THIRD AMENDED AND RESTATED BY-LAWS

OF

THE VILLAS CONDOMINIUMS, INC.

ARTICLE I

Name and Purpose

These Amended and Restated 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. The Association complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. The Association does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

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 unit owners as the term "unit" is defined in Section 4 of the Declaration. 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 ownership of such unit ceases for any reason, at which time his 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 is held by more than one person, the membership related to that unit shall be shared by such unit 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. 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 will not be entitled to vote at such meeting.

c. Membership List. The Association shall maintain a Membership List showing the membership pertaining to each unit and the mortgagee of the unit, if available.

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. 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, the mortgagee of the unit, if any, and other information about the transfer which the Association operating through its Board of Directors, may deem pertinent.

e. Insurance Deductible. If destruction caused by unit owner actions or inactions results in the loss of cause or a claim the unit owner is required to pay the Association's deductible.

f. Insurance Claims. All claims against the Association or any Board member must be brought within one year of the date that the unit owner knew or should have known of the underlying facts giving rise to the claim. Prior to proceeding with any claim, all parties agree to the use of a mediator to resolve such claims prior to taking further legal action. With both sides paying half of the mediator cost and fees

g. Fines. The association may assess a fine to a unit owner for a unit owner, resident or guest failing to abide by the condominium documents.

h. Attorney Fees. The association shall recover its attorney fees from a unit owner if the Association is the prevailing party in any claim or dispute involving a unit owner

2.2 **QUORUM AND PROXIES FOR MEMBERS' MEETING.**

A quorum for members meetings shall consist of seventy percent (70%) of the votes in the Association entitled to be cast. Votes may be cast in person, electronically via email or other electronic means, 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 ninety (90) days, unless sooner revoked, and must be filed with the Secretary of the Association before the appointed time of the meeting. Proxies may be filed with the Secretary via email or other electronic means. If any meeting of the members cannot be organized because a quorum is not present, a majority of the members who are present, either in person, electronically, 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, electronically, or by proxy at any meeting at which a quorum, which consist of seventy percent (70%) of the votes in the Association entitled to be

cast, is present shall be the act of the Association, unless provided otherwise under the Condominium Ownership Act. Voting will be by written ballot.

2.4 TIME, PLACE, NOTICE AND CALLING OF MEMBERS' MEETINGS. Written and/or electronic notice of all members' meetings (Annual & Special) stating the time and the place and the purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing, by email, or by other electronic means, by all unit owners, to each member at his address as it appears on the Membership List of the Association and shall be mailed, electronically delivered, or personally delivered not less 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. Meetings may be held in a physical location, virtual location, or a combination of both.

2.5 ANNUAL AND SPECIAL MEETINGS. The Annual Meeting shall be held the second week of November of each year for the purpose of electing directors and transacting other business authorities 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 officers upon receipt of the written request by the members with no less than seventy- percent (70%) of the votes of the Association.

2.6 ACTION WITHOUT A MEETING BY WRITTEN BALLOT. Any action required or permitted by any provision of the Wisconsin Nonstock Corporation Law, the Declaration, the Articles of Incorporation, or these By Laws to be taken by the vote of the unit owners may be taken without a meeting if the Association delivers a written ballot to every unit owner entitled to vote on the matter. The written ballot may be delivered to the unit owner by any of the methods set forth above. The written ballot shall set forth each proposed action, shall provide an opportunity to vote for or against each proposed action, and shall be accompanied by a notice stating the number of responses needed to meet the quorum requirements, the percentage of approvals necessary to approve each matter other than election of directors, and the time by which the ballot must be received by the Secretary or property manager of the Association in order to be counted. Approval of any action by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required at a meeting, which consist of seventy percent (70%) of the votes in the Association entitled to be cast, authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Ballots may be delivered to the Secretary or property manager via email or other electronic means. Once received by the Secretary or property manager of the Association, a written ballot may not be revoked.

ARTICLE III

Board of Directors

3.1 **POWERS AND DUTIES OF THE BOARD OF DIRECTORS.** The affairs of the Association, including management, administration, maintenance and operation of the condominium property, shall be governed by the Board of Directors (hereinafter sometimes referred to as the "Board"). 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 laws of the State of Wisconsin, provisions of the Declaration, the Articles of Incorporation, and these By-Laws.

a. The Board has the power to invest the Association funds in a financially prudent manner, consistent with Wisconsin Statute 703.163(9). In addition, the Board at any time can, if deemed beneficial, form an insurance committee specifically tasked with evaluating the insurance coverage needed to best protect the Association. Association documents shall be retained per Wisconsin Statue 703.20. See policy regarding document retention.

3.2 **NUMBER AND QUALIFICATIONS OF DIRECTORS.** The Board of Directors shall consist of five (5) people, to be classified with respect to the terms for which they severally hold office as set forth in Paragraph 3.3 below. Each member of the Board of Directors shall be a Unit Owner or, if a Unit Owner is a partnership, then a general partner of such Unit Owner may be a director and if a Unit Owner or such partner is a corporation, then an officer of such corporation or an agent appointed by the board of directors of such corporation may be a director. If a Unit or Units has shared ownership interest, the owners are prohibited from serving as directors at the same time, regardless of the number of Units owned. If a Unit Owner has a delinquent account with the Association, that Unit Owner cannot be elected as a director. If at any time a director becomes delinquent on any payment to the Association, the director is required to resign from the board position (and any officer position held) unless the Unit Owner brings his account current within ten (10) days' notice from the Board. If a director shall cease to meet such qualifications during the term, the director shall thereupon cease to be a director and that place on the Board shall be deemed vacant. Only one person from a unit may serve on the board at any given time and that spouses, regardless of the number of units they may own, may not serve on the board at the same time.

3.3 **TERMS.** Each director shall serve a term of two (2) years. There shall be two classes of directorship. Class "A" Directors and Class "B" Directors, with staggered terms of office. Class "A" Directors shall consist of three (3) directors whose terms shall expire and be open for election at odd-numbered years. Class "B" Directors shall consist of two (2) directors whose terms shall expire and be open for election in even-numbered years The Board possesses the authority to prohibit someone who is delinquent on assessments from becoming a Board Member or

serving as an officer, unless they become current within ten (10) days of notice of delinquency. The Board possesses the authority to modify the terms of any Director to ensure that at least two (2) Directors are up for election in a given year to ensure Board continuity.

3.4 **VACANCIES ON BOARD.** Vacancies on the Board of Directors caused by any reason other than removal of a director, by a vote of the members, shall be filled by a vote of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director, and shall serve on the Board for the remainder of the term of the replaced director.

3.5 **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 a meeting, providing a quorum is in attendance, and a successor (or successors) may then and there be elected to fill the vacancy (or vacancies) thus created.

3.6 **ANNUAL MEETING AND NOTICE.** An annual meeting of the Board of Directors shall be held after the Annual Meeting for the Association, for the purpose of transacting such business as was discussed at the Annual Meeting of the Association and to elect officers. Notice of the regular annual meeting of the Board of Directors to Unit Owners shall not be required.

3.7 **REGULAR MEETINGS AND NOTICE.** The Board of Directors shall provide to the members of the Board written and/or electronic notice of regular or special meetings of the Board, to be held at a time and place, whether virtual, physical, or a combination of the two. In the event that circumstances require, one or more Board member may participate remotely. Meeting Minutes shall be made available via the online portal, and as updated from time to time by the Board of Directors.

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

3.9 **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 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 done at such meeting.

3.10 **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 majority of Directors present at a meeting at which a quorum is present shall act as the Board of Directors. Presence at a Board meeting may be in person, or by phone or video/digital conference. 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 for may be transacted.

3.11 **FIDELITY BONDS.** The Board of Directors shall 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 by the Association.

3.12 **INFORMAL ACTION**. Any action which is required to be taken at a meeting of the Board of Directors, or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be given by all the Directors entitled to vote with respect to the subject matter. Such consent may be given via email or other electronic means, and such consent shall have the same force and effect as a unanimous vote. Informal actions taken under this section shall be recorded in the next Board meeting minutes.

ARTICLE IV

Officers

4.1 **DESIGNATION, ELECTION AND REMOVAL.** The principal officers of the Association shall be President, Vice-President, Secretary, Treasurer, to be elected annually by the Board of Directors. Upon the affirmative vote of the majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor shall be elected at a regular meeting of the Board of Directors, or at any special meeting called for that purpose. Any two (2) or more offices, except a combination of the offices of the President and Vice-President, or a combination of the offices of the President and Secretary, may be held by the same person. Any officer's duties may be delegated to a property manager or property management company at the discretion of the Board of Directors.

4.2 **PRESIDENT.** The President shall be selected by the Board of Directors from among the members of the Board of Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of the 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 authority

as may be delegated by the Board of Directors. Coordination of any independent audits.

4.3 **VICE-PRESIDENT.** The Vice-President shall be selected by the Board of Directors from among the members of the Board of Directors and shall take the place of the President and perform his 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 by the Board of Directors.

4.4 **SECRETARY.** The Secretary shall be selected by the Board of Directors from among the members of the Board of Directors and shall keep the minutes of all meetings of the Board of Directors and of the Association. The Secretary shall have charge of the Association's records and shall perform all duties incident to the office of the Secretary. The Secretary shall be responsible for maintaining the Membership List and shall be responsible for requests for files and documents as deemed necessary for the Association.

4.5 **TREASURER.** The Treasurer shall be selected by the Board of Directors from among the members of the Board of Directors. The Treasurer shall have the following responsibilities related to the Association.

a. Responsibility for all 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.

b. Responsibility for generating any and all monthly or annual financial reports for the Association.

c. Responsibility for the deposit of all monies and all valuable effects in the name, and to the credit, of the Association in such depositories as from time to time are designated by the Board of Directors.

d. Responsibility for the billing and collection of all common and special charges and assessments made by the Association.

e. The Treasurer shall coordinate the counting of 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 admitted to be taken by him 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 person would have exercised or used under the circumstances in the conduct of his or her own affairs, or (b) took or admitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by the officers or employees of the Association which he had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he 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 **INDEMNIFICATION OF OFFICERS AND DIRECTORS.** The corporation shall, to the fullest extent permitted or required by Sections 181.0801 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 amendment). The Association shall indemnify its directors and officers, against any and all liabilities, and all reasonable expenses, incurred thereby in any proceedings to which any director or officer was a party because such director or officer is a director or officer of the Association, unless liability was incurred because the director or officer breached or failed to perform a duty that he or she owes to the Association and the breach or failure to perform constitutes any of the following: (i) a willful failure to deal fairly with the Association or its members in connection with a matter in which the director or officer has a material conflict of interest; (ii) a violation of the criminal law, unless the director or officer had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit or benefit; or (iv) willful misconduct. The Association may, in the sole discretion of the Board of Directors, indemnify the Association's employees and authorized agents, acting within the scope of their duties as such, to the same extent as directors and officers hereunder. The right to indemnification granted hereunder shall not be deemed exclusive of any 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.

The Association may, but shall not be required to, supplement the foregoing right to indemnification 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 Association would be obligated to indemnify 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.

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

specific resolution of the membership

4.9 **RECORDS RETENTION.** All members of the Board of Directors and management company, if applicable, shall be in compliance with the record retention policy.

ARTICLE V

Operation of the Property

5.1 **THE ASSOCIATION.** The Association, shall be responsible for the administration, maintenance, management and operation of the condominium property, in accordance with the Condominium Ownership Act, the Declaration, the Articles of Incorporation, and these By-Laws. The Board at any time can, if deemed beneficial, form an insurance committee specifically tasked with evaluating the insurance coverage needed to best protect the Association. The Association may contract for management services or a managing agent with respect to the administration and operation of the condominium.

5.2 **RULES AND REGULATIONS.** The Association shall from time to time adopt rules and regulations governing the operation, maintenance and use of the units and the common elements and facilities by the unit owners and occupants. Such rules and regulations of the Association shall not be inconsistent with the terms of the Declaration, By-Laws, 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 and facilities 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 shall design such means of enforcement thereof as it deems necessary and appropriate. The rules and regulations may be adopted, altered and amended by either (a) the members of the Association or (b) the Board of Directors, in each case by an affirmative vote of seventy (70%) 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 the 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.

5.3 **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 and facilities of the condominiums as set forth in the Declaration. The Assessments shall be made on an annual basis

and except as hereinafter set forth shall be prorated and due and payable in monthly installments. Monthly assessments are due the first (1st) day of each month and are considered delinquent after a ten (10) day grace period. If a partial payment of the monthly assessment is received, it will be applied to the oldest unpaid monthly assessment. If the full monthly assessment is not paid on or before the end of the grace period, a late fee may be assessed. (The amount of such late fee will be set by a rule adopted by the Board of Directors). In addition, if a monthly assessment is delinquent for more than thirty (30) days, the Association may require the unit owner pay the entire remaining balance of the annual assessment within fifteen (15) days of notice from the Association. If the entire unpaid annual assessment is not received by the Association within such fifteen (15) day period, the Association may institute legal action for the collection and/or foreclosure action by the Association. The unit owner will also pay all costs associated with collections, including, but not limited to, legal fees. 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.

5.4 **ANNUAL OPERATING BUDGET.** The annual Operating Budget shall provide for two funds, one of which shall be designated the 1. "Operating Fund" and the other the 2. "Statutory Reserve Account Reserve Fund". The annual budget for each fund will include income (or inflows of cash) and expenses (or outflows of cash).

The Operating Fund shall be used for all common expenses which occur annually or more frequently. This includes amounts required for the cost of services such as (but not limited to) snow and lawn maintenance, insurance on the common elements, administration (management), materials and supplies and minor repairs and maintenance on the common elements. The percent of the total monthly assessment (5.3 above) collected by the Association and to be deposited in the Reserve Fund account shall not be less than ten percent (10%) without the approval of seventy percent (70%) or more of the votes of the membership present or represented at a regular or special meeting called for such purpose, providing a quorum is in attendance.

The Annual Operating Budget shall be prepared and determined by November 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 before the date of the annual membership meeting and shall furnish copies to each member of the operating budget on which such common assessments are based.

a. Reserve Fund and Special Assessments:

(a) In the event the Association incurs extraordinary Operating expenditures not originally included in the annual

Operating Fund budget, then such sums may be charged against (funded by) the Reserve Fund up to a maximum of twenty thousand ($20,000) annually. Members will be notified of any such Reserve Fund withdrawals by e-mail, mail or by Board Meeting minutes and, such withdrawal will be properly reflected in the monthly financial statements. The $20,000 will be replenished the following year through the Annual Budget process or by a Special Assessment.

(b) In the event funds in excess of twenty thousand ($20,000) need to be removed from the Reserve Fund for "Contingencies and Periodic expenses", the Board will inform members at the Annual Meeting (through the Reserve Fund Budget) or a "Special Assessment Meeting" (called by the Board), of the necessity to use Reserve Funds. The use and removal of Reserve Funds exceeding $20,000 will require a membership vote with at least seventy percent (70%) of unit owners approving the removal of such Reserve Funds. Unit owner approval can be accomplished by one of the following methods: a. Actual attendance (and voting) at the meeting or, b. by proxy. The Reserve Fund will be replenished through the Annual Budget process or by a Special Assessment against all unit owners as deemed necessary by the Board of Directors.

(c) 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 Board may also use the reserve fund for the maintenance and repair of any unit, while it is the obligation of the unit owner, to protect the common property. The full amount of the cost of any such maintenance or repair shall be specially assessed to the unit owner responsible therefore.

b. Member Protest of Annual Operating Budget:

If within fifteen (15) days after the annual membership meeting 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 seventy percent (70%) 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 seventy percent (70%) 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 (2) preceding years, then the budget and assessments may not be revised downward until two (2) years of experience exist.

c. Financial Statements and Reporting:

The Association Financial Statements (Balance Sheet and Income Statement) are designed to provide the Association membership with the information they need to fully understand the financial condition of the Association. The Treasurer (and Management Company if applicable) will make sure that financial statement reporting capabilities are in place. However, if changes are made by the Board, the Association membership should be informed at either the Annual Meeting or in Board minutes with an explanation as to why the changes are being made.

d. Investment of Reserve Funds:

The Board has a clear right to invest the Association funds in a financially prudent manner, consistent with Wisconsin Statute 703.163(9).

5.5 **FAILURE TO PREPARE AN ANNUAL BUDGET**. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered. Said payment shall be as provided in the By-Laws.

5.6 **INITIAL RESERVE CONTRIBUTION FEE.** Each time a unit is sold, an amount equal to two (2) months assessments (the "Initial Reserve Contribution Fee") for each unit shall be collected from the unit purchaser by the board of Directors

and deposited into the Association's Reserve Fund. A unit's share of the Initial Reserve Contribution Fee shall be collected from the unit purchaser at the time a unit is closed and shall not be considered advance payment of regular assessments.

5.7 **DEFAULT AND LIENS.** All assessments, until paid, together with interest and late fees (as described in Section 5.3) and actual costs of collections, including actual attorneys' fees, constitute a lien on the units on which they are assessed and on the individual interest in the common elements appurtenant thereto, if a statement of lien is filed within two (2) years after the date the assessment becomes due. 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 therefore 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 therefore, as provided by law. 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 VI

Repair and Maintenance

6.1 **UNITS**. Each unit owner, at his sole expense, shall be responsible for keeping the interior of his unit and all of its equipment, fixtures, and appurtenances in good, clean, sanitary and attractive condition and repair. Each unit owner must perform properly or cause to be performed all maintenance and repair work to or within his own unit which if omitted would affect the project in its entirety or in a portion belonging to other owners. Upon the failure of the unit owner to maintain his unit, the Association may accomplish necessary repairs and maintenance and assess the respective unit owner for the costs and expenses thereof, after thirty (30) days written notice to the unit owner, giving the owner the opportunity to perform the needed maintenance or repair within such thirty (30) day period.

Without in any way limiting the foregoing, each unit owner shall be responsible for the following:

a. All painting, repairing, restoration, maintenance and decorating of unit interiors, windows, window frames, doors, door frames, garage doors, garage door opener(s), sump pump, patios and decks appurtenant to a unit and located at the back of the unit.

b. Decorating and keeping the interior of the unit in good repair

c. Maintenance and repair of interior lighting fixtures, refrigerators, ranges, heating and air conditioning equipment (including appurtenant compressor and equipment), plumbing fixtures, dishwashers, disposals, microwaves,

laundry equipment, such as washers and dryers, water heaters and water softeners, and pipes, ducts and electrical wiring serving the unit.

For the purpose of uniformity of external appearance and quality, the Association may specify the type, color, and quality of materials to be used in replacing, repairing, painting or maintaining external fixtures such as entry doors, garage doors, windows and other items which may be determined from time to time by the Board of Directors of the Association. Unit owners will submit a Modification Request Form (MRF) for any change that is visible from the exterior of the unit prior to proceeding with the change.

6.2 COMMON ELEMENTS AND FACILITIES. The Association shall be responsible for the management and control of the common elements and facilities 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 owners are responsible therefore as provided hereinafter with respect to the limited common elements. 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, in which case such expense shall be charged and specially assessed to the unit owner for accomplishment of the following specific items of maintenance and repair with respect to the common elements.

a. All cleaning, painting, repair, restoration and general maintenance of the common property.

b. All maintenance, repair and restoration of common roads, driveways, aprons, walkways, and front stoops and porches.

c. Snow and ice removal from driveways, aprons, walkways, and front stoops and porches.

d. Lawn care, landscaping, tree cutting, erosion control and general care and maintenance of any plantings and shrubberies which may, from time to time, be located within the common elements.

e. Necessary care and maintenance of utility services and lines within the common elements including master television and communication cables, lines or antennae, water system lines, public utility lines and utility laterals to mains.

f. All storm water facilities and appurtenant structures employed for the conveyance, maintenance, storage and discharge of storm water run-off.

g. Bearing walls, roofs, foundations, attic structural components, outside walls, girders, beams and structural parts.

6.3 **LIMITED COMMON ELEMENTS.** The maintenance and repair of the limited common elements shall be the sole responsibility of the unit owners.

6.4 **ASSOCIATION SERVICES.** The Association may provide any service or maintenance requested by a unit owner with respect to individual units or limited common elements that the Association is able and willing to provide or perform and shall specifically assess such requesting owner or owners.

ARTICLE VII

Duties and Obligations of Unit Owners

7.1 **RULES AND REGULATIONS.** The units and the common elements and facilities and limited common elements (herein sometimes called the "Commons") 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. Units. No unit owner, lessee or occupant shall occupy or use a unit, as that term is defined in Section 4 of the Declaration, or the common elements, or permit the same or any part thereof to be occupied or used for any purpose other than residential purposes. No trade of business shall be conducted on the condominium property or from any unit, except that one unit may be used as a model for purposes of selling additional units.

b. Occupancy. Individual units in The Villas Condominium shall not be used or occupied by any person or persons for a period of less than three hundred sixty-five (365) 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.

(a) Only 10% of Units shall be allowed to lease at any given time (the “Leasing Limit”). An Owner of a Unit must occupy the Unit for at least one (1) year before the Unit is eligible for leasing, and if not leased as allowed in this section, the Unit must be owner occupied (the “Owner Occupancy Requirement”). For purposes of this section, the Owner Occupancy Requirement will not be breached if the occupants are the Unit Owner’s immediate family members, herein defined as a parent, child, spouse/domestic partner, sibling, grandparent, or grandchild, by blood, adoption, marriage, or registered domestic partner; further, if a Unit is owned by an entity, the Owner Occupancy

Requirement shall be met if the person occupying the Unit has a substantial ownership interest in the entity or is a trustee or beneficiary of a Trust. The Board of Directors is entitled to ask for evidence showing the purported relationship or ownership interest in the Unit. An exception to the Leasing Limit and Owner Occupancy Requirement is granted to the Units being rented at the time of adoption of these Amended and Restated Bylaws (the "Grandfathered Units"). When any of the Grandfathered Units is sold, conveyed, or title otherwise transferred following the adoption of these Amended and Restated Bylaws, upon such sale, conveyance, or transfer, that Unit will no longer be "grandfathered," and will be subject to the Leasing Limits and Owner Occupancy Requirement. Further, once a Unit is no longer grandfathered, it will not be eligible again for leasing until a place becomes available within the Leasing Limit. In no event will the Leasing Limit or the Owner Occupancy Requirement apply to Mortgagees of the Unit, or the Association, where the Unit is acquired by foreclosure of the mortgagee's or Association's interest, either judicially or by accepting a deed in lieu of foreclosure. The Board of Directors will have discretion as to the administration of the Leasing Limit, and may pass Rules and Regulations to assist with the administration and enforcement of the leasing rules contained in this Declaration, the Bylaws, and the Rules and Regulations.

(b) Special Hardship Exception. The Board of Directors shall have the authority to waive the requirements of these sections and allow a Unit to be leased upon request of a Unit Owner if it determines, in its sole discretion, that enforcement thereof in the particular circumstances would result in an unreasonable hardship upon the Unit Owner, and that the exception would not jeopardize the interest of the Association in promoting owner-occupancy of Units. If any Unit Owner shall desire to lease to, or cause a Unit to be occupied by a person other than an immediate family member pursuant to this hardship exception, said lease or occupancy shall require the approval of the Board of Directors. Any application for an exception must be in writing and give the reasons for requesting the exception. The Board shall convene a meeting within 20 days after receipt of notice, advising the Unit Owner of the time and place of a meeting and giving the Unit Owner an opportunity to attend. The Board shall make a decision as to whether or not to grant the hardship exception within fourteen (14) days of said meeting and the reasons shall be briefly

stated in writing. The decision shall be binding on the Association and the parties. The maximum length of any hardship exception is one (1) year.

(c) Leasing Rules/Restrictions. For any lease, permitted or otherwise, the Unit Owner must comply with all of the following:

i. The term of any such lease shall not be less than twelve (12) months;

ii. The Unit Owner has obtained the prior written approval of the Association with respect to the terms of the proposed lease;

iii. The lease contains a statement obligating all tenants to abide by the Declaration, the Articles, these Bylaws, and the Rules and Regulations, providing that the lease is subject and subordinate to the same; and

iv. The lease provides that any default arising out of the tenant's failure to abide by the Declaration, the Articles, the Bylaws, and the Rules and Regulations shall be enforceable by the Association as a third-party beneficiary to the lease and that the Association shall have, in addition to all rights and remedies provided under the Declaration, the Articles, the Bylaws and the Rules and Regulations, the right to evict the tenant and/or terminate the lease should any such violation continue for a period of ten (10) days following delivery of written notice to the tenant specifying the violation. Any costs associated with Association-initiated eviction proceedings shall be assessed to the Unit Owner.

v. The Association may withhold approval upon any reasonable basis, including, but not limited to: the failure of the lease terms to comply with all provisions of the Declaration, the Articles, the Bylaws, and the Rules and Regulations; the past failure of the tenant or its guests to abide by all provisions of this Declaration, the Articles, the Bylaws, and the Rules and Regulations; and the past use by tenant or its invitees or guests of any part of

the Condominium in a manner offensive or objectionable to the Association or other occupants of the Condominium by reason of noise, odors, vibrations, or nuisance.

(e) Short-term Rentals Prohibited. No space in any Unit may be rented and no transient tenants may be accommodated, even if the Unit Owner is present during the occupancy. Rentals through similar services such as AirBnb and VRBO are expressly prohibited. Advertising a Unit as being available to rent on a short-term basis shall be a violation of this Section.

d. Parking. Each unit of The Villas Condominium includes a two or three car-attached garage as is set forth in the Condominium Plat and First Addendum to the Condominium Plat. It is understood that each unit owner will keep his garage in neat condition.

e. Animal Restrictions. The City of Franklin ordinances regarding animals is incorporated by reference.

f. Construction in the Common Elements. Nothing shall be altered or constructed in or removed from the common elements and facilities, except upon the written consent of the Association. Without limiting the generality of the foregoing, unit owners may not construct any improvements, equipment or decorations in the common elements adjacent to a unit. Satellite dishes shall generally be placed within the unit's limited common elements. Notwithstanding the foregoing, if an owner is unable to obtain satellite television reception unless a satellite dish is installed in a portion of the common elements, the Association may upon the written request of a unit owner allow the installation of a satellite dish provided: (i) the location of the satellite dish does not create a safety hazard; (ii) the unit owner shall remove the satellite dish when the unit owner vacates the unit or discontinues the use of the satellite dish, whichever is the first to occur; (iii) the unit owner repairs all damages caused to the common elements by the installation of the satellite dish; and (iv) in addition, if a unit owner shall desire to install a radon abatement system, the unit owner may upon approval of the Association, and at unit owner's expense install the radon abatement system in the basement of the unit venting through the garage to the roof. The Association has Association has the right to approve plans and specifications for the abatement equipment. The unit owner shall be responsible for the maintenance and repair of the piping and shall repair any damage to the common elements caused by the installation of the radon abatement system.

g. Obstructions. There shall be no obstructions of the common areas.

h. Increase of Insurance Rates. Nothing shall be done or kept in any unit or the commons which will increase the rate of insurance on the commons. No unit owner shall permit anything to be done or kept in his unit or in the commons which will result in the cancellation of insurance on any unit or any part of the commons, or which would be in violation of any law or ordinance. No waste will be committed in the commons.

j. Noxious Activity. No noxious or offensive activity shall be carried on in any units or in the commons, nor shall anything be done therein which may be or become an annoyance or nuisance to others.

k. Conflict. These rules and regulations and those which may be adopted hereafter by the Association, are in addition to the Declaration and the documents, contracts, declarations and easements set forth in the Declaration. In the event of a conflict, the Declaration and contracts, declarations and easements set forth and referenced therein shall govern.

l. Enforcement. The foregoing rules and regulations and any other rules and regulations adopted by the Association, as well as the Association's Declaration, and these Bylaws shall be enforced by such means as the Association deems necessary and appropriate. Refer to the Association's Rules and Regulations for details regarding enforcement of the Association's governing documents. .

m. Decks and Patios. Unit owners shall keep their patios and decks in a clean and neat state. Patios and decks are not to be used for storage, including but not limited to motorcycles, toys, baby carriages and wagons. Grilling and/or storage of grills is not allowed on decks and patios.

n. Paper Boxes and Decorations. Unit owners shall not place newspaper boxes or decorations within the common elements or attach them to any buildings unless approved by the Board of Directors.

o. Parking and Storage of Vehicles. No unit owner shall cause or permit the common elements to be used in such a way as to deny others the full use of these common elements. Accordingly, there shall be no obstruction of any of the common elements other than the temporary parking of motor vehicles in the outdoor parking spaces. Junked, inoperative or unlicensed vehicles shall not be permitted anywhere in the Condominium. Trailers, vans, trucks, campers, house trailers, boats, boat trailers, motorcycles and snowmobiles shall not be stored, parked or placed outside.

p. Mutual Common Enjoyment for Other Unit Owners. Each unit owner shall have the right to use their unit in accordance with these rules and regulations, as applicable by law, free from unreasonable interference, with the peaceful possession and operation thereof. The conduct of each unit owner or their

tenants therein should be free from immoral, improper, unreasonable, annoying and/or offensive activity.

q. Basement Window Wells. Each unit owner may, at owner's expense and with an approved MRF, cover Egress basement window wells with a window well cover. Unit owners shall indemnify and hold the Association harmless from and against any and all action arising out of the installation and maintenance of window well covers, damages to property, and personal injuries related to or arising out of basement window wells.

r. American Flag. With an approved MRF, Board will allow one flag bracket per unit attached to wood trim. Bracket must be white. Pole must be natural wood or white. American flag size must be 3' x 5'.

7.2 **ASSOCIATION RULES.** The Association may approve and distribute to unit owners and tenants' 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 5.2 herein. All such rules and regulations shall be in writing and shall be distributed to the unit owners and tenants no less than thirty (30) days prior to the effective date of such rules and regulations. The rules and regulations contained in Section 7.1 of these By-Laws may be amended only as provided in Article IX.

ARTICLE VIII

General

8.1 **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.

8.2 **ADDRESS.** The Condominiums are located on Villa Drive between 35th Street and 27th Street and on Patricia Court and Susanna Court in the City of Franklin, Wisconsin and as more fully described in the Condominium Plat. The mailing address of the Association is the address of the person identified as the "Registered Agent" of the Association with the Department of Financial Institutions.

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

ARTICLE IX

Amendments

9.1 **BY MEMBERS.** These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the members, by the affirmative vote of the unit owners having sixty-seven (67%) percent or more of the votes in the Association.

ARTICLE X

Miscellaneous

10.1 **RECORD OF OWNERSHIP.** Every unit owner shall promptly cause to be duly recorded or filed or record the deed, assignment or other conveyance to him or such unit or other evidence of his title thereto and shall maintain all such information in the Membership List of the Association.

10.2 **MORTGAGES.** Any unit owner who mortgages his unit or any interest therein shall notify the Board of Directors or Management Company promptly upon request of the name and address of his mortgagee and any release of such mortgage. The Board or Management Company shall maintain all such information or request information from unit owners when needed.

10.3 **STATEMENT OF ASSESSMENTS.** The Board of Directors of the Association, at the written request of 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.

10.4 **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 a conflict. All terms therein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration.

10.5 **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 the Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the unit owners.

10.6 **NUMBER AND GENDER.** Whenever used herein, unless the context shall otherwise require, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

These Third Amended and Restated Bylaws were adopted by a vote of 67% of the Unit Owners on November 18, 2025.