BY-LAWS

OF

THE SUNSET HOMES ASSOCIATION, INC.

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Article of Incorporation control By-Laws

BY-LAWS

OF

THE SUNSET HOMES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE SUNSET HOMES ASSOCIATION, INC., herein referred to as the "Association". The principal office of the corporation shall be located at 15285 Watertown Plank Road, Elm Grove, Wisconsin 53122, but meetings of members and directors may be held at other places within the State of Wisconsin.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to THE SUNSET HOMES ASSOCIATION, INC., a corporation organized pursuant to Chapter 181 of the Wisconsin Statutes, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be annexed by amendment to the said Declaration.

Section 3. "Common Area" shall mean and refer to all real property maintained by the Association for the common use and enjoyment of the owners.

Section 4. "Unit" shall mean and refer to any Unit shown upon any recorded plat of survey of the Properties with the improvements thereon.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Developer" shall mean and refer to THE SUNSET HOMES COMPANY, a partnership, its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. ANNUAL MEETINGS. All annual meetings of the members, commencing with the annual meeting for the Association's fiscal year of 1981-1982, and subsequent annual meetings thereto, shall be held no earlier than the first, nor later than the thirtieth day of April of the 1981-1982 fiscal year of the Association and of each subsequent Association fiscal year. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by delivering written notice, either personally or by mail at least 30 days before such meeting to each voting member entitled to vote thereat, last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. QUORUM. Members holding one-twentieth of the votes entitled to be cast, present in person or represented by proxy, shall constitute a quorum at a meeting of members, except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. A majority of the votes entitled to be cast by the members present

in person or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by Chapter 181 of the Wisconsin Statutes, the Articles of Incorporation or the By-laws.

Section 5. PROXIES. A member shall be entitled to be present in person, or by proxy, and presence by proxy shall be counted in determining whether or not a quorum is present. Similarly, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association either in person or by mailing a copy thereof to the Association at its post office address anytime prior to the appointed time of any meeting to which such proxy relates. Such filing shall be deemed to take place at the time of actual receipt by the Secretary. All proxies shall be subject to revocation by the member at the meeting to which such proxy relates, or by giving actual notice thereof to the person in whose favor the proxy is drawn. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy. There shall be no pro rata vote as to any unit, even though the unit be co-owned, and such unit may vote only by the single vote of its registered Owner.

Section 6. ADJOURNMENT OF MEETINGS. If any meeting of the members cannot be held because a quorum has not attended, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting.

ARTICLE IV

BOARD OF DIRECTORS-SELECTION-TERM OF OFFICE

Section 1. NUMBER. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association.

Section 2. TERM OF OFFICE. At the first annual meeting the members shall elect three(3) directors for a term of one (1) year and two (2) directors for a term of two (2) years. At each annual meeting thereafter the members shall elect directors for the vacancies occuring.

Section 3. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. NOMINATION. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

Section 2. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to any vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time

by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. POWERS. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these By-laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ and dismiss a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. DUTIES. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) procure and maintain adequate liability and hazard and other insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) charge, in its discretion, reasonable fees for the use of any recreational facility situated upon the Common Area;

(i) suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Unit remains unpaid; and for any infraction of its published rules and regulations;

(j) cause the exterior of the buildings to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. ENUMERATION OF OFFICES. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. TERM. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualifies to serve.

Section 4. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5. RESIGNATION AND REMOVAL. Any officer or agent elected or appointed may be removed by the Board whenever in their judgment the best interests of the Association will be served thereby. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified

therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. DUTIES. The duties of the officers are as follows:

(a) PRESIDENT. The president shall preside at all meetings of the Board of Directors and at all meetings of the members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) VICE-PRESIDENT. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) SECRETARY. The secretary shall count and record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal, if any, of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) TREASURER. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual

audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. After sixty (60) days of delinquency, any and all amounts which remain delinquent upon that day, together with any and all costs and reasonable attorney fees incurred thereto and subsequent thereto, shall bear additional interest at a rate of four (4) per cent per annum. No Owner may waive or otherwise escape liability

for the assessments provided for therein by non-use of the Common Area or abandonment of his Unit.

ARTICLE XII

CORPORATE SEAL

The Association shall not have a seal, and where a seal may be required, shall include a notation thereon to the effect that the Association has no seal, as provided in Wisconsin Statutes, section 181.665.

ARTICLE XIII

AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of voting members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments as long as there is a Class B membership and if application for FHA and VA mortgage insurance has been made and not withdrawn for any Unit described in the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of May and end on the 30th day of April of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XV

ENPORCEMENT PROVISIONS

Section 1. GENERAL CONDITIONS. The Board of Directors shall adopt rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and his, her or their family, tenants and guest thereon. Such rules and regulations will be so adopted in light of the duties and rights established in the

position of a penalty. If the member, within seven (7) days after receipt of said notice, fails to demand a hearing on the alleged violation by written notice delivered upon the President, the Board shall assess the penalty specified in the publication of the rules or regulations. This penalty and any costs incurred by the Association in collecting same shall constitute a lien upon the member's unit. Unpaid penalties shall incur interest at a rate of 10% per annum.

Section 4. NOTICE TO MEMBER. The notice furnished by the Board informing the member of the alleged violation or non-compliance shall contain the following:

(a) the name of the member;

(b) the date of delivery of the notice upon member;

(c) the dates of the violation;

(d) a description of the rule or regulation violated;

(e) the amount of the penalty that can result;

(f) a description of what procedure the member may take, if any, to cure the violation and the requirement of written intent to cure made upon the president within seven (7) days;

(g) information regarding member's right to demand a hearing;

(1) member has seven (7) days in which to make his demand,

(2) such demand must be in writing;

(3) such demand must be made upon the president;

(4) failure to make such demand within the required period shall constitute a waiver of the right and the stated penalty will be assessed against member, together with any costs and reasonable attorney fees incurred, and shall constitute a lien upon member's unit.

(5) the costs of the hearing will be borne by the member unless the impartial referee determines that the Board proceeded in bad faith or without a substantial cause.

(h) the signatures of the president as the president of the Association and at least one other member of the Board of Directors in such capacity.

Section 5. IMPOSITION OF PENALTY. Upon a member's failure to demand a hearing and after the required period of time given the member to make such a demand, or upon a finding, by the impartial referee, of actual violation if the member has timely demanded a hearing, the Board shall notify the member in writing and by personal delivery at his unit of the imposition of the penalty. The notice shall inform the member that failure to pay the penalty within seven (7) days shall cause the penalty and any costs of collection related thereto to constitute a lien upon the member's unit. The penalty, together with any collection costs, shall incur interest at a rate of ten (10%) per cent per annum commencing eight (8) days after delivery of the notice until said amount is paid in full.

ARTICLE XVI

MAINTENANCE AND REPAIR

Section 1. OWNER'S DUTY. Every Owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other Owners, and is expressly responsible for the damages and liabilities that his failure to do so may engender.

Section 2. INTERNAL REPAIRS. All the repairs of internal installations of the unit, such as but not limited to water, light, power, sewage, telephones, sanitary installations, doors, windows, lamps or lighting fixtures, and all other accessories belonging to the unit area shall be maintained at the Owner's expense (with the exception of sump pumps which shall be maintained by the Association).

Section 3. EXTERNAL LIABILITY. An Owner shall reimburse the Association for any expenditure incurred in repairing or replacing any Common Areas and facility damaged through his fault, whether due to the Owner's misconduct, negligence or misuse. Such liability results regardless of whether damage was done by the Owner, any member of his household, or any person coming upon the property as his tenant, sub-tenant or guest.

Section 4. ASSOCIATION'S DUTY. All maintenance, repairs and replacements to the Common and limited Common Areas and facilities, unless Sections 1, 2, or 3 above are applicable, shall be made by the Board as soon as practicable and be charged to all members of the Association as a common expense.