BY-LAWS OF
SHADY HOLLOW HOMEOWNERS ASSOCIATION INC.

ARTICLE I. GENERAL

These By-Laws shall be known as the "By-Laws of Shady Hollow Homeowners Association Inc".

ARTICLE II. MEMBERS

2.1 Annual Meetings. The annual meeting of the members shall be held on the _____ day of the month of _____ in each year, beginning with the year 20__, at the hour of _____ o'clock A./P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

2.2 Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Board of Directors, at the request of the members of not less than one-tenth of the voting shares of the corporation entitled to vote at the meeting.

2.3 Place of Meeting. Meetings of the corporation shall be held at a convenient place such as may be designated by the Board of Directors.

2.4 Notice of Meeting. It shall be the duty of the Secretary to mail or serve personally a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at least 10, but not more than 30, days prior to said meeting. The mailing of the notice herein shall be considered sufficient. However, it shall be the duty of all members to keep the Secretary, at all times, advised of their current mailing addresses, and the Secretary shall not be responsible for failure of the members to keep him so advised.

2.5 Members, Voting, Proxies, Quorum, Lack of Quorum. Every owner of a lot in Shady Hollow Subdivision shall be a member of the corporation. The voting power of each member shall be on the basis on one vote per lot. However, so long as Meadowbrooke Acquisition, LLC is the owner of any of said lots, it shall be the only member entitled to vote and each member of the Association shall execute a proxy assigning his member vote to Meadowbrooke Acquisition, LLC. After Meadowbrooke Acquisition, LLC no longer owns any of the lots, a majority of the lot owners shall constitute a quorum except that proxy votes shall not be counted in determining whether or not a quorum is present; provided, however, in the event such majority is not in attendance at such meeting at the time stated in the notice of the meeting for the meeting to commence, the meeting may be adjourned for up to one hour. If at that time a majority of the membership is not in attendance, the members in attendance shall be deemed to constitute a quorum and all actions taken at such meeting shall be effective and binding upon the Association and all members of the Association, provided that all other procedures comply with the organizational documents of the Association and any applicable law. Votes may be cast in person or by proxy.

Proxies must be filed with the Secretary at least four days before the appointed time of each meeting. If any meeting of owners cannot be organized because of lack of quorum, the lot owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

2.6 Notwithstanding the foregoing, there shall be no formal meetings of the Association until such time as the Declarant's control of the Association, Board of Directors of the Association and the Architectural Control Committee has been terminated in accordance with the Deed Restrictions of the subdivision and these bylaws, except as otherwise determined by the Declarant or if requested by the owners of one fourth or more of the votes entitled to be cast by the membership of the Association.

ARTICLE III. BOARD OF DIRECTORS

3.1 Number and Qualifications of Directors. The Board of Directors shall manage the affairs of the corporation. Such Board of Directors shall consist of 3 directors. During such time as Meadowbrooke Acquisition, LLC owns any of the lots in the subdivision, it shall elect the Board of Directors which may include persons other than owners of lots entitling the owners to membership in the Association. After Meadowbrooke Acquisition, LLC no longer owns any lot in the Association, the directors shall be owners of lots entitling the owner to membership in the Association.

3.2 Powers of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of this corporation and may do all such acts and things as are necessary.

3.3 Responsibilities of Directors. In addition to such other duties imposed by the Articles of Incorporation and by these By-Laws or by resolutions of the corporation, the Board of Directors shall be responsible for the following:

a. The management, maintenance, improvement and repair of the lands and facilities described in the Articles of Incorporation and the Declaration of Restrictions for the Subdivision, for the use and enjoyment of the members of the corporation, their family and guests;

b. The promulgation and enforcement of rules and regulations relative to such lands and facilities; and

c. The fixing and levying of assessments as necessary for the aforesaid purposes.

3.4 Term of Directors. Each Director shall hold office until the next annual meeting of the members and until his successor shall have been elected, until his death or until he shall resign or shall have been removed in the manner hereinafter provided: a director may be removed from office by affirmative vote of the majority of the voting shares,

taken at a special meeting of the members called for that purpose. A Director may resign at any time by filing his written resignation with the Secretary of the corporation. Directors need not be residents of the State of Wisconsin.

3.5 Vacancies on Board. Vacancies on the Board of Directors caused by any reason shall be filled by a vote of the majority of the remaining directors, even though they constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the corporation. Any Director, other than the initial directors identified in the Articles of Incorporation, who ceases to be an owner of a lot shall automatically cease to be a Director.

3.6 Regular Meetings and Notice. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting. However, it shall be sufficient notice to each Director if he shall have been notified at the last previous meeting of the next meeting.

3.7 Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President on three days notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors.

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

3.9 Quorum of Directors - Adjournments. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted may be transacted without further notice provided, however, that a quorum is present at such an adjourned meeting.

ARTICLE IV. OFFICERS

4.1 Principal Officers. The principal officers of the corporation shall be a President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board

of Directors. The offices of Secretary and Treasurer may, at the option of the Board of Directors, be combined as one office. The Directors may appoint such assistants and such other officers as in their judgment may be necessary.

4.2 Election and Removal. The officers of the corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Upon an affirmative vote of the majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose upon proper notice given.

4.3 President. The President shall be the chief executive officer of the corporation, and he shall preside at all meetings of the corporation and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of the President of the corporation, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

4.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and minutes of all meetings of the corporation, and he shall have charge of such books and papers as the Board of Directors may direct, and he shall, in general, perform all the duties incident to the office of Secretary.

4.5 Treasurer. The Treasurer shall have responsibility for corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the corporation. He shall be responsible for the deposit of all monies and all valuable effects in the name, and to the credit, of the corporation in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also be responsible for the billing and collection of all assessments made by the corporation.

4.6 Operating and Reserve Funds. Within one week after their election, the Board of Directors shall establish an operating and reserve fund. The fund shall be deposited in a bank checking account and excess funds may be transferred therefrom to a bank or savings and loan savings account as the Board of Directors in their discretion may from time to time determine. In addition to the uses for these funds authorized by the Articles of Incorporation and these By-Laws, the Board of Directors may use from such funds any amount necessary to discharge any mechanics liens or other encumbrances levied against the lands and facilities hereinabove referred to.

4.7 Assessments. The Board of Directors shall be responsible for the levy and collection of the assessments as designated under Article V. following. At each annual meeting of the corporation, the Directors shall supply to all of the members an accounting of the expenses paid during the preceding fiscal year along with the tabulation of amounts collected pursuant to the estimates provided and showing any shortage or overage of

actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses shall be credited to each member in the proportion provided in the Articles of Incorporation for the next fiscal year. Any net shortage shall be added to the assessment for the next fiscal year. The corporation and the Directors hereof shall keep full and correct books of account and the same shall be open for inspection by any member or representative of any member duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by a member.

ARTICLE V. OBLIGATIONS OF MEMBERS

5.1 All lots shall be subject to a general annual charge or assessment, determined solely by the Association, for the purpose of defraying the costs and expenses of the Association in carrying out its stated purposes and functions. Such annual assessment shall be on a pro rata basis with each lot having one share. The rate of the general charge or assessment shall be determined or fixed during the month of November or December of each year sufficient to raise an amount which, in the judgment of the Association's members represented at a meeting called for that purpose, may be required for the ensuing calendar year. Such charges or assessment shall be paid annually to the Association, on or before the first day of April in each year, and if not paid on or before such date, the charges or assessment shall bear interest at the rate of twelve percent (12%) per annum from April 1 of such year until paid in full.

5.2 A special assessment may be levied by the Association for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the lands and facilities hereinabove referred to, provided, however, that such special assessment shall require approval by two-thirds (2/3) of the votes in the Association.

5.3 All lots shall also be subject to a special assessment by the Board of Directors of the Association to cover all or any portion of the expenses incident to the enforcement of the recorded Declaration of Restrictions concerning said lot and for caring for vacant, unimproved or unkept lots and removing weeds, grass or any other unsightly or undesirable objects therefrom.

5.4 The right to collect or enforce the collection of charges, assessments and special assessments is hereby exclusively delegated to the Association. The purchasers of lots, and any portion thereof, shall be personally obligated to pay such charges, assessments and special assessments upon the land purchased or to be purchased by them. All charges, assessments and special assessments which are unpaid on April 1 of the year in which due shall from that time on become and remain a lien upon the lot until paid, with all action and proceedings for the collection of the charges, assessments and special assessments and the enforcement of liens therefor.

5.5 Architectural Control Committee. In order to maintain harmony and to promote the aesthetics of the area for the protection of the owners of said lots against

residences which are not compatible with the area, the authority and functions of the Architectural Control Committee shall be lodged in and exercised by the Developer, its successors or assigns, so long as the Developer owns any lots in said development. Said Committee shall have the right to refuse to approve any of such building plans and specifications and/or landscape plans and specifications; shall have the right to take into consideration the suitability of the proposed building or other structure and the materials of which it is to be built; the site upon which it is proposed to erect the same; the harmony thereof with the surroundings; and the effect of the building or other structure so planned, and the appearance from the adjacent or neighboring property. Any such action by the Committee shall be final and conclusive as to persons then or thereafter owning lots in said development; however, such action or decisions shall not be binding upon the Village of Grafton.

At such time as the Developer no longer owns any of said lots in said development, the Architectural Control Committee shall consist of the Board of Directors of the Association. The vote of the majority of the members of the Architectural Control Committee shall be the controlling vote and shall be construed to be the vote of the entire Committee. Members of the Committee shall serve for the term of their position on the Board of Directors or until their successors have been duly elected. The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee or its designated representative fails to approve or disapprove within 30 days after duplicate plans and specifications have been submitted to it, approval will be deemed to have been obtained insofar as required by Article 5.5 hereof only; all other provisions of these restrictions to have full force and effect. Action by said Committee shall be final and conclusive as to persons then or thereafter owning lands in said Development. The Committee shall have the right to waive minor infractions or deviations of the provisions of this document in cases of hardship.

ARTICLE VI. FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE VII. AMENDMENTS

At any meeting called for such purpose, these By-Laws may be amended by an affirmative vote of at least two-thirds (2/3) of all the voting members of the corporation.

ARTICLE VIII. ADDITIONAL POWERS

In addition to the powers and duties and limitations enumerated herein, the corporation and the Board of Directors shall have such powers and duties and limitations as may be conferred and required by the Articles of Incorporation.