

**BY-LAWS
OF
COTTAGES AT CHAPEL VIEW
CONDOMINIUM ASSOCIATION, INC.**



TABLE OF CONTENTS

ARTICLE 1. NAME AND LOCATION4

1.1 NAME.....4

1.2 LOCATION.....4

ARTICLE II APPLICATION, MEMBERSHIP AND INITIAL ORGANIZATION.....4

2.1 APPLICATION.....4

2.2 MEMBERS.....4

2.3 BOARD/INITIAL ORGANIZATION.4

ARTICLE III VOTING, MAJORITY OF UNIT OWNERS, QUORUM, PROXIES.....5

3.1 VOTING.....5

3.2 MAJORITY OF OWNERS.5

3.3 QUORUM.....5

3.4 PROXIES.....5

ARTICLE IV MEETINGS OF THE UNIT OWNERS5

4.1 ROSTER OF UNIT OWNERS.5

4.2 PLACE OF MEETINGS.5

4.3 ANNUAL MEETING.....6

4.4 SPECIAL MEETINGS.6

4.5 NOTICE OF MEETINGS.6

4.6 ADJOURNED MEETINGS.....6

4.7 PARLIAMENTARY PROCEDURE.6

4.8 ORDER OF BUSINESS.6

ARTICLE V BOARD OF DIRECTORS.....7

5.1 NUMBER AND QUALIFICATION.7

5.2 ELECTION AND TERM OF OFFICE.7

5.3 POWERS AND DUTIES.....7

5.4 FEES.8

5.5 VACANCIES.8

5.6 REMOVAL OF DIRECTORS.8

5.7 ORGANIZATION MEETING.8

5.8 REGULAR MEETINGS.....8

5.9 SPECIAL MEETINGS.....8

5.10 WAIVER OF NOTICE.9

5.11 BOARD QUORUM.9

5.12 FIDELITY BONDS.9

5.13 LIABILITY OF DIRECTORS AND OFFICERS.9

5.14	<u>UNANIMOUS CONSENT</u>	9
5.15	<u>INDEMNITY OF DIRECTORS AND OFFICERS</u>	9
ARTICLE VI OFFICERS		10
6.1	<u>DESIGNATION</u>	10
6.2	<u>ELECTION OF OFFICERS</u>	10
6.3	<u>REMOVAL OF OFFICERS</u>	10
6.4	<u>PRESIDENT</u>	10
6.5	<u>VICE PRESIDENT</u>	11
6.6	<u>SECRETARY</u>	11
6.7	<u>TREASURER</u>	11
6.8	<u>COMPENSATION</u>	11
ARTICLE VII BUDGET, ASSESSMENTS AND DEPOSITORIES		11
7.1	<u>BUDGET</u>	11
7.2	<u>ASSESSMENTS</u>	11
7.3	<u>UNPAID ASSESSMENT COULD CAUSE LOSS OF VOTE OR LIEN ON UNIT</u>	12
7.4	<u>DEPOSITORIES</u>	12
ARTICLE VIII COMMON ELEMENTS		12
8.1	<u>USE OF COMMON ELEMENTS</u>	12
8.2	<u>RIGHT OF ENTRY</u>	12
8.3	<u>PETS AND OTHER ANIMALS</u>	13
ARTICLE IX AMENDMENTS		14
9.1	<u>AMENDMENTS</u>	14
ARTICLE X MORTGAGES, STATEMENT OF UNPAID ASSESSMENTS		14
10.1	<u>NOTICE TO ASSOCIATION</u>	14
10.2	<u>NOTICE OF UNPAID ASSESSMENTS</u>	14
10.3	<u>NOTICE TO MORTGAGEE</u>	14
ARTICLE XI CONFLICTS		15
11.1	<u>CONFLICTS</u>	15
ARTICLE XII		ERROR! BOOKMARK NOT DEFINED.
ARTICLE XIII FISCAL YEAR; TAX STATUS		15
13.1	<u>FISCAL YEAR</u>	15
13.2	<u>TAX STATUS</u>	15

**BY-LAWS
OF
COTTAGES AT CHAPEL VIEW CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE 1.
NAME AND LOCATION**

1.1 Name.

The name of the corporation shall be Cottages at Chapel View Condominium Association, Inc. (the "Association").

1.2 Address / Registered Agent.

The principal office of the Association shall be 6840 Schneider Road, Middleton, WI 53562. The initial Registered Agent of the Association is Jeffrey A. Jaschinski, 6840 Schneider Road, Middleton, WI 5356. The Association may change its principal office and Registered Agent from time to time at the discretion of its Board.

**ARTICLE II
APPLICATION, MEMBERSHIP AND INITIAL ORGANIZATION**

2.1 Application.

These Bylaws (the "Bylaws") shall be binding upon the Unit Owners, their heirs, successors, and assigns and shall govern the use, occupancy, operation, and administration of the Condominium. Capitalized terms used herein but not defined herein have the meanings used in the Declaration. Nothing in these By-Laws shall limit the rights or powers of the Declarant under the Declaration.

2.2 Members.

"Members" of the Association shall consist of all "Unit Owners" as that term is defined in the Declaration. Land contract vendees but not land contract vendors shall be members of the Association. Persons who hold an interest in a Unit merely as security for the performance of an obligation (including Mortgagees) are not members of the Association.

2.3 Board/Initial Organization.

The business and affairs of the Corporation shall be managed by its Board of Directors, which shall consist of 3 directors. Not more than one of the Directors may be a non-Member, except for Directors appointed by the Declarant or officers of the Declarant. The Board shall have the powers, duties and responsibilities set forth in chapter 703 of the Wisconsin Statutes (Condominium Ownership Act), the Declaration, and the Articles. Declarant shall designate the initial board of directors. Such members of the board, or successors to any of them as designated by Declarant, shall serve until a replacement is elected.

ARTICLE III
VOTING, MAJORITY OF UNIT OWNERS, QUORUM, PROXIES

3.1 Voting.

(a) Except as set forth in the Declaration, each Unit is vested with one vote so that the total number of votes is equal to the number of Units in the Condominium. There shall be no cumulative voting.

(b) If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the Unit Owners of the Unit and filed with the Secretary of the Association. If the Unit Owners of a Unit cannot agree on how to vote, such Unit shall lose its vote for the particular item to be voted upon.

(c) If a Unit is owned by a legal entity, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by a duly authorized officer of such entity and filed with the Secretary of the Association. Certificates of appointment shall be valid until revoked or superseded by a subsequent certificate or a change in ownership to the Unit occurs.

3.2 Majority of Unit Owners.

A matter shall be deemed approved if approved by those Unit Owners holding more than fifty (50%) percent of the votes to be cast on the particular matter to be voted upon.

3.3 Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of voters holding more than fifty percent (50%) of all votes shall constitute a quorum.

3.4 Proxies.

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

ARTICLE IV
MEETINGS OF THE UNIT OWNERS

4.1 Roster of Unit Owners.

Each Unit Owner shall furnish the Association with the Unit Owner's name, current mailing address and current email address. Until a Unit Owner has furnished such information, the Unit Owners may not vote at meetings of the Association.

4.2 Place of Meetings.

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

4.3 Annual Meeting.

The annual meeting of the Association shall be held on the first Tuesday of November of each year, or such other date as is selected by the Board. At the annual meeting, Directors may be elected by the Unit Owners. The Unit Owners may also transact such other business of the Association as may properly come before them.

4.4 Special Meetings.

The President shall call a special meeting of the Unit Owners if directed by resolution of the Board or upon a petition signed by the Unit Owners with more than 50% of the Interests and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. So long as the Declarant owns all or part of any Unit in the Condominium, the Declarant will have the power to call a special meeting of the Unit Owners.

4.5 Notice of Meetings.

The Secretary shall have notice of each meeting delivered to each Unit Owner by personal delivery, U.S. Mail or email, stating its purpose and the time and place where it is to be held, to each Unit Owner at the address shown on the roster, at least ten (10) days but not more than thirty (30) days prior to such meeting, unless waivers are duly executed by all Unit Owners. The delivery or mailing of a notice in the manner provided in this Section shall be considered notice served, effective upon the date of delivery or mailing.

4.6 Adjourned Meetings.

If a quorum does not attend a meeting, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called and no additional notice shall be required.

4.7 Parliamentary Procedure.

Except where inconsistent with these By-Laws, meeting of the Association shall be conducted in accordance with a current edition of Roberts Rules of Order.

4.8 Order of Business.

The order of business at all meetings of the Members shall be as follows:

- (a) Roll call.
- (b) Proof of Notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.

- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors (when applicable).
- (g) Unfinished business.
- (h) New business.

**ARTICLE V
BOARD OF DIRECTORS**

5.1 Number and Qualification.

The affairs of the Association shall be governed by a Board of Directors, subject to the provisions of Section 5.3.

5.2 Election and Term of Office.

The terms of office of the Directors shall be fixed for 2 years each; provided, however, that an initial term may be for less years to allow the terms to be staggered. The Board will, as Directors are elected in accordance with Section 2.3 and thereafter from time to time, establish procedures so as to stagger the terms of the Directors. If 2 or more Directors are to be elected at the same time for differing terms of office, then at the time of the election, each candidate shall declare, before the votes are cast, the length of the term as Director for which he or she is a candidate. Each director shall hold office until a successor is elected and the successor has attended his or her first meeting of the Board. When more than one Director is to be elected at any meeting, each Member shall cast votes for candidates equal in number to the Directors to be elected; provided, however, that a Member may not cast more than one (1) vote for each Unit owned by the Member for any single candidate. The candidates who are elected shall be those receiving the greatest number of votes, in decreasing order, until the number of Directors to be elected have been so elected.

5.3 Powers and Duties.

The Board shall have the powers necessary to administer the Condominium including the following:

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

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

(c) Execute contracts on behalf of the Association, employ necessary personnel, and carry out all functions and purposes necessary for the operation of the Condominium.

(d) Satisfy all liens against the Condominium and pay necessary expenses connected therewith.

(e) Employ a professional property manager, a management company, or managing agent to perform such duties as the Board shall authorize including but not limited to, the duties listed in this Section.

(f) Perform such other functions as are required by law.

5.4 Fees.

No fee or other compensation shall be paid to any member of the Board at any time.

5.5 Vacancies.

A vacancy on the Board created by any reason other than removal by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

5.6 Removal of Directors and Successor Directors.

At any regular or special meeting duly called, any one (1) or more of the Directors elected by the Members may be removed with or without cause by a majority of the Members and a successor elected by the Members to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

5.7 Organization Meeting.

The first meeting of a Board, after one (1) or more Directors is newly elected, shall be held within thirty (30) days of such election at such place as determined by the Board at the meeting at which such Directors were newly elected. No notice shall be necessary in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

5.8 Regular Meetings.

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

5.9 Special Meetings.

A special meeting of the Board may be called by the President on three (3) days' notice to each director, given personally or by mail, telephone, or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President

or Secretary in like manner on the written request of at least two (2) or more Directors. So long as Declarant owns any Unit in the Condominium the Declarant will have the right to call a special meeting of the Board in the same manner as the President.

5.10 Waiver of Notice.

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

5.11 Board Quorum.

A majority of the Directors shall constitute a quorum for the transaction of business at all Board meetings. If, at any meeting of the Board, less than a quorum is present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the original meeting may be transacted without further notice.

5.12 Fidelity Bonds.

The Association shall furnish and pay adequate fidelity bonds for all officers and employees of the Association responsible for Association funds.

5.13 Liability of Directors, Officers and Committee Members.

No director or officer of the Association, or member of its committees (for example, the Architectural Control Committee) shall be personally liable to the Association or Members for any loss or damage suffered on account of any action taken or omitted to be taken in that person's capacity 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 individual would exercise under the circumstances in the conduct of such individual's own affairs, or (b) acted or took no action based upon advice of counsel for the Association or upon statements made or information furnished by officers or employees or the management company of the Association which was reasonably believed to be true. The foregoing shall not be exclusive of any other right or defense.

5.14 Unanimous Consent.

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

5.15 Indemnity of Directors, Officers and Committee Members.

Every person who is or was a director or officer of the Association (together with the personal representatives and heirs of such person) or member of its committees such as the

Architectural Control Committee shall be indemnified by the Association against all loss, costs, damages and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings, to which such person is made or threatened to be made a party by reason of service as a director or officer, except as to matters resulting in a final determination of gross negligence or willful misconduct on the part of such director or officer. In event of settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance as a director or officer in relation to the matter involved. The Association, by its Board, may indemnify in like manner, or with any limitations, any employee or former employee of the Association, with respect to any action taken or not taken as an employee. This right of indemnification shall be in addition to all other rights and defenses. All liability, loss, damage, costs and expense incurred or suffered by the Association in connection with the foregoing indemnification shall be a Common Expense; provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify any Member who is or has been an employee, director or officer of the Association with respect to duties or obligations imposed by the Declaration, Articles or these By-Laws due to status as a Member of the Association.

ARTICLE VI OFFICERS

6.1 Designation.

The three principal officers of the Association shall be a President, Vice President, and Secretary-Treasurer, each of whom shall be elected by the Board and serve one (1) year terms. The Directors may appoint an assistant treasurer and an assistant secretary, and such other officers as in their judgment may be necessary. Officers may, but need not, be Directors. In the discretion of the Board from time to time, the Board may separate the offices of Secretary and Treasurer, so that there are 4 officers, and may thereafter consolidate such offices so that there are again only 3 officers.

6.2 Election of Officers.

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

6.3 Removal of Officers.

Upon an affirmative vote of a majority of the Board, any officer may be removed, either with or without cause, and a successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. If an officer is also a Director, then removal of such person from office does not remove such person from the Board; reference is made to Section 5.6.

6.4 President.

The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which usually vested in the office of president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the Members from time to time as appropriate to assist in the conduct of the affairs of the Association.

6.5 Vice President.

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

6.6 Secretary.

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

6.7 Treasurer.

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

6.8 Compensation.

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

**ARTICLE VII
BUDGET, ASSESSMENTS AND DEPOSITORIES**

7.1 Budget.

The Board shall adopt a budget for the operation of the Association at least annually, as provided in the Declaration.

7.2 Assessments.

The estimate of Common Expenses shall be assessed against each Unit on an annual basis and paid in monthly installments as provided in Article 6 of the Declaration. Assessments and installments of assessments shall be paid on or before ten (10) days after the date when such assessments and installments are due. Any assessment or installment not paid within ten (10) days of its due date shall be delinquent and the Unit Owner shall be charged interest at the rate

of twelve (12%) percent per annum (or such other amount determined by the Board) on the unpaid assessment or installment of such assessment. Interest shall accrue from the date when the assessment or installment was first due until paid. All payments upon account shall be first applied to interest, if any, and then to the assessment payment first due.

7.3 Unpaid Assessment Could Cause Loss of Vote or Lien on Unit.

No Unit Owner who is more than ten (10) days delinquent in the payment of an assessment or installment on an assessment shall be entitled to vote at any regular or special meeting of the Unit Owners. If a Unit Owner fails to timely pay an assessment or installment such failure shall be in default and the Board shall take appropriate measures as allowed by the Declaration or at law, including, but not limited to, the filing of a statement of lien in accordance with the Declaration, which statement shall be signed and verified by the Secretary of the Association or any other officer authorized by the Board.

7.4 Depositories.

The funds of the Association shall be deposited in such bank(s) or other depositories designated by the Board and shall be withdrawn therefrom only upon check or order signed by the officers who shall from time to time be designated by the Board for the purpose. The Board may elect to require Unit Owners to pay assessments imposed by the Board directly to a designated depository. The Board may elect to direct that checks of less than \$500 for payment of Association obligations bear only one (1) signature of a designated officer and that checks for a greater amount bear a signature and counter-signature of designated officers.

**ARTICLE VIII
COMMON ELEMENTS**

8.1 Use of Common Elements.

No Member shall place or cause to be placed any objects of any kind in the Common Areas.

8.2 Right of Entry.

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

8.3 Pets and Other Animals.

Each Unit may have the privilege of keeping certain Pets, and no other animals, within the Condominium, on the following conditions:

(a) A "Pet" is a domestic dog, cat or bird (other than large birds of prey) or aquarium fish, which are not maintained for breeding or commercial purposes. By virtue of this definition, no other animals are permitted to be on the Property as pets of any Occupant.

(b) The provisions of subsections (a), (d), (e), (f), (g), (h), (i) and (j) of this Section apply to Pets which are resident in the Condominium on the date of recordation of the Declaration; the provisions of subsection (c) of this Section do not apply to such Pets. All of the provisions of this Section will apply to all new Pets, including replacement Pets and Pets which are born to such Pets.

(c) The Board may adopt a Rule further limiting the number of combination of Pets in a Unit.

(d) No Pet is permitted on any of the Common Elements unattended.

(e) The individual attending the Pet shall immediately dispose of any and all of the Pet's solid waste in the manner prescribed by the Board.

(f) The owner of each Pet shall comply with such further Rules of Pet ownership as may be promulgated by the Board.

(g) The Pet must be licensed by the City of Madison, if required under applicable ordinances.

(h) Each Pet must immediately and permanently be removed from the Condominium if, in the sole judgment of the Board, the Pet is or becomes: offensive; a nuisance; harmful in any way to the Condominium or any Unit Owner or Occupant; or otherwise kept in violation of the terms of this Section or Rules. Possession of Pets on the Condominium shall not be considered a property right.

(i) Any and all costs of repairing damage caused by a Pet shall be borne by its Owner.

(j) There shall be no commercial boarding allowed. Kennels shall be inside the home or garage unless otherwise approved by the Committee in writing. Each Unit Owner should review the applicable municipal ordinances relating to ownership of animals. No owner shall have more than two dogs and two cats. The following dog breeds are prohibited: Pit Bull Terriers, Staffordshire Terriers, Rottweilers, German Shepherds, Presa Canarios, Chow Chows, Doberman Pinschers, Akitas, Wolf-hybrids, Bull Mastiffs, Great Danes and Alaskan Malamutes or any mixes of the above breeds.

(k) Any Unit Owner failing to comply with any part of this Section shall, absent unusual circumstances under which the Board determines that some lesser or other remedial action is appropriate, be assessed a monthly animal fee in an amount of Five Hundred Dollars (\$500.00) per month or part thereof until the Unit Owner has complied, in addition to any other remedy including the revocation of the license to maintain a Pet. Such animal fee shall be a special assessment and may be collected in the same manner as assessments under Article 5 of the Declaration.

ARTICLE IX AMENDMENTS

9.1 Amendments.

No amendment shall take effect unless approved by the owners constituting more than sixty-six (66%) of the total Interests in the Condominium, as defined in the Declaration. No amendment shall limit any right granted to or reserved by Declarant herein or in the Declaration.

ARTICLE X MORTGAGES, STATEMENT OF UNPAID ASSESSMENTS

10.1 Notice to Association.

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

10.2 Notice of Unpaid Assessments.

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

10.3 Notice to Mortgagee.

Any first mortgagee of a Unit making request to the Secretary, shall be entitled to written notice from the Association of any default by the Member upon whose Unit the mortgage is held

in the performance of obligations set forth in these By-Laws, this Declaration and any amendments to the foregoing or all rules and regulations of the Association, which default is not cured within thirty (30) days after notice is provided to the defaulting Unit Owner. Any notice required or permitted to be given to any mortgagee pursuant to these By-Laws shall be deemed given if mailed or delivered to such mortgagee at the address shown in such record and shall be deemed effective as of the date of mailing or delivery.

ARTICLE XI CONFLICTS

11.1 Conflicts.

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

ARTICLE XII FISCAL YEAR; TAX STATUS

12.1 Fiscal Year.

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

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

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

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

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

12.2 Tax Status.

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

These By-Laws are adopted as of _____, 2019 and amend, restate, replace, and supersede any and all previously adopted By-Laws of the Association.

