BY-LAWS

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BY-LAWS
OF
CARRINGTON COURT CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Name and Purpose

Pursuant to the Articles of Incorporation of CARRINGTON COURT CONDOMINIUM ASSOCIATION, INC., and the Condominium Declaration for CARRINGTON COURT CONDOMINIUM, recorded in the Office of the Register of Deeds for Kenosha County, Wisconsin (hereinafter "**Declaration**"), the following are adopted as the By-Laws of CARRINGTON COURT CONDOMINIUM ASSOCIATION, INC. (hereinafter sometimes referred to as the "**Association**"), which is a non-profit, 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.

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:

2.1.1 **Defined.** Members of the Association shall be all unit owners. 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.

2.1.2 **One Membership Per Unit; Voting.** One membership and one vote shall exist for each unit. If title to a unit is held by more than one person, the membership 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 divided, 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, except that in the case of owners who are husband and wife, either of the owners may cast the vote appurtenant to such unit. 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. 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.

2.1.3 **Membership List.** The Association shall maintain a current 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.

2.1.4 **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. At the time of each sale or other transfer of title to a unit, excepting sales or transfers of units by Declarant, a transfer fee in the amount of $100.00 shall be paid to the Association by the buyer at the time of closing. Upon transfer of a unit, in addition to payment of the transfer fee, the Association shall, as soon as possible, 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 Condominium Ownership Act of Wisconsin.

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 address as it appears on the books 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 during the month of October 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 officers 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 terms of the Declaration. Notwithstanding the foregoing, prior to the conveyance of 25% of the common element interests in CARRINGTON COURT 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 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. The calculation of the percentage of common element interest conveyed to purchasers for purposes of the foregoing shall be based upon the assumption that all units to be completed are included in the Condominium including those contained in Expansion Areas.

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 three (3) persons. 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 three (3) directors to be classified with respect to the terms for which they hold office by dividing them into three (3) classes as follows:

3.4.1 One (1) director whose terms will expire after one (1) year, at the next annual meeting of the Association (Class "A" Director).

3.4.2 One (1) director whose term will expire after two (2) years, at the sec- annual meeting of the Association after his/her election (Class "B" Director).

3.4.3 One (1) director whose term will expire after three (3) years, at the third annual meeting of the Association after his/her election (Class "C" Director).

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of three (3) 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 of the membership 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 notice of the meeting included consideration of such removal, and a quorum is in attendance; 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 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 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 some or all officers and/or employees of the Association handling or responsible for Association funds shall be covered by 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, 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 or more offices, except a combination of the offices of President and Vice-President, or a combination of the offices of President and Secretary, 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 shall preside at all meetings of the Association and of the Board of Directors. He 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 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 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 of 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 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 would have exercised or used under the circumstances in the conduct of his 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 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 **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

Notwithstanding any other provisions contained in these By-Laws, the 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 or rules and regulations of the Association until the earlier of: (a) ten (10) years after the first sale of a unit in CARRINGTON COURT CONDOMINIUM by Declarant, (b) thirty (30) days after the conveyance of seventy-five percent (75%) of the common element 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 Condominium Ownership Act of Wisconsin. 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 Expansion Areas. Each owner of a condominium unit in CARRINGTON COURT 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 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 or a managing agent with respect to the administration and operation of the 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 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 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 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 a majority 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. Notwithstanding the foregoing, 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 fiscal 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 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 installments. If not paid on or before the due date, the assessment shall bear interest at two percent (2%) over 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), but not in any event less than twelve percent (12%) per annum, determined as of the first day of each month, 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 two funds, one of which shall be designated the "operating fund" and the other the "reserve fund." 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, services of maintenance contractors, utility services to the common elements, all water and sewer services to the common elements and to the units,

including common water heaters and softeners, if any, septic sewer charges, cable television and communications services to the extent provided to the common areas through the Association and not billed to individual units, insurance, administration, materials and supplies. The reserve fund shall be used for contingencies and periodic expenses such as painting, paving, roofing, or renovation. In the event the Association incurs extraordinary expenditures not originally anticipated or 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 special 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 individually 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 property. The full amount of the cost of any such maintenance or repair shall be individually 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 Association shall have authority to levy three different types of assessments against owners: "annual assessments" are those assessments levied according to the budget and intended to pay the budgeted common expenses for each year of operation; "special assessments" are assessments which may be levied by the Board for items of common expenses not contained in the budget or not adequately provided for in the budget; and "individual assessments" are assessments against individual unit owners for maintenance not performed by the owner, remediation of damages for which a unit owner is responsible, or fines / penalties for failure to comply with rules and regulations for which a unit owner is responsible, etc.

The annual budget shall be prepared and determined by November 1st of each calendar year, and shall pertain to the following fiscal 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 November 15th of each calendar year, and shall furnish copies of the budget on which such common assessments are based to each member.

If by the later of (a) December 15th in such year, or (b) within thirty (30) days after the date the budget is mailed to 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.** The Declarant shall establish a working capital fund to which each grantee of a unit from Declarant shall contribute a sum equal to two (2) months' assessments for the respective unit in CARRINGTON COURT CONDOMINIUM at the first conveyance of such unit, pursuant to the applicable annual budget of the Association. The working capital fund shall be used to meet unforeseen expenditures or to purchase additional equipment or services, and any amount paid into the working capital fund shall not be considered as advance payments of any other assessments. This shall be a one-time payment, and each unit's share of the working capital fund shall be collected from Declarant's grantees at the time the first sale of the unit is closed and title to the unit is conveyed by the Declarant. While Declarant is in control of the Association, Declarant shall not use any part of the working capital fund to defray its expenses or construction costs or to make up any construction budget deficits. When control is transferred to the Association, the remaining balance of the working capital fund shall be transferred to the Association for deposit into the reserve fund.

6.6 **COMMENCEMENT OF PAYMENTS.** Each Unit in the condominium shall begin paying monthly payments of common expenses to the Association as of the date of the first transfer of title to such unit by the Declarant. Such monthly payments of common expenses shall be in accordance with the proposed annual budget prepared by Declarant for the Association. Until such time as a unit in the condominium has been sold or leased by Declarant, or until twelve (12) months after the date a certificate of occupancy is issued for a unit, whichever shall first occur, Declarant shall not be required to pay monthly common expenses or reserve funds to the Association with regard to unsold units. However, during such time as Declarant is not making such payments of customary assessments against units, Declarant shall be responsible for paying any deficiency in operating expenses of the Association which are not covered by the assessments paid by unit owners pursuant to the annual budget. Declarant shall make customary payments of monthly assessments as to unsold units owned by Declarant beginning no later than twelve (12) months after the date a certificate of occupancy is issued for such unit. At such time as Declarant is making customary payments of assessments pursuant to the annual budget as to all units owned by Declarant, whether or not Declarant is required to do so, Declarant shall no longer be responsible for paying any deficiency in operating expenses of the Association.

6.7 **DEFAULT AND LIENS.** All assessments, until paid, together with interest (as described in Section 6.3) 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; Improvements

7.1 **INDIVIDUAL 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 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 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 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 damaged exterior doors and windows (including replacement of broken glass), balcony/deck/patio doors, screens and screening, door bells and lighting fixtures, as well as appliances, refrigerators, ranges, heating and air-conditioning equipment (including appurtenant compressor and equipment), plumbing lines and fixtures, dishwashers, disposals, laundry equipment such as washers and dryers, water heaters, water softeners, interior electrical wiring and fixtures, 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, and screening, external 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 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 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, in which case such expense shall be charged and individually assessed to such unit owner), for accomplishment of the following specific items of maintenance and repair with respect to the common elements:

- All structural repairs, routine painting, repairing, restoration, maintenance, and decorating of the building exteriors, foundations, walls and roofs, including balconies, patios, decks, and exterior doors, windows and screens (excepting improvements damaged or constructed by unit owners and except for matters which are the responsibility of unit owners, pursuant to Section 7.1 or otherwise);

- All cleaning, painting, repair, restoration and general maintenance of the common elements and fixtures, including parking areas, mailboxes, security systems, intercom systems, and associated fixtures and equipment;

- All maintenance, upkeep and inspections required for fire alarm and sprinkler systems, including fire alarm pull-down stations, sprinkler systems and equipment, common alarms and smoke alarms in the common elements, as well as inspection and maintenance of sprinkler heads and fire alarm equipment within the units, and smoke alarms which are on a building-wide system with outlets inside units;

- All utility services to the common elements, including all water and sewer services to the common elements and to the units and the expense of common water heaters and softeners, if any;

- Common communications, alarms and security lines and services to the extent such may be provided in common to the common elements or to all units through the Association, and billed to the Association rather than to the individual units;

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

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

- Maintenance, repair or restoration of private roadways, entryway, walks, driveways and surface parking areas which are a part of the condominium Property;

- Snow and ice removal with regard to private roadways, entryway, walks, driveways and surface parking areas within the condominium Property; and

- Provision, maintenance, and storage of equipment and materials required to accomplish the foregoing.

7.3 **LIMITED COMMON ELEMENTS.** The Association shall have control over all additions, improvements and alterations to limited common elements. Each unit owner, at his sole expense, shall be responsible for keeping the limited common elements appurtenant to his 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, including balconies / patios / decks, without the prior written consent of the Board of Directors of the Association. Every unit owner shall have the right to decorate the balconies / patios / decks appurtenant to his 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. The Association may from time to time accomplish maintenance and individually assess such Unit owner therefor in the event such limited common elements are not properly maintained and repaired or in compliance with the Declaration or these By-Laws after written notice from the Association.

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 facilities and limited common elements (sometimes 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:

8.1.1 **Use.** No unit owner shall occupy or use his 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. No trade or business shall be conducted on the condominium property or from any unit, except as permitted under applicable residential zoning codes and ordinances.

8.1.2 **Leases.** Owners of units in CARRINGTON COURT CONDOMINIUM may lease their units for residential purposes, provided that in each instance the following terms and conditions are met:

- The lease must be in writing, signed by the owner and the tenant.

  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 unit owner must give the Association notice of the name and permanent address of the tenant, and a copy of the lease, the form of which shall be subject to the prior approval of the Association.

8.1.3 **Parking.** Unit owners and tenants shall park within their garages, and are not to park on driveway areas in front of garage doors. Outdoor parking spaces within the commons are intended for use by guests or visitors of unit owners or tenants; some outdoor parking spaces are designated for handicapped use. Whether by owner, tenant, visitor, or guest, there shall be no outside overnight parking on the Property of trucks (other than passenger vans, personal pick-up trucks and sport utility vehicles), trailers, truck cabs, boats or boat trailers, recreational vehicles or trailers, campers, snowmobile trailers, and similar vehicles or attachments/accessories. The Association and its officers are directed to enforce this provision uniformly and actively (see sub-paragraph 8.1.14 herein).

8.1.4 **Animals and Poultry.** No animals, livestock or poultry of any kind shall be raised, bred, or kept in any unit or in the commons, except that dogs and cats may be kept as

household pets by unit owners, pursuant to pet restrictions, provided they 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.

8.1.5 **Pet Restrictions.** No pet weighing in excess of twenty-five (25) pounds at maturity shall be permitted upon the commons or within a building or the Property. The foregoing restriction shall not be applicable to the first owner of any unit who purchases from the Declarant, as to a pet owned by such owner at the time of closing (however, any additional or replacement pet by such owner shall be subject to the foregoing restriction). A permitted pet shall not be allowed at large within the commons, and shall always be leashed and within the immediate control of a person when outside of any building. All pet 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. Each owner shall be responsible for the actions of each pet kept within his unit, and for cleaning up after such pet when outside of the unit. Any owner maintaining a pet upon the condominium Property, or whose guest, lessee or invitee brings a pet upon the condominium Property, shall be fully responsible for, and shall bear the expense of, any damage to persons or property resulting therefrom. Any such damage shall be determined by the Board of Directors of the Association and collected by the Association. All pet owners shall identify and register their pet with the Association. The Association and its officers are directed to enforce this provision uniformly and actively (see sub-paragraph 8.1.14 herein).

8.1.6 **Floor Coverings.** All floor areas within second floor units shall be covered with carpeting over sound-absorbing padding, or ceramic tile, hardwood, or other hard surface flooring which shall be placed over a padding or a resilient sound absorbing underlayment of material acceptable to the Association, which shall be of sufficient quality and quantity to buffer "normal usage" noises heard beneath such unit.

8.1.7 **Obstructions.** There shall be no obstruction of the commons.

8.1.8 **Increase of Insurance Rates.** Nothing shall be done or kept in any unit or in the commons which will increase the rate of insurance on the commons, without the prior consent of the Association. 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.

8.1.9 **Signs.** No sign of any kind or for any purpose shall be displayed to the public view on or from any unit or the commons , including the limited common elements, excepting reasonable signs and flags within size and specifications approved by the Association, for use only during an actual open-house showing unit(s) for sale. The foregoing restrictions concerning the erection of signs and other types of advertising materials within the commons concerning the sale of units shall not be applicable to the Declarant or its agents involved in showing or selling the units prior to the first sale of each unit.

8.1.10 **Antennas.** There shall be no television antennas or television or satellite dishes installed or placed upon any of the common elements of the condominium without prior written approval of the Association, excepting any such installations that meet size and other limitations imposed by applicable law, regulations and ordinances, installed on patios, decks or balconies which are limited common elements as shown in the Condominium Plat.

8.1.11 **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.

8.1.12 **Alteration, Construction or Removal.** Nothing shall be altered or constructed in or removed from the common elements and facilities, except upon the prior written consent of the Association.

8.1.13 **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.

8.1.14 **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 tenants, 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. Particular violations which may occur on a continuing basis may be determined to be daily violations upon resolution of the Board of Directors.

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 c/o Michael H. Dilworth, c/o Ener-Con Builders, 7300 South 13th Street, Suite 101, Oak Creek, Wisconsin 53154, 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 of such unit or other evidence of his title thereto, and shall file any lease with and present such other evidence of his 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 unit or any interest therein shall notify the Board of Directors of the name and address of his 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 (the "WNCL"), 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 WNCL or otherwise. All capitalized terms used in this Article V and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the WNCL.

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 -