AMENDED AND RESTATED[§] BY-LAWS

DANELL HEIGHTS CONDOMINIUM ASSOCIATION, INC.

MENOMONEE FALLS, WISCONSIN

EFFECTIVE NOVEMBER 12, 2025

The Amended and Restated By-Laws contain rules that govern the Condominium and affect the rights and responsibilities of unit owners.

[§] AMENDED AND RESTATED BY-LAWS:

ALL MODIFICATIONS ESTABLISHED BY THE AMENDMENT LANGUAGE OF THE FIRST 18 AMENDMENTS, WHICH WERE THOSE DULY APPROVED BY THE VOTING MEMBERSHIP OF THE ASSOCIATION THROUGH FEBRUARY 1, 2019, ARE HERE INCORPORATED INTO THE VERBIAGE OF THE ORIGINAL BY-LAWS. ALL OBSOLETE VERBIAGE HAS BEEN DELETED.

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AMENDED AND RESTATED BY-LAWS
DANELL HEIGHTS CONDOMINIUM ASSOCIATION, INC.

The following are the Amended and Restated By-Laws of Danell Heights Condominium Association, Inc., effective November 12, 2025.

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership. The property located in Waukesha County, State of Wisconsin (the "Property") known as Danell Heights Condominium has been submitted to the provisions of the Wisconsin Condominium Ownership Act by a Declaration of Condominium (the "Declaration") recorded in the Office of the Register of Deeds for Waukesha County on February 24, 1984 in Reel 593, Images 1197 through 1210 as Document No. 1247387.

Section 2. Applicability of By-Laws and Definitions. These Amended and Restated By-Laws are adopted as the By-Laws of the Danell Heights Condominium Association, Inc. (the "Association"), a Wisconsin corporation organized under the Wisconsin Nonstock Corporation Law to serve as an association of unit owners under the Wisconsin Condominium Ownership Act. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof. The term “Property" and other terms used herein shall, unless the context or the Declaration requires otherwise, have the same meaning as used or defined in the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes, as amended.

Section 3. Office and Mailing Address. The office and mailing address of the Association and of the Board of Directors of the Association (the Board of Directors”) shall be located at the home address of the current Association Secretary.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the Association and of the Property shall be governed by the Board of Directors. The Board of Directors shall be composed of five persons, all of whom shall be owners of units.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property, except such powers and duties as by law or by these By-Laws may not be delegated to the Board of Directors by the unit owners or have been specifically reserved by or to the unit owners. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Property and the provisions of the Wisconsin Condominium Ownership Act, these By-Laws and rules and regulations hereunder.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the Property a managing agent and/or a manager at compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Any management contract shall not exceed three years and shall provide for termination by either party without cause and without payment of termination fee on 90 days written notice.

Section 4. Election and Term of Office. At the annual meeting of the unit owners, the term of office of members of the Board of Directors shall be fixed at two years. At the expiration of the initial term of office of each member of the Board of Directors, any successor shall be elected to serve for a term of two years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the authorized votes of all unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has

been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Section 7. Organization Meeting. An organizational meeting of the members of the Board of Directors shall be held within 10 days following the annual meeting of the unit owners.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors and to each unit owner of record by US Mail, or electronic messaging, at least 48 hours prior to the time of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on 48-hours' notice to each member of the Board of Directors given by US Mail, or electronic messaging, 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 one member of the Board of Directors. Within 10 days from each Annual Meeting, the newly elected Board of Directors shall have a Special Meeting with the express purpose of assigning the Board Officers and responsibilities.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall

constitute a waiver of notice by them of the time and place of the meeting. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Crime Insurance Coverage (Fidelity Bond). The Board of Directors shall obtain or require Crime Insurance Coverage for all officers, directors, trustees and employees of the Association handling or responsible for funds of the Association, including officers, directors, Board members, and employees. The minimum dollar amount of such coverage must equal three times the aggregate monthly Association assessments against all units on the Property plus the Association reserve funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting in such capacity.

Section 14. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, failure to adhere to the provisions of the Declaration or these By-Laws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of

Directors shall be shared by all of the unit owners in accordance with their undivided percentage interests in common elements, and the liability of any single unit owner shall be limited to such proportionate share of the total liability. At the option of the Board of Directors, directors' liability insurance may be obtained and shall be paid for as a common expense.

Section 15. Informal Action. Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE III

Unit Owners

Section 1. Annual Meetings. The annual meetings of the unit owners shall be held on the second Monday of May of each year. At such meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Article II, Section 4 of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting. Any meetings of the unit owners shall be held at the principal office of the Association or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of a majority vote of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having 25% of the total authorized votes of all unit owners. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. Notice of each annual or special meeting of the unit owners, shall be given to each unit owner of record by US Mail or electronic mail or

messaging at least ten but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the address of their unit or at such other address as such unit owner shall have designated by notice in writing to the Secretary.

Section 5. Adjournment of Meetings. Any meeting of unit owners at which a quorum has or has not attended may be adjourned at the option of the unit owners by vote of a majority of the authorized votes of the unit owners who are present, either in person or by proxy, at such meeting. Any meeting which has been adjourned by the unit owners because of the lack of a quorum may be reconvened at such time as a quorum is obtained, without further notice. At such reconvened meeting at which a quorum is present, either in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 6. Title to Units. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation or partnership, or in the name of a fiduciary.

Section 7. Voting. There shall be one vote in the Association appurtenant to each unit. Each unit owner shall furnish the Association with their name and current mailing address. No unit owner may vote at meetings of the Association until this information is furnished. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on their behalf and who need not be an owner, shall be entitled to cast the vote appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any such proxy shall be effective only for a maximum period of 180 days following its issuance unless granted to a mortgagee, land contract vendor or lessee of a unit. Each unit owner (including the Board of Directors, if the Board of Directors or its designee shall then hold title to one or more units) shall be entitled to cast at all meetings of the unit owners the vote appurtenant to each unit owned. Where ownership is in the name of two or more persons, the vote appurtenant to their unit may be cast by any one joint owner; provided, however, that if any joint owner protests promptly the casting of such vote to the person presiding over the meeting or files a

written statement with the Secretary stating that thereafter the vote must be cast prorata in accordance with each joint owner's interest in the unit, then such vote shall thereafter be cast prorata by all joint owners in accordance with their interests in the unit. Where a unit is leased the lessor shall be entitled to vote the vote appurtenant to said unit (where there are two or more lessors, they shall be considered joint owners). Where the unit is sold under a land contract, the land contract vendee shall be entitled to vote the vote appurtenant to said unit (where there are two or more vendees, they shall be considered joint owners). Notwithstanding the provisions of this Section, if the Association has recorded a statement of condominium lien on a unit and the amount necessary to release the lien has not been paid at the time of the meeting, such unit owner may not vote at the meeting.

Section 8. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those unit owners having more than 50% of the authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Article III, Section 7.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having 33 1/3% of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these By-Laws.

Section 11. Action By Unanimous Consent. Any action required to be taken or which may be taken at a meeting of unit owners may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all unit owners entitled to vote thereon. The signature required in each instance shall be that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership.

(a) All unit owners shall be members of the Association. The foregoing is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. Land contract vendors shall not be members; land contract vendees shall be members. Membership shall be appurtenant to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Waukesha County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Waukesha County of a deed or other instrument establishing a change of record title to a unit or the recording in said office of a land contract. A certified copy of such instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferee designated by such instrument or the vendee shall thereby become a member of the Association and the membership of the prior owner or vendor shall thereby be terminated. Until such delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of unit owners. The Association shall maintain a current roster of names and addresses of every unit owner to whom notice of meetings of the Association must be sent.

ARTICLE IV
Officers

Section 1. Designation. The principal officers of the Association shall be the President, the two Vice Presidents, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice President must be members of the Board of Directors.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and their successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the unit owners and of the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including but not limited to the power to appoint from among the unit owners any committee which the President decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President with the longest seniority shall take the place of the President and perform their duties whenever the President shall be absent or unable to act. If neither the President nor either of the Vice Presidents is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President**s** shall also perform such other duties as shall from time to time be delegated to them by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association. The Secretary shall also perform such other duties as shall from time to time be delegated to them by the Board of Directors or by the President.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial

records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and the Treasurer shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law. The Treasurer shall also perform such other duties as shall from time to time be delegated to them by the Board of Directors or by the President.

Section 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by the President of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Property, determine the amount of the common expenses for the forthcoming year and allocate and assess such common expenses against the unit owners as provided in Section 7 of the Declaration. The assessment for common expenses for the entire year shall be effective as of June 1 of each year but shall be payable in quarterly installments on July 1, October 1, January 1 and April 1 of each year.

The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Article V, Section 2. The common expenses shall also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital, for a reserve fund for the periodic maintenance, repair and

replacement of common elements and limited common elements based upon the estimated remaining useful life of such elements, for a reserve for contingencies, and for making up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by them, and shall furnish copies to all unit owners of each budget on which such common expenses are based. If the actual expenses of the Association exceed the budgeted expenses, or in the event of special circumstances requiring additional funds with respect to one or more units, the Board of Directors shall be empowered to meet whenever necessary and to assess additional common expenses or special assessments against one or more of the unit owners which shall be payable as the Board of Directors directs.

Section 2. Insurance. The Association shall be required to obtain and maintain, to the extent obtainable, insurance coverage for perils of direct physical loss, including backup of sewer or drain and overflow of sump endorsements, subject to standard policy exclusions. The Property coverage must include all buildings that are part of the Association on a Blanket basis and be written using either the Special Form Businessowners Coverage ISO Form and edition date BP0003 07 13, or its equivalent, or the Special Form Package Coverage ISO Form and edition date CP 1030 09 17, or its equivalent. All building Improvements and Betterments and Additions and Alterations, past and present, must be included in coverage. Business Income shall be on an Actual Loss Sustained Basis. Such insurance shall cover the Property and shall name as insured the Association, in an amount equal to not less than the replacement value of the buildings, without deduction for depreciation, with inflation guard endorsement, if available. The policy shall provide that proceeds shall be payable to the Association. The said policy shall provide that adjustment of loss shall be made by the Association, in consultation with the individual unit owner(s), and that the net proceeds shall be payable to the Association.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured and shall provide that such policies may not be cancelled or substantially modified without at least 10 days prior written notice to the Association. Each unit owner shall be assessed for the actual proportional cost of the insurance premium pertaining to their unit.

The Association shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine (provided that such limits shall at all times equal or exceed the limit established by the Board of Directors set forth below), covering each member of the Board of Directors, the managing agent, the manager, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year. Until the first meeting of the Board of Directors following the first annual meeting of the unit owners, such public liability insurance shall be in a single limit of at least $1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence. Such liability insurance shall provide that the policy may not be cancelled or substantially modified without at least ten days' prior written notice to the Association. The Association shall obtain and maintain worker's compensation insurance to the extent necessary to comply with any applicable laws.

By acceptance of the deed to their unit, each unit owner shall be deemed to have appointed the Association as their attorney-in-fact for the purpose of purchasing and maintaining the above-described policies of insurance, including, where applicable, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

Unit owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation and that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance. The insurance obtained by the Association will not cover the

contents of units or public liability claims arising out of occurrences happening within the boundaries of the units.

Section 3. Repair and Reconstruction After Damage.

(a) In the event of any damage to or destruction of the property in an amount equal to or less than 20% of the replacement cost of the entire condominium, whether or not the insurance proceeds, if any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction of such damaged portion of the property substantially in accordance with the original plans, including any approved additions, alterations, improvements and betterments which form a permanent part of the buildings (but not including any wall, ceiling or floor decorations, painting or coverings or other furniture, furnishings, fixtures, solar panels and/or ancillary equipment installed by unit owners in the units), and the Board of Directors shall disburse any insurance proceeds to the contractors engaged in such repair and reconstruction in appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall be a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common expenses.

By acceptance of the deed to their unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Article III, Section 11 of these By-Laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

(b) In the event the Property is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds, if any, constitute less than the cost of completing repair or reconstruction, the Association by vote of at least 75% of all unit owners may determine within 90 days after such damage or destruction not to proceed with repair or reconstruction. If the

Association determines to repair or reconstruct, or if the Association fails to vote within 90 days after such damage or destruction as to whether to repair or reconstruct, the Board of Directors shall arrange for such repair or reconstruction in accordance with the preceding paragraph of this Section. If the Association determines not to repair or reconstruct, the Property shall be deemed to be owned in common by the unit owners in proportion to their respective undivided percentage interests in the common elements and shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net insurance proceeds (after first paying the insurance proceeds directly attributable to a damaged unit to the mortgagee(s) and owner of such unit, as their interests may appear), shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective undivided percentage interests in the common elements, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

(c) In the event the Property is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds are equal to or greater than 80% of the cost of completing repair or reconstruction, the Board of Directors is authorized and shall arrange for such repair or reconstruction in accordance with Article V, Section 3, Paragraph (a).

By acceptance of the deed to their unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Article III, Section 11 of these By-Laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

Section 4. Payment of Common Expenses. All unit owners shall be obligated to pay the common expenses assessed by the Board of Directors pursuant to the

provisions of Section 1 of this Article at such time or times and in such manner as the Board of Directors shall determine. A late charge of up to $50 may be imposed by the Board of Directors against a unit owner if any balance in common expenses remains unpaid more than ten days after payment is due and each successive payment due date thereafter until common expenses are fully paid.

No unit owner shall be liable for the payment of any part of the common expenses assessed against their unit subsequent to a sale, transfer or other conveyance by them ~~him~~ thereof (made in accordance with the provisions of Article VII, Section 1 of these By-Laws). A purchaser of a unit shall be liable for the payment of common expenses assessed against such unit prior to the acquisition by them of such unit except that if the Association or Board of Directors furnishes a statement pursuant to Section 703.16 of the Wisconsin Condominium Ownership Act, such liability shall be limited to the amount set forth therein.

Each unit owner shall be obligated to pay common expenses hereunder notwithstanding the fact that they may have a pending dispute with the Association or the Board of Directors on any matter.

Section 5. Collection of Assessments. The Board of Directors shall take prompt action to collect from a unit owner any assessment due which remains unpaid for more than 30 days from the due date for its payment, as applicable under the Condominium Ownership Act.

Section 6. Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Board of Directors the assessed common expenses, such unit owner shall be obligated to pay interest at the highest annual rate permitted by law or at 18% per annum, whichever is less, on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common expenses. The Board of Directors shall have the right and duty to attempt to recover such common expenses, together with interest thereon, and the expenses of the proceedings, including attorneys' fees, in an action brought against such unit owner, or by foreclosure of the lien on such unit granted by Section 703.16 of the Wisconsin Condominium Ownership Act. The Board of Directors shall also have the right to prohibit

such defaulting unit owner from voting at a meeting of the Association whether or not the Association has recorded a statement of condominium lien on such unit and the amount necessary to release the lien has not been paid at the time of the meeting.

The Board of Directors shall also have the right to publish in the common elements of the Property the names of all unit owners who are more than 30 days delinquent in the payment of their assessments. By acceptance of the deed to their unit, each unit owner shall be deemed to have consented to such publication.

Section 7. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay a reasonable occupancy fee for the use of their unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such occupancy fee. The Association or the Board of Directors, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same after such purchase. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Expenses. The Board of Directors shall promptly provide any unit owner, who makes a request in writing, with a written statement of their unpaid common expenses.

Section 9. Abatement and Enjoining of Violations. The violation of any rule or regulation adapted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, anything or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that the Board of Directors shall not have the right to alter or demolish items of construction), and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy such thing or condition by appropriate legal proceedings.

Section 10. Grievance Procedure.

(a) The Board of Directors or any unit owner may file a written complaint with the Secretary of the Association against another unit owner for violation of the Wisconsin Condominium Ownership Act, the Declaration, these By-Laws and any rules and regulations promulgated hereunder. The complaint shall constitute a written statement of charges which shall set forth in ordinary concise language the acts or omissions with which the unit owner is charged, to the end that the unit owner will be able to prepare a defense. The complaint shall specify the specific provisions of the Declaration, these By-Laws or the rules and regulations which the unit owner is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts. Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties therefor and the hearing procedure to the unit owner complained of by personal delivery or by certified mail, return receipt requested. The unit owner complained of may within 15 days of delivery or mailing of the notice file a written answer with the Secretary admitting or denying the allegations in the notice. If, within the time period allowed, the unit owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If, within the time period allowed, the unit owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held not less than 14 or more than 30 days after delivery or mailing of a notice of hearing to the parties.

(b) Upon the delivery or mailing of the notice of hearing, the President of the Association shall appoint the Grievance Committee. The Grievance Committee shall consist of three unit owners who are not members of the Board of Directors, relatives of the unit owner complaining or complained of, witnesses at the hearing or persons otherwise interested in the hearing. The decision of the President shall be final, except that the unit owner may challenge any member of the Grievance Committee for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence of the hearing. In the event of such a challenge, the Board shall meet to determine the sufficiency of the challenge, without the President voting. If such challenge is sustained, the President shall appoint another unit owner to replace the

challenged member of the Grievance Committee. All decisions of the Board in this regard shall be final. The Grievance Committee shall elect a Chairperson. The Grievance Committee shall exercise all other powers relating to the conduct of the hearing.

(c) After initiation of a proceeding in which the unit owner is entitled to a hearing, the unit owner and the individual filing the complaint, upon written request made to the other party, prior to hearing and within fifteen (15) days after service by the Board of Directors of the complaint or within ten (10) days after service of any amended or supplemental complaint, is entitled to (i) obtain the names and addresses of witnesses to the extent known to the other party; and (ii) inspect and make a copy of any statements, writings and investigative reports relevant to the subject matter of the hearing. Nothing in this section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as work product.

(d) The hearing shall be conducted by the Grievance Committee. They, and the Board of Directors, shall ensure that the hearing is conducted in accordance with the Bylaws. Both parties shall represent themselves. The parties and the Grievance Committee shall be entitled to representation at the hearing by counsel and shall be entitled to examine and cross-examine witnesses. When summoned by the Grievance Committee to do so, it shall be the obligation of each unit owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal and conformity to the legal rules of evidence shall not be required. Within seven days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary which shall be binding upon the unit owners.

(e) The Grievance Committee will prepare written findings of fact and recommendations for consideration by the Board of Directors. The Grievance Committee shall make its determination only in accordance with the evidence presented to it and in accordance with the these By-Laws and the rules and regulations. After all testimony and documentary evidence has been presented to the Grievance Committee, the Grievance Committee shall vote upon the matter, with a majority of the entire Grievance Committee controlling. A copy of the findings and

recommendations of the Grievance Committee shall be posted by the Board of Directors on the Association's website, and a copy shall be served by the President on each party in the matter and their attorney, if any. Disciplinary action and fines under the Declaration, these By-Laws or the rules and regulations shall be imposed only by the Board and based upon the findings and recommendations of the Grievance Committee. The Board may adopt the recommendations of the Grievance Committee in their entirety, or the Board may reduce or increase the proposed penalty and adopt the balance of the recommendations. The decision of the Board shall be in writing and shall be served and posted in the same manner as the findings and recommendations of the Grievance Committee. The decision of the Board shall become effective ten (10) days after it is served upon the unit owner, unless otherwise ordered in writing by the Board. The Board may order a reconsideration at any time within fifteen (15) days following service if its decision on the parties on its own motion or upon petition by a party.

(f) The proceedings of and before the Grievance Committee and the decision of the Board, as referenced in Art. V, Sec. 10 of the Amended and Restated By-Laws, shall be conclusively deemed and considered to be arbitration proceedings conducted under and pursuant to Wis. Stat. ch. 788, the Wisconsin Arbitration Act (the "Act"). The decision of the Board shall be final and binding, and shall be enforceable in accordance with Wisconsin law, including but not limited to the Act.

(g) Any fine or other penalty against the defaulting unit owner if not paid within three days shall bear interest at the rate of 18% per annum and shall constitute a lien against the unit until paid in full.

Section 11. Maintenance, Repairs and Replacements.

(a) Maintenance, repairs, removal and replacement of trees and shrubs in the common and limited common elements (unless necessitated by negligence, misuse or neglect of a unit owner in which case such expense shall be charged to such unit owner) shall be made at the discretion of the Board of Directors and charged to all unit owners as a common expense, except as provided in Paragraph (b) below. Trees and improvements to limited common elements done by unit owners (after approval from the proper committee) will be maintained by the Board of Directors and charged to all

unit owners as above. This would include trees original to the property, improvements by previous unit owners and trees and shrubs planted by the Board of Directors.

(b) The owner of each unit shall furnish, at their own expense and be responsible for all structural, non-structural, ordinary and extraordinary maintenance, repairs and replacements of their own unit, including, but not limited to, all exterior staining and maintenance; repair and replacement of roofs; repair and replacement of glass; repair, maintenance and sealing of driveways and sidewalks; repair and maintenance of patios and/or decks; repair and replacement of water features; nameplates designating individual units (collectively referred to as "Individual Expenses"). The Individual Expenses shall be borne solely by such unit owner. Assessments will be made on a quarterly basis for Individual Expenses and deposited into a unit owner's Individual Reserve Account. If the amount of the Individual Reserve Account is inadequate to pay for Individual Expenses, the unit owner will be responsible for and/or assessed for any difference. All assessments, including amounts for Individual Expenses, are the property of the Association. No refunds will be given under any circumstances, including the transfer of the unit.

Section 12. Use of Property. In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be subject to the following limitations:

(a) The units shall be restricted to residential use.

(b) The common and limited common elements shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

(d) No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at

the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No tree or bush shall be removed from a common or limited common area without the prior written approval of the Association.

(f) Trash, garbage or other wastes shall be kept in sanitary containers which shall be in garages except for pick-up.

(g) No trailer, shack, garage, barn or other outbuilding, or living quarters of a temporary character, shall be permitted on any part of the Property at any time.

(h) No trucks, buses, trailers, campers, snowmobiles, boats or vehicles other than licensed vehicles and licensed private pickup style trucks, 8,000 lbs. gross vehicle weight and under and a box length of 8 ft. or less shall be parked on the Property (other than inside garages) for purposes other than in the normal course of construction or for services rendered to a unit.

(i) No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property, except personal pets provided that they are not kept, bred or maintained for any commercial purposes. No pet shall be permitted which causes an unreasonable disturbance. Any pet excrement in common or limited common areas shall be removed immediately by the owner of the pet.

(j) All mailboxes and mailbox posts shall be uniform in appearance, and when necessary, shall be replaced with identical units.

(k) As more fully set forth in Paragraph 15, below, no unit owner may change the exterior color of their unit without the prior approval of the Design Review Committee. In addition, the exterior color of a unit shall not be changed unless the exterior color of the adjoining unit is similarly changed and both owners of such units (as well as the Design Review Committee) agree to such change.

Section 13. Additions, Alterations or Improvements By Board of Directors. Whenever in the judgment of the Board of Directors the common and limited common elements shall require additions, alterations or improvements costing in excess of 10% of the annual operating budget, and the making of such additions, alterations or

improvements shall have been approved by a majority of unit owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common expense. Any additions, alterations or improvements costing 10% of the annual operating budget or less may be made by the Board of Directors without approval of the unit owners and the cost thereof shall constitute a common expense.

Section 14. Structural Additions, Alterations or Improvements by Unit Owners. A unit owner may make additions, improvements or alterations within their unit which do not impair the structural integrity or lessen the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to, the exterior of their unit or of any portion of the Property (including the planting of trees and shrubs in any portion of the common or limited elements) without the prior written approval of the Design Review Committee, described below, except that a unit owner may plant flowers or ground covering plants within five feet of the exterior walls of their unit without such prior approval. The Board of Directors and the Association shall not be liable to any contractor, subcontractor or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with such additions, alterations or improvements.

Section 15. Design Review Committee.

(a) A Design Review Committee consisting of three or more persons shall be appointed by the Board of Directors and shall be responsible to the Board. The Design Review Committee shall regulate the external design and appearance of the units and the design, appearance and location of improvements to the common areas and limited common areas in such a manner as to promote those qualities in the environment which bring value to the Property and foster the attractiveness and functional utility of the Condominium as a place to live, including a harmonious relationship among structures, vegetation and topography.

(b) Except as otherwise specifically provided in the Declaration or these By-Laws, and except with respect to the construction of units and the improvement of the property, no building, fence, wall, swimming pool, antenna, satellite TV dish, radon pipes, structure or projection from a structure (whether of a temporary or permanent

nature, or whether or not affixed to a unit or to any other structure or to the ground) shall be commenced, erected, maintained, improved or altered, nor shall any grading, excavation tree removal or planting be done in the common or limited common areas, nor shall any change of exterior color or other work which in any way alters the exterior appearance of any unit, common area or limited common area be done, without the prior written approval of the Design Review Committee regarding (i) the harmony of its exterior design and location in relation to, and its effect upon, surrounding structure, vegetation, topography, and the overall community design of the Property; (ii) the character of the exterior materials; and (iii) quality of the exterior workmanship.

(c) The Design Review Committee shall, subject to the approval of the Board of Directors, develop and promulgate policy guidelines for the application of the design review provisions set forth herein. The policy guidelines shall include review procedures, aspects and objectives of review, and principles and criteria used as standards in determining the achievement of the required objectives. The policy guidelines may also include specific design practices that, though optional, are generally acceptable methods for achieving the required objectives in particular design problems frequently encountered in the Property. The policy guidelines are intended to assist the Design Review Committee and the unit owners in the ongoing process of community design. They may be modified and supplemented from time to time, on due notice to the unit owners and subject to the approval of the Board.

(d) In the event the Design Review Committee fails to approve or disapprove in writing an application within 60 days after the plans and specifications in writing have been submitted to it by a unit owner, in accordance with adopted procedures, approval will be deemed granted. An applicant may appeal an adverse Design Review Committee decision to the Board of Directors, who may reverse or modify such decision by a two-thirds vote of those Directors present and voting at a meeting at which a quorum is present.

Section 16. Landscape Enhancement Committee.

(a) A Landscape Enhancement Committee consisting of three or more persons shall be appointed by the Board of Directors and shall be responsible to the Board. The Landscape Enhancement Committee shall regulate the design, appearance

and location of landscaping in the common areas and limited common areas and the design, appearance and location of improvements to the common areas and limited common areas in such manner as to promote those qualities in the environment which bring value to the Property and foster the attractiveness and aesthetic quality of the Condominium as a place to live, including a harmonious relationship among structures and topography.

(b) Except as otherwise specifically provided in the Declaration or these By-Laws, no tree, berm, landscaping bed shall be commenced, erected, improved or altered, nor shall any grading or excavation be done in the common or limited common areas, without the prior written approval of the Landscape Enhancement Committee regarding (i) the harmony of its design and location in relation to, and its effects upon, surrounding structure, vegetation, topography, and the overall community design of the Property; (ii) the character of the plant materials; and (iii) quality of the landscape design and installation.

(c) The Landscape Enhancement Committee shall, subject to the approval of the Board of Directors, develop and promulgate policy guidelines for the application of the landscape design and maintenance provisions set forth herein. The policy guidelines shall include review procedures, aspects and objectives of review and principles and criteria used as standards in determining the achievement of the required objectives. The policy guidelines may also include specific landscape design practices that, though optional, are generally acceptable methods for achieving the required objectives in particular design problems frequently encountered in the Property. The policy guidelines are intended to assist the Landscape Enhancement Committee and the unit owners in the ongoing process of community design. They may be modified and supplemented from time to time, on due notice to the unit owners and subject to the approval of the Board.

(d) In the event the Landscape Enhancement Committee fails to approve or disapprove in writing an application within 60 days after the plans and specifications in writing have been submitted to it by a unit owner, in accordance with adopted procedures, approval will be deemed granted. An applicant may appeal an adverse Landscape Enhancement Committee decision to the Board of Directors, who may

reverse or modify such decision by a two-thirds vote of those Directors present and voting at a meeting at which a quorum is present.

Section 17. Water and Sewer Charges. Water and sewer services provided to the units shall be supplied by the Village of Menomonee Falls, and shall be separately metered for each unit. Each unit owner shall be responsible for the water and sewer charges for his unit.

Section 18. Electricity and Gas. Electricity and gas required to service the units shall be supplied by the public utility company serving the area, and shall be separately metered for each unit. Each unit owner shall be responsible for electricity and gas consumed or used in or in connection with his unit.

Section 19. Rules of Conduct. Rules and regulations concerning the use of the units and the common and limited common elements may be promulgated and amended by the Board of Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 20. Right of Access. A unit owner shall grant a right of access to their unit to the manager, the managing agent, and any other person authorized by the Board of Directors, to make inspections, to correct any condition originating in their ~~his~~ unit and threatening another unit or the common or limited common elements, to install, alter or repair mechanical or electrical services or other common or limited common elements in their unit or elsewhere in the building, and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

ARTICLE VI

Mortgages

Section 1. Mortgage of Units. Each unit may be separately mortgaged.

Section 2. Rights of Mortgagees. As to any mortgagee of a unit or insurer or guarantor of any unit mortgagee (referred to below, collectively, as the "mortgagee") which has notified the Association in writing delivered or mailed by certified mail to the place of service of process stated in Section 9 of the Declaration that it desires to receive notice of the following matters:

(a) The Board of Directors shall give the mortgagee written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to the Declaration, the Articles or the By-Laws;

(b) The Board of Directors shall give the mortgagee by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-Laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice to any unit owner which shall be not later than 30 days after such failure;

(c) The Board of Directors shall notify the mortgagee of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) The Board of Directors shall notify the mortgagee of physical damage to structure, fixtures or equipment of a unit in an amount exceeding $10,000 when such damage is known to the Board of Directors and shall notify all mortgagees if common elements of the Condominium are damaged in an amount exceeding $20,000. The Board shall also notify the mortgagee in writing of any condemnation proceedings concerning the Property; and

(e) The Board of Directors shall permit the mortgagee to examine during normal business hours books and records of the Association (including current copies of the Declaration, these By-Laws and all rules and regulations promulgated thereunder) and upon request shall furnish the mortgagee annual reports and such other financial data (including audited financial statements) as it sends to unit owners.

Section 3. Land Contracts. For purposes of this Article VI and elsewhere in these By-Laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

ARTICLE VII

Sales of Units

Section 1. Sales. Unit owners may sell their units or any interest therein provided the provisions of this Article are complied with. A unit owner shall notify the Association of the pending sale of their unit at least 21 days prior to the date of the closing of such sale, and shall supply the Association with the names of the prospective purchasers. A unit owner's sale of his unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements appurtenant thereto; (b) the interest of such unit owner in any units theretofore acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the Association ((a), (b) and (c) hereinafter collectively called the "appurtenant interests").

Section 2. No Severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to their ~~his~~ unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of, except as a part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all units.

Section 3. Financing of Purchase of Units by Association. Acquisition of units by the Association or its designee, on behalf of all unit owners, may be made from the working capital and assessments for common expenses in the hands of the Board of

Directors, or if such funds are insufficient, the Association may borrow money to finance the acquisition of such unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit so to be acquired by the Association. Title to any real or personal property acquired by the Association shall be taken in the name of the Association. The Association shall act to borrow money, and acquire and convey property in the same manner as corporations formed under Chapter 181, Wisconsin Statutes.

Section 4. Waiver of Right of Partition With Respect to Units Acquired by Association. In the event that a unit shall be acquired by the Association or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 5. Leasing or Rental of Units Prohibited.

Beginning on and after the date of these Amended and Restated By-Laws, no unit owner may allow their unit to be leased or rented for any period of time. Any unit owner who, as of the date of these Amended and Restated By-Laws, has their unit under a lease or other rental agreement, may continue the agreement until the expiration of the existing rental period only, notwithstanding any agreement with the existing tenant(s) to allow renewals or extensions. The foregoing provisions shall not prohibit or restrict the Association from leasing or renting any unit owned by the Association.

Section 6. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, or sell their unit unless and until they shall have paid in full to the Association all unpaid common expenses, fines and interest theretofore assessed by the Board of Directors against their unit.

ARTICLE VIII

Condemnation

Section 1. Common Elements. In the event of a taking in condemnation or by eminent domain of part or all of the common elements of the Property exclusive of any

of the units, the award made for such taking shall be payable to the Association. The Association shall promptly undertake to restore the common elements. The proceeds of the award shall be disbursed to effect such restoration and any costs in excess of the award shall be a common expense. The Board of Directors shall effect such restoration in accordance with Article V, Section 3, Paragraph (a) of these By-Laws. If restoration is not undertaken, the proceeds of the award shall be disbursed to the unit owners in proportion to their respective undivided percentage interests in the common elements.

Section 2. Units. In the event of a taking in condemnation or by eminent domain of any of the units exclusive of the common elements, or of any of the units and a portion of the common elements, the Association by vote of a majority of the unit owners of the Condominium within 90 days of payment of the award (or other payment if conveyed in lieu of such taking) shall determine whether to permit repair or reconstruction of the units and common elements affected. If the Association determines to permit repair or reconstruction and the unit owners affected unanimously elect to undertake repair or reconstruction of their units, the Board of Directors shall effect such repair or reconstruction in accordance with Article V, Section 3, Paragraph (a) of these By-Laws, except that any cost of repair or reconstruction of units in excess of the award shall be the sole expense of the owners of such units. If the Association determines not to repair or reconstruct or fails to vote within said 90-day period or the unit owners affected do not unanimously elect to repair or reconstruct, the entire net proceeds shall be disbursed to those unit owners whose units have been taken based upon the amount of the award allocable to each unit. In the event the award fails to allocate amounts payable to each unit, the award shall be disbursed to those unit owners whose units have been taken in proportion to the respective values of such units as determined by their replacement cost set forth in the insurance policies carried by the Association. If any such unit owner is in default in paying common expenses, the amount of said common expenses shall be deducted from their share of the proceeds. Upon receipt of their share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association, of their undivided percentage interest in the common elements and shall thereafter no longer be

considered a unit owner. The interests of the remaining unit owners in the common elements shall be recomputed by the Board of Directors, whose decision shall be final, to reflect said releases.

ARTICLE IX

Records

Section 1. Records and Reports. The Board of Directors or the managing agent shall keep detailed records of the actions of the Association and the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records, and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account of each unit which, among other things, shall contact the amount of each assessment of common expenses against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Associations shall be rendered by the Board of Directors to all unit owners at least annually.

ARTICLE X

Liability and Indemnification

Section 1. General Scope and Definitions.

(a) The rights of directors and officers of the Association provided in this article shall extend to the fullest extent permitted by applicable laws in effect from time to time.

(b) For purposes of this article, "director or officer" means a natural person (i) who is or was a director or officer of the Association; (ii) who, while a director or officer of the Association, is or was serving at the Association's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee, or agent of another corporation or foreign corporation, partnership, limited liability company, joint venture, trust, or other enterprise; (iii) who, while a director or officer of the Association, is or was serving an employee benefit plan because his or her

duties to the Association also imposed duties on, or otherwise involved services by, the person to the plan or to participants in or beneficiaries of the plan; or (iv) who is or was a member of an architectural review or other committee formed by the Association. Unless the context requires otherwise, "director or officer" shall also mean the estate and personal representative of a director or officer.

(c) For purposes of this article, "proceeding" means any threatened, pending or completed civil, criminal, administrative, or investigative action, suit, arbitration, or other proceeding, whether formal or informal, which involves foreign, federal, state, or local law (including federal or state securities laws) and that is brought by or in the right of the Association or by any other person.

(d) For purposes of this article, "expenses" means fees, costs, charges, disbursements, attorney fees, and any other expenses incurred in connection with a proceeding, including a proceeding in which a director or officer asserts his or her rights under this article, and, if the context requires, liabilities, including the obligation to pay a judgment, settlement, penalty, assessment, forfeiture, or fine, including any excise tax assessed with respect to an employee benefit plan.

Section 2. Mandatory Indemnification.

(a) To the extent that a director or officer has been successful on the merits or otherwise in the defense of any proceeding (including, without limitation, the settlement, dismissal, abandonment, or withdrawal of any action by which he or she does not pay or assume any material liability), or in connection with any claim, issue, or matter therein, he or she shall be indemnified by the Association against expenses actually and reasonably incurred by him or her in connection therewith to the extent that he or she was a party to the proceeding because he or she is or was a director or officer of the Association.

(b) In cases not included under Section 2(a), the Association shall indemnify any director or officer against expenses actually and reasonably incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is or was a director or officer, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owed to the Association and the breach or failure to perform constituted any of the following: (i) a willful failure to deal fairly with the Association or its members in connection with a matter in which the director or officer had a material conflict of interest; (ii) a violation

of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit or benefit; or (iv) willful misconduct. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this subsection.

(c) Indemnification under this section is not required to the extent that the director or officer has previously received indemnification or allowance of expenses from any person, including the Association, in connection with the same proceeding.

(d) To the extent indemnification is required under Article X, the Association has purchased or is required under Section 10 to purchase insurance on behalf of the indemnified person and the insurance policy includes a provision obligating the insurer to defend such person, the Association shall be obligated to extend such defense. To the extent possible under such insurance policy, the defense shall be extended with counsel reasonably acceptable to the indemnified person. The Association shall keep the indemnified person advised of the status of the claim and the defense thereof and shall consider in good faith the recommendations made by the indemnified person with respect thereto.

Section 3. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the director or officer and the Association, the director or officer seeking indemnification under Section 2 shall make a written request for indemnification that shall designate one of the following means for determining his or her right to indemnification: (a) by a majority vote of a quorum of the Board of Directors or a committee of directors consisting of directors not at the time parties to the same or related proceedings; (b) by independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in Section 3(a) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings; (c) by arbitration; or (d) by an affirmative vote of a majority of the unit owners entitled to vote; provided, however, that unit owners who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not vote in making the determination. Such determination shall be completed, and

eligible expenses, if any, shall be paid to the person requesting indemnification hereunder within 60 days after the Association's receipt of the written request required hereunder.

Section 4. Allowance of Expenses as Incurred. Within thirty (30) days after a written request by a director or officer who is a party to a proceeding because he or she is or was a director or officer, the Association shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the Association with all the following: (a) a written affirmation of his or her good-faith belief that he or she has not breached or failed to perform his or her duties to the Association; and (b) a written undertaking, executed personally or on his or her behalf, to repay the allowance and, if required by the Association, to pay reasonable interest on the allowance to the extent that it is ultimately determined under Section 3 that indemnification under Section 2 is not required and indemnification is otherwise not ordered by a court. The undertaking under this section shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

Section 5. Partial Indemnification.

(a) If it is determined pursuant to Section 3 that a director or officer is entitled to indemnification as to some claims, issues, or matters in connection with any proceeding, but not as to other claims, issues, or matters, the person or persons making such determination shall reasonably determine and indemnify the director or officer for those expenses that are the result of claims, issues, or matters that are a proper subject for indemnification hereunder in light of all circumstances.

(b) If it is determined pursuant to Section 3 that certain expenses (other than liabilities) incurred by a director or officer are for any reason unreasonable in amount in light of all the circumstances, the person or persons making such determination shall authorize the indemnification of the director or officer for only such amounts as he or she or they shall deem reasonable.

Section 6. Indemnification of Employees and Agents. The Board of Directors, may, in its sole discretion, provide indemnification and/or defense and/or allowance of expenses in advance of a final determination of any proceeding to an employee or agent of the Association who is not a director or officer in connection with any proceeding in which the employee or agent was a defendant because of his or her actions as an

employee or agent of the Association; provided, however, that prior to such indemnification, defense, or allowance of expenses, the Board of Directors shall first determine that the employee or agent acted in good faith and in a manner he or she reasonably believed to be in, and not opposed to, the best interests of the Association.

Section 7. Limited Liability of Directors and Officers.

(a) Except as provided in Subsections 7(b) and (c), a director or officer is not liable to the Association, its members or creditors, or any person for damages, settlements, fees, fines, penalties, or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director or officer, unless the person asserting liability proves that the breach or failure to perform constitutes any of the acts of misconduct listed in Section 2(b).

(b) Except as provided in Subsection 7(c), Section 7 does not apply to: (i) a civil or criminal proceeding brought by or on behalf of any governmental unit, authority, or agency; (ii) a proceeding brought by any person for a violation of state or federal law when the proceeding is brought pursuant to an express private right of action created by state or federal statute; (iii) liability of a Director for a loan made by the Association to a Member that is not approved by the Board of Directors; or (iv) liability of a Director for a distribution made by the Association to a Member in violation of the provisions of the Declaration or these bylaws.

(c) The provisions of Sec. 7(b)(i) and (ii) do not apply to a proceeding brought by a governmental unit, authority, or agency in its capacity as a private party or contractor.

Section 8. Severability of Provisions. The provisions of this article and the several rights to indemnification, advancement of expenses, and limitation of liability created hereby are independent and severable and, if any such provision or right shall be held by a court of competent jurisdiction in which a proceeding relating to such provisions or rights is brought to be against public policy or otherwise to be unenforceable, the other provisions of this article shall remain enforceable and in full effect.

Section 9. Nonexclusivity of Rights. The rights to indemnification, defense, and advancement of expenses provided for in this article shall not be deemed exclusive of any other rights to which those seeking indemnification, defense, or advancement of expenses may be entitled under any agreement authorized by the Board of Directors,

any of the Bylaws, any vote of the members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Notwithstanding the foregoing, the Association may not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses, pursuant to any such additional rights unless it is determined by or on behalf of the Association that the director or officer did not breach or fail to perform a duty he or she owes to the Association that constitutes conduct under Section 2(b). A director or officer who is a party to the same or related proceeding for which indemnification, defense, or an allowance of expenses is sought may not participate in a determination under this section.

Section 10. Purchase of Insurance. The Association shall use its reasonable best efforts to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association, to the extent that such director or officer is insurable and such insurance coverage can be secured by the Association at rates and in amounts and subject to such terms and conditions as shall be determined in good faith to be reasonable and appropriate by the Board of Directors of the Association, and whose determination shall be conclusive (provided, however, that such insurance shall contain a provision obligating the insurer to defend the director or officer, if such provision is available at reasonable rates), against liability asserted against or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify or defend him or her against such liability under the provisions of this article.

Section 11. Benefit. The rights to indemnification, defense, and advancement of expenses provided by, or granted pursuant to, this article shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 12. Amendment. No amendment or repeal of this article shall be effective to reduce the obligations of the Association under this article with respect to any proceeding based on occurrences that take place before such amendment or repeal.

ARTICLE XI

Miscellaneous

Section 1. Notices. All notices to the Board of Directors or the Association shall be sent by registered or certified mail, to the Secretary of the Association or to such other address as the Board of Directors may hereafter designate from time to time. Except when delivered in person, all notices to any unit owner shall be mailed or hand delivered to their unit or to such other address as may have been designated by them from time to time, in writing, to the Board of Directors. All notices to mortgagees of units shall be mailed or hand delivered to their respective addresses, as designated by the unit owners to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Notices to the unit owners or their mortgagees need not be mailed by registered or certified mail, except as otherwise provided in these By-Laws.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Conflicts. These By-Laws are set forth to comply with the requirements of the Wisconsin Condominium Ownership Act. In case any of these By-Laws conflict with the provisions of such Act, the provisions of such Act shall control. In case any of these By-Laws conflict with the provisions of the Declaration, the Declaration shall control.

ARTICLE XII

Amendments to By-Laws

Section 1. Amendments to By-Laws. These By-Laws may be modified or amended by vote of at least 67% of the authorized votes of all unit owners, such vote to be taken at a meeting of unit owners duly held for such purposes.