

BY-LAWS

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BY-LAWS

OF

DEERWOOD X-G CONDOMINIUM
8595-97 North Meadowside Court
Brown Deer, Wisconsin

(An Unincorporated Association)

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership. The property located in the Village of Brown Deer, Milwaukee County, State of Wisconsin, known as DEERWOOD X-G CONDOMINIUM (the "Property") 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 Milwaukee County on _____, 19____, as Document _____.

Section 2. Applicability of By-Laws and Definitions. These By-Laws are adopted as the By-Laws of DEERWOOD X-G CONDOMINIUM ASSOCIATION, (the "Association"), an unincorporated Association 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 the definitions contained in Section 703.02 of the Wisconsin Condominium Ownership Act.

3. Office and Mailing Address. The initial office and mailing address of the Association shall be located at 8597 North Meadowside Court, Brown Deer, Wisconsin 52332.

ARTICLE II

Management

Section 1. Membership. Every unit owner acquiring title to a unit under the terms of the Declaration shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases, at which time his membership in the Association shall automatically terminate. Membership is not transferrable, except by conveyance of the unit.

The affairs of the Association and of the Property shall be governed by the membership. Each member may appoint an agent to act on their behalf.

Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Milwaukee County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Milwaukee 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. 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.

Section 2. Powers and Duties. The Association shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property. The Association

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, the Declaration, these By-Laws and rules and regulations hereunder.

In addition to the statutory powers set forth in Section 703.15 of the Wisconsin Statutes, the Association shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Elements;

(b) Suspend the voting rights of a member in accordance with the provisions of Section 703.10(4) of the Wisconsin Statutes;

(c) Exercise all powers, duties and authority vested in or delegated to the Association.

It shall be the duty of the Association to:

(a) Prepare the annual budget based on the calendar year and fix the amount of the annual assessments of each unit at least 30 days in advance of such annual assessment period;

(b) Procure and maintain insurance as required by the Declaration;

(c) Cause the Common Elements to be maintained and kept in good repair.

The Association may borrow money, acquire and convey property, and otherwise manage the affairs of this two-unit condominium as the members from time to time determine.

Section 3. Managing Agent and Manager. The Association may employ for the Property a managing agent which may be the Declarant or a related party and a manager at a compensation established by the Association to perform such duties and services as the Association shall authorize.

Section 4. Organization Meeting. Ten (10) days after the initial sale of a unit, the Association shall hold a meeting to discuss the affairs of the Association.

Section 5. Regular Meetings. Regular meetings of the Association may be had at such time and place as shall be determined from time to time by the members of the Association.

Section 6. Special Meetings. Special meetings of the Association may be called by a member on 48 hours' written notice which notice shall state the time, place and purpose of the meeting.

Section 7. Waiver of Notice. Any member of the Association may, at any time, waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Association at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof. If the members of the Association are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum. At all meetings, all members thereof must attend in order to constitute a quorum for the transaction of business.

Section 9. Informal Action. Any action which is required to be taken at a meeting of the Association 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 members entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as an unanimous vote.

Section 10. Place of Meetings. Meetings of the membership shall be had at one of the units of the condominium, or at such other suitable place convenient to the unit owners as may be designated by the members.

Section 11. Disputes. In the event that the membership cannot agree on a particular matter, then the matter shall be submitted to arbitration. The members shall select a single arbitrator within ten (10) days after a member shall request in writing that the disputed matter be submitted to arbitration. In the event that the membership cannot agree upon an arbitrator within five (5) days after demand is made, then either member may request the Chief Judge of the Milwaukee Circuit Court to appoint an arbitrator. The arbitrator shall conduct a hearing and his decision shall be final.

ARTICLE III

Officer

Section 1. Presiding Officer. The only office of the Association shall be a Presiding Officer who shall keep minutes of all meetings of the Association; he or she shall have charge of such books and papers as the Association may direct.

ARTICLE IV

Operation of the Property

Section 1. Determination of Common Expenses. The Association 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 in accordance with the Declaration and these By-Laws. The assessment for common expenses for the entire year shall be effective as of January 1 of each year but shall be payable at such time or times as the Association shall determine. 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 Association pursuant to the provisions of Section 2 of this Article IV. The common expenses may also include such amounts as the Association may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital, for a general operating reserve, for a reserve fund for replacement, 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 Association 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 Association shall advise each unit owner in writing of the amount of common expenses payable by him, and shall furnish copies to all unit owners of each budget on which such common expenses are based.

Section 2. Insurance. The Association shall be required to obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant, but not including furniture, furnishings or other personal property supplied or installed by unit owners), all air-conditioning equipment and other service machinery contained therein, and all limited common elements; such insurance shall cover the Property and shall name as insureds the Association, and all unit owners and their mortgagees, as their interests may appear, in an amount equal to not less than the replacement value of the buildings and such structure, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Association as trustee for all unit owners and their mortgagees or land contract vendors as their interests may appear. All such policies shall provide that adjustment of loss shall be made by 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 ten (10) days prior written notice to the Association. Prior to obtaining any policy of fire insurance or any renewal thereof, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings including all of the units and all of the common and limited common elements without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

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, covering each member, 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 Association shall review such limits once each year. The Association may obtain and maintain such other insurance from time to time as it deems necessary or desirable to protect the interests of the unit owners.

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, that the liability of the carriers issuing the insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Association. 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. Repairs and Reconstruction After Damage. In the event of any damage to or destruction of the Property, and subject to the provisions of Section 8 of the Declaration, the Association is authorized to and shall arrange for the prompt repair and reconstruction (including any damaged units, and any kitchen or bathroom fixtures initially installed therein by the Declarant, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners in the units), and the Association 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 Association may assess all the unit owners for such deficit as part of the common expenses.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction.

Section 4. Payment of Common Expenses. All unit owners shall be obligated to pay the common expenses assessed by the Association pursuant to the provisions of Section 1 of this Article at such time or times as the members shall determine. Each member shall pay and be responsible for one-half (1/2) of such common expenses.

No unit owner shall be liable for the payment of any part of the common expenses assessed against his unit subsequent to a sale, transfer or other conveyance by him thereof. A purchaser of a unit shall be liable for the payment of common expenses assessed against such unit prior to the acquisition by him of such unit except that if the Association 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 he may have a pending dispute with the Association on any matter.

Section 5. Collection of Assessments. The Association shall assess common expenses against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any assessment due which remains unpaid by him for more than 30 days from the due date for its payment.

Section 6. Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Association the assessed common expenses, such unit owner shall be obligated to apply interest at the highest rate permitted by law per year on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid common expenses. The Association 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.

Section 7. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Association to foreclose a lien on a unit because of unpaid common expenses, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect rent or to serve any other appropriate function. The Association 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 Association shall promptly provide any unit owner, who makes a request in writing, with a written statement of his unpaid common expenses.

Section 9. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Association, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Association 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, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association 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. Maintenance and Repair.

A. All maintenance of and repairs to any unit (including replacement of window panes and glass doors, if any), structural or nonstructural, ordinary or extraordinary, shall be made by the owner of such unit.

B. All maintenance, repairs and replacements to the common elements (unless necessitated by the negligence, misuse, misconduct or neglect of a unit owner, in which case such expense shall be charged to such unit owner) shall be made by the

Association and be charged to all the unit owners as a common expense.

Section 11. 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 used for residential purposes only.

B. The 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 of the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

E. A unit owner shall not place any furniture, packages or objects in common elements.

F. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property, except that each unit

owner may keep one small lap dog or cat per unit and other small household pets (such as fish, canaries or parakeets) 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 elements shall be removed immediately by the owner of the unit in which the pet resides.

Section 12. Structural Additions, Alterations or Improvements by Unit Owners. A unit owner may make additions, improvements or alterations within his 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 his unit or of any portion of the Property. 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 13. Water and Sewer Charges. Municipal water and sewer shall be supplied to the units and the common elements. Charges for water and sewer services provided to the units shall be separately metered for each unit, and each unit owner shall pay all such charges as they relate to his or her unit. The Association shall pay the bills only for water and sewer charges for the common elements.

Section 14. Right of Access. A unit owner shall grant a right of access to his unit to the manager, the managing agent,

and any other person authorized by the Association, the manager or the managing agent to make inspections, to correct any condition originating in his unit and threatening the other 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 his 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 V

Sales and Leases of Units

Section 1. Sales and Leases. Unit owners may sell or lease their units or any interest therein provided the provisions of this Article are complied with. A unit owner's sale of his unit shall include the sale of (a) the undivided percentage interest in the 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 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. Rental. Unit owners may rent their units to whomever and on whatever terms and conditions as they so desire provided the Association is given notice of the name and permanent address of the tenants and further provided that the lease specifically obligates the tenant to abide by the Declaration, these By-Laws and rules and regulations promulgated thereunder.

Section 4. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the

Association all unpaid common expenses theretofore assessed by the Association against his unit.

Section 5. Unpaid Dues or Charges. Any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure of the mortgage will not be liable for more than six months of the unit's unpaid dues or charges accrued before the acquisition of the title to the unit by the mortgagee.

ARTICLE VI

Miscellaneous

Section 1. 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 2. 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 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have 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, 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 VII

Amendments to By-Laws

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

CERTIFICATION

The undersigned hereby certifies that these By-Laws of DEERWOOD X-G CONDOMINIUM were duly adopted on this 25th day of October, 1989.

DEERWOOD X-G CONDOMINIUM
8595-97 North Meadowside Court
Brown Deer, Wisconsin

By: Todd C. Grover
Todd C. Grover

By: Susan L. Grover
Susan L. Grover

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