quorum of Directors. Except as otherwise provided herein, at all meetings of the Board of Directors a majority of the directors shall constitute 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 shall be the act of the Board of Directors.

4.9 Fidelity Bonds. The Board of Directors may require that some or all officers and/or employees of the Association handling or responsible for Association's funds shall furnish adequate fidelity bonds. The premiums on any such bonds shall be paid for by the Association.

ARTICLE V

Officers

5.1 Designation, Election and Removal. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected annually by the Board of Directors. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successors shall be elected at the regular meeting of the Board of Directors, or at any special meeting called for that purpose. Any two (2) or more offices, except a combination of the offices of President with that of Vice President, Treasurer or Secretary may be held by the same person.

5.2 President. The President shall be selected from among the members of the Board of Directors and shall be the chief executive officer of the Association. He/she shall preside at all meetings of the Association and of the Board of Directors. He/she shall have all general powers and duties which are usually vested in the office of President including, but not limited to, the

power to sign, together with any other officer any contracts, checks, drafts or other instruments on behalf of the Association.

5.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

5.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the Association and shall have charge of the Association's minute books, Membership Roster, and records, and shall, in general, perform all duties incident to the office of the Secretary.

5.5 Treasurer. The Treasurer shall have responsibility for the Association's funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and financial records and books of account on behalf of the Association. He/she shall be responsible for the deposit of all monies and all valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also be responsible for the billing and collection of all common charges, assessments, fines, penalties, and special assessments made by the Association. At the discretion of the Board of Directors, any number of the above responsibilities may be assigned to either a professional management company and/or an accountant.

5.6 Liability of Directors and Officers. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Association, if such person: (a) exercised and used the same degree of

care and skill as a prudent person would have exercised or used under the circumstances in the conduct of his own affairs; or (b) took or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which he had reasonably good grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he may be entitled as a matter of law.

5.7 Compensation. No director or officer of the corporation shall receive any fee or other compensation for services rendered to the Association except by specific resolution of the membership.

ARTICLE VI

Operation of the Property

6.1 The Association. The Association, acting through the Board of Directors, shall be responsible for administration and operation of the Condominium, in accordance with the Declaration, the Articles of Incorporation, these By-Laws, and the Rules and Regulations.

6.2 Rules and Regulations. The Association shall from time to time adopt Rules and Regulations governing the operation, maintenance and use of the units and Common Elements and Limited Common Elements by the unit owners and occupants. Such Rules and Regulations of the Association shall not be inconsistent with the terms of the Declaration or the conditions, covenants, restrictions and easements referred to in the Declaration, and shall be designed to prevent unreasonable interference with the use of the respective units and Common Elements and Limited Common Elements by persons entitled thereto. The Association members and their families, lessees, or guests and any occupants of the Units shall conform to and abide by all such rules and regulations. A violation of any such Rules or Regulations shall constitute a violation of

the Declaration and these By-Laws. The Association shall designate such means of enforcement as it deems necessary and appropriate including fines, penalties and/or special assessments (“fines”). Any such fine shall be deemed liquidated damages for breach of the Rules and Regulations of the Association which are accepted by unit owners upon becoming a member of the Association. Any such fine shall be deemed to be assessments in the same manner as common expenses.

6.3 Common Expenses. The Board of Directors shall determine the common expenses of the Association, and shall prepare an annual budget for the Association in order to determine the amount of the common charges payable by each unit to meet the estimated common expenses of the Association for the ensuing year as well as to meet future capital expenses. The amounts required by such budget shall be assessed and charged against the units and allocated among the members of the Association according to their respective percentages of ownership in the Common Elements of the Condominium as set forth in the Declaration. The common charges shall be made on an annual basis and shall be prorated and paid monthly to the Association on or before the first (1st) day of each month. If the first (1st) is a holiday, Saturday or Sunday it shall be due the first following business day at the Association’s depositor. If not paid on or before the Tenth (10th) day, a late fee shall be assessed by the Board of Directors, not to exceed 20% of the amount of the assessment installment. All charges, assessments and special assessments levied by the Association which are not paid when due shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid in full.

If delinquent for more than thirty (30) days, the Association may accelerate the annual assessment remaining unpaid with respect to such delinquent unit for purposes of collection or foreclosure action by the Association.

6.4 Annual Budget. The Board shall prepare the annual budget for the Association, consisting of an operating budget, which shall be designated as the “operating fund” and a capital budget, which shall be designated as the “reserve fund.”

The operating fund shall provide for routine annual expenses such as amounts required for the maintenance of the Common Elements and Limited Common Elements, management services, insurance, administration, materials and supplies. The operating fund shall also include a contingency fund for unplanned annual expenses.

The reserve fund shall be used for non-routine capital project expenses where the purchase or replacement will cost in excess of 5% of the annual budgeted revenue and a useful life of two years or greater. The reserve fund shall include, but not be limited to, such items as roof and siding replacement, painting, driveway paving, and improvements to harbors, piers and docks. The reserve fund or capital annual budget will include a detailed listing of the required projects for a minimum of the next 5 years, the anticipated year of replacement or purchase, the estimated cost, the amount required to fully fund the reserve and the funding for the annual budget. The Association shall budget a minimum contribution of at least 10% of its total budgeted annual assessments to the reserve fund.

The reserve fund may also be used to discharge mechanics liens or other encumbrances levied against the Condominium, or against each unit, if resulting from action by the Association. The unit owner or owner’s responsibility for any lien which is paid by the Association but not the obligation of the Association shall be specially assessed for the full amount thereof. The directors may also use the reserve fund for the maintenance and repair of any unit if such maintenance and repair, although the obligation of the unit owner, is necessary to protect the Condominium. The

full amount of the cost of any such maintenance or repair shall be specially assessed to the unit owner responsible therefor.

The annual budgets shall be prepared and determined by November 15th of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common charges payable on behalf of each unit for the coming year by the date of the annual members' meeting and shall furnish copies of the budget on which such common charges are based to each member.

If within fifteen (15) days after the annual membership meeting a petition is presented to the Board of Directors protesting such charges or the budgets upon which they are based, and the petition is signed by members representing more than fifty percent (50%) of the membership entitled to vote, then the directors shall notify all members of a meeting called for the sole purpose of reviewing such charges or budget. At such meetings, the vote of more than fifty percent (50%) of the membership entitled to vote may revise the budget and charges, and such revised budget and corresponding charges shall replace for all purposes the ones previously established; provided, however, that the annual budget and charges (except contributions to the reserve fund) may not be revised downward to a point lower than the average total budget for the preceding two (2) years. If a budget and charges have not been established and made for any two (2) preceding years, then the annual budget and charges (except contributions to the reserve fund) may not be revised downward until two (2) years of experience exist.

6.5 Default. If a member of the Association is in default in the payment of any charges, expenses, assessments, and/or fines, ("assessments") for a period of more than thirty (30) days ("delinquent"), the Association may accelerate the entire amount of the annual common charges and any other assessments remaining unpaid with respect to such delinquent

member and his/her unit for purposes of collection and/or enforcement of the lien against the Unit for all such unpaid charges. All assessments until paid plus all accrued interest and actual costs of collection and actual attorney's fees incurred in connection with collection shall be the personal responsibility of the delinquent unit owner, and shall constitute a lien on the units on which they are assessed if a statement of lien as provided in the Act is filed in the land records of the Clerk of the Circuit Court of Waukesha County, Wisconsin within two (2) years after the assessment becomes due. If a member of the Association is delinquent, said member, his family, lessees and guests may be prohibited from using the recreational facilities located on the Common Elements until all delinquent assessments have been paid. All matters concerning collection of assessments shall be administered by the Board of Directors. If any member of the Board of Directors is delinquent, the delinquent member shall not be allowed to vote on any matters concerning the collection of such delinquent assessments. If the number of delinquent members of the Board of Directors is such that the remaining members do not constitute a quorum for purposes of taking any collection action, the non-delinquent member(s) shall be able to take any action deemed advisable even though such member(s) may constitute less than a quorum. In addition to any other action authorized for collection of assessments as provided in the Act, any member of the Board of Directors who is delinquent may be removed from office by a vote of a majority of the non-delinquent member(s) of the Board of Directors even though such member(s) constitute less than a quorum.

ARTICLE VII

Repairs and Maintenance

7.1 Individual Units. Each unit owner shall be responsible for keeping the interior of his unit and all of its equipment, fixtures and appurtenances including, but not limited to, pipes,

ducts, electrical wiring and conduits, plumbing, water conditioners, heating and air-conditioner units (including any portions located in a limited common element) in good order, condition and repair and in a clean sanitary condition, and shall be responsible for such maintenance and repair.

7.2 Common Elements. The Association shall be responsible for the management and control of the Common Elements and Limited Common Elements and shall maintain, repair, and keep them in good, clean, attractive and sanitary condition, order, and repair. Without in any way limiting the foregoing, the Association shall be responsible, at Association expense (unless necessitated by the negligence or misuse of a unit owner, members of his family or his lessee, in which case such expense shall be charged to such unit owner and his unit), for accomplishment of the following specific items of maintenance and repair with respect to the Common Elements and Limited Common Elements:

All painting, repairing, restoration, maintenance, and decorating of building exteriors and roofs, including garages and decks and patio slabs; excluding glass replacement.

General repair, maintenance, repair or replacement of exterior fixtures including newspaper kiosks.

All grass cutting, edging and trimming.

Tending and cultivating bush beds and limited pruning of bushes and shrubbery.

Replacement of landscaping and shrubberies. Tree pruning, cutting and replacement.

Fertilizing, watering and weed control as required. Raking and disposal of leaves and leaf removal from building gutters.

Repair, replacement or restoration of sidewalks, fences, driveways, retaining walls, piers and recreation area.

Repair and maintenance of exterior lights and associated equipment.

Snow removal and sanding or salting walks and roadways, with the understanding that while walkways will be cleared and salted as a routine part of snowplowing, in the interest of reducing liability to the Association as a whole, unit owners are responsible for maintaining a clear and non-slip surface on the walkways appurtenant to their units, salting and clearing snow as necessary.

7.3 Individual Units and Limited Common Elements. Except as otherwise provided herein, each unit owner, at his sole expense, shall be responsible for keeping the interior of his unit and all of its equipment, fixtures and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall be responsible for any repair, maintenance, decorating, painting and varnishing which may at time to time be necessary to maintain the good appearance and condition of the interior of his unit. The unit owner may decorate, paint railing and stain deck railing and deck connected to his/her unit if he/she so desires with the prior written consent of the Board of Directors using the approved stain. Without in any way limiting the foregoing, in addition to decorating and keeping the interior of the unit in good repair, each unit owner shall be responsible for the maintenance, repair or replacement of any interior electric wiring and conduit, fixtures, plumbing, water heaters, doors (including garage doors), windows, and skylights (including replacement of broken glass), steps, stairways, carpeting, lighting fixtures, refrigerators, ranges, heating and air conditioning equipment (whether located in a unit or in a Limited Common Element appurtenant thereto), dishwashers, disposals, laundry equipment such as washers and dryers, doorbells, garage door openers, storage areas, or other

equipment which may be in, or connect with the Unit or the Limited Common Element appurtenant to the unit, all as a result of wear, tear, or mechanical breakdown and any damage resulting from the failure thereof. If a unit owner alters the Limited Common Element without prior written approval of the Board of Directors, among other remedies allowed by the governing documents, the Association shall have the right to return the Limited Common Element to its original condition and charge all costs associated therewith to the unit and unit owner as a special assessment.

7.4 Association Services. The Association may provide any service or maintenance requested by a unit owner or owners with respect to individual units or Limited Common Elements that the Association is able and willing to provide or perform, and shall specially assess such requesting unit owner or owners therefor.

ARTICLE VIII

Duties and Obligations of Unit Owners

8.1 Rules and Regulations. The units and the Common Elements and Limited Common Elements shall be occupied and used in accordance with the Declaration, the Articles of Incorporation, these By-Laws, and the Rules and Regulations of the Association, including the following:

(a) Use. No unit owner shall occupy or use his unit or the Limited Common Elements appurtenant thereto, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner, the owner's family, the owner's guests or the owner's lessees.

(b) Obstruction and Access. There shall be no obstruction of the Common Elements. Reasonable access shall be afforded by owners whose units contain items that also service other units.

(c) Signs. No sign of any kind shall be displayed to the public view on or from any unit or the Common Elements or Limited Common Elements without the prior consent of the Association except that signs that support or oppose a candidate for public office or a referendum question may be displayed in a unit. All signs may be limited in size and placement by the Board of Directors.

(d) No animals, livestock, reptiles, rodents or poultry of any kind shall be raised, bred or kept on the property except that the occupant of each unit may keep two dogs or two cats or one dog and one cat, provided that such dog(s) or cat(s) do not exceed a maximum combined weight of sixty (60) pounds, as well as other small household pets such as fish, canaries or parakeets, provided that they are not kept, bred or maintained for any commercial purposes. All authorized pets shall be housed indoors and, if allowed outdoors, shall be kept on a leash and accompanied by owner at all times while outdoors. Owner shall pick up and dispose of any excrement from pet. The Association may issue a permit for keeping of a pet. Pets which are born to the permitted pet will not be considered a permitted pet. Such permit shall be deemed a revocable license which may be revoked at any time following notice and hearing if, in the judgment of the Board of Directors, such licensed animal is or becomes offensive, a nuisance or harmful in any way to the Condominium or those occupying or owning therein. The Association may charge an application fee to cover its administrative and enforcement costs.

(e) Noxious Activity. No noxious or offensive activity shall be carried on in any units or in the Common Elements or the Limited Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to others.

(f) Alteration, Construction or Removal. Nothing shall be altered or constructed in or removed from the Common Elements or Limited Common Elements, except upon the prior written consent of the Association.

(g) Conflict. The Rules and Regulations, and those which may be hereafter adopted by the Association, are in addition to the Declaration, and the conditions, covenants, restrictions and easements set forth in the Declaration, and in the event of a conflict, the Declaration shall govern.

8.2 Maintenance and Repair of Units. Every Unit Owner must perform properly or cause to be performed all maintenance and repair work within his/her own unit which if omitted would affect the Condominium in its entirety or in a portion belonging to other owners, and such owner shall be personally liable to the Association or to adjoining unit owners, as the case may be, for any damages caused by his failure to do so.

8.3 Limited Common Elements. Every unit owner must maintain the Limited Common Elements appurtenant to his/her unit in clean and proper condition. No objects or structures, other than movable furniture or decorative pieces, shall be placed thereon without the prior written consent of the Board of Directors of the Association. Every unit owner shall have the right to decorate the Limited Common Elements-appurtenant to his unit in a nonstructural manner provided that decorations which are visible to other units or to public shall have prior written approval of the Board of Directors of the Association.

ARTICLE IX

General

9.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January, and end on the 31st day of December in each year.

9.2 Seal. The Board of Directors shall not be required to provide a corporate seal.

ARTICLE X

Amendments

10.1 By Members. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the members at any meeting called for such purpose, by an affirmative vote of sixty-seven percent (67%) of all of the votes entitled to be cast by members of the Association.

ARTICLE XI

Miscellaneous

11.1 Record of Ownership. Every unit owner shall promptly report to the Association any transfer of ownership or leasing arrangement. All executed leases shall be filed with the Association. The Secretary shall maintain all such information in the Membership Roster of the Association.

No residential unit owner shall occupy or use his unit or the limited common areas appurtenant thereto, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner, the owner's family, or the owner's lessees or guests. The use and occupancy of a unit is subject to the following additional restrictions and requirements:

(a) In order to preserve the high standards of maintenance and care and the other benefits arising from owner occupancy of units, including low turnover of occupants, no unit may be occupied by solely non-owner occupants during the one year period immediately following a transfer of ownership of said unit. The Board of Directors shall upon receipt of a written request waive the foregoing prohibition if the Board of Directors determines that the non-owner occupancy is being sought by reason of a sufficiently significant unforeseeable event which occurred within the twelve-month period, such as the death of an owner of the unit. Any written request for a waiver shall be deemed denied if not granted in writing within thirty days after its receipt by the Board of Directors.

(b) With respect to any occupancy of a unit by non-owner occupants, the conduct of non-owner occupants and their guests in accordance with the Declaration and By-Laws shall be the responsibility of the unit owner; furthermore, the unit owner shall be financially responsible for the payment of any costs and attorney fees incurred by the Association in enforcing the provisions of the Declaration, By-Laws and Rules and Regulations against any non-owner occupants and their guests.

(c) With respect to any new occupancy of a unit by solely non-owner occupants, the unit owner must provide the Association with the following information as it exists at all times during the occupancy: the names of all persons having a right to occupy the unit; the license number of all motor vehicles used by the occupants; the occupant's phone number, if available; the unit owner's address and phone number.

(d) In addition to the above, with respect to any new occupancy of a unit by solely non-owner occupants, the unit owner must pay to and maintain with the Association a rental deposit account in an amount equal to 20 times the monthly assessment for common

charges for said unit as established from time to time by the Board of Directors. Said rental deposit account may be used by the Association to pay the following:

1. The cost to the Association, including reasonable attorney fees, to enforce any of the provisions of the Declaration, By-Laws or Rules and Regulations against the non-owner occupants and their guests.
2. The cost of repair of any damages for which the unit owner is responsible.
3. Any delinquent annual or special assessments, liquidated damage assessments, interest, or fees, and/or costs of collection of any of the same imposed pursuant to the Declaration and By-Laws with respect to such unit.

In the event the rental deposit, or any portion thereof, is used to pay any of the foregoing, the unit owner shall reimburse to the Association the amount so paid; said reimbursement shall be made within ten calendar days following the Association's mailing to the unit owner a notice of the amount to be reimbursed. In the event any solely non-owner occupancy of a unit terminates, the rental deposit account balance with respect to said unit shall be refunded to the unit owner within twenty-one calendar days following the Association's receipt of written notification of such termination.

11.2 Mortgages. The Board of Directors, at the request of any mortgagee or prospective purchaser of any unit or interest therein, shall report to such person the amount of any assessments against such unit then due and unpaid.

11.3 Indemnity of Officers and Directors. Every person who is or was a Director or an officer of the Association (together with the heirs and personal representatives of such person) shall be indemnified by the Association against all loss, costs, damages and expenses (including

reasonable attorney's fees) asserted against, incurred by or imposed upon him/her in connection with or resulting from any claim action, suit or proceeding, including criminal proceedings, to which he/she is made or threatened to be made a party by reason of his being or having been such Director or officer, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or willful misconduct. In the event of a 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 negligence or willful misconduct in the performance of his/her duty as such Director or 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 in his capacity as such employee. The foregoing rights of indemnification shall be in addition to all rights of which officers, Directors or employees may be entitled as a matter of law.

All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions, to the extent not covered by insurance, shall be treated and handled by the Association as common expenses; provided, however, that nothing contained in this Article XI shall be deemed to obligate the Association to indemnify any member or unit owner who is or has been an employee, Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him/her under and by virtue of the Declaration, the Act, the Articles and By-Laws of the Association, as a member of the Association or unit owner covered thereby.

11.4 Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Act, which shall control in case of any conflict.

11.5 Interpretation. In case of 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. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the Unit Owners.

11.6 Number and Gender. Whenever used in these By-Laws, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

END OF BY-LAWS