

RULES AND REGULATIONS

OF THE

WINDSOR NORTH CONDOMINIUM OWNERS ASSOCIATION LTD.

ATTACHED TO THE BY-LAWS AS EXHIBIT "A"

1. Any common sidewalks and driveways shall not be obstructed or used for any purpose other than ingress to and egress from the Units, nor shall they be used as play areas.
2. Except as to the areas termed Limited Common Elements, no article shall be placed on or in any of the Common Elements except for those articles of personal property which are the common property of all of the Unit Owners.
3. No vehicle shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from a building or parking area. Vehicles shall not be parked along the sidewalks in front of the Units except for loading and unloading purposes and except for guest parking, but in no event shall there be any overnight parking along the sidewalks. Resident parking shall be limited to the designated garages and carports and to the overflow parking area to the south of the six car garage. Overnight guest parking shall be restricted to the same overflow parking area to the south of the six car garage.
4. No wiring for electrical or telephone purposes, or for any other purposes, shall be installed in any Unit or the Common Elements nor shall any television or radio antennae, nor machines or air conditioning units be installed, either on the exterior of Windsor North, including any part of any balconies, or that protrude through the walls or the roof of Windsor North except as may be expressly authorized by the Association.

5. All occupants of Windsor North 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 11:30 P.M. and the following 8:00 A.M.

6. Disposal of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities. Garbage shall be placed in plastic bags and properly tied or secured prior to being placed in the common trash facilities.

7. The balconies, porches and patios 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. No rugs or other materials shall be dusted from windows, balconies, porches or patios by beating or shaking.

8. No pets of any kind shall be permitted in any unit. An exception to this rule shall be those occupants, either unit owners or tenants, who resided in units of Windsor North prior to the conversion of Windsor North into the condominium form of ownership. Such occupants shall be allowed to keep what pets they had at the time of the filing of the Declaration of Windsor North Condominium. However, such pets shall be kept on a leash at all times when not within a unit and shall be made to walk and relieve themselves along the sides of the adjacent public roadway where lawns have not been established.

9. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in any common or other storage area.

10. The Managing Agent or, if there is no Managing Agent, then the Board of Directors, shall retain a passkey to each Unit. No lock on a door leading into a Unit shall be altered, nor new lock installed without prior consent of the Association; and, if such consent is given, the Unit Owner shall provide a key for the Managing Agent's or the Board of Directors' use.

11. The draperies or the materials used on all exterior windows of a Unit shall be made of materials approved by the Association.

12. All signs of any kind within Windsor North displayed in public view must receive prior consent of the Association.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.

ARTICLE VIII
ADMINISTRATION

8.1 General. The Board of Directors, acting through the officers and/or 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 Rules and Regulations. The initial Rules and Regulations, which shall be effective until amended or supplemented, are annexed hereto and made a part hereof as Exhibit "A". The Board of Directors may establish, make and enforce compliance with such additional rules as may be necessary for the operation, use and occupancy of Windsor North, and may amend the initial Rules and Regulations or any additional rules from time to time. Copies of such additional or amended 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 Elements 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.

8.4 Property Insurance. The Association shall obtain and continue in effect insurance against loss or damage of Windsor North by fire, and extended coverage risks, including vandalism and malicious mischief or other hazards, under such terms and in such amounts as requested by mortgagees holding first mortgages on Units and in an amount as near as practicable to full replacement value thereof without deduction for depreciation. Such insurance coverage shall be written on Windsor North in the name of the Association, as trustee for the Unit Owners in the per-

centage of undivided interest of said Unit Owners in the Common Elements as established in the Declaration. Premiums on such insurance shall be Common Expenses. 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 Windsor North, including the Common Elements, the Units and any personal property located within said Units or within the Common Elements, caused by or resulting from fire or other casualty, to the extent that such damage or destruction is covered by fire insurance or other form of casualty insurance and to the extent such waiver is legally authorized and permitted by the insurance carrier.

8.6 Other Insurance. The Board of Directors, Managing Agent, or Manager of the Association shall also have authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons with minimum limits of not less than \$100,000.00 for death or injury to one person and not less than \$300,000.00 for death or injury to more than one person and property damage with the minimum limit of \$50,000.00 and workmen's compensation insurance and other liability insur-

ance as it may deem desirable, insuring the Unit Owners, the Association, its officers, Board of Directors, the Managing Agent, if any, and their respective employees and agents from liability in connection with Windsor North, and insuring the officers of the Association and the Board of Directors from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance 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 Unit Owners to insure their respective Units for their benefit. Each Unit Owner shall be responsible for his own insurance on the contents of his Unit, furnishings and personal property therein, and his personal property stored elsewhere on Windsor North, any additions, alterations or improvements to his Unit, and his personal liability for the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided.

8.8 Mortgages. A Unit Owner who mortgages his Unit shall notify the Association through the Managing Agent, if any, or the Secretary, giving the name and address of his 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 a 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 IX

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 Windsor North. The common expenses shall include, but shall not be limited to, expenses for utilities, insurance and labor, equipment, materials, management and supervision for maintenance, repair, replacement and improvements to the common elements and personal property located therein.

9.2 Personal Obligation of Assessments. In addition to being a charge on each Unit and a continuing lien thereon if a statement of lien is filed pursuant to s. 703.16 Wis. Stats., 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 he holds an interest.

9.3 Categories of Common Expenses. Common Expenses shall be separated into the following four (4) 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, 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, which shall include funds for maintenance items which occur less frequently than annually;
- c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence;
- d) Reserve for improvements to the Common Elements.

9.4 Budget and Assessment. The Board of Directors shall cause to be prepared an Annual Budget, from which shall be determined the estimated amount of Common Expenses for any forthcoming 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 Elements; provided, however, that the Board of Directors shall not be authorized to assess or make reserve for any purpose that requires a capital expenditure in excess of \$1,000.00 without first obtaining authorization therefore by majority vote 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 may, whenever in its opinion it is necessary or proper so to do, levy special assessments in order to meet increased operating or maintenance costs or as the result of emergencies. Written notice of all assessments shall be sent to the address of each Unit Owner

registered pursuant to Section 5.3 hereof. The Association shall upon demand at any time furnish to any Unit Owner liable to said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has 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 Association shall maintain full and accurate books and accounts and all Units Owners shall have the right to inspect and examine such books and accounts at reasonable times. At least once each year, the Board of Directors, shall cause to be prepared and delivered 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, upon the general or special authorization by resolution of the Board of Directors, the Association may take any or all of the following actions:

- a) File a statement of lien pursuant to s. 703.16 Wis. Stats.
- b) Foreclose the lien therefor on the applicable Unit in the manner provided by law.
- c) Suspend the voting rights of any Unit Owner of the applicable Unit in the manner provided in Section 4.2 hereof.
- d) Collect such assessment by suit or otherwise along with interest thereon at the rate of 10% per annum and expenses of collection, including attorneys' fees.

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. Liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the unit for which the assessments are made.

ARTICLE X

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

10.1 Use and Enjoyment of Common Elements.

Each Unit Owner and his family, guests and tenants shall have the right to use the Common Elements in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of others, subject to the following restrictions and limitations:

- a) Restrictions and limitations contained in the Declaration;
- b) Restrictions and limitations contained in these By-Laws;
- c) The Rules and Regulations;

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, and such notice shall be given in writing within five 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 within his own unit which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of Windsor North.

All the repairs of internal installation within a unit such as water, light, gas, telephone, or sanitary installations, or doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the Unit Owners expense.

The external of Windsor North should at all times be uniformly decorated. At no time shall a Unit Owner do any decorating, repainting or refinishing in and about the Unit's patio or second floor balcony without first having attained the prior approval of the Board of Directors. If the Unit Owner violates this provision of the By-Laws, the Directors have full authority to order the redecorated or refinished or resurfaced so as to uniformly conform with the exterior appearance of the building and such work will be at the sole expense of the Unit Owner. This restriction also applies to the railings on the second floor balconies. Also the exterior of the unit door leading to the common area may only be refinished with the prior approval of the Board of Directors for the same reasons.

10.4 Mechanic's Lien. Each Unit Owner agrees to indemnify and to hold harmless each of the other Unit Owners from any and all claims of mechanic's lien filed against other Units and the Common Areas and Facilities for labor, materials, services or other products incorporated in the indemnifying Unit Owner's Unit. In the event such a lien is filed or a suit for foreclosure of mechanic's lien is commenced, then within ten days thereafter such Unit Owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-quarter of the amount of such claim plus interest for one year together with a sum equal to ten per cent of the amount of such claim (but not less than One Hundred Fifty Dollars), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. 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 insure payment of or an account of such final judgment or settlement. Any deficiency, including attorney's fees or other expenses 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 debt of the Unit Owner or Owners and a lien against his 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 per cent. per annum on all such sums paid or incurred by the Association.

10.5 Use of Units - Internal Changes. All units shall be utilized only for the purposes provided in the Declaration. A Unit Owner shall not make structural modifications or alterations to his Unit or installations located therein 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 fifteen 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.

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 installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other Units(s); 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.

ARTICLE XI

COMMITTEES

11.1 Designation. The Board of Directors may establish such committees as it deems appropriate to the efficient operation of Windsor North. 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 (3) 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 not less than the number of vacancies to be filled. Additional nominations can be made from the floor.

ARTICLE XII

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

The corporation shall indemnify an officer, director or employee upon a determination by the Board of Directors in each specific case that the officer, director or employee has met the applicable standards of conduct set forth in subsections (1) or (2) of this article, or if subsection (3) is applicable.

(1) This corporation shall have power to indemnify any officer, director or employee who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, or employee of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against the expenses including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) This corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, or employee of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such suit or action was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(3) To the extent that a director, officer or employee of this corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subdivision (1) or (2), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses including attorneys' fees, actually and reasonably incurred by him in connection therewith.

ARTICLE XIII

13.1 Abatement and Enjoinment. The breach of any Rule or Regulation adopted by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, 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 to 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 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 therefore; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XIV

RIGHT OF FIRST REFUSAL TO OWNERS ASSOCIATION

TO LEASE OR PURCHASE UNIT

14.1 First Refusal. With the exception of transfers of ownership of any unit by one spouse to another and with the exception of the transfer or lease of a unit by the Declarant, should the Unit Owner of any unit be desirous of leasing or selling such unit, the Association is hereby given and granted the right of first refusal to lease or purchase such unit, as the case may be, on the terms and conditions herein stated, and no Unit Owner of a unit shall lease or sell the same to any party without first giving the Association notice in writing of such lease or sale as herein provided, thereby giving the

Association the opportunity to determine if it will exercise the right of first refusal to lease or purchase said unit on the same terms and conditions as those contained in any bona fide offer which the Unit Owner of such unit may have received for the lease or purchase of said unit. Whenever the Unit Owner of any unit has received a bona fide offer to lease or purchase his unit and is desirous of accepting such bona fide offer, a bona fide offer being defined herein as an offer in writing binding upon the offeror and containing all of the pertinent terms and conditions of such lease or sale, and accompanied by an earnest money deposit, the Unit Owner of such unit shall notify the Board of Directors of the Association in writing by registered or certified mail sent to the offices of said Association, or by personal delivery made to the President or Secretary of said Association, of his desire to accept such offer for the lease or purchase of his unit, stating the name, address, business, occupation or employment, if any, of the offeror and an executed copy of the bona fide offer for said lease or purchase to be enclosed with such notice. If the Association is desirous of exercising its option to lease or purchase said unit on the same terms and conditions as are contained in said bona fide offer, then the Association shall notify the Unit Owner of said unit desiring to lease or sell the same of the exercise by Association of its election to so lease or purchase said unit, such notice to be in writing and posted by registered or certified mail to said Unit Owner within thirty days from receipt by the Association of owner's notice to said Association as herein above required, or said notice in writing may be personally delivered to said Unit Owner within said thirty

day period. If the Association has elected to lease or purchase such unit, then, upon notifying the Unit Owner of such unit of its election to lease or purchase said unit, the Association shall execute a lease or contract to purchase, and shall consummate such contract to purchase, all on the same terms and conditions as those contained in said bona fide offer. When any Unit Owner of a unit has notified the Association as above provided of his desire to lease or sell his unit, such owner shall be free to consummate such lease or sale of his unit unless, within thirty days after the Unit Owner has delivered his required notice to the Association, the Association has notified the Unit Owner of its intention to exercise its right of first refusal and to lease or purchase such unit. However, in said event, the Unit Owner of said unit shall not lease or sell the unit to any party other than the party designated to the Board of Directors of the Association in the aforescribed and required notice, nor for any lower rental or purchase price, nor on any more favorable terms and conditions than those originally contained in said bona fide offer presented to the Association, without again giving the Association the right of first refusal to lease or purchase such unit in the manner above provided.

14.2 Assignment. If the Board of Directors of the Association shall so elect, it may cause its right of first refusal to lease or purchase any unit to be exercised in its name for itself or for a party approved by the Board of Directors, or the Board of Directors of the Association may elect to cause said unit to be leased or purchased directly in the name of a party approved by it, which party shall enter into a lease or contract or purchase

and consummate such contract to purchase said unit in the same manner as would the Association upon its exercise of said right of first refusal to lease or purchase such unit. Whenever the right of first refusal granted to the Association is to be exercised in the name of a party approved by the Association, notice of such election as required herein shall be executed by the Association, and the party approved by the Board of Directors of the Association.

14.3 Right of Redemption. In the event the Unit Owner of a unit shall lease or sell such unit without giving written notice to the Association pursuant to the Association's first right of refusal in Paragraph 14.1 above, then the Association shall have the right to redeem the Unit from such lease or sale transaction by reimbursing the lessee for the amount of any rent paid in advance, and by executing a lease in favor of the Unit Owner of such Unit identical with that being redeemed, or by refunding unto the purchaser of the Unit the purchase price paid therefore, in which latter event, the purchaser of such unit shall convey the same to the Association or to the party designated and approved by the Association.

Within thirty days of the consummation of the sale or lease of a unit, the Lessee or purchaser in the transaction shall notify the Board of Directors of his lease or purchase of a unit, such notice to be in writing and to state the name and address and business occupation or employment, if any, of the lessee or purchaser and the terms or condition of the lease or purchase, and to be delivered to the Association in the same manner as the notice is required to be given prior to consummation of such lease or sale transaction in paragraph 14.1 above. Thereafter, the Association shall have thirty days from receipt of the notice within which to exercise the right of redemption granted to the Association and to accomplish the redemption. Failure to exercise

the right of redemption within the thirty day period of time, provided the same is not obstructed by the party from whom the redemption must be made, shall cause the right of redemption granted to the Association to terminate and expire as to the lease or purchase transaction.

14.4 Sublease Requirements. Notwithstanding the foregoing, no unit shall be leased unless the terms and provisions of the lease shall provide that the unit may not be sublet without the prior written approval of the Association, and any lease shall provide that the lessee shall comply with and abide by all of the restrictions pertaining to the use of the unit and common elements contained in the Declaration of Condominium and with the By-Laws and with the Rules and Regulations established by the Association governing the use of the unit and common elements, and should any lessee not comply with such restrictions, then the Association shall be given the right to cancel and terminate such lease, all without any obligation to the Unit Owner, and in said respect, the Association shall be regarded as the owner's agent, fully authorized to take the steps that may be necessary to effect the cancellation and termination of the lease.

14.5 Judicial Foreclosure; The right of first refusal granted to the Association shall not apply to or be operative in any mortgage foreclosure of a unit, although the title of the purchaser at any foreclosure sale shall thereafter be subject to the right of first refusal granted to the Association pertaining to the lease or sale of such units.

14.6 Ownership By Gift, Devise Or Inheritance. In the event a unit is transferred by gift or devise or inheritance, the Association shall have thirty days after receiving written notice of such gift or devise or inheritance from the donor or donee or devisee or person inheriting (devisee or person inheriting hereafter "devisee") or on its own action at any time prior to written notice being received from any of such parties, to elect to purchase the unit by giving the donee or devisee written notice of such election at its fair market value as determined by an appraisal as follows: The donee or devisee and the Board of Directors of the Association shall select a mutually agreeable appraiser and if none can be agreed upon within ten days after notice of election to exercise option, then the devisee or donee or the Board of Directors may, upon written notice to the other, apply to the Circuit Court of Winnebago County for the appointment of an appraiser. Within ten days after receipt of written notice from the appraiser as to the decision of the appraiser, the Association through its Board of Directors may elect not to purchase the unit if not satisfied with the appraisal. If the Board of Directors elects to purchase the unit, it shall give the donee or devisee written notice of its final election within such ten day period, whereupon the unit shall be transferred to the Association or its designee by warranty deed or personal representative's deed free and clear of all liens and encumbrances. If the Board of Directors does not give the donee or devisee written notice of its election to purchase within the initial thirty day period and within the subsequent ten day period, the donee or devisee is free to retain said unit subject to the Declaration, By-Laws, Rules and Regulations. Appraisal costs shall be borne equally by both parties. An appraiser selected by the parties or appointed by the court shall be a member of a nationally recognized appraisal group.

ARTICLE XV

EXPULSION

15.1 Expulsion. The use restriction in the Declaration and the By-Laws and Rules are created to provide for a congenial occupancy of Windsor North and to provide for the protection of the value of the units. Accordingly, in addition to other use restrictions in the Declaration and the By-Laws and the Rules and in addition to the remedies provided in Article XIII, the Association shall have the right to purchase and the Unit Owner must sell a unit under the following circumstances. If a Unit Owner breaches any of the terms of the Declaration, or the By-Laws or the Rules of Windsor North and after two written notices of at least ten days each from the Board of Directors the Unit Owner has not remedied such breach, or if a Unit Owner breaches any of the terms of the Declaration or By-Laws and Rules and has received five or more written notices to remedy such breach or breaches from the Board of Directors within a twelve month consecutive period (whether or not the same part of the Declaration or By-Laws or Rules have been breached) the Board of Directors may call a special meeting of the Unit Owners for the purpose of determining if the Association or its designee shall buy the unit of such owner. At the meeting the Board of Directors and the Unit Owner shall present such facts and relevant information by way of exhibits or witnesses as each shall deem advisable to substantiate or disprove that the owner breached or did not breach the Rules, By-Laws or Declaration

in the manner aforesaid. After both the Board of Directors and the Unit Owners have had a reasonable time to present this information, the Unit Owners shall vote to determine if (1) the Unit Owner did in fact breach the Declaration or By-Laws or Rules and (2) did not remedy such breach after receiving either (a) two such consecutive written notices from the Board of Directors or (b) if the Unit Owner breached the Declaration or By-Laws or Rules and received five or more written notices from the Board of Directors requesting such breaches to be remedied within a twelve-month consecutive period. If the vote is in the affirmative on both of such questions by a 75% vote of all Unit Owners, the Unit Owners shall then vote to decide if the Association shall buy back the unit of such owner. If the vote to buy back is in the affirmative by 75% of all Unit Owners, such Unit Owner shall sell and the Association shall buy the unit at its fair market value free and clear of all liens and encumbrances. Fair market value shall be determined by appraisal. The Unit Owner and the Board of Directors shall select a mutually agreeable appraiser. If the parties cannot agree on an appraiser within ten days after the special meeting of the Unit Owners, then either the Unit Owner or the Board of Directors upon written notice of the other may apply to the Circuit Court of Winnebago County for the appointment of an appraiser. The fair market value as determined by the appraisers shall be the purchase price and the transaction shall be closed as soon as reasonably possible. An appraiser must be a member of a nationally recognized appraisal group. The appraisal cost shall be shared equally by the Unit Owner and the Association.

ARTICLE XVI

No unit, whether leased or owned, may be occupied by any person under the age of sixteen.

ARTICLE XVII

PETS

No pets of any kind shall be permitted in any unit. Any exception to this article shall be those occupants, either Unit Owners or tenants, who resided in Units of Windsor North prior to the conversion of Windsor North into the condominium form of ownership. Such occupants shall be allowed to keep what pets they have at the time of the filing of the Declaration of Windsor North.

ARTICLE XVIII

ACQUISITION AND CONVEYANCE OF REAL PROPERTY

18.1 Acquisition. Anything to the contrary in these By-Laws notwithstanding, the acquisition by the Association of any real property pursuant to the Declaration or the By-Laws shall only be upon the three-quarters approval of the members of the Association. Title to any property acquired shall be taken in the name of the Association.

18.2 Conveyance. Likewise, the conveyance of any real property, title of which is in the Association, shall only be upon the three-quarters approval of the members of the Association. The members of the Association by resolution shall specifically authorize two officers of the Association to execute the necessary instruments of conveyance.

ARTICLE XIX

BORROWING OF MONEY, INCURRING INDEBTEDNESS

Anything to the contrary in these By-Laws notwithstanding, the borrowing of any money or the incurring of indebtedness by the Association in excess of the cumulative total of \$1,000 shall only be made upon three-quarters approval of the members of the

Association. The members of the Association by resolution shall specifically authorize two officers of the Association to execute any necessary instruments of indebtedness on behalf of the Association.

ARTICLE XX

DECLARANT CONTROL

The period of time commencing on the date that the first condominium unit is conveyed by the Declarants to any person other than one of the Declarants until the earlier of: (1) Three years from such date; or (2) thirty days after the conveyance of 75% of the common element interest to purchasers; shall be known as the period of "Declarant Control". During the period of Declarant Control, the Declarant shall have the power to appoint and remove the officers of the owners association or to exercise the powers and responsibilities otherwise assigned by the Declaration or the Condominium Act to the association of unit owners or its officers. The powers and responsibilities which may be exercised by the Declarants during the period of Declarant Control shall consist of, but not be limited to, to provide for the maintenance, repair and replacement of common elements and limited common elements; to collect from the Unit Owners their share of the common expenses; to provide and adopt a budget; to adopt administrative rules and regulations for the governing of details for the common elements; to provide insurance against loss or damage to the common elements and limited common elements and to provide public liability insurance and to insure against other hazards as are usual and customary in the operation of condominiums; and to exercise any other powers and responsibilities otherwise assigned by the Declaration, the Condominium Act to the association of Units Owners or its officers.

ARTICLE XXI

AMENDMENTS TO BY-LAWS

21.1 Amendments. These By-Laws may be amended at any time at a regular or special meeting of the Unit Owners by the affirmative vote of Units Owners having 67% or more of the votes; and provided further that any provisions stated herein to be or which is in fact governed by the Declaration, may not be amended except as provided in the Declaration.

ARTICLE XXII

CONFLICTS AND INVALIDATION

22.1 Conflicts. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

22.2 Invalidation. The invalidation of one or more of these By-Laws will not invalidate any of the remaining By-Laws.