

- (k) Comply with Resolutions of Unit Owners
Unless otherwise provided in these By-Laws or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as that majority is defined in the Declaration) expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners.
- (l) Purchase Unit at Foreclosure Sale
To bid for and purchase, on behalf of the Association, any Unit (or an interest in a Unit) at a sale pursuant to a foreclosure of the lien for common expenses, or at any other private or public sale, upon the consent or approval of Unit Owners owning not less than 67% of Members of the Association, provided that the consent sets forth a maximum price that the Board or its duly authorized agent may bid and pay for the Unit.
- (m) Financing and Assessments for Unit Purchases by the Association
To make mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other financing arrangements (as the Board may deem desirable) in order to purchase or lease a Unit, or an interest in a Unit, on behalf of the Association (provided, however, that no financing arrangement is secured by an encumbrance on any interest in the property other than the Unit, or interest in the property other than the Unit, or interest in it, to be purchased, and the percentage interest in the common elements appurtenant to it).
- (n) Acquire Interest in Realty
To bid for and purchase, or otherwise acquire, hold, encumber, and convey any right, title or interest in or to real property on behalf of the Association.
- (o) Contract
To enter into contracts (including guarantees), incur liabilities, borrow money at such rates of interest as the Directors determine and to secure any of its obligations by mortgage, pledge or other financing arrangement involving Association property on behalf of the Association.
- (p) Other Powers and Duties
To exercise all other powers and duties of the Board of Directors referred to in the Condominium Act (Chapter 703) and Nonstock Corporations (Chapter 181) of the State of Wisconsin, and all powers and duties of a Board of Managers or a Board of Directors referred to in the Declaration or these By-Laws.

Section 16 - Committees

The Board of Directors may, by affirmative vote of a majority thereof, designate one or more standing or ad hoc committees and name persons to serve thereon. Each committee shall continue at the pleasure of the Board, shall fix its own rules and shall report to the Board at the Director's request. The Board determines the purposes and terms of each committee as it deems appropriate to discharge the duties and responsibilities of the Association and to provide for the proper operations of the Association. Directors shall not serve on a Committee. The Association's standing committees shall be Declaration, By-Law, and Rules and Regulation Committee and Long Range Building and Grounds Committee.

Section 17 - Violations of the Rules and Regulations.

The Board of Directors is responsible for a written policy and procedure regarding violations of the Association's Declaration, Articles or Incorporation, By-Laws and Rules and Regulations as set forth below at any time:

1. Any variances must be in writing and approved by the Board.
2. Record of written notice and corrective action.
3. To set the amount of the fine and levy said fine.
4. The amount of time from first reporting of the violation to automatic imposing of the fine.
5. Right to file liens.

ARTICLE IV

EXECUTIVE OFFICERS

Section 1 – Officers and Their Duties.

Enumerations of Officers - The Officers of this Association shall be a President, Vice President, a Secretary, and a Treasurer.

Election of Officers - The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Association.

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

Special Appointments - The Board of Directors may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Vacancies - A vacancy in any office shall be filled by appointment by the Board of Directors. The officer appointed to such vacancies shall serve for the remainder of the term of the officer replaced.

Multiple Offices - The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of the other offices except in the case of special offices created pursuant to Special Appointments such as Assistant Treasurer and Assistant Secretary.

Section 2 – Powers and Duties of the President

The President shall preside at all meetings of the Members and of Board of Directors. Subject to the control of the Board of Directors, he or she shall have general supervision of the property, business, and affairs of the Association. He or she shall freely consult with the Board of Directors concerning the business of the Association in his or her charge. He or she shall have authority to sign and deliver on behalf of the Association all deeds, mortgages, bonds, stock certificates, contracts, leases, and documents necessary or proper to be executed in the course of the Association's regular business, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the By-Laws.

Section 3 – Powers and Duties of Vice President

The Vice President shall, under the supervision of the president, and subject also to the authority of the Board of Directors, assist the President in the general management and direction of the business and affairs of the Association. He or she shall have such further and specific powers and duties as may be prescribed for him or her by the Board of Directors or by the President with the approval of the Board.

In the case the President, from absence or any other cause, shall, in the judgment of the Board of Directors, be unable at any time to attend to any duties of the office of President requiring attention, or in case of his or her death, resignation, or removal from office, the Vice President shall act temporarily as President. In such event, the powers and duties of the President shall evolve upon the Vice President. If there is more than one Vice President, the Board shall designate which one is to so serve.

Section 4 – Powers and Duties of Other Offices

(a) Secretary – The principal duties of the Secretary shall be to countersign all deeds and all other contracts and documents which, by law, require the countersignature of a corporate Secretary. The Secretary shall also keep a record of all the proceedings at the meetings of the Members and Directors, shall count all votes taken at meetings of the Members and Directors,

and shall safely and systematically keep all books, papers, records, and documents belonging to the Association or pertaining to the business thereof, including but not limited to, a current roster of names and addresses of every Unit Owner to which notice of meetings of the Association will be sent. He or she shall perform such additional or different duties as may be imposed by the Board of Directors or as may be prescribed by the By-Laws.

(b) Treasurer – The principal duties of the Treasurer shall be to keep and account for all monies, credits and property of every nature of the Association, which shall come into his or her hands, and keep an accurate account of all monies received and disbursed and proper vouchers for monies disbursed. The Treasurer shall also render such accounts, statements, and inventories of monies received and disbursed and of money and property on hand and generally of all matters pertaining to his or her office as may be required by the Board of Directors, the Members of the Association, or by law.

(c) Additional Officers – The Board of Directors shall have the power to elect or appoint assistants to the general officers of the corporation and to elect or appoint such other officers, including a Chairman of the Board of Directors, agents and servants as it may deem necessary. Anyone so appointed or elected shall perform such duties as may be imposed or required by the Board of Directors or as may be prescribed from time to time by the By-Laws.

Section 5 – Delegation of Duties

In case of the absence or inability to act of any officer of the corporation, the Board of Directors, or the President, during the interim between meetings of the Board, may delegate for the time being the duties of such officer to any other officer or to any Directors

Section 6 - Resignation

An officer may resign at any time by filing his or her written resignation with the Secretary. Such resignation shall take effect at the time of filing, unless some other time is fixed in the resignation and the Board agrees to this other time.

Section 7 - Removals

Any officer, agent or employee elected or appointed by the Board of Directors may be removed by a majority of the Directors whenever in its judgment, the best interest of the Association will be served thereby.

Section 8 - Vacancies

The Board may provide for carrying on the duties of any vacant office or fill any vacancy in any office by a affirmative vote thereof.

Section 9 - Compensation

The Officers will receive no compensation for their services as Officers.

ARTICLE V

ASSESSMENTS & BENEFITS

Section 1 - Annual Budget

The Board of Directors shall from time to time, but at least once each year, adopt a budget for the operation of the Association, based on a calendar year. Such budget will contain estimates of the cost of operating the Association and shall include all common expense items including, but not limited to taxes, the maintenance and repair of exterior walls, roofs, pipes, ducts, service and utility areas, outdoor parking areas, lighting fixtures, water softeners, the cost of insurance of all types, management, maintenance personnel, administration costs, and any other expense item for the benefit of all Unit Owners.

In addition, the Board of Directors from time to time, but at least once each year, shall adopt a budget for the unrestricted use of the elevators and regulate and impose a use charge for those Units having unlimited and unrestricted access to the elevators for the operation for each building, separately, having an elevator for maintenance, repair, upgrade and replacement. The Board of Directors shall set up a savings account for each building having an elevator for any future extraordinary repairs, upgrade, or replacement of elevators.

The annual budget shall be prepared and determined thirty (30) days in advance of the annual Meeting. The Board of Directors shall advise all Members of the Association in writing of the amount of common assessments payable on behalf of each unit by the date of the Annual Membership Meeting and shall furnish copies of the budget on which such common assessments and unrestricted use charges are based to each Member.

If within fifteen (15) days after the Annual Membership Meeting a petition is presented to the Board of Directors protesting the budget, and the petition is signed by Members representing more than fifty percent (50%) of the membership entitled to vote, then the Directors shall notify all Members of a meeting (within five (5) days of receiving the petition) called for the sole purpose of reviewing the budget. At a second meeting called for the sole purpose of voting on the reviewed budget, a vote of more than fifty percent (50%) of the membership entitled to vote may revise the budget, and such revised budget and corresponding assessment shall replace for all purposes the ones previously established, provided, however, that the annual budget and assessment may not be revised downward to a point lower than the average total budget for the preceding two years, and provided further, that if a budget and assessment have not been established and made for any two preceding years, then the budget and assessments may not be revised downward until two (2) years of experience exist.

Reserve Account

The annual operating budget, or budget adopted from time to time, shall provide for two funds, one of which shall be designated the "operating fund" and the other the "reserve account". The operating fund shall be used for all common expenses which occur annually or more frequently, such as amounts required for the cost of maintenance and repair of the common or limited common elements, management services, security, insurance, common services and utilities, administration, materials and supplies. The reserve account shall be used for periodic expenses such as painting or renovation of common and limited common element property.

The reserve fund may also be used to discharge mechanic's liens or other encumbrances levied against the entire property, or against each unit, if resulting from action by the Association. The unit owner or owners responsible for any lien which is paid by the Association but not the obligation of the Association shall be specially assessed for the full amount thereof to the unit owner or owners. The Board of Directors may also use the reserve fund for the maintenance and repair of any unit if such maintenance and repair, although the obligation of the unit owner, is necessary to protect the common and limited common element property. The full amount of the cost of any such maintenance or repair shall be specially accessed to the Unit Owner or Unit Owners responsible therefore. Any charges against the reserve fund in accordance with the foregoing paragraphs which are not otherwise repaid to the fund shall be replenished by additional assessments against the unit owners in subsequent years.

Depositories

The funds of the Association will be deposited in a bank(s) or other insured depositories designated by the Board of Directors, to be withdrawn by check or order signed by the officers designated by the Board of Directors. All checks or withdrawals must have two (2) signatures.

Monthly Assessments and Special Assessments

A monthly maintenance assessment, to be paid by each unit owner for common expenses of the Association will be due on the first (1st) of each month. Any payment received after the fifth (5th) is considered delinquent and a late fee will be assessed at \$15.00. If the late fee is not paid by the first of the following month, the late fee (\$15.00) will be assessed each subsequent month until the Unit Owner is current.

A Unit Owner who is thirty (30) days delinquent in payment of maintenance fee, unrestricted use fee, or assessment is not allowed to vote at any regular or special meeting of the unit owners, or vote as a Board Member. Failure to pay such fees or assessments will result in legal action; attorney fees and costs will be the responsibility of the unit owner or owners.

Special assessment is usually imposed upon unit owners for such purposes as:

1. Repair, renovation, replacement, and improvement expenses to the common elements.
2. Purchase of fixtures and personalty
3. Balancing operational deficits
4. Non-reoccurring items (litigation costs, etc.)
5. Annual assessments uncollected by virtue of the defaults of one or more unit owners.

Section 2 - Supplemental Budget

- (a) Need for Supplement Budget. If during any year, it appears to the Board that the annual assessments are not sufficient to cover common expenses for the balance of the year, or if there is a non-recurring common expense or a common expense not set forth in the annual budget, then the Board will prepare and approve a supplemental budget covering the estimated deficiency and provide a copy of each to Unit Owners.
- (b) Supplement Assessments - A supplemental assessment of the proportionate share of the supplemental budget will be established for each Unit Owner. The following rules govern supplemental assessments:
 - (i) Separate Assessments - Any non-recurring common expense or limited common expense not set forth in the budget as adopted, and any increase over the amount adopted in the annual budget shall be separately assessed against all Unit Owners in the same manner as set out in Section 1
 - (ii) Vote Required for Adoption - The budget and assessment therefore may be amended at any time by the Board of Directors if the items of the amended budget do not exceed any limitation placed on the original budget for that year. Any item which does exceed such limitation shall be subject to the approval of a majority of the membership.

Section 3 – Assessments

- (a) Payment - Each Unit Owner may pay 1/12th of his or her proportionate share of the common expenses, as shown in the annual budget each month. Payment must be made to the Managing Agent, or to the Village Estates Condominium Association, on or before the first day of each month of the year covered by the annual budget.
- (b) Share of Each Unit Owner - Each Unit Owner's assessment must be a proportionate share in accordance with his or her respective ownership interest in the common elements, as set forth in the Declaration for this Condominium.

- (c) Delays in Approving a Budget - If the Board does not approve an estimated annual budget or fails to set new monthly assessments for any calendar year before the beginning of the new calendar year, each Unit Owner is to continue to pay the last established monthly assessment.
- (d) Failure to Use - No Unit Owner is relieved of his or her obligation to pay the assessment if he or she does not use or otherwise abandons the Unit or the common elements or limited common elements.
- (e) Occupancy for Part of a Year - No Unit Owner shall be liable for the payment of any part of the assessment against his or her Unit subsequent to a sale, transfer, or other conveyance by them made in accordance with Section 2 of Article II of these By-Laws. Each successor Unit Owner is responsible for the Unit's assessment for the remaining period in the calendar year from and after such Owner's occupancy of the Unit.

Section 4 - Common Surpluses

All common surpluses of the Association shall be held by the Association and spent for the purposes provided in these By-Laws. All such funds shall be held by the Association for the benefit and account of all Unit Owners in the percentages provided in these By-Laws.

Section 5 - Annual Statement

The Board will furnish to each Unit Owner an annual statement within a reasonable time after the end of each calendar year. The statement will contain an itemized accounting of the common expenses paid for the preceding year and a tabulation of all sums collected, will state the net excess or deficit of income over expenditures plus reserves, and will contain any other information as the Board deems desirable.

Section 6 - Expenditures and Contracts

Except for expenditures and contracts specifically authorized by the Declaration and these By-Laws, prior approval of 67% of Members is required before the Board may;

- (a) Expenditures - Approve any one time expenditure in excess of \$10,000.00, unless required for emergency repair, protection, or operation of the common elements or limited common elements.

Section 7 - Lien for Unpaid Common Expenses, Unpaid Assessments, Unpaid Damages, Unpaid Penalties, Unpaid Fees, and Unpaid Charges

- (a) Definition - Any unpaid regular or special assessments for common expenses or limited common expenses, any unpaid charges, unpaid fines, or assessments against specific units or unit owners for damages to the condominium properties or for penalties for violations of the Declaration, By-Laws or Association Rules & Regulations.
- (b) Lien for Unpaid Assessment - If any Unit Owner fails or refuses to pay any assessment, charge, fines, damages, penalties, or fees when due, the amount of the assessment, plus interest at the rate of 14% per year and actual cost of collection, shall become a lien on the interest of the Unit Owner or Owners in the property and shall be enforceable by the Board.
- (c) Rights of the Board and the Association - The Board, or its agents, has the right to maintain a suit to foreclose upon any liens for unpaid assessments in the same manner, and subject to the same requirements as a foreclosure on real property in the State of Wisconsin. Costs of the suit and other fees and expenses, together with legal interest and actual attorney's fees will be added to the amount due. In addition, the Board or the Association has the authority to exercise and enforce any and all rights and remedies as provided for in the Condominium Ownership Act, the Declaration, or these By-Laws, or otherwise available at law or in equity for collection of all unpaid assessments.

Section 8 - Statement of Accounts

On receipt of ten (10) days written notice to the Board or Association, the Board will furnish to any Unit Owner a statement of the account of that Owner, with the amount of any unpaid assessment or charge due owing from such Owner.

ARTICLE VI

USE AND OCCUPANCY

Section 1 - Maintenance and Repair

- (a) Units - All maintenance of and repairs to any Unit, structural or non structural, ordinary or extraordinary, will be made by the Unit Owner. Each Unit Owner shall be responsible for all damages to any other Unit and to the common elements resulting from his or her failure to effect such maintenance and repairs or from his or her negligent maintenance and repair.
- (b) Common Elements - All maintenance, repairs, and replacements to the common elements, located inside or outside of the Units (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such expense shall be charged to the Unit Owner) shall be made by the Board and be charged to all the Unit Owners as a common expense.

Section 2 - Rules of Conduct

Rules and regulations concerning the use and occupation of the Units and the common elements may be promulgated and amended by the Board. To change, add, or delete any Rule and Regulation requires a ten (10) day written notice of Special Meeting to all Members and that change, addition or deletion requires a vote of more than 50% of the Members. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner prior to their effective date.

ARTICLE VII

AMENDMENTS TO BY-LAWS

These By-Laws may be amended by action or approval of not less than 67% or more of the Members.

Article VI – Use and Occupancy (p. 19)

Add the following section:

Section 3 – Non-Owner Occupancy

- a) No rental, lease, or other occupancy of a unit shall be allowed without simultaneous unit occupancy by the unit owner. If the owner of the unit is a trust or other fiduciary entity, then the trustee or beneficiary of that entity is the unit "owner for purposes of this Section. This prohibition on non-owner occupancy is subject only to the following exceptions:
 - i) The unit owner's immediate family members may occupy the unit. Immediate family members are herein defined as a parent, child, spouse, sibling, grandparent, or grandchild, by blood, adoption, marriage, or registered domestic partner and shall include half and step relatives.
 - ii) This section shall not apply to tenants who rent or lease a unit as of the date of enactment of this Amendment. This permission expires when said tenants cease to occupy the unit.
 - iii) Mortgagees of the unit, or the Association, where the unit is acquired by foreclosure of the mortgagee's or Association's interest, either judicially or by accepting a deed in lieu of foreclosure.
 - iv) Special Hardship Exemption. The Board of Directors shall have the authority to waive the requirements of this section upon request of a unit owner if it determines that the enforcement thereof in the particular circumstances would result in an unreasonable hardship upon the unit owner, and that exception would not jeopardize the interest of the Association in promoting owner-occupancy of units. If any owner shall desire to lease to, or cause a unit to be occupied by a person other than an immediate family member pursuant to this hardship exception, said lease or occupancy shall require the approval of the Board of Directors, or at the Directors discretion, a committee appointed by the Board. Any application for an exception must be in writing and give the reasons for requesting the exception. The board or the committee shall convene a meeting within 30 days after receipt of the notice, advising the unit owner of the time and place of a meeting and giving the unit owner an opportunity to appear. The Board or committee shall make a decision as to whether or not to grant the exception within (7) days of said meeting and the reasons shall be briefly stated in writing. The decision shall be binding on the Association and the parties. The maximum length of any hardship exemption shall be one (1) year.
- b) No unit owner shall be permitted to lease a unit pursuant to this section unless and until the unit owner shall pay the Board of Directors, on behalf of the Association, all unpaid common charges theretofore associated against that unit and until the unit owner shall have satisfied all unpaid liens against that unit, except permitted

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mortgages, unless the Board of Directors shall specifically find that satisfactory arrangements for payment have been made, including, if appropriate, an assignment of rents subordinate to any rights of any mortgagee.

- c) In the event of non-owner occupancy, rental or lease, permitted or otherwise, the owner shall provide the Association with a written lease between the owner and the tenant pursuant to Wisconsin Statute section 703.315(3), or other equivalent statute.
- d) In the event of non-owner occupancy, rental or lease, permitted or otherwise, the owner shall provide the Association with the names of all non-owner occupants of the unit.
- e) Remedies for any tenant's violation of the Declaration, By-Laws or Association rules shall be implemented according to Wisconsin Statute section 703.24(3), or other equivalent statute. In addition, any such violation shall constitute a breach of the lease. The unit owner covenants and agrees that in the event of a tenant's violation of the Declaration, By-Laws or Association rules which results in a breach of the lease, the Association may stand in the shoes of the owner for the purpose of taking legal action against the tenant to restrain or evict said tenant according to law, provided that the owner shall first be given a reasonable opportunity to correct said violation.
- f) Any violation of this section concerning non-owner-occupied units shall result in a daily fine to the unit owner of an amount to be determined by the Board and said unit owner shall be responsible for the reasonable and actual attorney fees and other costs associated incurred by the Association in connection with enforcing this section. In addition, the Association may enforce this section by application to a court of competent jurisdiction to obtain injunctive relief, and the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be determined by the court.
- g) Every unit owner assigns all rents and profits for any lease, permitted or not, to the Association for the purpose of reimbursing the Association for overdue assessments, special or ordinary fines, levied by the Association against the unit or unit owner, provided that in the event of conflict, said assignment shall be subordinate to any assignment of a mortgagee of the unit.
- h) The house rules and regulations will dictate the total number of rental units allowed by the association. Currently, that number is set to five(5).

ARTICLE VIII

MISCELLANEOUS

Section 1 - Contracts

Every agreement made by the Directors, Officers, or Managing Agent on behalf of the Unit Owners must provide that the person or entity is acting solely as agent for the Unit Owners and has no personal liability (except as a Unit Owner if applicable) and that each Unit Owner's liability is limited to a percentage, if applicable, of the total liability equal to his or her percentage ownership interest in the common elements

Section 2 - Indemnification

The Association will indemnify and hold harmless each of its Directors, Officers, members of any committee, or Managing Agent against all liabilities arising from:

- (a) Status - Their status as Directors, Officers, committee members, or Management Agent; or
- (b) Contracts - All contracts made by and all other acts of each person or entity authorized by and on behalf of the Association according to the terms of these By-Laws. However, the Association will not indemnify or hold harmless any person or entity if they contract or act in question was made or done fraudulently, or with criminal intent or gross negligence.

Section 3 - Definitions

The terms used in these By-Laws are to have the same definition as contained in the Declaration of Condominium Ownership, to the extent they are defined in the Declaration of this condominium.

Section 4 - Other Powers

In addition to and in furtherance of the powers contained in these By-Laws, the Association has all other powers permitted and/or granted to non-for-profit corporations under Wisconsin Statutes Chapter 181, Non-Stock Corporation Law.

Section 2 – Election of Directors

Directors will be elected by secret written ballot or issue-specific proxy by the Members at the regular annual meetings. Those who receive the greatest number of votes by Members will be elected.

Section 3 – Term of Office and Qualifications

The term of office of the Directors shall be staggered, so that at elections in successive years there will not be a complete turnover of the Board.

The first year of elections (2005) three (3) Directors will be elected for a two (2) year term and two (2) Directors will be elected for a one (1) year term.

The three (3) persons receiving the greatest number of votes in 2005 shall be deemed to have a term of two (2) years and the next two (2) highest the one (1) year term.

At subsequent elections, any Unit Owner elected shall be elected for a two (2) year term. Consequently there will be either two (2) or three (3) Directors elected every year at the Annual Meeting.

There will be no restriction on the number of consecutive terms than an owner may serve on the Board. Except in the event of death, resignation or removal, each Director shall hold office until his or her respective predecessor has been elected by the Unit Owners.

Nomination for election will be open December 15 and will be permitted from the floor at the Annual Meeting.

Section 4 – Resignation

A Director may resign at any time by filing his or her written resignation with the Secretary. Such resignation shall take effect at the time of filing, unless some other time is fixed in the resignation and the Board agrees to this other time.