BY-LAWS
OF
PRESTWICK CONDOMINIUM ASSOCIATION, LTD.

ARTICLE I

NAME AND PURPOSE

1.1 Pursuant to the Articles of Incorporation of **PRESTWICK CONDOMINIUM** Association, Ltd., and the Condominium Declaration for **PRESTWICK CONDOMINIUM**, recorded in the Office of the Register of Deeds for Racine County, Wisconsin (hereinafter "Declaration"), the following are adopted as the By-Laws of **PRESTWICK CONDOMINIUM** Association, Ltd. (hereinafter sometimes referred to as the "Association"), which is a non-stock corporation formed and organized to serve as an association of Unit owners who own real estate and improvements (hereinafter the "Property") under the condominium form of ownership, as provided in the Condominium Ownership Act under the laws of the State of Wisconsin and subject to the terms and conditions of the Declaration. All capitalized terms, unless defined herein, shall have the meanings assigned to them in the Declaration.

These By-Laws shall be deemed covenants running with the land and shall be binding on the Unit owners, their heirs, administrators, personal representatives, successors and assigns.

ARTICLE II

MEMBERS, VOTING AND MEETINGS

2.1 **MEMBERS.** The rights and qualifications of the members are as follows:

(a) **Defined.** Members of the Association shall be all owners of all Units in **PRESTWICK CONDOMINIUM**. Every Unit owner upon acquiring title to a Unit under the terms of the Declaration shall automatically become a member of the Association and shall remain a member until such time as his or her ownership of such Unit ceases for any reason, at which time his or her membership in the Association shall automatically cease.

(b) **One Membership and Vote Per Unit.** One membership and one vote shall exist for each Unit. If title to a Unit is held by more than one person, the membership and vote related to that Unit shall be shared by such owners in the same proportionate interests and by the same type of tenancy in which the title to the Unit is held. Voting rights may not be split, and shared membership interests with regard to a single Unit must be voted by one person pursuant to the designation of that person contained in the Membership List. If a Unit is leased, the lessor shall be entitled to cast the vote appurtenant to the Unit; if a Unit is sold under a land contract, the land contract vendee shall be entitled to cast the vote appurtenant to the Unit. In the event of a dispute, the Association shall be entitled to rely upon the ownership of the Unit as set forth in the Register of Deeds' Office of Racine County, Wisconsin, and the Association may require a member to prove ownership before counting such vote. Notwithstanding the provisions of this section, if the Association has filed a statement of condominium lien against a Unit and the amount necessary to release such lien has not been paid at the time of an Association meeting, the owners of such Unit shall not be entitled to vote at such meeting.

(c) **Membership List.** The Association shall maintain a current membership list (the "Membership List") showing the membership pertaining to each Unit, the address to which notice of meetings of the Association shall be sent, the mortgagee of the Unit, if any, and the person designated to cast the vote pertaining to such Unit. Only the person so designated shall be entitled to cast a vote in person or by proxy. A designation may be limited in time or may be changed by notice in writing to the Secretary of the Association signed by a majority of the persons having an ownership interest in the Unit.

(d) **Transfer of Membership.** Each membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically upon conveyance of that Unit. Membership in the Association may not be transferred, except in connection with the transfer of a Unit. Upon transfer of a Unit, the Association shall, as soon as possible thereafter, be given written notice of such transfer, including the name and address of the new owner, identification of Unit, date of transfer, name of the person designated to vote, the mortgagee of the Unit, if any, and any other information about the transfer which the Association may deem pertinent, and the Association shall make appropriate changes to the Membership List effective as of the date of transfer. The Association may provide membership certificates to its members.

2.2 **QUORUM AND PROXIES FOR MEMBERS' MEETINGS.** A quorum for members' meetings shall consist of a majority of the votes in the Association. Votes may be cast in person or by proxy in accordance with designations in the Membership List. Proxies shall be valid only for the particular meeting(s) or time period designated therein, up to a maximum of 180 days, unless sooner revoked, and must be filed with the Secretary before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, without further notice. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally noticed.

2.3 **ACT BY MAJORITY.** The act of a majority of votes of the Association present in person or by proxy at any meeting at which a quorum is present shall be the act of the Association, unless provided otherwise under the Wisconsin Condominium Ownership Act.

2.4 **TIME, PLACE, NOTICE AND CALLING OF MEMBERS' MEETINGS.** Written notice of all meetings stating the time and place and the purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing by all Unit owners, to each member at his or her address as it appears on the Membership List of the Association and shall be mailed or personally delivered not less than ten (10) days nor more than ninety (90) days prior to the date of the meeting. Meetings shall be held at such time and place as may be designated by the Board of Directors.

2.5 **ANNUAL AND SPECIAL MEETINGS.** The annual meeting shall be held on or about the first Tuesday in December of each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President or any two members of the Board of Directors and must be called by such officer upon receipt of a written request signed by members with no less than thirty percent (30%) of the votes in the Association.

ARTICLE III

BOARD OF DIRECTORS

3.1 **POWERS AND DUTIES OF THE BOARD OF DIRECTORS.** The affairs of the Association, including management and operation of the condominium property, shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised by the Board of Directors. Such powers and duties shall be exercised in accordance with the provisions of the Declaration, the Articles of Incorporation, and these By-Laws.

3.2 **INITIAL BOARD OF DIRECTORS.** The initial Board of Directors shall consist of three (3) persons, appointed by Declarant, who need not be members of the Association, to serve until control of the Association passes to the Unit owners pursuant to the terms of the Declaration. Notwithstanding the foregoing, prior to the conveyance of 25% of the Common Element percentage interests in **PRESTWICK CONDOMINIUM** to purchasers, an Association meeting shall be held and Unit owners other than Declarant shall elect at least 25% of the Board of Directors. Prior to the conveyance of 50% of the Common Element percentage interests by Declarant to purchasers, an Association meeting shall be held and the Unit owners other than Declarant shall elect at least one-third (1/3) of the Board of Directors.

3.3 **NUMBER AND QUALIFICATIONS OF DIRECTORS.** After control of the Association passes to the Unit owners pursuant to terms of the Declaration, the Board of Directors shall consist of five (5) persons, to be classified with respect to the terms for which they severally hold office as set forth in paragraph 3.4 below. Each member of the Board of Directors shall be a member of the Association or, in the event that such member of the Association is not a natural person, the appointee of such member of the Association.

3.4 **ELECTION AND TERM OF DIRECTORS.** At the first annual meeting of the Association after Association control passes to the Unit owners, the members shall elect five (5) directors to be classified with respect to the terms for which they hold office by dividing them into two (2) classes as follows:

(a) Three (3) directors whose terms will expire after one (1) year, at the next annual meeting of the Association (Class "A" Directors).

(b) Two (2) directors whose terms will expire after two (2) years, at the second annual meeting of the Association after their election (Class "B" Directors).

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of two (2) years or until their successors are duly elected and qualified, or until any of said directors shall have been removed in the manner hereinafter provided, so that the term of one class of directors shall expire in each year.

3.5 **VACANCIES ON BOARD.** Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the members shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the members at which that class of directors is to be elected.

3.6 **REMOVAL OF DIRECTORS.** At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the membership present or represented at such meeting, providing a quorum is in attendance, and a successor may then and there be elected to fill the vacancy thus created.

3.7 **ANNUAL MEETING AND NOTICE.** An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members, for the purpose of electing officers and transacting such business as may come before the meeting. Notice of the regular annual meeting of the Board of Directors shall not be required.

3.8 **REGULAR MEETINGS AND NOTICE.** The Board of Directors may provide by resolution for regular or periodic meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution, such meetings shall be held at the stated time and place without the necessity of other notice than such resolution.

3.9 **SPECIAL MEETINGS AND NOTICE.** Special meetings of the Board of Directors may be called by the President or by two (2) directors on three (3) days prior written notice to each director, given personally or by mail, which notice shall state the time, place and purpose of the meeting.

3.10 **WAIVER OF NOTICE.** Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver by him or her of notice of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.11 **QUORUM OF DIRECTORS - ADJOURNMENTS.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted.

3.12 **FIDELITY BONDS.** The Board of Directors may require that officers and/or employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on any such bonds shall be paid for by the Association.

ARTICLE IV

OFFICERS

4.1 **DESIGNATION, ELECTION AND REMOVAL.** The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, to be elected annually by the Board of Directors. 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 his or her successor shall be elected at a regular meeting of the Board of Directors, or at any special meeting called for that purpose. Any two or more offices may be held by the same person.

4.2 **PRESIDENT.** The President shall be selected from among the members of the Board of Directors and shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all the general powers and duties which are usually vested in the office of President including, but not limited to, the power to sign, together with any other officer designated by the Board, any contracts, checks, drafts or other instruments on behalf of the Association in accordance with the provisions herein. The President shall perform such duties and have such other authority as may be delegated by the Board of Directors.

4.3 **VICE-PRESIDENT.** The Vice-President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice-President are unable to act, the Board of Directors shall appoint some other member of the Board to act on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

4.4 **SECRETARY.** The Secretary shall keep the minutes of all meetings of the Board of Directors and of the Association and shall have charge of the Association's books and records, and shall, in general, perform all duties incident to the office of the Secretary. The Secretary shall be responsible for maintaining the Membership List and the issuance of membership certificates for the Association.

4.5 **TREASURER.** The Treasurer shall have responsibility for the Association's funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and financial records and books of account on behalf of the Association. The Treasurer shall be responsible for the deposit of all monies and all valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also be responsible for the billing and collection of all common and special charges and assessments made by the Association. The Treasurer shall count votes at meetings of the Association.

4.6 **LIABILITY OF DIRECTORS AND OFFICERS.** No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as a director or officer of the Association, if such person (a) exercised and used the same degree of care and skill as a prudent man or woman would have exercised or used under the circumstances in the conduct of his or her own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which he or she had reasonable grounds to believe to be true. The Association shall, to the fullest extent permitted or required by Sections 181.0871 to 181.0889, inclusive, of the Wisconsin Nonstock Corporation Law, including any amendments thereto (but in the case of any such amendment only to the extent such amendment permits or requires the Association to provide broader indemnification rights than prior to the amendment) indemnify its directors and officers. The foregoing shall not be exclusive of other rights and defenses to which such person may be entitled as a matter of law. The Board of Directors may provide directors' and officers' liability insurance in such amounts and with such coverage as may be determined by the Board of Directors to be necessary or advisable from time to time.

4.7 **COMPENSATION.** No director or officer of the corporation shall receive any fee or other compensation for services rendered to the Association except by specific resolution of the membership.

ARTICLE V

DECLARANT CONTROL

5.1 Notwithstanding any other provisions contained in these By-Laws, Declarant, its successors and assigns, shall have the right at its option to appoint and remove the members of the Board of Directors and officers of the Association and to amend the By-Laws and rules and regulations of the Association until the earlier of: (a) ten (10) years after the first sale of a Unit in **PRESTWICK CONDOMINIUM** by Declarant, (b) thirty (30) days after the conveyance of seventy-five percent (75%) of the Common Element percentage interest to purchasers by Declarant, or (c) until such earlier time as may be determined by Declarant, subject in each case to provisions of the Wisconsin Condominium Ownership Act. The percentage in (b) above shall be calculated with the assumption that all Units to be completed are included in the Condominium, including those in Future Phases. Each owner of a Unit in **PRESTWICK CONDOMINIUM** shall be deemed by acceptance of any deed to any Unit to agree, approve and consent to the right of Declarant to so control the Association.

ARTICLE VI

OPERATION OF THE PROPERTY

6.1 **THE ASSOCIATION.** The Association, acting through the Board of Directors, shall be responsible for administration, maintenance, management and operation of the condominium property, in accordance with the Wisconsin Condominium Ownership Act, the Declaration, the Articles of Incorporation, and these By-Laws. The Association, by resolution of the Board of Directors, shall have full power and authority to borrow money and acquire and convey property on behalf of the Association, provided that any single Association loan, acquisition, conveyance, or mortgage involving the sum of $10,000 or more, shall first be approved by the membership at an annual or special meeting called for such purpose. The Association may contract for management services with a managing agent with respect to the administration and operation of **PRESTWICK CONDOMINIUM**.

6.2 **RULES AND REGULATIONS.** The Association, through the Board of Directors, may from time to time adopt rules and regulations governing the operation, maintenance and use of the Units and the Common Elements by the Unit owners and occupants. Such rules and regulations of the Association shall not be inconsistent with the terms of the Declaration or the contracts, documents, and easements referred to in the Declaration, and shall be designed to prevent unreasonable interference with the use of the respective Units and the Common Elements by persons entitled thereto. The Association members, their lessees or guests, and any occupants of the Units, shall conform to and abide by all such rules and regulations. The Association through its Board of Directors shall designate such means of enforcement thereof as it deems necessary and appropriate. The rules and regulations may be adopted, altered, and amended or repealed by either the members of the Association or the Board of Directors, in each case by an affirmative vote of 67% or more of the votes present or represented at a meeting at which a quorum is in attendance, provided such

action has been included in the notice of meeting, and provided that no rule or regulation adopted by the members shall be amended or repealed by the Board of Directors if the rule or regulation so adopted so provides.

6.3 **COMMON EXPENSES.** The Board of Directors shall determine the common expenses of the Association, and shall prepare an annual operating budget for the Association in order to determine the amount of the assessments payable by each Unit to meet the estimated common expenses of the Association for the ensuing year. The amounts required by such budget shall be assessed against the Units and allocated among the members of the Association according to their respective percentages of ownership in the Common Elements of **PRESTWICK CONDOMINIUM** as set forth in the Declaration. The assessments shall be made on an annual basis and shall be prorated and due and payable in monthly installments. If not paid on or before the due date, the assessment shall bear interest at the prevailing prime rate of interest as specified in the Wall Street Journal (or a comparable publication if the Wall Street Journal is no longer published) plus three percent (3%), determined as of the first day of each month (but in no event greater than allowed under applicable law), until paid in full. If delinquent for more than thirty (30) days, the Association may accelerate the annual assessment remaining unpaid with respect to such delinquent Unit for purposes of collection or foreclosure action by the Association. In the event the annual budget and assessments are not determined prior to the beginning of a fiscal year of the Association, the assessment for the prior year shall remain in effect until revised by the Board of Directors.

6.4 **OPERATING BUDGET.** The annual operating budget shall provide for three funds, one of which shall be designated the "operating fund" and one of which shall be designated the "reserve fund" and the third of which shall be designated the "working capital fund" and shall be established as set forth in Section 6.5 below. The operating fund shall be used for all common expenses which occur annually or more frequently, such as amounts required for the cost of maintenance and repair of the Common Elements, management services, water and sewer charges (including water charges for any sprinkler system), charges for the operation of street lights and other common electrical charges, insurance, administration, materials and supplies. The reserve fund shall be used for contingencies and periodic expenses such as painting, paving, roofing, or renovation. The Board of Directors may establish the reserve fund in an amount consistent with the remaining life of the individual components of **PRESTWICK CONDOMINIUM**. In the event the Association incurs extraordinary expenditures not originally included in the annual budget, then such sums as may be required in addition to the operating fund may be charged against the reserve fund up to a maximum of 10% of the reserve fund. In the event that such funds prove inadequate to meet the necessary common expenses, or at the discretion of the Board of Directors, the directors may levy further assessment(s) against the Unit owners.

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

The annual budget shall be prepared and determined by December 1st of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common assessments payable on behalf of each Unit by the date of the annual membership meeting and shall furnish copies of the budget on which such common assessments are based to each member.

If within fifteen (15) days after the delivery of the budget to the members a petition is presented to the Board of Directors protesting such assessments or the budget upon which they are based, and the petition is signed by members representing more than fifty percent (50%) of the Association votes, then the directors shall notify all members of a meeting called for the sole purpose of reviewing such assessments or budget. At such meeting, the vote of more than fifty percent (50%) of the Association votes may revise the budget and assessments, and such revised budget and corresponding assessments shall replace for all purposes the ones previously established; provided, however, that the annual budget and assessments may not be revised downward to a point lower than the average total budget for the preceding two years and provided further, that if a budget and assessments have not been established and made for any two preceding years, then the budget and assessments may not be revised downward until two years of experience exist.

6.5 **WORKING CAPITAL FUND.** Declarant shall establish and maintain a working capital fund in an amount equal to at least two months of estimated monthly assessments for the Association. Each purchaser of a Unit from Declarant shall, at the time of conveyance, pay to the Association an amount equal to two (2) months installments of the regular assessment provided for in this Article, or such greater amount as designated by the Board. Amounts paid under this section shall not be considered advance payments of installments of regular assessments, but shall be maintained as working capital and kept in a segregated account. In the event Declarant has paid Association expenses from its funds, Declarant may reimburse itself from the working capital fund as individual Units are sold. The working capital fund may not be used by Declarant to defray Declarant construction costs. Upon the expiration of Declarant control, this fund, to the extent monies are remaining, shall be deposited in the reserve fund.

6.6 **COMMENCEMENT OF PAYMENTS.** The first installment of a regular assessment for each and every Unit shall be due and payable on the date of recordation of the first instrument of conveyance to a Unit, with subsequent installments due on the first day of each month thereafter. Such monthly payments of common expenses shall be in accordance with the proposed annual budget prepared by Declarant for the Association. Until six (6) months after a Unit in the Condominium has been issued a certificate of occupancy from the applicable municipality, Declarant shall not be required to pay monthly common expenses or reserve fund assessments to the Association with regard to unsold Units. Declarant shall make customary payments of monthly assessments as to unsold Units owned by Declarant beginning no later than six (6) months after the issuance of an occupancy permit for such Unit.

6.7 **DEFAULT AND LIENS.** All assessments, until paid, together with interest at the prime rate (as described in Section 6.3) plus three percent (3%) (but in no event greater than allowed under applicable law) and actual costs of collections, constitute a lien on the Units on which they are assessed and on the undivided interest in the Common Elements appurtenant thereto. If a member of the Association is in default in payment of any charges or assessments for a period of more than thirty (30) days, the Board of Directors, in the name of the Association, may file liens therefor and bring suit for and on behalf of the Association, as representative of all members, to enforce

collection of such delinquencies or to foreclose the lien therefor, as provided by law, and there shall be added to the amount due the costs of collection and interest, together with attorney fees. Liens shall be signed and verified on behalf of the Association by any officer of the Association. The owners of a Unit against which a lien has been filed shall not be entitled to vote at Association meetings until the lien has been paid in full.

ARTICLE VII

REPAIRS AND MAINTENANCE

7.1 **INDIVIDUAL UNITS.** Each Unit owner, at his or her sole expense, shall be responsible for keeping the interior of his or her Unit and all of its equipment, fixtures and appurtenances in good order, condition and repair and in a clean and sanitary condition. Each Unit owner must perform properly or cause to be performed all maintenance and repair work within his or her own Unit which if omitted would affect the project in its entirety or in a portion belonging to other owners, and such owner shall be personally liable to the Association or to adjoining Unit owners, as the case may be, for any damages caused by his or her failure to do so. Without in any way limiting the foregoing, in addition to decorating and keeping the interior of the Unit in good repair, each Unit owner shall be responsible for the maintenance, repair or replacement of any doors and windows (including replacement of broken glass), patio doors, garage doors, screens and screening, lighting fixtures, refrigerators, ranges, heating and air-conditioning equipment (including appurtenant compressor and equipment), plumbing fixtures, dishwashers, disposals, laundry equipment such as washers and dryers, water heaters, water softeners, interior electrical wiring and fixtures, door bells, or other equipment which may be in, or connect with, the Unit or the Limited Common Elements appurtenant to the Unit. For purposes of uniformity of external appearance and quality, the Association may specify the type and quality of materials to be used in replacing, repairing, painting or maintaining external fixtures such as entry doors, garage doors, lighting fixtures and other items which may be determined from time to time by the Board of Directors of the Association.

7.2 **COMMON ELEMENTS AND FACILITIES.** The Association shall be responsible for the management and control of the Common Elements and Limited Common Elements, and shall cause the same to be maintained, repaired and kept in good, clean, attractive and sanitary condition, order, and repair, except to the extent individual Unit owners are responsible therefor as provided hereinafter with respect to Limited Common Elements. Without in any way limiting the foregoing, the Association shall be responsible, at Association expense (unless necessitated by the negligence or misuse of a Unit owner, or the tenant, guest or agent of a Unit owner and not covered by insurance, in which case such expense shall be charged and specially assessed to such Unit owner), for accomplishment of the following specific items of maintenance and repair with respect to the Common Elements:

- All routine painting, repairing, restoration, maintenance, and decorating of building exteriors, walls and roofs, including patios (excepting improvements by Unit owners), periodic painting of exterior doors and garage exteriors

- All cleaning, painting, repair, restoration and general maintenance of the Common Elements

- General repair, maintenance, repair or replacement of exterior fixtures including gutters, downspouts and exterior lighting fixtures and associated equipment

- Lawn care, including landscaping, fertilizing, watering, weed control, tree pruning, grass cutting, edging and trimming, as required

- Maintenance, repair or restoration of roads, walks, driveways and surface parking areas which are a part of **PRESTWICK CONDOMINIUM** or on easements for its benefit

- Snow and ice removal with regard to roads, walks, driveways and surface parking areas within **PRESTWICK CONDOMINIUM** or on easements for its benefit

- Maintenance and repair of the fire alarm system, including monthly testing of the system and logging the results of such tests.

7.3 **LIMITED COMMON ELEMENTS.** Each Unit owner, at his or her sole expense, shall be responsible for keeping the Limited Common Elements appurtenant to his or her Unit, as defined in the Declaration, in a good, clean, sanitary and attractive condition. No objects or structures, other than movable furniture or decorative pieces, shall be placed upon the Limited Common Elements without the prior written consent of the Board of Directors of the Association. Every Unit owner shall have the right to decorate the Limited Common Elements appurtenant to his or her Unit in a nonstructural manner provided that decorations which are visible to other Units or to the public shall have the prior written approval of the Board of Directors of the Association.

7.4 **ASSOCIATION SERVICES.** The Association may provide any service or maintenance requested by a Unit owner or owners with respect to individual Units or Limited Common Elements that the Association is able and willing to provide or perform, and shall specially assess such requesting owner or owners therefor.

ARTICLE VIII

DUTIES AND OBLIGATIONS OF UNIT OWNERS

8.1 **RULES AND REGULATIONS.** The Units and the Common Elements and Limited Common Elements shall be occupied and used in accordance with the Declaration, the Articles of Incorporation, these By-Laws, and the rules and regulations adopted by the Association from time to time, including the following:

(a) **Use.** No Unit owner shall occupy or use his or her Unit or the Limited Common Elements appurtenant thereto, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner, the owner's family, or the owner's lessees or guests, except as hereinafter provided. No trade or business shall be conducted on **PRESTWICK CONDOMINIUM** or from any Unit, except that the owner of a Unit may use one or more rooms of a Unit as a "home office" so long as the owner continues to use the Unit as a private residence and except that the Declarant may use and occupy various Units as "model units" and sales offices as provided in the Declaration.

(b) **Occupancy.** Units in **PRESTWICK CONDOMINIUM** shall not be used or occupied by any person or group of persons for a period of less than 30 consecutive days, except

with prior written approval of the Association. The intent of this provision is to prohibit business, transient or similar uses of the Units which would involve multiple occupancies by different persons or groups of persons.

(c) **Leases.** Owners of Units in **PRESTWICK CONDOMINIUM** (except for Declarant, who shall not be restricted in its ability to lease Units) may lease their Units only pursuant to the following terms and conditions:

- The lease must be in writing, signed by the owner and the tenant and upon a form approved by the Association.

- The lease must be for no less than ninety (90) consecutive days.

- The lease must specifically obligate the tenant to abide by the terms and conditions of the Declaration, these By-Laws, and all rules and regulations of the Association.

- Prior to the beginning of the lease term, the owner must give the Association notice of the name and permanent address of the tenant, and the term of the lease.

(d) **Parking, Vehicle Maintenance and Obstructions.** Each Unit in **PRESTWICK CONDOMINIUM** includes an indoor parking garage. No parking of cars, trucks, trailers, boats, campers, recreational vehicles or other vehicles shall be allowed anywhere in **PRESTWICK CONDOMINIUM** outside of an indoor parking garage, except that cars and light duty trucks may be parked in designated outdoor parking spaces. No parking of any vehicles will be permitted on the Prestwick private roadway at any time. No parking of non-operating automobiles or other vehicles will be permitted outside of an indoor parking garage. Overhead garage doors shall be maintained in a closed state except as necessary to permit ingress and egress. No person shall occupy, park or otherwise use a vehicle so as to block access. No vehicle maintenance or lubrication shall be permitted anywhere in **PRESTWICK CONDOMINIUM**, except washing of cars in driveways or maintenance performed within a garage. No playground equipment, bicycle racks or other obstructions may be placed on the Common Element areas except as the Association permits by rule or regulation. Declarant shall have the right to utilize the parking areas and to designate reserved parking spaces and overflow parking areas in connection with its sales efforts until the last Unit is transferred.

(e) **Animals and Poultry.** No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in any of the Common Elements except that a maximum of two domesticated cats per Unit may be kept as household pets by Unit owners, and except for small fish kept in a fish bowl or aquarium within a Unit, provided any such pets are not kept or maintained for commercial or breeding purposes, and are kept subject to rules and regulations which may be adopted by the Association regarding same. A pet shall not be allowed at large within the Common Element areas and all household pets shall always be leashed and within the immediate control of a person at all times when outside of any building. All droppings must be picked up and disposed of by the person in control of a pet. Owners of pets shall take reasonable precautions and efforts to prevent their pets from being a nuisance or annoyance to other Unit owners or occupants.

(f) **Obstructions.** No person shall cause or permit the Common Element areas to be used as to deny any Unit owner or occupant the full use of the Common Element areas.

(g) **Increase of Insurance Rates.** Nothing shall be done or kept in any Unit or in any of the Common Elements which will increase the rate of insurance on the Common Elements, without the prior consent of the Association. No Unit owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on any Unit or any part of any of the Common Elements, or which would be in violation of any law or ordinance. No waste will be committed in the Common Elements.

(h) **Signs.** No sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements, excepting reasonable signs in the window of a Unit showing the Unit "for sale" not larger than two (2) feet wide by two (2) feet in height without the prior written consent of the Association. Notwithstanding anything in the foregoing to the contrary, Declarant shall have the right to place posters, signs or advertising material on the Common Elements and at locations within Units which may be visible from the Common Elements without obtaining Association consent provided that the same are of a size as is usual and customary with developer sales of units in the area in which **PRESTWICK CONDOMINIUM** is located.

(i) **Noxious and Illegal Activity.** No noxious, offensive or illegal activity shall be carried on in any Units or in the Common Element areas, nor shall anything be done therein which may be or become an annoyance or nuisance to others.

(j) **Alteration, Construction or Removal.** Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Association.

(k) **Hanging of Items.** The hanging of garments, rugs or other items from patios, doors, windows, balconies and other facades of the Unit is prohibited, except for reasonable holiday decorations.

(l) **Alteration, Construction or Removal.** Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Association.

(m) **Installation of Items and Storage.** No awnings, canopies, shutters, enclosures, windows or doors, outside radio or television antennas, satellite dishes, fixed grills or any other exterior equipment or fixtures of any kind shall be installed unless first approved by the Association. All grills must be covered. Common Elements and Limited Common Elements, including patios and balconies, shall not be used for storage of any kind, including, but not limited to, the storage of trailers, campers, camping trucks, boats or other marine craft, motorcycles, mopeds, snowmobiles, and motorized vehicles, baby carriages, bicycles or wagons.

(n) **Waste.** Unit owners shall keep their Units and Limited Common Elements appurtenant thereto clean and litter free. No garbage container shall be permitted to remain at the pickup site for more than twelve (12) hours after pickup. Accumulations of waste, litter, excess or unused building materials or trash other than in appropriate receptacles is prohibited, and garbage containers shall be situated only in locations designated by the Association. The Association reserves the right to require uniform waste receptacles throughout **PRESTWICK CONDOMINIUM**. Such right shall be exercised by written notice to the Unit owners who shall then be responsible for obtaining such uniform receptacles at the individual Unit owner's expense. Each Unit owner shall

comply with present and future federal, state and local laws, ordinances, regulations and orders regarding collection, sorting, separating and recycling of waste products. Each Unit owner shall hold harmless and indemnify the Association and each other Unit owner for the indemnifying Unit owner's failure to observe this section.

(o) **Conflict.** The above rules and regulations, and those which may be hereafter adopted by the Association, are in addition to the Declaration, and the documents, contracts, declarations, and easements set forth in the Declaration, and in the event of a conflict, the Declaration and contracts, declarations, and easements set forth and referenced therein shall govern.

(p) **Enforcement.** The foregoing rules and regulations and other rules and regulations adopted by the Association shall be enforced by such means as the Association deems necessary and appropriate, including recourse to civil authorities, court action if necessary, and monetary fines of not less than $50 per violation to be charged and assessed by the Association uniformly against the owners of Units who violate or whose guests or Unit occupants violate such rules and regulations. Such fines shall be charged and assessed against the subject Unit and may be enforced and collected as an assessment for common expenses, including the foreclosure of a lien therefor.

8.2 **ASSOCIATION RULES.** The Association, acting through the Board of Directors, may approve and distribute to Unit owners additional rules and regulations, and amendments to such rules and regulations, approved and adopted by the Board of Directors from time to time pursuant to Section 6.2 herein. All such rules and regulations shall be in writing and shall be distributed to the Unit owners no less than 30 days prior to the effective date of such rules and regulations. Such rules and regulations may be altered, amended, or repealed pursuant to Section 6.2 herein. The rules and regulations contained in Section 8.1 of these By-Laws may be amended only as provided in Article X.

ARTICLE IX

GENERAL

9.1 **FISCAL YEAR.** The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year, unless a different fiscal year is elected on the first annual tax return filed by the Association.

9.2 **ADDRESS.** The mailing address of the Association shall be 407 East Main Street, Waterford, Wisconsin 53185, until such time as Declarant has sold all Units in the Condominium, at which time a new mailing address may be designated by the Association.

9.3 **SEAL.** The Corporation shall have no seal.

ARTICLE X

AMENDMENTS

10.1 **BY MEMBERS.** These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the members, at any meeting called for such purpose, by the affirmative vote of Unit owners having sixty-seven percent (67%) or more of the votes in the Association.

10.2 **RIGHTS OF DECLARANT.** No amendment of these By-Laws shall alter or abrogate the rights of Declarant as contained in these By-Laws.

ARTICLE XI

MISCELLANEOUS

11.1 **RECORD OF OWNERSHIP.** Every Unit owner shall promptly cause to be duly recorded or filed of record the deed, assignment or other conveyance to him or her of such Unit or other evidence of his or her title thereto, and shall file any lease with and present such other evidence of his or her title to the Board of Directors, and the Secretary shall maintain all such information in the Membership List of the Association.

11.2 **MORTGAGES.** Any Unit owner who mortgages his or her Unit or any interest therein shall notify the Board of Directors of the name and address of his or her mortgagee, and also of any release of such mortgage, and the Secretary shall maintain all such information in the Membership List of the Association.

11.3 **STATEMENT OF ASSESSMENTS.** The Board of Directors or Treasurer of the Association, at the request of any mortgagee or any prospective purchaser of any Unit or interest therein, shall provide a statement to such person as to the amount of any assessments against such Unit then due and unpaid, within ten (10) business days after such request is received.

11.4 **INDEMNIFICATION OF OFFICERS AND DIRECTORS.** The Corporation shall, to the fullest extent permitted or required by Sections 181.0871 to 181.0889, inclusive, of the Wisconsin Nonstock Corporation Law ("Statute"), including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or Officer is a Director or Officer of the Corporation. The Corporation may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors or Officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which such Director or Officer may be entitled under any written agreement, board resolution, vote of the Members, the Statute or otherwise. All capitalized terms used in this Section 11.4 and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Statute.

The Corporation may, but shall not be required to, supplement the foregoing right to indemnification against Liabilities and advancement of Expenses under the foregoing paragraph by (a) the purchase of insurance on behalf of any one or more of such Directors or Officers whether or not the Corporation would be obligated to indemnify or advance Expenses to such Director or Officer under the foregoing paragraph, and (b) entering into individual or group indemnification agreements with any one or more of such Directors or Officers.

11.5 **SUBORDINATION.** These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Condominium Ownership Act under the laws of the State of Wisconsin, which shall control in case of any conflict. All terms herein (except

where clearly repugnant to the context) shall have the same meanings as in the Declaration or said Condominium Ownership Act.

11.6 **INTERPRETATION.** In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the Unit owners.

- End of By-Laws -

Adopted Mar 11, 2004

Pres./Treas.