

INITIAL ADMINISTRATIVE RULES

OF THE

PARKSIDE CONDOMINIUM SOUTH OWNER'S ASSOCIATION

1. All sidewalks, driveways and entrances shall not be obstructed or used for any purpose other than ingress to and egress from the units.
2. Except as to the areas termed "limited common areas and facilities," no article shall be placed on or in any of the common areas and facilities except for those articles of personal property which are the common property of all the unit owners.
3. No vehicles or items of any sort whatever may be stored outside the confines of any unit without written consent of the Board, except cooking equipment, which may be stored on the patio when not in use.
4. No work, maintenance or improvements of any kind shall be done in or upon the exterior building walls or upon the common or limited common areas and facilities except by the Association.
5. No wiring for electrical or telephone purposes, or for any other purpose, shall be installed in any unit or the common areas and facilities nor shall any television or radio or other antenna, machines or air-conditioning units be installed, either on the exterior of units, including patio areas, or that protrude through the walls or windows, except as may be expressly authorized in writing by the Board.
6. All occupants of the condominium shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played, musical instruments or devices in such manner as may disturb or tend to disturb other such occupants, and the same shall not be played or permitted to be played between the hours of 10:00 p.m. and the following 8:00 a.m.
7. Disposal of garbage and trash shall only be by the use of garbage disposal units and by garbage cans or suitable plastic garbage bags. Said garbage cans and garbage bags shall, at all times, be stored out of sight except for placement outside of the unit on the day that disposal pick-up is to be made.
8. The decks or patio areas shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. Decks or patio areas may be used for the purposes of outdoor cooking. Outdoor cooking equipment may be stored on the patio when not in use.

9. One household pet is allowed to be kept on the premises. Pets may not be kept, bred, nor maintained for any commercial purpose. When outdoors, pets must be leashed and under supervision and control of their owner.
10. Snow removal of the driveway in front of the unit owners garage, the sidewalk leading from the driveway to the front door and the public sidewalk in front of the unit shall be the responsibility of the unit owner.
11. The Condominium Association will take responsibility for cutting the grass, maintaining the foliage, fertilizing the lawn, and other items associated with the landscaping of the limited common area.

The foregoing Administrative Rules are subject to amendment and to supplementation.

PARKSIDE CONDOMINIUM SOUTH
BY-LAWS

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BY-LAWS

OF

PARKSIDE CONDOMINIUM SOUTH OWNER'S ASSOCIATION

**ARTICLE ONE
PURPOSE**

1.1 The purpose for which this unincorporated Association is formed is to govern and administer the condominium property known as Parkside Condominium South (hereinafter "the condominium"), which has been submitted to the provisions of the Condominium Ownership Act, Chapter 703, Wisconsin Statutes, by the recording in the office of the Register of Deeds for Outagamie County, Wisconsin, of the Parkside Condominium South, Declaration of Condominium and Plat attached thereto (the "Declaration") on _____, 19____, in Jacket _____, at Image _____, as Document No. _____.

1.2 All present or future owners or tenants of the condominium, or their guests or employees, or any other person who might use the condominium in any manner, are subject to these By-Laws and any Administrative Rules which may be made applicable to the use and operation of the condominium.

**ARTICLE TWO
DEFINITIONS**

2.1 The following words or phrases when used in these By-Laws shall have the following meanings:

- (a) "Act" means the Condominium Ownership Act, Chapter 703, Wisconsin Statutes, as amended.
- (b) "The condominium" means all of the property submitted to condominium ownership by the Declaration and amendments thereto.
- (c) "Unit" means a particular area of space enclosed by the perimeters as set forth in the Declaration.
- (d) "Unit Owner" means each person who is a record owner of all or part of a unit, with right of occupancy thereof, and the undivided interest in the common areas and facilities according to the percentage established by the Declaration.

- (e) "*Person*" means individual, corporation, partnership, association, trust or other legal entity.
- (f) "*Unit Identifier*" means the number designating a unit in the condominium.
- (g) "*Common Expenses*" means: 1) all sums lawfully assessed against the unit owners by the Association; and, 2) expenses as designated by the Act, the Declaration or these By-Laws.
- (h) "*Common Profit or Surpluses*" means the balance of all income and revenues remaining after the deduction of the common expenses.
- (i) "*Common Areas and Facilities*" or "*Common Elements*" means those portions of the condominium devoted to common use and ownership in the Declaration.

ARTICLE THREE LOCATION

3.1 Until changed as herein provided, the mailing address of Parkside Condominium South Owner's Association shall be located at 100 W. Lawrence Street, Appleton, Wisconsin 54911, % Pfefferle Investments, Inc.

ARTICLE FOUR MEMBERSHIP

4.1 ***Qualifications:*** Ownership of a unit is required in order to qualify for membership in the Association. Any person, upon recording of ownership of a unit shall, at the time of recording, become a member of the Association, and shall remain a member until such time as ownership of the unit ceases by recording of a document transferring the interest of a member in the unit, at which time membership in the Association shall immediately cease. The terms "*Unit Owner*" and "*Member of the Association*" are synonymous and are used interchangeably in these By-Laws.

4.2 ***Payment of Assessments:*** The rights of membership are subject to the punctual payment of all periodic and special assessments levied by the Association. Membership rights of any person may be suspended by action of the Board of Directors during the period when assessments imposed against the unit are due and payable and remain unpaid, but upon payment of such assessments, rights and privileges shall be immediately restored.

4.3 ***Infractions of Administrative Rules:*** If the personal conduct of any person violates the Administrative Rules, which have been adopted by the Board of Directors and copies of which have been given to the unit owners, or other Rules and Regulations or provisions set forth in the Act,

Declaration or these By-Laws, the Directors may, in their discretion, suspend the rights of any person violating the Rules, Regulations or provisions for a period not to exceed thirty (30) days and impose a fine not to exceed \$10.00 for each infraction. Each day during which any such infraction exists shall be a separate and distinct infraction. These fines shall constitute a personal debt of the owner, or owners, and a lien against the unit. Nothing, however, contained in this section shall be deemed to deny a unit owner access to his unit.

4.4 **Termination:** Termination of membership shall not relieve any former unit owner of any personal liability or obligation incurred during the period of such ownership and membership in the Association. Neither shall termination of membership impair any rights or remedies which the unit owners have, either through the Board of Directors or directly, against such former unit owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations involved.

ARTICLE FIVE MEETING OF UNIT OWNERS

5.1 **Voting:** Unit owners shall be entitled to vote on matters required or permitted to be voted on by them by the Act, the Declaration or these By-Laws only through the vote allocated to each unit by the Declaration. The requirements contained in this Article Five shall first be met before the vote of a unit shall be deemed in good standing and entitled to be counted at any annual or special meeting. A unit owner in default in his assessments or whose rights have been terminated under Article Four, Section 4.3, shall not be permitted to vote.

5.2 **Proof of Ownership:** Any person on becoming a unit owner shall furnish to the managing agent, if any, or the Secretary, a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the unit, which copy shall remain in the files of the Association.

5.3 **Registration of Mailing Address:** The registered address of a unit owner shall be furnished to the managing agent, if any, or Secretary within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the unit owners of the unit or by such persons as are authorized by law to represent the respective interests of all such unit owners. If a unit shall be owned by more than one unit owner, each such unit owner shall appoint one and the same registered mailing address for each such unit to be used by the Association for mailing of statements, notices, demands and all other communications.

5.4 **Designation of Voting Representative - Proxy:** If a unit is owned by one person, that person's right to vote shall be established by notification to the Association of his record title as provided in Section 5.2 above. If record title to a unit is held by more than one person, each person or persons shall execute a proxy statement appointing and authorizing one of said persons to cast the whole vote of the unit so owned at any meetings of the Association. If a unit is owned by a legal entity, such unit owner shall designate the person or persons authorized to cast the vote of such unit.

5.5 **Proxies:** Votes may be cast in person or by proxy. Proxies must be regular in form, in writing, duly executed by the unit owner or, if a unit is jointly owned, by the person authorized to cast that unit's vote; if by a legal entity, by the duly authorized and registered representative thereof and filed with the Secretary. Unless limited by its terms, such proxy shall be deemed valid only for a maximum period of one hundred eighty (180) days following its issuance unless granted to a mortgagee or lessee. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held in such a capacity. In case such unit shall not have been transferred to that person, he or she shall satisfy the Secretary that said person is the executor, administrator, guardian, trustee or attorney-in-fact holding such unit in such capacity. The owner or owners of a unit may not hold more than two proxies of other unit owners in the condominium.

5.6 **Place:** All meetings of the unit owners shall be held at the Association's address as specified herein unless some other place of such meeting shall be designated by the Board of Directors in any notice of the meeting.

5.7 **Quorum:** Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners holding more than fifty percent (50%) of the votes shall constitute a quorum.

5.8 **Annual Meeting:** The annual meeting of the unit owners shall be held at such time during the calendar year as may be designated by the Board of Directors in the written notice of meeting and shall be held at about the time insurance contracts for the Association expire so as to facilitate renewal and preparation of annual budgets.

5.9 **Special Meetings:** Special meetings of the unit owners for any purpose or purposes may be called by any Officer of the Association, by the Board of Directors, or any two or more members thereof, or by an owner of three or more of the unit owners. Upon request, in writing, by registered mail or delivered in person to the Secretary of the Association, it shall be the duty of the Secretary to cause notice to be given to the unit owners entitled to vote at a meeting to be held at such time as the Secretary shall fix, but not less than five (5) nor more than ten (10) days after receipt of such request. The Secretary shall not fix a date which unduly delays the meeting or shall have the effect of defeating the purpose of the meeting. Business transacted at any special meeting shall be limited to the purpose or purposes stated in the notice of the meeting. The mechanics of giving notice in paragraph 5.10 shall control for this paragraph also.

5.10 **Notice of Meetings:** Written notice of the annual meeting stating the time and place thereof shall be given to each unit owner not less than ten (10) nor more than thirty (30) days prior to the date of such annual meeting. All notices of meetings shall be mailed or telegraphed to each unit owner at the address registered under Section 5.3 of these By-Laws and shall be deemed delivered when so deposited in the United States mail, with postage prepaid. Notices given by telegram shall be deemed to be delivered when the telegram is delivered to the telegraph company, properly addressed and prepaid. Any unit owner may waive notice of any meeting and presence at any meeting shall constitute such waiver.

5.11 *Adjournment*: If any meeting of the unit owners cannot be held because a quorum has not attended, the unit owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than seven days from the time the original meeting was scheduled.

5.12 *Order of Business*: The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call and certifying of proxies
- (b) Proof of notice of the meeting
- (c) Reading of minutes of last meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Directors (if relevant)
- (g) Unfinished business
- (h) New business
- (j) Adjournment

ARTICLE SIX ***BOARD OF DIRECTORS***

6.1 *Number, Qualification and Term of Office*: The affairs of the Association in the operation of the condominium shall be governed by the Board of Directors. There shall initially be three (3) members of the Board of Directors.

When twenty-five percent (25%) of the total units have been conveyed by the Declarant, the Association shall hold a meeting and unit owners other than the Declarant shall elect an additional member of the Board of Directors. The other three Board members shall continue to be appointed by the Declarant. When fifty percent (50%) of the total units are conveyed by the Declarant, the Association shall hold a meeting and unit owners other than the Declarant shall elect one more additional member of the Board of Directors, so that unit owners other than the Declarant shall have elected a total of two members of the Board of Directors. The other three Board members shall continue to be appointed by the Declarant. The Board of directors, thereafter, shall consist of five (5) members. On the later of ten (10) years from the first conveyance of a unit by Declarant, or thirty (30) days after seventy-five percent (75%) of the total

units have been conveyed by the Declarant, the three members of the Board of Directors appointed by the Declarant shall resign, and a meeting of all unit owners, including the Declarant, if it continues to own units, shall be held to reconstitute the Board of Directors. The Board of Directors shall, thereafter, consist of three (3) Board members, the first panel of which shall be elected at the meeting to reconstitute the Board of Directors. Declarant reserves the right to relinquish the power to appoint members of the Board of Directors at any time.

Directors shall be unit owners or partners, stockholders or Directors of unit owners. The term of office for the members of the Board of Directors shall be one year. Members of the Board of Directors shall hold office until their successors have been elected and shall have qualified. Until otherwise directed by the Declarant or until the first meeting of the unit owners following the sale of twenty-five percent (25%) of the units by the Declarant, whichever occurs first, the following persons shall serve as Directors of the Association:

<u>Name</u>	<u>Address</u>
Franklin K. Isaacson, President Shelter Design Group, Ltd.	901 S. Lawe Street Appleton, Wisconsin, 54915
John Pfefferle, President Pfefferle Investments, Inc.	100 W. Lawrence Street Appleton, Wisconsin, 54911
Jon A. Kester	711 E. South River Street Appleton, Wisconsin, 54915

6.2 **Regular Meetings:** A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the unit owners. Other regular meetings of the Board of Directors may be held at such time and at such place as shall, from time to time, be determined by the Board of Directors provided that at least one such meeting be held each calendar quarter.

6.3 **Special Meetings:** Special meetings of the Board of Directors may be called by, or at the request of, the President, or in his absence, by the Vice President or shall be called by the Secretary on the written request of any two Directors. Any person or persons authorized to call special meetings may fix the time and the place for any special meeting. The Board may also act by written unanimous consent in lieu of meetings.

6.4 **Notice of Meetings:** At least ten (10) days' written notice of the annual meeting of Directors, and of all regular meetings of Directors, shall be given by mail or telegraph to all Directors. Such notice shall be deemed delivered by mail when deposited in the United States mail, properly addressed with postage thereon prepaid, or when a telegram is delivered to the telegraph company properly addressed or prepaid. At least three (3) days' written notice of all special meetings of the Board of Directors shall be given to each Director.

6.5 ***Quorum and Voting:*** A majority of the Directors then in office shall constitute a quorum for the transaction of business at any regular or special meeting. If a quorum shall not be present at any meeting, a majority of the Directors present may adjourn the meeting. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as to any question upon which any different or greater vote is required by the laws of the State of Wisconsin, if any, applicable to the acts of the Board of Directors.

6.6 ***Vacancies:*** A vacancy occurring on the Board of Directors with respect to a Director who has been or who should be appointed by the Declarant, or its successor, will be filled by appointment by the Declarant or its successor. A vacancy with respect to a Director to be elected or who should be elected by the Owner's Association may be filled by the affirmative vote of a majority of the Directors remaining in office, even though such remaining Directors may be less than a quorum. Unless a prior vacancy occurs by reason of death, resignation or removal from office, each Director so elected shall hold office until the next annual meeting of the unit owners and until his successor qualifies.

6.7 ***Removal of Directors:*** Any Director appointed by the Declarant or its successor can be removed by the Declarant or its successor at any time, with or without cause, but only by the Declarant or its successor. A Director elected by the Association may be removed from office, with or without cause, at any special meeting of the unit owners, duly called for that purpose as provided in these By-Laws, by a majority vote of unit owners present in person or by proxy at such duly constituted meeting. At such meeting, a successor or successors may be elected by the majority vote of the unit owners present in person or by proxy, or if any vacancy is not so filled, it may be filled by the Directors.

6.8 ***Powers of Association-Authority of Board of Directors.*** The Association shall have all powers necessary or proper to carry out the purpose of the Association as stated in the Declaration or these By-Laws or the Administrative Rules or as granted in the Act, acting by and through the Board of Directors including, without limitation, the power to:

- (a) Operate, care, keep up and maintain the common areas and facilities of the condominium.
- (b) Determine and assess the amounts required for operation, care, upkeep, maintenance and other affairs of the condominium.
- (c) Collect the assessments from the unit owners.
- (d) Employ and dismiss personnel as necessary for the efficient maintenance and operation of the property.
- (e) Adopt and amend administrative rules covering the details of the operation and use of the property.

- (f) Enter into contracts.
- (g) Incur indebtedness; borrow money.
- (h) Acquire units and convey same.
- (i) Have access to each unit during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common areas and facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or limited common areas and facilities or to another unit.

ARTICLE SEVEN OFFICERS AND AGENTS

7.1 ***Number.*** The Officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers must be unit owners except that a Director appointed by the Declarant or its successor may be an officer even though not a unit owner. The offices of Secretary and Treasurer may be held by the same person.

7.2 ***Election of Officers and Term of Office.*** The officers of the Association shall be elected annually by the affirmative vote of the Board of Directors at each annual meeting of the Board and shall hold office at the pleasure of the Board.

7.3 ***Removal of Officers.*** Upon an 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 elected at any regular or special meeting of the Board of Directors called for such purpose.

7.4 ***President:*** The President shall be the Chief Executive Officer of the Association and shall be selected from among the Board of Directors. The President shall preside at all meetings of the Association and Board of Directors and shall have all of the general powers and duties which are usually vested in the office of the President of such an Association, including, but not limited to, the power to appoint such committees from among the unit owners from time to time as the President may decide are appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the unit owners at any regular or special meetings.

7.5 ***Vice President:*** The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or the inability of the President for any reason to exercise such powers and functions or perform such duties; and such powers and duties as the Board of Directors or the President shall delegate to the Vice President.

7.6 **Secretary:** The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association, shall count votes, and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of Secretary as provided in the Declaration and By-Laws.

The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member and the undivided interest in the common areas and facilities. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7.7 **Treasurer:** The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other 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. In the event a managing agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter. At the expense of the Association, the Treasurer shall be bonded for \$10,000.00. All books and records which the Treasurer is responsible to keep shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7.8 **Managing Agent:** The Board of Directors may appoint, on behalf of the Association, a managing agent who may be a natural person or a legal entity, or the Declarant or its successor, and may contract with or employ such person to manage and administer the condominium on such terms and conditions as the Board deems suitable and advisable. In the event a managing agent is appointed, the Board may delegate to such managing agent, by contract or otherwise, such of its powers of administration over the condominium as it deems suitable and advisable.

ARTICLE EIGHT ADMINISTRATION

8.1 **General:** The Board of Directors, acting through the Officers and managing agent of the Association, shall administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, these by-laws and all supplements and amendments thereto.

8.2 **Administrative Rules:** The Board of Directors may establish, make and enforce compliance with rules as may be necessary for the operation, use and occupancy of the condominium and may amend the rules and regulations from time to time. Copies of such rules shall be furnished to each unit owner prior to the date when they shall become effective.

8.3 **Maintenance:** The Association, under the supervision of the Board of Directors, shall keep in good order, condition and repair all of the common and limited common areas and facilities, including landscaping, and all items of common personal property and may incur such costs and expenses, as common expenses, as may be necessary to achieve such purpose including maintenance, repair or replacement.

8.4 **Property Insurance:** The Association shall obtain and continue in effect, insurance against loss or damage to the condominium, common and limited areas, and facilities for all risks of loss excluding such perils as are found in MP-00 13 form. Coverage shall be obtained for the full replacement value of the building. The insurance policy shall be endorsed or written to recognize the replacement cost method of valuation. The policy should also be endorsed to provide for an agreed amount clause recognizing the replacement value and deleting the co-insurance clause normally contained in the policy. The Board of Directors may engage the services of a bank, trust company or title insurance company authorized to do business in Wisconsin to act as agent or depository on behalf of the Board of Directors for the purpose of receiving and disbursing insurance proceeds resulting from any loss upon such terms as the Board of Directors shall determine consistent with the provisions of the Act. The expenses and fees of such agent or depository shall be common expenses.'

8.5 **Waiver of Subrogation:** Each unit owner and the Association hereby mutually waive and release any and all claims which they may have against each other, their respective Directors, Officers, agents, employees and invitees, if any, for damage or destruction to the condominium, including the common areas and facilities, the units and any personal property located within said units or within the common areas and facilities caused by or resulting from fire or any other casualty to the extent that such damage or destruction is covered by fire insurance or other form of insurance and to the extent such waiver is legally authorized and permitted by the insurance carrier.

8.6 **Other Insurance:** The Board of Directors shall also have authority to and shall obtain comprehensive general liability insurance, including liability for bodily injuries, personal injuries and property damages with a combined single limit of \$1,000,000. The comprehensive general liability policy shall be extended to include owner's and contractor's protective liability, contractual, and any other liability insurance as the Board may deem desirable. Premises medical payments shall be added to the policy using limits of \$1,000 per person and \$25,000 per occurrence. The Association shall be the named insured while each unit owner shall be added as an additional named insured as their interest might appear.

The Board may also be given authority by the members to obtain such other insurances as deemed necessary. The premiums for all insurances discussed in these sub-paragraphs 8.4 and 8.6 shall be common expenses.

8.7 **Insurance of Unit Owner:** Insurance coverage obtained as part of the common expenses as above provided shall be without prejudice to the rights of the unit owners to insure their respective units for their benefit. Each unit owner shall be responsible for insurance on the

contents of the unit, fixtures, furnishings, personal property therein, any additions, alterations or improvements to the unit, and for personal liability to the extent not covered by the liability insurance for all of the unit owners obtained as part of the common expenses as above provided, and for such other insurance as the unit owner may deem necessary.

8.8 ***Mortgages:*** A unit owner who mortgages a unit shall notify the Association through the managing agent, if any, or the Secretary, giving the name and address of the mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units". The Board of Directors whenever so requested, in writing, by a mortgagee of the unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged unit and shall send a copy of any notice of default to such holder of a mortgage. Each mortgagee of a unit shall be permitted to examine the books of account at reasonable times, on business days, but not more often than once each month.

ARTICLE NINE ASSESSMENTS

9.1 ***Purpose of Assessments:*** The Association shall levy assessments upon the unit owners for the purpose of paying the common expenses, which assessments shall be used exclusively for the purpose of promoting the health, safety and welfare of the unit owners and, in particular, for the improvement and maintenance of the condominium and its services and facilities related to the use and enjoyment of the common and limited common areas and facilities. The common expenses shall include, but not by way of limitation, any expenses for common utilities, insurance, labor, equipment, materials, management and supervision for maintenance, repair, replacement and improvement to the common and limited common areas and facilities and personal property located therein.

In addition to the assessments levied by the Association upon the unit owners, there shall be a one-time \$300.00 assessment paid to the Association by each buyer of each unit to fund the reserve for deferred maintenance described in paragraph 9.3, (b), below. This \$300.00 one-time assessment shall be collected at the time each unit owner acquires title to the unit, and shall be paid by all initial purchasers of units, as well as all subsequent purchasers of units.

9.2 ***Personal Obligation of Assessments:*** In addition to being a charge on each unit and continuing lien thereon, assessments by the Association to be fixed, established and collected, from time to time, as hereinafter provided, shall be a personal obligation of each unit owner at the time when any such assessment falls due, to the full extent of the assessment allocated to the unit in which said owner holds an interest.

9.3 ***Categories of Common Expenses:*** Common expense shall be separated into the following four classifications, and all funds, expenditures and assessments of the Association shall be classified, credited and charged to accounts on the books and records of the Association corresponding thereto:

- (a) ***Current Expense.*** Current expense which shall include all funds and expenditures within the year for which the funds are budgeted and a reasonable allowance for contingencies and working capital, but shall exclude expenditures chargeable to the reserves.
- (b) ***Reserve For Deferred Maintenance.*** Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually, including for repair or replacement required because of damage, wear or obsolescence.
- (c) ***Reserve For Improvements.*** Reserve for improvements to the common or limited common areas and facilities.

9.4 ***Budget and Assessment:*** The Board of Directors shall each year by December 15 cause to be prepared an annual budget, from which shall be determined the estimated amount of common expenses for the forthcoming calendar year and the Board of Directors shall allocate and assess such common expenses among the units on the basis of their respective percentage ownership of undivided interest in the common areas and facilities; provided, however, that the Board of Directors shall not be authorized to assess or make reserve for any purpose, except reserve for deferred maintenance, that requires a capital expenditure in excess of \$1,000.00 without first obtaining authorization therefor by majority of the unit owners present in person or by proxy at a duly constituted meeting.

9.5 ***Dates of Payment - Adjustments:*** The Board of Directors shall determine the dates when payment of such assessments, or portions thereof, are due and may adjust, decrease or increase such assessments or apply any excess to common expenses in a subsequent year. The Board of Directors, whenever in its opinion it is necessary or proper to do so, may levy special assessments in order to meet increased operating or maintenance costs or as a result of emergencies or to cover any needed replacement or improvement. Written notice of all assessments shall be sent to the address of each unit owner registered pursuant to Section 5.3 of these By-Laws. The Association shall, upon demand, at any time, furnish to any unit owner liable for said assessment, a certificate in writing signed by an Officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

9.6 ***Commencement of Annual Assessments.*** The annual assessments provided for herein shall commence on the date fixed by the Board of Directors to be the date of commencement. The first annual assessment shall be made for the balance of the calendar year during which the commencement date occurs.

9.7 ***Audit Annual Report:*** The Board of Directors shall cause a complete audit of the books and accounts of the Association to be made by an accountant at least once each year and shall cause to be prepared and delivered annually to each unit owner a statement showing receipts and disbursements since the last such statement.

9.8 **Remedies of Association for Non-Payment:** In the event that an assessment is not paid when due, and upon the general or special authorization by resolution of the Board of Directors, the Association may take any or all of the following actions, or other such action provided for in the Act:

- (a) Foreclosure of the lien therefor on the applicable unit in the manner provided in the Declaration and By-Laws and Wisconsin Condominium Ownership Act.
- (b) Suspend the membership rights of any unit owner of the applicable unit in the manner provided in Section 4.2 of these by-laws.
- (c) Collect such assessment by suit or otherwise along with a late charge not to exceed \$10.00, and interest thereon at the maximum rate allowed by law and expenses of collection including reasonable attorney's fee.
- (d) Maintain an action for damages.

If there be more than one unit owner of a unit, each such unit owner shall be jointly and severally liable to the extent of the full assessment against the applicable unit and shall be subject to all remedies enumerated herein. No unit owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas and facilities or abandonment of his unit.

ARTICLE TEN RIGHTS AND OBLIGATIONS OF UNIT OWNERS

10.1 **Use and Enjoyment of Common Areas and Facilities.** Each unit owner shall have the right to use the common areas and facilities in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of others, subject to restrictions and limitations which may be contained in the Declaration, these By-Laws or the Administrative Rules authorized by the Board of Directors.

10.2 **Notice of Lien or Suit:** A unit owner shall give notice to the Association of every lien or encumbrance upon his unit other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his unit. Such notice shall be given in writing within five (5) days after the unit owner has knowledge thereof.

10.3 **Maintenance and Repair.** Every unit owner must perform promptly, at his own expense, all maintenance and repair work and, if necessary, replacement within his own unit which, if not done, would affect the appearance of or the aesthetic or physical integrity of part or all of the condominium.

All maintenance, repairs and replacements of the installations in the units of water, electric, gas, telephone, sanitary, and all other accessories, equipment and fixtures and property of the unit

owner's shall be at the unit owner's expense. This shall be in addition to any other obligations imposed herein or elsewhere upon the unit owners.

A unit owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any of the common or limited common areas and facilities damaged by a unit owner's acts or by the acts of the unit owner's family, tenants, agents or guests. Until so paid, such amounts constitute a lien on said owner's unit.

Each unit owner shall maintain, repair and replace, at owner's expense, all portions of the unit. No unit owner shall paint or otherwise decorate or change any portion of the condominium buildings not within the boundaries of his or her unit without the express written permission of all of the other unit owners. In addition, each unit owner shall maintain and repair all doors and windows, including garage doors and patio doors, provided that if it becomes necessary to replace any door or window, the replacement shall be as identical to the original door or window as possible. Each unit owner shall be responsible for pest control within the confines of the owner's unit. All lawn areas and foliage located in limited common areas shall be maintained and/or replaced by the Condominium Owner's Association.

10.4 ***Mechanics Lien:*** Each unit owner agrees to indemnify and to hold harmless each of the other unit owners from any and all claims of mechanics lien filed against other units and the common areas and facilities for labor, materials, service or other products incorporated in such unit owner's unit. In the event such a lien is filed or a suit for foreclosure of a mechanic's lien is commenced, then within ten (10) days thereafter, such unit owner shall be required to deposit with the Association, cash or negotiable securities equal to one and one-half (1-1/2) of the amount of such claim plus interest for one (1) year, together with a sum equal to ten percent (10%) of the amount of such claim (but not less than \$1,000.00), which later sum may be used by the Association for any costs and expenses incurred, including reasonable attorney's fees incurred. Except as otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to ensure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the unit owner and his failure to so pay shall entitle the Association to make such payment and the amount thereof shall be a personal debt of the unit owner or owners jointly and severally and a lien against the unit which may be foreclosed in the manner authorized by the Declaration for liens arising for unpaid assessments. All advancements, payments, costs and expenses, including attorney's fees incurred by the Association, shall be forthwith reimbursed to it by such unit owner, and the unit owner shall be liable to the Association for the payment of interest at the rate of twelve percent (12%) per annum on all such sums paid or incurred by the Association.

10.5 ***Use of Units - Internal Changes:*** All units, including garages, shall be utilized only for the purposes provided in the Declaration. A unit owner shall not make any modifications or alterations to his unit or installations located therein, including garages, without the written

approval of the Board of Directors. The Board of Directors shall be notified in writing of the intended modifications through the managing agent or, if no managing agent is employed, then through the Secretary. The Association shall have the obligation to answer a unit owner's request within sixty (60) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

No owner or tenant of a unit shall do, or suffer or permit to be done, anything in any unit or garage which would impair the soundness or safety of the property, or which would increase the rate or result in the cancellation of insurance applicable to the property or which would be noxious or offensive or an interference with the peaceful possession and proper use of other units, or which would require any alteration of or addition to any of the common elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

10.6 *Right of Entry:* A unit owner shall and does grant the right of entry to the managing agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his unit whether the unit owner is present at the time or not.

A unit owner shall permit other unit owners or their representatives to enter his unit for the purpose of performing installation, alterations or repairs to the mechanical, electrical or other utility services which, if not performed, would affect the use of other units; provided that requests for entry are made in advance and that such entry is at a time convenient to the unit owner. In case of an emergency, such right of entry shall be immediate.

10.7 *Compliance with Rules:* All unit owners, tenants, guests and agents shall obey all Rules, Regulations and covenants contained in the Act, Declaration, these By-Laws, and all Administrative Rules and Regulations. The Owner's Association is hereby given the right to bring action for injunction or damages, as well as other remedies contained in the Act, Declaration, these By-Laws or any Rules and Regulations, to enforce all Rules, Regulations and covenants. Waiver of any one violation shall not constitute waiver as to any other violations preceding or subsequent.

ARTICLE ELEVEN COMMITTEES

11.1 *Designation:* The Board of Directors may establish such Committees as it deems appropriate to the efficient operation of the condominium. Committee appointments shall consist of unit owners designated by the Board of Directors.

11.2 *Nomination Committee:* The Board of Directors shall appoint a Nomination Committee annually consisting of three unit owners. The Nomination Committee shall make as many nominations for elections to the Board of Directors as it shall, in its discretion, determine but less than the number of vacancies to be filled. Additional nominations can be made from the floor.

ARTICLE TWELVE
INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

The members of the Board shall not be liable to the unit owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the property unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the property. It is also intended that the liability of any unit owner arising out of any contract made by the Board or out of the indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all the unit owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the property shall provide that the members of the Board or the managing agent, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all unit owners in the common areas and facilities.

ARTICLE THIRTEEN
ABATEMENT, ENJOINMENT AND EXPULSION

13.1 *Abatement, Enjoinment and Expulsion:* Violation of any administrative rule adopted by the Board of Directors or the breach of any By-Law or any provision of the Declaration or Act shall give the Board of Directors or the managing agent the right, in addition to any other rights set forth herein: 1) to enter the unit in which, or as to which, such violation or breach exists and summarily abate and remove at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or a managing agent shall not be deemed guilty in any manner of trespass; and to expel, remove and put out using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; 2) to enjoin, abate or remedy by appropriate legal proceeding, either at law or an equity, the continuance of any breach.

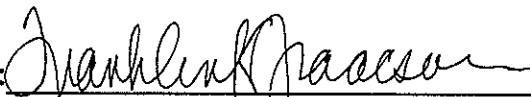
ARTICLE FOURTEEN
AMENDMENTS TO BY-LAWS


14.1 *Amendments:* These By-Laws may be amended at a regular or special meeting of the unit owners by the affirmative vote of the owners of at least three or more of the votes; and provided further that any provision stated herein to be or which is in fact governed by the Declaration, may not be amended except as provided in the Declaration.

14.2 **Conflicts:** In the case of any conflicts between the Declaration and these By-Laws, the Declaration shall control.


Dated this 27th day of July, 19 94.


SHELTER DESIGN GROUP, LTD.


By: 
Franklin K. Isaacson, President

By: 
Kathleen J. Isaacson, Secretary

PFEFFERLE INVESTMENTS, INC.

By: 
John Pfefferle, President

By: 
Lynn Pfefferle, Secretary


Jon A. Kester