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CONDOMINIUM BYLAWS
OF
WHISPERING HIGHLANDS II CONDOMINIUM

ARTICLE I.
THE CONDOMINIUM

Section 1. Organization. Whispering Highlands II Condominium, is a land condominium located in the Town of Waterloo, Grant County, Wisconsin (hereinafter the "Condominium"), and shall be administered by an association of co-owners (hereinafter the "Association"). The mailing address for the Whispering Highlands II Condominium Association is: 9986 State Highway 35, P.O. Box 10, DeSoto, WI 54624. The Association will be responsible for the management, maintenance, operation and administration of the Common Elements, easements and, generally, the affairs of the Condominium in accordance with the Declaration of Condominium, these Bylaws, Rules and Regulations of the Association, and the laws of the State of Wisconsin.

Section 2. Compliance. All present and future co-owners (who shall be "Members" of the Association as provided in Article II, Section 1, below; the terms "Member" and "Co-owner" are used interchangeably herein), mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium premises, or any Condominium Unit (hereinafter referred to as "Unit"), shall be subject to and comply with the provisions of the Wisconsin Ownership Act (hereinafter referred to as the "Act"), the Declaration of Condominium and these Condominium Bylaws, Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium premises, the act of occupying a Unit, or presence in the condominium shall constitute an acceptance of the provisions of these documents and an agreement to comply therewith.

Section 3. Purpose of Bylaws. These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof.

Section 4. Developer. Secluded Land Company, LLC is the Developer of the Whispering Highlands II Condominium (hereinafter the "Developer").

ARTICLE II.
MEMBERSHIP AND VOTING

Section 1. Membership. Each Owner or Co-Owner of a Unit, present and future, shall be a Member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither Association membership nor the share of a Member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except

as an appurtenance to a Unit, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2. Voting Rights. Except as limited in the Declaration of Condominium and in these Bylaws, the Members owning each Unit shall collectively be entitled to one vote.

Section 3. Persons Entitled to Vote. If one person owns a Unit, he or she shall establish his or her membership in the Association and his or her right to vote by presenting evidence of his or her ownership. If more than one person owns a Unit, or the Unit is leased, all of the record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Unit's membership in the Association, to cast the vote for the Unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof, and shall be signed and dated by all Co-owners of record and all tenants. All certificates shall be valid until revoked, superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit they own without submitting any proof of ownership.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, as provided by the Association Rules and Regulations, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the Members at which a quorum is present, all matters shall be resolved by a majority vote except as otherwise required by the Declaration of Condominium or by law. For purposes of these bylaws, fifty-one percent (51%) in number of the Members voting on any particular matter, whether in person, by telecommunication or by proxy, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Declaration of Condominium or by law.

ARTICLE III. MEETINGS AND QUORUM

Section 1. First Meeting of Members. The first meeting of the Members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) days' written notice to all Members. In no event, however, shall the first meeting be held later than: (a) one hundred twenty (120) days after legal or equitable title to a majority of the Units, in any phase of the project, has been conveyed to non-Developer Co-owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner, whichever first occurs. The Board of Directors may call meetings of

Members of the Association for informational or other appropriate purposes prior to the first meeting of Members, but no such meeting shall be construed as the first meeting of Members.

Section 2. Annual Meetings of Members. Following the first meeting of Members, and in addition to subsequent meetings called for the purpose of electing directors, as provided below, an annual meeting of the Members shall be held each year on the last Monday of May at a time and place specified in the Association Rules and Regulations. At least ten (10) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 3. Special Meetings of Members. It shall be the duty of the Chairperson to call a special meeting of the Members upon a petition signed by one-third (1/3) of the Members in number and presented to the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of fifty-one percent (51%) in number of the Members entitled to vote shall constitute a quorum of Members. If a quorum shall not be present at any meeting, the Members present may adjourn the meeting for not more than thirty (30) days.

ARTICLE IV. ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors consisting of three (3) persons; provided, that until new directors are elected at the first meeting of Members provided for in Article III, Section 1, hereof, the Directors designated by the Developer, or its successor, appointed as provided in the Association Rules and Regulations, shall serve. The entire Board of Directors shall be elected at the first meeting of the Association, each annual meeting of the Association and at any meeting of the Association called by the Board of Directors for the particular purpose of electing directors, in the following manner:

A. If legal or equitable title to less than a majority of the Units has been conveyed to non-Developer Co-owners, and the Developer is the Co-owner of and offers for sale a majority of the Units, then the Developer shall be entitled to designate all directors;

B. Subject to subsection C below, if legal or equitable title to more than a majority of the Units, in any phase of the project, has been conveyed to non-Developer Co-owners, then the Developer shall be entitled to designate two (2) of the three (3) directors; and the Co-owners shall be entitled to elect one of the directors.

C. If fifty-four (54) months have passed since the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner and title to not less than 75% of the Units, in any

phase of the project, that may be created has not been conveyed, the non-Developer Co-owners shall then have the right to elect, as provided in the Condominium Documents, a number of Members of the Board of Directors of the Association of Co-owners equal to the aggregate percentage of Units they own, and the Developer has the right to elect, as provided in the Condominium Documents, a number of Members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established. Application of this subsection does not require a change in the size of the Board of Directors.

D. All the directors not designated by the Developer pursuant to subsections A and B of this Section shall be elected by the non-Developer members and the terms of at least 1/3rd of the directors so elected shall expire annually.

Whenever the non-Developer Members become entitled to elect one (1) or more additional directors pursuant to the above formula, the Board of Directors shall provide due notice of a meeting at which an election of all the directors shall take place. The Board of Directors shall schedule such meeting to occur no later than one hundred twenty (120) days after the non-Developer Members become so entitled or, if such meeting would be the first meeting of the Association or at such time as it has been replaced in accordance with the provisions of these Condominium Bylaws and the Association Rules and Regulations.

Section 2. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

A. To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the Common Elements, property and easements thereof;

B. To levy and collect assessments against and from the Members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where appropriate;

C. To carry insurance and to collect and allocate the premiums therefor and the proceeds thereof;

D. To restore, repair or rebuild the Common Elements of the Condominium, or any portion thereof, and any improvements thereon after occurrence of casualty and to negotiate on behalf of all of the Members in connection with the taking of the Common Elements of the condominium, or any portion thereof, by eminent domain;

E. To contract for and employ, and to discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

F. To make reasonable rules and regulations governing the use and enjoyment of the condominium by Members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;

G. To own, maintain and improve, and to buy, sell, convey, grant, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any Common Elements or Units, easements, rights-of-way, licenses or any other real property, whether or not contiguous to the Condominium, to benefit the Members of the Association and to further any of the purposes of the Association;

H. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on Association property; provided, however, that any such action shall first be approved by the affirmative vote of more than two-thirds (2/3) of the Association Members in number and in value at a meeting of the Members duly called;

I. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto, to administer the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board;

J. To make rules and regulations or to enter into agreements with institutional lenders, or both, for the purpose of obtaining mortgage financing for Members which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other agency of the federal government, the State of Wisconsin, the County of Grant, Town of Waterloo, or any other agency or Unit of government;

K. To enforce the provisions of the Declaration of Condominium, of these Condominium Bylaws, Rules and Regulations of the Association, and to sue on behalf of the Condominium or the Members and to assert, defend or settle claims on behalf of the Members with respect to the Condominium;

L. To do anything required of or permitted to it as administrator of said Condominium by the Declaration of Condominium or Condominium Bylaws or by the Act;

M. To provide services to the Co-owners;

N. In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden;

Provided, however, that neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any of them, unless at least two-thirds (2/3) of the mortgagees (based upon one vote for each mortgage

owned) and two-thirds (2/3) of the members in number have consented thereto. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the condominium shall not be deemed a transfer for these purposes.

Section 3. Managing Agent. The Board of Directors may employ, at a compensation level established by it, a Managing Agent for the Condominium to perform such duties and services as the board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. The Developer, or any related person or entity, may serve as Managing Agent if so appointed. If the Board employs a professional management agent for the Association, the Board shall notify each holder of a mortgage lien on any Unit prior to terminating the employment of such professional management agent (or any successor thereto) and assuming self-management. In no event shall the Board be authorized to enter into a contract with a professional management agent, or a contract providing for services by the Developer or its affiliates, under which the maximum term is greater than three (3) years and which is not terminable by the Association upon the transitional control date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. On the transitional control date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the transitional control date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 4. Officers. The Association Rules and Regulations shall provide for the designation, number, term of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provision pertinent to the Association officers not inconsistent herewith. Officers may be compensated but only upon the prior affirmative vote of two-thirds (2/3) of the Members.

Section 5. Actions Prior to First Meeting. Subject to the provisions of Section 3 of this Article IV, all of the actions (including, without limitation, the adoption of these Bylaws, any Rules and Regulations of the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the Board of Directors of the Association or its appointed successors, before the first meeting of Members, shall be made by the Developer and shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Association Members at the first or any subsequent meeting of Members so long as such actions are within the scope of the powers and duties which any Board of Directors may exercise, as provided in the Condominium Documents.

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her as a consequence of his or her being made a party to or being threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his or her being or having been a director or officer of the Association, except in such cases wherein he or she is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his or her duties or adjudged to

have not acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceedings, he or she is adjudged to have had no reasonable cause to believe that his or her conduct was lawful; provided that, if a director or officer claims reimbursement or indemnification hereunder based upon his or her settlement of a matter, he or she shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a director or officer claims reimbursement or indemnification hereunder based upon his or her settlement of a matter, he or she shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the Members requests it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all Members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

ARTICLE V. OPERATION OF THE PROPERTY

Section 1. Personal Property. The Association shall be assessed as the person or entity in possession for any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Costs and Receipts to Be Common. All costs incurred by the Association shall be expenses of administration, and all sums received as proceeds of, or pursuant to, any insurance policy carried by the Association securing the interests of the Members against liabilities or losses arising within, caused by or connected with, the Common Elements or the administration of the Condominium shall be receipts of administration.

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts (including both general and special expenses or receipts of administration) concerning the administration of the Condominium. Such books of account shall specify the maintenance and repair expenses and any other expenses incurred on behalf of the Association and Members. The Members and their mortgagees may inspect the books of account during reasonable working hours on normal working days at a place the Association designates. The books of account may be audited at least annually by qualified independent auditors, but such audit need not be a certified audit nor must the auditors be certified public accountants. The cost of such audit, and all accounting expenses, shall be an expense of administration. Any institutional holder of a mortgage lien on any Unit who so requests shall be given a copy of the audit report within ninety (90) days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each Member a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4. Regular Annual Assessment. The Board of Directors may establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain the Board's estimate of the funds required to defray the expenses of administration for the forthcoming year, as those items are defined by these Bylaws, and all other common expenses. The budget also may allocate and assess all such common charges against all Members in accordance with the number of Units of the Declaration of Condominium, without increase or decrease, for the existence of any rights to the use of Limited Common Elements appurtenant thereto. The general common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium property under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating fund, for a reserve fund and for meeting any deficit in the common expense budget for any prior year. The common expenses shall consist among other things of such amounts as the Board may deem proper for the operation, management, and maintenance of the Condominium to the extent of the powers and duties delegated to it hereunder and in the Declaration of Condominium and shall include without limitation, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the association's maintenance, repair and replacement responsibilities, management wages, fees and salaries, common area utilities, common area landscaping, maintenance and replacements, common area cleaning, supplies, snow removal, licenses and permits, banking, legal and accounting fees, insurance, and creation and maintenance of an appropriate reserve fund. The budget may establish an adequate reserve fund for maintenance, repair and replacement of the common and Limited Common Elements, which fund may be financed by a regular annual payment rather than by special assessments. The Board shall advise each member in writing of the amount of common charges payable by he, she or it and shall furnish copies of each budget on which such common charges are based to all Members, although failure to deliver a copy of the budget to each Member shall not affect any Member's liability for any existing or future assessments. The budget may also allocate and assess all expenses of administration against all Co-owners in accordance with the number of Units of the Declaration of Condominium, without increase or decrease or the existence of any rights to the use of the Common Elements. All assessments levied in accordance with the foregoing provisions of this section shall be payable by the non-Developer Co-owners as an annual payment commencing with the acquisition of legal or equitable title to a Unit by any means. The Board will collect regular assessments on an annual basis. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient: (a) to pay the operation and management costs of the Condominium, (b) to provide for maintenance, repair or replacement of existing Common Elements, (c) to provide for additions to the Common Elements or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary.

Any sums owed to the association by an individual Co-owner may be assessed to and collected from the responsible Co-owner as an addition to the regular assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members. Members shall

pay all assessments levied in one annual non-prorated assessment commencing with acquisition of title to a Unit by any means.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the board of Directors from time to time, following approval by the members as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the Common Elements; (b) assessments to purchase a Unit upon foreclosure of a lien for assessments, as described in Section 6 hereof; or c) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 5 (but not including those assessments referred to in Section 4 above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than two-thirds (2/3) of all Members in value and in number, which approval shall be granted only by a vote of the Members taken at a meeting of the Members called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members.

Section 6. Collection of Assessments. When used in this Section 6 and in Section 12 below, and whenever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular, annual and special assessments referred to in Sections 4 and 5 above and, in addition, all other charges whatsoever levied by the Association against any Co-owner. This Section 6 is designed to provide the Association with a vehicle for collection.

Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his, her or its Unit during the time that he, she or it is the owner thereof, and no Member shall be exempt himself from liability for his, her or its contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his, her or its Unit. If any Member defaults in paying the assessed common charges, interest at the maximum legal rate shall be charged on such assessment from the due date thereof and further penalties or proceedings may be instituted by the Board of Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgagee of record. Any mortgagee of a Unit may consider a default in the payment of any assessment a default in the payment of its mortgage. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Unit or any other assessments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to any person occupying his, her or its Unit under a lease or rental agreement and such person after receiving the notice shall deduct from the rental payments due the Co-owner the

arrearage and future assessments as they fall due and pay them directly to the Association. The deduction shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except tax liens and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Member, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Wisconsin law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association is hereby granted what is commonly known as a "power of sale." Each Member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Member acknowledges that when he, she or it acquired title to his, her or its Unit, he, she or it was notified of the provisions of this section and that he, she or it voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until ten (10) days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent Member at his, her or its last known address, of a written notice that an assessment, or any part thereof, levied against his, her or its Unit is delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. A written affidavit of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (d) the legal description of the subject Unit, and (e) the name of the Member of record, shall accompany such written notice. Such affidavit shall be recorded in the Office of the Grant County Register of Deeds prior to the commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing the notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Wisconsin law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative of the delinquent Member designated in Article III, Section 3, above, and shall inform such representative that he or she may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Member in default and shall be secured by the lien on his, her or its Unit. If

any member defaults in the payment of any installment of the annual assessment levied against his, her or its Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, the court may appoint a receiver to collect a reasonable rental for the Unit from the Member owning it or any persons claiming under him, and each Member hereby covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a Member in default upon seven (7) days' written notice to such Member of its intent to do so. A Member in default in the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues.

If the holder of a first mortgage on a Unit obtains title to the Unit by foreclosing the mortgage, accepting a deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, that mortgage holder, and its successors and assigns, or other purchaser at a foreclosure sale, shall not be liable for unpaid assessments chargeable to the Unit by such person until after such mortgagee takes title to the Unit or Units; provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the Members, including such person, its successors and assigns, and that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all Members. When a Member is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his, her or its Unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Member the arrearage and future assessments as they fall due and pay them directly to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

The Association may purchase a Unit at any foreclosure sale hereunder.

Section 7. Obligations of the Developer. The Developer shall maintain any Units owned by it. In no case shall the Developer be responsible for paying any assessment levied in whole or in part to finance any litigation or other claims against the Developer, any cost of investigating and preparing such claim or similar or related costs.

Section 8. Maintenance and Repair. All maintenance and repair obligations shall, as provided in the Declaration of Condominium, rest on the individual Co-owner. Each shall maintain his, her or its Unit and any Limited Common Elements appurtenant thereto for which he, she or it has maintenance responsibility in a safe, clean and sanitary condition. Each Member shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, her, its or their family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere

in the Condominium Documents assigned to the individual Member may be assessed to and collected from the responsible Member in the manner provided for regular assessments in Article V, Section 4, hereof.

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, in the event of repair or replacement on account of a casualty loss.

Section 9. Taxes. Subsequent to the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof. Taxes and special assessments which have become a lien against the property of the Condominium in the year of its establishment shall be expenses of administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Declaration of Condominium, and the Members owning those Units shall reimburse the Association for their Unit's share of such bill within ten (10) days after they have been tendered a statement therefor.

Section 10. Documents to Be Kept. The Association shall keep current copies of the approved Declaration of Condominium, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by Members, prospective purchasers and prospective mortgagees of Units.

Section 11. Reserve for Major Repairs and Replacement. The Association will not maintain a statutory reserve account but may maintain a reserve fund for major repairs and replacement of Common Elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a non-cumulative basis. Moneys in the reserve fund may be used only for major repairs and replacement of Common Elements. THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT. The Association of Members should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself.

**ARTICLE VI.
INSURANCE; REPAIR OR REPLACEMENT
CONDEMNATION AND CONSTRUCTION LIENS**

Section 1. Insurance. The Association may carry all-risk property coverage and liability insurance (including, without limitation, Directors' and officers' coverage), workers' compensation insurance, if applicable, and such other insurance coverage as the board may determine to be appropriate with respect to the ownership, use and maintenance of the common and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance may be carried and administered in accordance with the following provisions:

A. All such insurance may be purchased by the Association for the benefit of the Association, the Members and their mortgagees, as their interests may appear, and provision may be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Members' Units. It shall be each Co-owners' responsibility to obtain insurance coverage for his, her or its property located within the boundaries of his, her or its Unit or elsewhere in the Condominium and for his, her or its personal liability for occurrences within his, her or its Unit or upon Limited Common Elements appurtenant to his, her or its Unit, and also for alternative living expenses. The Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Members shall use their best efforts to see that all property and liability insurance carried by the Association or any Member shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Member or the Association, and, subject to the provisions of Article V, Section 8, hereof, the Association and each Member hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Member, and vice versa.

B. Public liability insurance may be carried in such limits as the Board may from time to time determine to be appropriate, and shall cover the Association, each Member, director and officer thereof, and any managing agent.

C. The Association may carry fidelity bond insurance in such limits as the Board shall determine upon all officers and employees of the Association who, in the course of its duties, may reasonably be expected to handle funds of the Association or any Co-owners.

D. Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his, her or its residence and all other improvements, constructed or to be constructed and for his, her or its personal property located within the boundaries of his, her or its condominium Unit or elsewhere in the Condominium. All such insurance will be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of the Co-owner to obtain such insurance the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore will constitute a lien against the Co-owner's

Unit which may be collected from the Co-owner in the same manner as the Association assessments are collected in accordance with Article V. Each Co-owner also will be obligated to obtain insurance coverage for his, her or its personal liability for occurrences within the boundaries of his, her or its Unit (including within any structure located thereon), the Limited Common Elements appurtenant to his, her or its Unit, and also for alternative living expense in the event of fire. The Association will under those circumstances have no obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

E. All premiums upon insurance policies purchased by the Association pursuant to these Bylaws shall be expenses of administration.

F. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Members and their mortgagees as their interests may appear; provided, however, whenever Section 3 of this Article requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the project unless all of the holders of mortgages on Units in the Condominium have given their prior written approval.

G. All insurance carried by the Association shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

Section 2. Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:

A. Any reconstruction or repair shall be performed substantially in accordance with the Declaration of Condominium and the plans and specifications for the Condominium to a condition as similar as possible to the condition existing prior to damage, unless the Members and each holder of a mortgage lien on any Unit shall unanimously decide otherwise.

B. Each Member shall be responsible for the reconstruction and repair of his, her or its Unit, all structures and improvements, including, landscaping and the Limited Common Elements, appurtenant to his, her or its Unit.

C. The Association shall be responsible for the reconstruction and repair of the Common Elements. At the earliest date after a casualty occurs causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association may obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

D. Any insurance proceeds received by the Association shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the

insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Members for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Such assessments shall be levied in the same manner as the regular annual assessment, as set forth in Article V, Section 4, hereof.

Section 3. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

A. The Association, acting through its Board of Directors, may negotiate on behalf of all Members for any taking of general Common Elements. Any negotiated settlement shall be subject to the approval of more than two-thirds (2/3) of the Members in number and in value and shall thereupon be binding on all Members.

B. If an entire Unit is taken by eminent domain, the award for such taking shall be paid to the Association for the benefit of the owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Member and his, her or its mortgagee, they shall be divested of all belonging to the Member whose Unit has been taken and shall thereafter appertain to the remaining Units, including those restored or reconstructed under the provisions of this section.

C. In the event of a partial taking of any Unit, any condemnation award shall be paid by the condemning authority to the Association on behalf of the Co-owner of the Unit and his, her or its mortgagee, as the respective interests may appear. If part of the residence located within the Unit is taken, the Co-owner shall if practical, using the award, rebuild the same to the extent necessary to make it habitable or useable. If it is not practical to rebuild the residence within the boundary of the Unit, the entire undivided interest in the Common Elements appertaining to that Unit shall thence forth appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Unit shall thenceforth be a common element.

D. If any portion of the Condominium other than any Unit is taken, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of more than fifty percent (50%) of the Members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Members and their respective mortgagees, as their interests may appear, in accordance with their respective percentages of value set forth in Article VI of the Declaration of Condominium.

E. If the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Declaration of Condominium amended accordingly, and, if any Unit shall have been taken, then Article VI of the Declaration of Condominium shall be amended to reflect such taking and to proportionately readjust the

percentages of value of the remaining Members based upon a continuing value for the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Members, but only with the prior written approval of all holders of mortgage liens on individual Units in the project.

F. If any Unit, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each holder of a mortgage lien on any of the Units.

G. If the taking of a portion of a Unit makes it impractical to rebuild the partially taken Unit to make it habitable, then the entire undivided interest in the Common Elements appertaining to that Unit shall thenceforth appertain to the remaining Units, and shall be allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Unit shall thenceforth be a common element.

H. Votes in the Association of Members and liability for future expenses of administration appertaining to a Unit taken or partially taken (as provided in subsection G hereof) by eminent domain shall thenceforth appertain to the remaining Units, and shall be allocated to them in proportion to their relative voting strength in the Association.

Section 4. Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any Unit thereof:

A. Except as provided below, a construction lien for work performed on or beneath a Unit may attach only to the Unit upon or for the benefit of which the work was performed. A construction lien for work performed in constructing a residence or other structure within a Site Unit may attach only to the structure or residence constructed.

B. A construction lien for work authorized by the Developer or principal contractor except at the request of the Co-owner and performed upon the Common Elements may attach only to Units owned by the Developer at the time.

C. A construction lien for work authorized by the Association may attach to each Unit only to the proportional extent that the Member owning the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

D. A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Developer or the Association.

If a Member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he, she or it shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of Units improperly affected thereby.

Section 5. Notice to FHLMC. If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (hereinafter "FHLMC"), then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds Ten Thousand Dollars (\$10,000.00) in amount.

Section 6. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Unit owner, or any other party, priority over any rights of mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Units, Common Elements or both.

ARTICLE VII. USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Units, the use of Condominium property shall be subject to the limitations set forth below:

A. Property Subject To These Restrictions.

Whispering Highlands. All of the Units of the Whispering Highlands II Condominium, are and shall remain subject to these restrictions.

B. Enforcement.

If the purchaser of any Unit covered by the Condominium documents or any person in possession violates or attempts to violate any of the covenants, restrictions or conditions therein contained, it shall be lawful for any other purchaser of any other Unit covered by these Condominium documents to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such covenants, conditions or restrictions either to prevent he, she or it from so doing or to recover damages for such violation. The failure of any purchaser or any person in possession of any Unit to enforce any restriction, condition or covenant herein contained shall in no event be deemed a waiver of their right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto.

Invalidation of any one of these restrictive covenants or conditions by judgment or court order shall in no way effect any of the other provisions and which other provisions shall remain in full force and effect.

Section 2. General Provisions

A. **Developer's Rights and Responsibilities.** Developer may assign, in whole or in part, its rights and responsibilities hereunder to the Association, and when the last Unit in the Condominium has been conveyed, this assignment shall occur automatically.

B. **Costs of Enforcement of Restrictions.** The Association's costs of exercising its right and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article V above), provided that the Association shall be entitled to recover its costs including actual attorney fees of proceeding against a breach by a Co-owner as provided in Article XII, Section 1, B below.

C. **Zoning.** All restrictions imposed by the Grant County Zoning Ordinance, as it applies, shall apply to all Units in the Whispering Highlands II Condominium, except that if the Developer or the Association has imposed more stringent restrictions, those restrictions shall apply in place of the Grant County or Town of Waterloo restrictions.

D. **No Gift or Dedication.** Nothing herein contained will be deemed to be a gift or dedication of any portion of the Units or other areas in the Whispering Highlands II Condominium to the general public or for any public purposes whatsoever, it being the intention of the Developer that these restrictions will be strictly limited to the purposes herein specifically expressed.

E. **No Third-Party Beneficiaries.** No third party, except grantees, heirs, representatives, successors and assigns of the Developer, as provided herein, will be a beneficiary of any provision set forth herein.

F. **Handicapped Persons.** Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by the Federal Fair Housing Act to accommodate handicapped persons.

Section 3. Persons Subject to Restrictions. All present and future Co-owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Declaration of Condominium, these Condominium Bylaws and the, Bylaws, Rules and Regulations of the Association.

Section 4. Enforcement. Failure to comply with any of the terms of the Act, the Declaration of Condominium, these Condominium Bylaws, or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages, injunctive relief, and any other remedy that may be appropriate to the nature of the breach. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Declaration of Condominium, these Condominium Bylaws, or Rules and Regulations of the Association shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

**ARTICLE VIII.
NON-OWNER OCCUPANT COMPLIANCE**

Section 1. Non-Owner Occupant Compliance.

A. All Non-Owner occupants shall comply with all of the terms and conditions of the Condominium Documents and the provisions of the Act.

B. If the Association determines that a Non-Owner occupant has failed to comply with the conditions of the Condominium Documents, or the provisions of the Act, the Association shall take the following action:

(i) The Association shall advise the appropriate Member by certified mail of the alleged violation by a person occupying his or her Unit.

(ii) The Member shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred.

(iii) If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or derivatively by the Members on behalf of the Association if it is under the control of the Developer, an action for eviction against the Non-Owner occupant for breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this section may be by any appropriate proceedings. The Association may hold both the Non-Owner occupant and the Member liable for any damages caused to the Condominium.

**ARTICLE IX.
MORTGAGES**

Section 1. Notice of Meetings. Upon request submitted to the Association, any institutional holder of a mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the Members of the Association and to designate a representative to attend such meeting.

Section 2. Acquisition of Title by Mortgagee. As provided in Article V, Section 6, any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, or a deed in lieu thereof, shall not be liable for such Unit's unpaid assessments which accrue prior to acquisition of title by the first mortgagee.

ARTICLE X. AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one-third (1/3) or more in number of the Members by an instrument in writing signed by them.

Section 2. Meeting to Be Held. If such an amendment is proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Condominium Documents.

Section 3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of all members in number and in value and two-thirds (2/3) of all mortgagees at any regular meeting, or at a special meeting called for such purpose. Each mortgagee shall have one (1) vote for each mortgage held.

Section 4. Amendments Not Materially Changing Condominium Bylaws. The Board of Directors may enact amendments to these Condominium Bylaws without the approval of any Member or mortgagee, provided that such amendments shall not materially alter or change the rights of a Member or mortgagee.

Section 5. Amendments Concerning Leases. Provisions in these Bylaws relating to the ability or terms under which a Member may rent his or her Unit may not be modified and amended without providing notice to each affected Member and mortgagee and the opportunity to vote on the amendment. The material terms of an existing lease shall not be affected by such amendments.

Section 6. Effective Date. Any amendment to these Bylaws shall become effective upon the recording of such amendment in the Office of the Register of Deeds in Grant County, Wisconsin.

Section 7. Costs of Amendment. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article X, Section 3, or pursuant to a decision of the Board shall be expenses of administration.

Section 8. Notice; Copies of Amendment. Members and mortgagees of record of Units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Condominium Bylaws shall be furnished to every Member after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article or the Act shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XI. DEFINITIONS

All terms used herein shall have the same meanings as set forth in the Act or as set forth in the Declaration of Condominium.

ARTICLE XII. REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Member shall entitle the Association or another Member or Members to the following relief:

A. Failure to comply with any of the terms or conditions of the Condominium Documents shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, for injunctive relief, for foreclosure of lien (if in default in payment of an assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Member or Members.

B. In any proceeding arising because of an alleged default by any Member, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any Member be entitled to recover such attorney's fees.

C. Such other reasonable remedies as provided in the rules and regulations promulgated by the Board of Directors, including, without limitation, the levying of fines against Members after notice and opportunity for hearing, as provided in the Association rules and regulations, and the imposition of late charges for nonpayment of assessments.

D. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the rights set forth above, to enter, where reasonably necessary, upon the common or Limited Common Elements, or into any Unit, and summarily remove and abate, at the expense of the violating Member, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. Failure to Enforce. The failure of the Association or of any Member to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Member to enforce such right, provision, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any Member or Members pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall be deemed to constitute an election of remedies, nor shall it preclude the

party exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Hearing. Prior to the imposition of any fine or other penalty hereunder, the offending Member shall be given a reasonable opportunity to appear before the Board and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XIII. ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Declaration of Condominium, Bylaws or Management Agreement, if any, or to any disputes, claims or grievances arising among or between the Members or between such Members and the Association may, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding, and it shall be enforceable against the party in a court of competent jurisdiction. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the Member and one (1) individual appointed by the Board of Directors of the Association. These two panelists will then promptly agree on the third Member of the panel. No Member may appoint himself or herself or a Member of his or her household to the panel. No Member may appoint one of its directors, officers, shareholders or employees to the panel. Neither may a Member serve on behalf of the Board.

The arbitration costs shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. Effect of Election. Election by Members or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed a statutory appeal.

Section 3. Preservation of Rights. No Member shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XIV. SEVERABILITY

If any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE XV. CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other laws of the State of Wisconsin) and any Condominium Document, the Act (or other laws of the State of Wisconsin) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail, and the provisions of the Condominium Document having the highest priority shall govern:

1. the Declaration of Condominium, including the Condominium Plat;
2. these Condominium Bylaws;
- 3 the Rules and Regulations of the Association.

ARTICLE XVI. WISCONSIN LAW

These Bylaws and all documents referred to herein shall be governed by the laws of the State of Wisconsin.

PROJECTED ANNUAL OPERATING BUDGET
FOR
WHISPERING HIGHLANDS II
CONDOMINIUM

INCOME

Assessment per Unit per year - - - - - \$ 125.00
Times twenty-three Units - - - - - \$ 2,875.00

EXPENSE

Snowplowing per year - - - - - \$ 900.00
Road Maintenance per year - - - - - \$ 1000.00
Legal Fees - - - - - \$ 300.00
Common Area maintenance per year - - - - - \$ 675.00
\$ 2,875.00