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BY-LAWS
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BY-LAWS
OF
ISLAND POINTE OWNERS ASSOCIATION, INC.

Pursuant to Articles of Incorporation of ISLAND POINTE OWNERS ASSOCIATION, INC., and the Condominium Declaration for ISLAND POINTE BEACH CLUB CONDOMINIUM recorded in the Office of the Register of Deeds for Sauk County, Wisconsin, the following are adopted as the By-Laws of ISLAND POINTE OWNERS ASSOCIATION, INC., which is a nonprofit, nonstock corporation formed and organized to serve as an Association of Unit Owners who own real estate and improvements under the condominium form of ownership, as provided in the Condominium Ownership Act under the laws of the State of Wisconsin and subject to the terms and conditions of the Declaration.

ARTICLE I

DEFINITIONS

"Association" shall mean and refer to Island Pointe Owners Association, Inc., its successors and assigns.

"Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors as same may be from time to time recorded and amended.

"Common Elements" mean all of the condominium except its units.

"Common Expenses and Common Surpluses" mean the expenses and surpluses of the Association.

"Condominium" means property subject to the condominium declaration.

"Condominium Instruments" mean this declaration, plats and plans of this Condominium together with any attached exhibits or schedules.

"Declarant" shall mean and refer to Hale Kai, Inc., and its assigns, together with any successor to all or substantially all of its business of developing the real property which is or may become subject to this declaration.

"Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire document, as same may from time to time be amended.

"Limited Common Elements" mean those common elements identified in the declaration or on the condominium plat as reserved for the exclusive use of one or more but less than all of the unit owners.

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

"Person" means an individual, corporation, partnership, association, trustee or other legal entity.

"Property" means unimproved land, land together with improvements on it or improvements without the underlying land.

"Unit" means a part of the Condominium intended for any type of independent use, including one or more cubicles of air at one or more levels of space or one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building, the outer perimeters of which are formed by the exterior surfaces of the structure including but not limited to doors, windows, roofs, foundations and exterior walls.

"Unit Number" means the number, letter or combination thereof, identifying a Unit in this declaration.

"Unit Owner" means a person, combination of persons, partnership or corporation who holds legal title to a Condominium Unit or has equitable ownership as a land contract vendee.

ARTICLE II

MEMBERS, MEETINGS AND VOTING

Section 1. Members. All owners of Units in ISLAND POINTE BEACH CLUB CONDOMINIUM shall be entitled and required to be members of the Association. No person or entity other than a Unit Owner or Declarant may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to a Unit; provided, however, that the rights of voting may be assigned to a Mortgagee as further security for a loan secured by a lien on a Unit. The Association shall have two classes of voting membership, and the rights and qualifications of the members are as follows:

a. Class A Members.

1. Defined - Class A Members shall be all Unit Owners with the exception of the Declarant, and shall

have one (1) vote for each Unit owned.

2. One (1) Vote Per Unit - When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit. There can be no split vote. Prior to the time of any meeting at which a vote is to be taken, each co-owner shall file the name of the voting co-owner with the Secretary of the Association in order to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded.

3. 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 notice of such transfer, including the name and address of the new owner, identification of Unit, date of transfer, name of person designated to vote and any other information about the transfer which the Association may deem pertinent, and the Association shall make appropriate changes in its records effective as of the date of transfer.

b. Class B Members.

1. Defined - Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the occurrence of either of the following events:

(a) When the total votes outstanding in Class A membership equal or exceed the total outstanding Class B membership, or

(b) Ten (10) years from the date of the recording of the Declaration.

2. Reinstatement - The Declarant shall be entitled to reinstatement as a Class B member of the Association at the time of each expansion of the Condominium as provided in Article XII of the Declaration. In such event, Declarant shall be entitled to all of the rights and privileges of Class B membership, including three (3) votes for each Unit owned by it. Each such reinstatement of Class B

membership shall terminate when the total votes outstanding in Class A membership again equal or exceed the total votes outstanding in Class B membership.

3. Rights of Declarants - Notwithstanding any other provisions contained in these By-Laws, Declarant, its successors and assigns, shall have the right at its option to appoint and remove the members of the Board of Directors and the officers of the Association, and to exercise the powers and responsibilities otherwise assigned by the Declaration to the Association or its officers. However, this control shall not extend for a period exceeding the earlier of: (1) ten (10) years from the date of recording of the Declaration, or (2) thirty (30) days after the conveyance of seventy-five (75%) percent of the common interests to purchasers, including those Common Elements which are the subject of a possible expansion of the Condominium as set forth in Article XII of the Declaration.

Section 2. Quorum and Proxies for Member's Meetings. A quorum for member's meetings shall consist of a majority of votes entitled to vote unless otherwise provided for in these By-Laws or the Declaration. Votes may be cast in person or by proxy. The act of a majority of votes present in person or by proxy at any meeting at which a quorum is present shall be the act of the members, unless provided otherwise under the Act or Declaration. Proxies shall be valid only for the particular meeting(s) or time period designated therein, up to a maximum of 180 days, unless sooner revoked, they must be filed with the Secretary 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.

Section 3. Time, Place, Notice and Calling of Member's Meetings. Written notice of all meetings stating the time and place and purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing by all Unit Owners, to each member at his address as it appears on the books of the Association and shall be mailed or personally delivered not less than ten (10) days or more than sixty (60) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings. Meetings shall be held at such time and place as may be designated by the Board of Directors.

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Section 4. Annual and Special Meetings. The annual meeting shall be held at least once each calendar year on a date and at a time to be determined by the Board of Directors for the purpose of electing directors and of transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President and any two members of the Board of Directors and must be called by such officers upon receipt of a written request signed by members who have one-third (1/3) or more of all votes entitled to be cast.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Initial Board of Directors. The initial Board of Directors shall consist of three (3) persons appointed by Declarant, who need not be members of the Association, to serve until Class B membership ceases and is converted to Class A membership as provided in Article II. Notwithstanding the foregoing, prior to the conveyance of twenty-five (25%) percent of the Units in ISLAND POINTE BEACH CLUB CONDOMINIUM, an Association meeting shall be held and Unit Owners other than Declarant shall elect at least twenty-five (25%) percent of the Board of Directors. Prior to the conveyance of fifty (50%) percent of the Units by Declarant, an Association meeting shall be held and the Unit Owners other than Declarant shall elect at least one-third (1/3) of the Board of Directors.

Section 2. Number and Qualifications of Directors. After the termination of Class B membership, the Board of Directors shall consist of five (5) persons, to be classified with respect to the terms by which they severally hold office as set forth in Section 4 below. Each member of the Board of Directors shall be a member of the Association or, in the event that such member of the Association is not a natural person, the appointee of such member of the Association.

Section 3. Powers and Duties of the Board of Directors. The affairs of the Association including management and operation of the Condominium property, 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. Such powers and duties shall be exercised in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws.

Section 4. Election and Term of Directors. At the first annual meeting of Association after the initial termination of Class B Membership, the members shall elect five (5) Directors to be classified with respect to the terms for which they hold office by dividing them into three (3) classes as follows: (a) Two (2) Directors whose term shall expire after one (1) year, at the next annual meeting of the Association; (b) Two (2) Directors whose terms shall expire after two (2) years at the second annual meeting of the Association after their election; (c) One (1) Director whose term shall expire after three (3) years, at the third annual meeting of the Association after his election.

The successors to the class of Directors whose terms expire as set forth above shall be elected to hold office for a term of three (3) years or until their successors are duly elected and qualified, or until any said Directors shall have been removed in the manner hereinafter provided, so that the term of one class of Directors shall expire in each year.

Section 5. Vacancies on Board. Vacancies on the Board of Directors caused by any reason other than the removal of a Director 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, and each person so elected shall be a Director until a successor is elected at the next annual meeting of the members at which that class of Directors is to be elected.

Section 6. 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 entitled to be cast and a successor may then and there be elected to fill the vacancy thus created.

Section 7. Regular Meeting 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. Notice of the regular annual meeting of the Board of Directors shall not be required.

Section 8. Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President or by two (2) Directors on three (3) days' prior written notice to each Director, given personally or by mail, which notice shall state the time, place and purpose of the meeting.

Section 9. Waiver of Notice. Before, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Directors - Adjournments. 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 the meeting at which a quorum is present shall be the act of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted.

Section 11. 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 IV

OFFICERS

Section 1. Designation of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors.

Section 3. Term. The officers of this Association

shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later date specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 6. Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out. He shall have all the 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 designated by the Board, any contracts, checks, drafts or other instruments on behalf of the Association in accord with the provisions herein. The President shall perform such duties and have such authority as are delegated by the Board of Directors.

b. 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.

c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; maintain the book of resolutions; serve notices to members as provided in Article II; keep appropriate current records showing the members of the Association together with their addresses; conduct elections as specified in Article III, and shall perform such other duties as required by the Board.

d. Treasurer. The Treasurer shall cause all monies of the Association to be deposited in appropriate accounts and disbursed therefrom as directed by resolution of the Board of Directors, shall cosign any promissory notes and contracts; keep proper books of accounts; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each full fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and a statement of income and expenditures to be presented to the Board and to the membership at its regular annual meeting.

e. 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 admitted 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 man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or admitted 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 reasonable 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. The Board of Directors may provide Director's and officer's liability insurance in such amounts and with such coverage as may be determined by the Board of Directors to be necessary or advisable from time to time.

Section 7. Compensation. No Director or officer of the Association shall receive any fee or other compensation for services rendered to the Association except by specific resolution of the membership.

ARTICLE V

OPERATION OF THE PROPERTY

Section 1. The Association. The Association, acting through the Board of Directors, shall be responsible for the administration, management and operation of Condominium property, in accordance with the Declaration, the Articles of Incorporation and these By-Laws. The Association may contract for management services and a management agent with respect to the administration and operation of the Condominium.

Section 2. Rules and Regulations. The Association, through the Board of Directors, shall from time to time

adopt rules and regulations governing the operation, maintenance and use of the Units and the Common Elements and facilities 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 contracts, documents and easements referred to in the Declaration, and shall be designed to prevent unreasonable interference with the use of the respective Units and the Common Elements and facilities by persons entitled thereto. The Association members, their lessees or guests, and any occupants of the Unit 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. The Association, through its Board of Directors, shall designate such means of enforcement thereof as it deems necessary and appropriate. The rules and regulations may be altered and amended or repealed in the same manner as these By-Laws. (See Article IX).

Section 3. Common Expenses. The Board of Directors shall determine the Common Expenses of the Association, and shall prepare an annual operating budget for the Association in order to determine the amount of assessments payable by each Unit to meet the estimated Common Expenses of the Association for the ensuing year. The amount required by such budget shall be assessed against the Units and allocated among the members of the Association according to their respective percentages of ownership in the Common Elements and facilities of the Condominium as set forth in the Declaration. The assessments shall be made on an annual basis and shall be prorated and due monthly. If not paid on or before the due date, the assessment shall bear interest from the due date at a percentage rate no greater than the current statutory maximum annual interest rate to be set by the Association for each assessment period. If delinquent for more than thirty (30) days, the Association may accelerate the annual assessments remaining unpaid with respect to such delinquent Unit for purposes of collection or foreclosure action by the Association. In the event the annual budget and assessments are not determined prior to the beginning of a fiscal year of the Association, the assessment for the prior year shall remain in effect until revised by the Board of Directors.

Section 4. Operating Budget. The annual operating budget shall provide for two funds, one of which shall be designated the "Operating Fund" and the other the "Reserve Fund". The Operating Fund shall be used for all Common Expenses which occur with at least annual frequency, such as amounts required for the cost of maintenance and repair of the Common Elements, management services, insurance, common

services, administration, materials and supplies. The Reserve Fund shall be used for contingencies and periodic expenses such as painting or renovation. In the event the Association incurs extraordinary expenditures not originally included in the annual budget, then such sums as may be required in addition to the Operating Fund may be charged against the Reserve Fund. In the event that both funds prove inadequate to meet the necessary Common Expenses, or at the discretion of the Board of Directors, the Directors may levy further assessment(s) against the Unit Owners.

The Reserve Fund may also be used to discharge mechanic's liens or other encumbrances levied against the entire property or against each Unit, if resulting from action by the Association. The Unit Owner or Owners responsible for any lien which is paid by the Association but not the obligation of the Association shall be specifically 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 preserve the aesthetics of the Condominium property. The full amount of the cost of any such maintenance or repair shall be assessed to the Unit Owner responsible therefor. The annual budget shall be prepared and determined by August 1 of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common assessments payable on behalf of each Unit by the date of the annual member's meeting and shall furnish copies of the budget on which such common assessments 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 assessments or the budget upon which they are based, and the petition is signed by members representing more than fifty (50%) percent of the membership entitled to vote with respect to such assessments, then the Directors shall notify all members of a meeting called for the sole purpose of reviewing such assessments or budget. At such meeting the vote of more than fifty (50%) percent of the membership entitled to vote may revise the budget and assessments, and such revised budget and corresponding assessments shall replace for all purposes the ones previously established; provided, however, that the annual budget and assessments may not be revised downward to a point lower than the average total budget for the preceding two (2) years and provided further, that if a budget and assessments have not been established and made for any two (2) preceding years, then the budget and assessments may not be revised downward until two (2) years of experience exist.

Section 5. Effect of Nonpayment of Assessments: Remedies of Association. Any assessment not paid when due shall immediately become a personal debt of the Unit Owner and also a lien, as provided in the Act until paid and may upon resolution of the Association bear interest from the due date at a percentage rate no greater than the current statutory maximum annual interest rate, to be set by the Association for each assessment. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the said lien against the property in like manner as a mortgage of real estate. Liens shall be signed and verified on behalf of the Association by any officer of the Association. The owner of a Unit against which a lien has been filed shall not be entitled to vote at Association meetings until the lien has been paid in full.

ARTICLE VI

REPAIRS AND MAINTENANCE

Section 1. Individual Units. Each Unit Owner shall furnish, at his own expense, and be responsible for the following:

--the maintenance, repairs and replacements of the exterior of each Unit and of those facilities which serve said Unit. There shall be no change in materials, design and color to the exterior without the prior written approval of the Architectural and Environmental Control Committee.

--the maintenance, repairs and replacements of all conduits, ducts, sewers, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the Unit boundaries or are within the Limited Common Element appurtenant to each Unit.

--all of the maintenance, repairs and replacements within his own Unit, all of the doors and windows appurtenant thereto and any portion of utility service facilities located within the Unit boundaries; provided, however, such maintenance, repairs and replacements as may be required for the bringing of water and utilities to the Unit, shall be furnished by the Association as part of the Common Expenses.

Section 2. Common Elements and Facilities. The Association, subject to the rights of the Unit Owners set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same 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, in which case such expense shall be charged and specifically assessed to such Unit Owner), for accomplishment of the following specific items of maintenance and repair with respect to the Common and Limited Common Elements:

--landscaping, tree pruning, grass cutting, edging and trimming. Repair, replacement or restoration of roads, drives, parking areas and retaining walls.

--snow removal.

--maintenance, repair and restoration as necessary of sanitary sewer tile systems.

--maintenance and repair of septic and water systems.

--provision, maintenance and storage of equipment and materials required to accomplish the foregoing.

Section 3. Owner Maintenance and Limited Common Elements. Each Unit Owner, at his sole expense, shall be responsible for repair, maintenance and appearance of the porch, patio, balcony or any other Limited Common Element appurtenant to his Unit, including (without limitation) responsibility for breakage, damage, malfunction and ordinary wear and tear. The Unit Owner shall not paint or otherwise decorate, restructure or adorn or change the appearance of any such Common Element appurtenant to his Unit without the approval of the Architectural and Environmental Control Committee. Each Unit Owner shall be responsible for snow and ice removal from those areas which are a part of the Limited Common Element appurtenant to his Unit.

Section 4. Association Services. The Association may provide any service or maintenance requested by 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 owner or owners thereof.

ARTICLE VII

DUTIES AND OBLIGATIONS OF UNIT OWNERS

Section 1. Rules and Regulations. The Units and

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Common Elements and facilities 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. Each Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Unit for residential purposes shall not be considered to be a violation of this covenant. Notwithstanding the foregoing, Declarant reserves the right to use an unsold Unit as a "model" and sales office.

b. Obstructions. There shall be no obstruction of the Common Elements nor shall anything be kept or stored on any part of the Common Elements without the prior written consent of the Association except as specifically provided herein.

c. Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof to increase the rate of insurance on the premises or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any owner or any invitee of any owner and each owner shall indemnify and hold the Association and the other owners harmless against all loss resulting from any damage or waste caused by him or his invitees, to the Association or other owners. No noxious, destructive or offensive activities shall be carried on in any Unit or in the Common Elements or any part thereof. Nor shall anything be done therein which may be or may become an annoyance or nuisance to any other owner or to any other person at any time lawfully residing in the Unit.

d. Signs. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Association or Declarant.

e. Animals. No animals of any kind shall be permitted in any Unit, Common Element or Limited Common Element.

f. Alteration, Construction or Removal.

Nothing shall be altered or constructed in or removed from the Common Elements and facilities, except upon the written consent of the Association.

g. Conflict. The above rules and regulations and those which may be hereafter adopted by the Association, are in addition to the Declaration and the documents, contracts, declarations and easements set forth in the Declaration, and in the event of a conflict, the Declaration and contracts, declarations and easements set forth in reference therein shall govern.

Section 2. Maintenance and Repair of Units. Every Unit Owner must perform properly or cause to be performed all maintenance and repair work on his own Unit which if omitted would affect the project 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.

ARTICLE VIII

GENERAL

Section 1. Address. The mailing address of this Association shall be Route 1, Box 173, Wisconsin Dells, Wisconsin, 53965, until termination of Class B membership in the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall begin on the first day of September and end on the last day of August in each year.

Section 3. Seal. The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the words "CORPORATE SEAL, WISCONSIN".

ARTICLE IX

AMENDMENTS

Section 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 not less than sixty-seven (67%) percent of the votes present or represented at such meeting, provided a quorum is in attendance.

Section 2. By Directors. These By-Laws may also be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors by an affirmative vote of a majority of the Directors present at any meeting at which a quorum is in attendance. No By-Law adopted by the members of the Association shall be amended or repealed by the Board of Directors if the By-Law so adopted so provides.

Section 3. Rights of Declarant. No amendment of these By-Laws shall alter or abrogate the rights of Declarant as contained in these By-Laws.

ARTICLE X

POWERS

This Association shall have the power to:

a. To exercise exclusive management and control of the Common Elements and facilities and Limited Common Elements described and set forth in the Declaration;

b. To hire, engage or employ and discharge such persons or entities as it may deem necessary or advisable to assist in the management of its affairs or to properly effectuate the duties and responsibilities of the Association as set forth in the Declaration;

c. To maintain, repair, replace, reconstruct, operate and protect the Common Elements and facilities and Limited Common Elements as set forth in the Declaration;

d. To determine, levy and collect assessments against the Unit Owners and use the proceeds thereof in the exercise of its powers and duties, including without limitation, the payment of operating expenses of the Association and the Common Expenses relating to the maintenance, repair, replacement, reconstruction, operation and protection of the Common Elements and facilities and Limited Common Elements as described and set forth in the Declaration;

e. To enter into contracts on behalf of the Unit Owners, and act as agent of the Unit Owners, with regard to, among other things, common services as required for each Unit, utilities, and such other matters as may be determined by the members of the Association;

f. To purchase insurance on the Condominium property and insurance for the benefit of the Association

and its members as set forth in the Declaration;

g. To make and amend By-Laws and reasonable rules and regulations governing, among other things, the use and operation of the Condominium property in the manner provided by the Declaration;

h. To enforce by legal means the provisions of the Condominium Ownership Act, the Declaration, the By-Laws, assessments and liens against the Units, and any rules and regulations governing the use and operation of the Condominium property;

i. To acquire and hold title to Units for the benefit of the Unit Owners pursuant to the right of first refusal, or otherwise, as set forth in the Declaration and to sell, lease, mortgage, vote the votes appurtenant to, and otherwise deal with said Units so acquired for the benefit of all Unit Owners as set forth in the Declaration;

j. To establish and maintain one or more bank accounts for deposit and withdrawal of the funds of the Association; and

k. To do all things necessary or convenient to effectuate the purposes of this Association and the Declaration.

ARTICLE XI

MISCELLANEOUS

Section 1. Indemnity of Officers and Directors. Every person who is or was a Director or an officer of the Association together with the heirs, executors and administrators 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 in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings, to which he has 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 gross 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 gross negligence or willful

misconduct in the performance of his 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 to which officers, Directors or employees shall 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 shall be treated and handled by the Association as Common Expenses; provided, however, that nothing in this Article XI contain shall be deemed to obligate the Association to indemnify any member or owner of the Condominium Unit 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 under and by virtue of the Declaration, the Wisconsin Condominium Ownership Act, the Articles and By-Laws of the Association, as a member of the Association, or owner of a Condominium Unit.

Section 2. Record of Ownership. Every Unit Owner shall promptly cause to be duly recorded or filed of record the deed, assignment or other conveyance to him of such Unit or other evidence of his title thereto, and shall file any lease with and present such other evidence of his title to the Board of Directors, and the Secretary shall maintain all such information in the membership list of the Association.

Section 3. Mortgages. Any Unit Owner who mortgages his Unit or any interest therein shall notify the Board of Directors of the name and address of his mortgagee, and also of any release of such mortgage and the Secretary shall maintain all such information in the membership list of the Association. The Board of Directors at the request of any mortgagee, owner or any prospective purchaser of any Unit or interest therein shall report to such person within ten (10) business days, the amount of any assessments against such Unit when due and unpaid.

Section 4. Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Wisconsin Condominium Ownership Act, which shall control in case of any conflicts.

Section 5. Interpretation. In case of any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid in any other provision

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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.