

SID

WELCOME

TO

SUNSET VILLAGE CONDOMINIUMS

FOR EDUCATIONAL USE ONLY

**700 TONYA TRAIL
NEENAH, WI 54956
www.IsellFoxValleycondos.com**

MAY 2002

KD
1-31-06

3/6/98

Review this and ask a board member for their interpretation before you sign to approve Revised Declaration and By-Laws

We were led to believe the board had a valid vote at the meeting June 12, 1997.

This is a direct excerpt from a letter written by BACHMAN, CUMMINGS, McKENZIE, McIntyre & WILSON, s.c. (ATTORNEY FOR THE ASSOCIATION RETAINED BY THE BOARD)

Dated February 6, 1998

The Unit Owners Association concedes that the meeting on June 12, 1997 was advisory only and that the full vote was not achieved due to poor attendance.

QUESTION THESE CHANGES IN THE REVISED AND RESTATED DECLARATION!

REMEMBER THE OBJECTIVE WAS ONLY TO BRING THE DOCUMENTS INTO COMPLIANCE NOT ADD SCORES OF NEW RULES AND CHANGES THAT WILL NOW PLACE THE CONTROL OF THE ENTIRE PARK AND IT FINANCES INTO THE HANDS OF THE BOARD.

HOW WAS THIS DONE? SIMPLE MOVE ALL THE DOCUMENTATION INTO THE BY-LAWS AND GIVE TO BOARD TOTAL VOTE CONTROL OF THE BY-LAWS WHICH WILL REQUIRE 2/3 APPROVAL FROM THE BOARD ONLY.

Bear in mind before you feel we spent in excess of \$1,000.00 that that statute 703.38 states:

Applicability to existing condominiums. (1) Except as otherwise provided in this section, this chapter is applicable to all condominiums, whether established before or after August 1, 1978. However, with respect to condominiums existing on August 1, 1978, the declaration, bylaws or condominium plat need not be amended to comply with the requirements of this chapter.

Was all this really necessary? If no legal claim can be made for any monies by owners who felt they were unfairly charged 1.4 then did we spend a small fortune to have a new document typed that now will turn over the park to the Board instead of the Unit Owners as it used to be?

HERE ARE THE CHANGES THAT AFFECT YOUR CHECKING ACCOUNT, REMOVE MAINTENANCE OF YOUR WINDOWS, DOORS, ETC., AND PERMIT YOU TO DO NOTHING WITHOUT THE APPROVAL OF THE BOARD.

Page 20 Section 4 Item (a)

All Unit Owners shall be obligated to pay the common expenses assessed by the Board of Directors pursuant to the provisions of section 1 of this Article at such time or times and in such manner as the Board of Directors shall determine, including automatic withdrawals from the Unit Owners' checking accounts into a designated depository.

Are we now obligated to give the Board access to our checking accounts just because we are a unit owners?

KR
1-31-06

REVISED AND RESTATED BY-LAWS

SUNSET VILLAGE CONDOMINIUM ASSOCIATION

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K.R.
1-31-06

REVISED AND RESTATED DECLARATION OF CONDOMINIUM
OF
SUNSET VILLAGE CONDOMINIUM

Document Number:

Return Address: Attorney Heather Thenell
Bachman, Cummings, et. al.
P.O. Box 1155
Appleton, WI 54912-1155

Parcel ID Number:

PREAMBLE

The original Declaration and Bylaws for Sunset Village Condominium were signed and made under the Wisconsin Unit Ownership Act, Chapter 700, Wisconsin Statutes on May 13, 1975. Expansion of Sunset Village is now complete. Chapter 703, Wisconsin Statutes has been revised, and several amendments to the Declaration and By-Laws were adopted from May 13, 1975 to the present date. Accordingly, the Unit Owners and Board of Directors of Sunset Village Condominium have determined that it is in the best interest of the Association and Condominium as a whole to revise and restate the original Declaration and amendments to date. The Unit Owners and Board of Directors of Sunset Village Condominium assembled on June 12, 1997 to discuss revision and restatement of the original Declaration and By-Laws and a vote was taken by proxy and ballot the results of which revealed that the majority of Unit Owners were in favor of a Revised and Restated Declaration and Revised and Restated By-Laws to bring the documents into compliance with current law and to codify and affirm existing practices.

The undersigned owners of not less than seventy-five (75%) percent of all units within Sunset Village Condominium (collectively, all owners of units within Sunset Village Condominium are known as the "Unit Owners" whether or not such owner has signed this agreement), do hereby revise and restate their Declaration of Condominium of Sunset Village Condominium and declare that the real estate described below shall remain subject to the Wisconsin Condominium Ownership Act. The said real estate and all the improvements now or subsequently placed thereon and all appurtenant rights shall be known and described as Sunset Village Condominium (the "Condominium"). The address of the Condominium shall be 1700 Tonya Trail, Neenah, Wisconsin 54956.

I Sell Fox Valley Condos



K/D.
1-31-06

BACHMAN, CUMMINGS, McKENZIE, McINTYRE & WILSON, S.C.
ATTORNEYS AT LAW

Robert A. Bachman, Of Counsel

*Thomas B. McKenzie
Angus R. McIntyre
Thomas A. Wilson
Bryan Wycoff
William L. Stroik
Heather Thenell
Carey J. Reed*

442 N. WESTHILL BOULEVARD
P.O. BOX 1155
APPLETON, WISCONSIN 54912-1155

J. Joseph Cummings
1967-1990

PHONE (920) 739-6356
FAX NO. (920) 739-1378
EMAIL: bcmattys@execpc.com

March 16, 1998

Dear Four-Plex Unit Owners:

This office represents the Sunset Village Condominium Association. We are in receipt of the five page correspondence circulated to all of you by certain dissident duplex owners on or about March 14, 1998. Those dissident duplex owners are represented by a lawyer and have threatened a law suit against the Association seeking a refund of past condominium fees paid to the Association in the amount of \$196,919.26. Because those dissident owners are represented by counsel, this correspondence cannot be sent to them. We will be addressing all of the issues raised in the dissident duplex owners' correspondence at the annual meeting on Wednesday, March 18. However, for the benefit of those who cannot be present, we hope this letter series to address the main issues raised.

The first major contention by the dissident duplex owners is that the Board is attempting to take all authority from the Unit Owners and place it instead with the Board of Directors, with regard to revision of the By-laws. The opposite is in fact the case. Under the existing Declaration and By-laws, the Board has sole authority to amend the By-laws. The revised By-laws which are proposed by your current Board would require a 67% vote of all Unit Owners in order to revise the By-laws.

However, because the Board is currently the sole authority allowed to revise the By-laws, it will be the body doing so at this meeting. If the By-laws and Declaration pass as proposed, the Board will no longer have authority to unilaterally amend the By-laws as it has had the authority to do for so many years.

The five page circulated correspondence goes on to address many issues from the new By-laws. It alleges that the changes made to move sections from the Declaration to the By-laws were done only to give authority to the Board of Directors. We reiterate, the opposite is true. The Board has that authority already under the prior (existing) Declaration and By-laws. The Board's intent is to move the power back to the Unit Owners. Further, the changes which were made follow the current statutes to the letter in removing from the Declaration those provisions which are prohibited from being in the Declaration and instead including them in the By-laws where they belong. The Board's intent is to bring these governing documents current and into compliance with governing law rather than to continue the problem of attempting to go back through statutes from 1978 through 1998 in each instance that a question arises over interpretation of the By-laws or Declaration. That is simply not a workable situation.

Sunset Village, Inc.
BY- LAWS
Accepted Feb. 8, 1999

REVISED AND RESTATED BY-LAWS

SUNSET VILLAGE CONDOMINIUM ASSOCIATION

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REVISED AND RESTATED BY-LAWS

SUNSET VILLAGE CONDOMINIUM ASSOCIATION

PREAMBLE

The original Declaration and By-Laws for Sunset Village Condominium were signed and made under the Wisconsin Unit Ownership Act, Chapter 703, Wisconsin Statutes on May 13, 1975. Expansion of Sunset Village is now complete, Chapter 703, Wisconsin Statutes has been revised, and several amendments to the Declaration and By-Laws were adopted from May 13, 1975 to the present date. Accordingly, the Unit Owners and board of Directors of Sunset Village Condominium have determined that it is in the best interest of the Association and Condominium as a whole to revise and restate the original By-Laws and Declaration. The Unit Owners and Board of Directors of Sunset Village Condominium assembled on June 12, 1997, to discuss revision and restatement of the original Declaration and By-Laws. A vote was taken by proxy and ballot, the results of which revealed that the majority of Unit Owners were in favor of a Revised and Restated Declaration and Revised and Restated By-Laws to bring the documents into compliance with current law and to codify and affirm existing practices. The Revised and Restated By-Laws are as follows:

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership. The property located in Winnebago County, State of Wisconsin (the "Property") known as Sunset Village Condominium (the "Condominium") was originally submitted to the provisions of the Wisconsin Condominium Ownership Act by a Declaration of Condominium (the "Declaration") recorded in the office of the Register of Deeds for Winnebago County on May 16, 1975 as document No. 462495. The Restated Declaration was recorded in the office of the Register of Deeds for Winnebago County on November 22, 1998 as Document No. 1030883.

Section 2. Incorporation of Association. The form of administration of the Sunset Village Condominium Association (the "Association") shall be a Wisconsin corporation organized under the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes, to be known as Sunset Village Condominium Association Inc.

Section 3. Applicability of By-Laws and Definitions. These By-Laws are adopted as the By-Laws of the Association which shall serve as an association of Unit Owners under the Wisconsin Condominium Ownership Act. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof. The term "Property" and other terms used herein shall, unless the context of the Declaration requires otherwise, have the same meaning as used or defined in the Wisconsin Condominium Ownership Act. The term "Unit Owners" shall have the same meaning as used or defined in the Revised and Restated Declaration of Condominium of Sunset Village Condominium.

Section 4. Office and Mailing Address. The office and mailing address of the Association and of the Board of Directors of the Association (the "Board of Directors") shall be Sunset Village Condominium Association Inc., 1700 Tonya Trail, Neenah, Wisconsin 54956.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the Association and of the Condominium shall be governed by the Board of Directors. The Board of Directors shall be composed of five Unit Owners (as defined in the Restated Declaration of Condominium of Sunset Village Condominium, hereinafter "Declaration"), all of whom shall be owners of units or members, partners, officers or directors (as the case may be) of a limited liability company, partnership or corporation that owns a unit.

Qualifications for Directors shall be as follows:

- (a) Has been a member of the Association for at least six months;
- (b) Has all assessments paid to date as of the time of election.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Condominium, except such powers and duties as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the Unit Owners or have been specifically reserved by or to the Unit Owners. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Condominium and provisions of the Wisconsin Condominium Ownership Act, the Declaration, these By-Laws and rules and regulation hereunder. The powers and duties shall include, but shall not be limited to the following:

- (a) To adopt and publish rules and regulations governing the use of the facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) To exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws;
- (d) Any vacancy in the Board of Directors shall be filled by a majority vote of the remaining Directors within one month. Each person so elected shall be a Director for the unexpired term of his or her predecessor. The office of a member of the Board of Directors shall be declared vacant in the event such members shall be absent from

two consecutive regular Board of Director meetings, shall sell ownership interest in Sunset village, or shall become delinquent in assessments. Consideration shall be given absence due to temporary illness or employment conditions. However, in case of four absences in any year for any reason, or in case of delinquency in dues or assessments, it is mandatory that the office be declared vacant.

- (e) To hire a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their powers and duties.
- (f) To cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the membership entitled to vote;
- (g) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (h) To establish the annual assessment period and fix the amount of the annual assessment against each member for each unit owned and against the Declarant, if any, at least thirty (30) days in advance of each annual assessment;
- (i) To send written notice of each assessment to every Unit Owner at least thirty (30) days in advance, and levy all such assessments as liens;
- (j) To foreclose the lien against any property for which assessments are not paid within sixty (60) days after the due date or to bring an action at law against the owner personally obligated to pay the same;
- (k) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors of the issuance of these certificates. If certificate state an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (l) To procure and maintain liability and fire and other hazard insurance on the Condominium and other insurance coverage as determined by the Board of Directors;
- (m) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (n) To cause all of the Common Area to be maintained.

Section 3. Managing Agent and Manager. The Board of Directors may hire for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

Section 4. Election and Term of Office. The term of office for each Director shall be two (2) years. In odd numbered years, three of five Director's terms will expire and successors shall be elected. In the even numbered years, the remaining two Directors' terms will expire and

their successors elected. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners. There will be no limit to the number of terms a Director may serve.

Section 5. Nomination. Any Association member, meeting the qualifications for serving as a Director, may place his or her name in nomination for election to the Board of Directors by submitting to the Secretary the following information: Name, address, phone number, occupation, and a statement indicating a desire to seek and accept election to the Board of Directors. Members are encouraged to submit this nomination request to the Secretary no later than two weeks prior to the scheduled annual meeting of the Association. Alternatively, any Association member, including existing members of the Board of Directors, may be nominated from the floor at the annual meeting of the Association members to serve in the office of Director. Submission of a nomination request in advance to the Secretary is encouraged but is not a prerequisite to nomination.

Section 6. Removal of Members of the Board of Directors. At any regular or special meeting of Unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the authorized votes of all Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members of the Board of Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed or until an successor shall be elected at the next annual meeting of the Unit Owners.

Section 8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held at least monthly at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors. Notice of the next meeting shall be included in the current month's minutes mailed to all Association members. These meetings of the Board of Directors are open to all interested Association members. The Board of Directors retains the right to close the meeting temporarily for discussion when privacy should be respected. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, in person, by telephone, by written or electronically transmitted memo, by mail or telegraph, at least 48 hours prior to the time of such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 48 hours' notice to each member of the Board of Directors, given personally by mail, by electronically transmitted memo, telephone or telegraph, which notice shall state the

time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and with like notice on the written request of at least one member of the Board of Directors.

Section 11. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed the equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time and place of the meeting. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors may obtain or require fidelity bond coverage for all officers, directors, trustees and employees of the Association handling or responsible for funds of the Association, including officers, employees and agents or professional managers. The premiums on such bonds shall constitute a common expense. The bonds shall name the Association as obligee, contain waivers of the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten days, prior written notice to the Association and each mortgagee or land contract vendor.

Section 14. Compensation. The Directors shall receive such salary or compensation, if any, as may be determined by vote of not less than two-thirds (2/3) of all Directors. Any such compensation shall be classified as a common expense.

Section 15. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, failure to adhere to the provisions of the Declaration or these By-Laws, 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 of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the Unit Owners arising out of any contract made by members of the Board of Directors shall be shared by all the Unit Owners in accordance with their undivided percentage interests in common elements, and the liability of any single Unit Owner shall be limited to such proportionate share of the total liability. At the option of the Board of Directors, directors' liability insurance may be obtained and shall be paid for as a common expense.

Section 16. Informal Action and Telephonic Meetings. Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as a unanimous vote. Regular and special meetings may be held by telephonic conference in accordance with Wis. Stat. section 181.24 (3) (a).

ARTICLE III

Unit Owners

Section 1. Annual Meetings. The annual meeting of the Unit Owners shall be held within five days of the 15th day of March of each year at 7:00 p.m. At such meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of sections 4 and 5 of Article II of these By-Laws. The Unit Owners may transact such other business at such meetings as may properly come before them. The order for business at all annual meetings of the Unit Owners shall be as follows, unless otherwise determined by the Board of Directors: 1) Roll Call, 2) Proof of notice of meeting or waiver of notice, 3) Reading of Minutes of preceding meeting, 4) Reports of officers, 5) Committee reports, 6) Election of directors, 7) Unfinished business, 8) New business.

Section 2. Place of Meeting. Any meetings of the Unit Owners shall be held at the principal office of the Association or at such other suitable place in Winnebago County convenient to the Unit Owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Unit Owners having 25% of the total authorized votes of all Unit Owners. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail to each Unit Owner of record, or cause to be delivered to each Unit Owner, a notice of each annual or special meeting of the Unit Owners at least ten but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the address of his or her unit or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary.

Section 5. Adjournment of Meetings. Any meeting of Unit Owners at which a quorum has or has not attended may be adjourned at the option of the Unit Owners by vote of a majority of the authorized votes of the Unit Owners who are present, either in person or by proxy, at such meeting. Any meeting which has been adjourned by the Unit Owners because of the lack of a quorum may be reconvened at such time as a quorum is obtained, without further notice. At such reconvened meeting at which a quorum is present, either in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 6. Title to Units. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation, limited liability company or partnership, or in the name of a fiduciary.

Section 7. Voting. Title shall be one vote in the Association appurtenant to each unit. Each Unit Owner shall furnish the Association with his or her name and current mailing address. No Unit Owner may vote at meetings of the Association until this information is furnished. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the vote appurtenant to such unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any such proxy shall be effective only for a maximum period of 180 days following its issuance unless granted to a mortgagee, land contract vendor or lessee of a unit. Each Unit Owner (including the Declarant and the Board of Directors, if the Declarant or the Board of Directors or its designee shall then hold title to one or more units) shall be entitled to cast at all meetings of the Unit Owners the vote appurtenant to unit owned. Where ownership is in the name of two or more persons, the vote appurtenant to their unit may be cast by any one joint owner; provided, however, that if any joint owner protests promptly the casting of such vote to the person presiding over the meeting or files a written statement with the Secretary stating that thereafter the vote must be cast pro rata in accordance with each joint owner's interest in the unit, then such vote shall thereafter be cast pro rata by the joint owners in accordance with their interest in the unit. Where a unit is leased the lessor shall be entitled to vote the vote appurtenant to said unit. Where the unit is sold under a land contract, the land contract vendee shall be entitled to vote the vote appurtenant to said unit (where there are two or more vendees, they shall be considered joint owners). Notwithstanding the provisions of this section, if the Association has recorded a statement of condominium lien on a unit and the amount necessary to release the lien has not been paid at the time of the meeting, the owner(s) of such unit may not vote at any meeting of the Association.

Section 8. Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of section 7 of this Article III.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having 33-1/2 % of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 10. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these By-Laws.

Section 11. Action by Unanimous Consent. Any action required to be taken or which may be taken at a meeting of Unit Owners may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all Unit Owners entitled to vote thereon. The signature required in each instance shall be of that person who is then entitled to cast the vote for a unit. Any such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership.

(a) All Unit Owners shall be members of the Association. The foregoing is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. Land contract vendors shall not be members; land contract vendees shall be members. Membership shall be appurtenant to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Winnebago County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Winnebago County of a deed or other instrument establishing a change of record title to a unit or the recording in said office of a land contract. A certified copy of such instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferee designated by such instrument or the vendee shall thereby become a member of the Association and the membership of the prior owner or vendor shall thereby be terminated (with respect to the unit transferred). Until such delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of Unit Owners. The Association shall maintain a current roster of names and addresses of every Unit Owner to whom notice of meetings of the Association must be sent.

ARTICLE IV

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Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine. All officers must be members of the Board of Directors. Any two offices except that of president and secretary may be held by one person.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Resignation and Removal of Officers. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause. Any vacancy in office, whether by reason of resignation, removal, or otherwise, may be filled by appointment at any regular meeting of the Board of Directors called for such purpose. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 4. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Unit Owners and of the Board of Directors. He or she shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including but not limited to the power to appoint from among the Unit Owners any committee which he or she decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Directors; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association. Pursuant to Section 703.15(4) of the Wisconsin Statutes, the Secretary shall be responsible to maintain a current roster of names and addresses of every Unit Owner to which notice of meetings of the Association shall be sent.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he or she shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by the President of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. The officers shall receive such salary or compensation, if any, as may be determined by the Board of Directors. Any such compensation shall be classified as a common expense.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses.

(a) The Board of Directors shall from time to time, and at least annually, prepare a budget for the Property, determine the amount of the common expenses, which shall include all expenses previously referred to as condominium fees, annual assessments and special assessments, for the forthcoming year and allocate and assess such common expenses against the Unit Owners as provided herein. The assessment for common expenses for the entire year shall be effective as of January 1 of each year and shall be payable in advance. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of section 2 of this Article V. The common expenses shall also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property. This will also include all other obligations with respect thereto in accordance with the requirements and standards of the Declaration and the Wisconsin Condominium Ownership Act, including without limitation an amount for working capital, for a reserve fund for the periodic maintenance, repair and replacement of common elements and limited common elements based upon the estimated remaining useful life of such items, for a reserve for contingencies, and for making up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be specially assessed against one or more units in accordance with the terms of the declaration and these By-Laws and as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all Unit Owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise each Unit Owner in writing of the amount of common expenses payable by such owner, and shall furnish copies to all Unit Owners of each budget on which such common expenses are based. In the event actual expenses of the Association exceed the budgeted expenses, or in the event of special circumstances requiring additional funds with respect to one or more units, the Board of Directors shall be empowered to meet whenever necessary and to assess additional common expenses or special assessments against one or more of the Unit Owners which shall be payable as the Board of Directors directs.

(b) The common expenses shall be assessed against all units as follows: the condominium fee for any duplex unit shall be 1.4 times the fee assessed for a four-plex condominium unit regardless of the percentage of undivided interest of each Unit in the common elements. However, voting rights for each duplex unit shall be the same as for each four-plex unit.

Section 2. Insurance.

(a) The Association shall be required to obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners, together with all heating equipment and other service machinery contained therein, and all limited common elements; such insurance shall cover the Property and shall name as insureds the contract vendors, as their interests may appear, in an amount equal to not less than the replacement value of the buildings, without deduction for depreciation, with inflation guard endorsement, if available. Each policy shall provide that proceeds shall be payable to the Association or the insurance trustee as provided herein as trustee for all Unit Owners and their mortgagees or land contract vendors as their interest may appear. All such policies shall provide that adjustment of loss shall be made by the Association, and that the net

proceeds thereof, if \$10,000 or less, shall be payable to the Association, and if more than \$10,000, shall be payable to the insurance trustee.

(b) All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to the Association and to each first mortgagee and land contract vendor named as an insured in such policies. Prior to obtaining any policy of fire insurance for the full replacement value of the buildings including all of the units and all of the common and limited common elements, there can be no deduction for depreciation for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

(c) The Association shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine (provided that such limits shall at all times equal or exceed the limit set forth below), covering each member of the board of Directors, the managing agent or manager (if any), and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year. Until the first meeting of the Board of Directors following the first annual meeting of the Unit Owners, such public liability insurance shall be in a single limit of at least \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence. Such liability insurance shall provide that the policy may not be cancelled or substantially modified without at least ten days' prior written notice to the Association and to each owner holder of a first mortgage or land contract vendor listed as a scheduled holder or first lien in the policy. The Association shall obtain and maintain workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(d) By acceptance of the deed to his or her unit, each Unit Owner shall be deemed to have appointed the Association as his or her attorney-in-fact for the purpose of purchasing and maintaining the above described policies of insurance, including, where applicable, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

(e) Unit Owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Association. The insurance obtained by the Association will not cover the contents of units or public liability claims arising out of occurrences happening within the boundaries of the units.

Section 3. Repair and Reconstruction after Damage.

(a) In the event of any damage to or destruction of the Property in an amount equal to or less than 20% of the replacement cost of the entire Condominium, whether or not the insurance proceeds, if any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction of such

damaged portion of the Property substantially in accordance with the original plans and specifications of such portion (including any damaged units, and any kitchen or bathroom fixtures initially installed therein by the Declarant, but not including any wall, ceiling or floor decorations, painting or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the units), and the Board of Directors shall disburse any insurance proceeds to the contractors engaged in such repair and reconstruction in appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall be a common expense and the Board of Directors shall assess the Unit Owners for such deficit as part of the common expenses.

(b) By acceptance of the deed to his or her unit, each Unit Owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Article III, section 11 of these By-Laws and shall constitute the determination by the Unit Owners and the Association to repair or reconstruct as required by the Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the Unit Owners, then the affirmative vote of one Unit Owner shall be sufficient to determine to repair or reconstruct.

(c) In the event the Property is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds, if any, constitute less than 80% of the cost of completing repair or reconstruction, the Association by vote of at least 75% of all Unit Owners may determine within 90 days after such damage or destruction, to proceed with repair or reconstruction. If the Association determines to repair or reconstruct, or if the Association fails to vote within 90 days after such damage or destruction as to whether to repair or reconstruct, the Board of Directors shall arrange for such repair or reconstruction in accordance with the preceding paragraph of this section. If the Association determines not to repair or reconstruct, the Property shall be deemed to be owned in common by the Unit Owners in proportion to their respective undivided percentage interests in the common elements and shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net insurance proceeds, shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the Unit Owners in proportion to their respective undivided percentage interests in the common elements, after first paying out of the share of each Unit Owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each Unit Owner.

(d) In the event the Property is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds are equal to or greater than 80% of the cost of completing repair or reconstruction, the Board of Directors is authorized and shall arrange for such repair or reconstruction in accordance with Article V, section 3(a).

(e) By acceptance of the deed to his or her unit, each Unit Owner shall be deemed to have consented to the foregoing authorization and direction for continuous action by the Association by unanimous consent pursuant to Article III, section 11 of these By-Laws and shall constitute the determination by the Unit Owners and the Association to repair or reconstruct as required by the Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the Unit Owners, then the affirmative vote of one Unit Owner shall be sufficient to determine to repair or reconstruct.

Section 4. Payment of Common Expenses.

(a) All Unit Owners shall be obligated to pay the common expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article at such time or times and in such manner as the Board of Directors shall determine.

(b) No Unit Owner shall be liable for the payment of any part of the common expenses assessed against his or her unit subsequent to a sale, transfer or other conveyance by him or her thereof (made in accordance with the provisions of Article VII, section 1 of these By-Laws). A purchaser of a unit shall be liable for the payment of common expenses assessed against such unit prior to the acquisition by him or her of such unit except that if the Association or Board of Directors furnished a statement pursuant to section 703.16 of the Wisconsin Condominium Ownership Act, such liability shall be limited to the amount set forth therein.

(c) Each Unit Owner shall be obligated to pay common expenses hereunder notwithstanding the fact that he or she may have a pending dispute with the Association or the Board of Directors on any matter.

Section 5. Collection of Assessments. The Board of Directors shall take prompt action to collect from a Unit Owner any assessment due which remains unpaid by him or her for more than 60 days from the due date of its payment.

Section 6. Default in Payment of Common Expenses.

(a) In the event of default by any Unit Owner in paying to the Board of Directors the assessed common expenses within the 10 days from the date such assessment is due, such Unit Owner shall be obligated to pay interest at 12% per annum, (equal to 1% per month), on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common expenses. If payment in full has not been made by the second day of the second month after the due date warning letter to Unit Owner stating that a lien action will be started by the second day of the third month in which such Unit Owner is late with payment of the assessment unless such Unit Owner pays all past payments, plus the twelve percent (12%) interest penalty, bringing himself or herself fully current. The Board of Directors shall have the right and duty to attempt to recover such common expenses, together with interest thereon, and the expenses of the proceedings, including attorneys' fees in an action brought against such Unit Owner, or by foreclosure of the lien on such unit granted by section 703.16 of the Wisconsin Condominium Ownership Act. The Board of Directors shall also have the right to prohibit such Unit Owner from voting at a meeting of the Association if the Association has recorded a statement of condominium lien on such unit and the amount necessary to release the lien has not been paid at the time of the meeting.

b) The Board of Directors shall also have the right to publish in the common elements of the Property the names of all Unit Owners who are more than 30 days delinquent in the payment of their assessments. By acceptance of the deed to his or her unit, each Unit Owner shall be deemed to have consented to such publication.

Section 7. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid common expenses, the Unit Owner shall be required to pay a reasonable rental for the use of his or her unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Association or the Board of Directors, acting on behalf of all Unit Owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same after such purchase. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, who makes a request in writing, with a written statement of his or her unpaid common expenses.

Section 9. Grievance Procedure.

(a) The Board of Directors or any Unit Owner may file a written complaint with the Secretary of the Association against another Unit Owner for violation of the Wisconsin Condominium Ownership Act, the Declaration, these By-Laws and any rules and regulations promulgated hereunder. Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties thereof and the hearing procedure to the Unit Owner complained of by personal delivery or by certified mail, return receipt requested. The Unit Owner complained of may within fifteen days of delivery or mailing of the notice file a written answer with the Secretary admitting or denying the allegations in the notice. If within the time period allowed, the Unit Owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If within the time period allowed, the Unit Owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held not less than 14 or more than 30 days after delivery or mailing of a notice of hearing to the parties.

(b) Upon the delivery or mailing of the notice of hearing, the President of the Association shall appoint the Grievance Committee. The Grievance Committee shall consist of three Unit Owners who are not members of the Board of Directors, relatives of the Unit Owner complaining or complained of, witnesses at the hearing or persons otherwise interested in the hearing.

(c) The hearing shall be conducted by the Grievance Committee. The Board of Directors shall represent the complaining Unit Owner. The parties and the Grievance Committee shall be entitled to representations at the hearing by counsel and shall be entitled to examine and cross-examine witness. When summoned by the Grievance Committee to do so, it shall be the obligation of each Unit Owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal and conformity to the legal rules of evidence shall not be required. Within seven days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary, which shall be binding upon the Unit Owners.

(d) Upon a determination by the Grievance Committee that a violation has occurred, the Board of Directors may, without limiting any other rights set forth in the By-Laws, restrict the right of the defaulting unit to the use of portions of the common elements and/or impose a

fine against the defaulting Unit Owner in the amount of \$50 for the first violation and \$250 for subsequent violations of the same offense, which if not paid within three days shall bear interest at the rate of 18% per annum. When imposed, such fine shall constitute a special assessment against the Unit Owner and if unpaid may be foreclosed against the owner's unit in accordance with Article V, section 7 of these By-Laws.

(e) Violations of Rules and Regulations of Sunset Village Condominium shall be handled as set forth in the Rules and Regulations.

Section 10. Maintenance and Repair.

(a) All maintenance of and repairs to the following limited common elements of a unit shall be made by the owner of such unit, unless such repairs also require repairs or intrusions into the common elements or another unit:

- (1) Storm door in matching color and style;
- (2) Decks;
- (3) All screens and storm windows;
- (4) Sink drains and individual plumbing pipes;
- (5) Shrubs designated as "owner maintained."

Each Unit Owner shall be responsible for the cleaning, maintenance and repair of the above items. Each Unit Owner shall also be responsible for all damages to any other unit or to any common or limited common element resulting from his or her negligence, misuse, misconduct or neglect except to the extent such damages may be caused by a peril for which insurance coverage is maintained by the Association.

All maintenance of and repairs to the following shall be made by the Association:

- (1) Inner front door of each unit;
- (2) Exterior walls and roof of each building;
- (3) Cement steps and sidewalks of each building;
- (4) Shrubs NOT designated as "owner maintained";
- (5) Sump pumps and common plumbing lines;
- (6) Non-storm windows;
- (7) Gutters and downspouts;
- (8) Exterior of garage buildings.

(b) If a Unit Owner fails to maintain his or her unit in a manner consistent with the standards of maintenance of the Condominium, the Association may, upon 30 days' written notice to such Unit Owner, proceed to arrange for the necessary maintenance or repair of the unit. All costs so incurred by the Association shall constitute a common expense which shall be specially assessed solely against the affected unit and the Association shall take such steps as are permitted or required by these By-Laws to enforce payment of such special assessment.

(c) All maintenance, repairs and replacements to the common elements shall be made by the Board of Directors and be charged to all the Unit Owners as a common expense (unless necessitated by the negligence, misuse, misconduct or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner). All maintenance, repairs and replacements to the limited common elements, other than patios and decks, and to garage structures and the

parking space shall be made by the Association and the costs thereof shall be charged to all Unit Owners as a common expense, or against the Unit Owner whose negligence, misuse, misconduct or neglect necessitated such maintenance, repair or replacement. All maintenance, repairs and replacements to a unit that also requires repairs or intrusions into the common elements or another unit shall be made by the Association and the costs therefore shall be specially assessed against the affected unit or units or against the Unit Owner whose negligence, misuse, misconduct or neglect necessitated such maintenance, repair or replacement. The Association shall be responsible for snow removal from all roads, driveways and sidewalks (including the public pedestrian right-of-way) as necessary.

Section 11. Additions, Alterations, or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the common or limited common elements shall require additions, alterations or improvements costing in excess of 10% of the annual operating budget, and the making of such additions, alterations or improvements shall have been approved by a majority of Unit Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a common expense. Any additions, alterations or improvements costing 10% of the annual operating budget or less may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a common expense.

Section 12. Structural Additions, Alterations, or Improvements by Unit Owners. A Unit Owner may make additions, improvements or alterations within his or her unit which do not impair the structural integrity or lessen the support of any portion of the Property provided, however, that a Unit Owner shall notify the Association in writing, in advance, of: (i) the work such Unit Owner intends to carry out within his or her unit; and (ii) the name of the contractor or person who will perform such work. No Unit Owner shall make any change in, nor affix anything to, the exterior of his or her unit or of any portion of the common or limited common elements (including the planting of trees and shrubs in any portion of the common or limited common elements) without the prior written approval of the Board of Directors, described below. Approval by the Association of any work proposed by a Unit Owner shall not obligate the Association in any manner for such work nor constitute consent as to the creation of any construction lien against the common or limited common elements. The Board of Directors and the Association shall not be liable to any contractor, subcontractor or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with such additions, alterations or improvements. A Unit Owner shall not permit a construction lien to be filed on or against the Property for work performed on such Unit Owner's behalf or at his or her direction.

Section 13. Telephone, Electricity and Gas. Telephone service, electricity and gas required to service the units and all Garage Units other than units GA through GH shall be supplied by the public utility companies serving the area, and shall be separately metered for each unit. Each Unit Owner shall be responsible for telephone charges, electricity and gas consumed or used in or in connection with his or her unit and garage, except Garage Units GA through GH. Expenses for electricity used in connection with Garage Units GA through GH shall be paid as a common expense. Additionally, any other utilities which are not separately metered or billed shall be treated as a common expense.

Section 14. Rules of Conduct. Rules and regulations concerning the use of the units, the common and limited common elements may be promulgated and amended by the Board of

Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each Unit Owner prior to their effective date. The current rules and regulations, subject to amendment by the Board of Directors, are attached hereto as Appendix 1.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his or her unit to the manager, the managing agent, and any other person authorized by the Board of Directors, to make inspections, to correct any condition originating in his or her unit and threatening another unit or the common or limited common elements, to install, alter or repair mechanical or electrical services or other common or limited common elements in his or her unit or elsewhere in the building, and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the Unit Owner. However, in case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

ARTICLE VI

Mortgages

Section 1. Mortgage of Units. Each unit may be separately mortgaged.

Section 2. Notice of the Board of Directors. A Unit Owner who mortgages his or her unit shall immediately notify the board of Directors of the name and address of his or her mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgages of Units".

Section 3. Rights of Mortgagees. As to any mortgagee of a unit or insurer or guarantor of any unit mortgagee (referred to below, collectively, as the "mortgagee") which has notified the Association in writing, delivered or mailed by certified mail to the place of service of process stated in section 8 of the Declaration, that it desires to receive notice of the following matters:

- (a) The Board of Directors shall give the mortgagee written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to the Declaration, the Articles or the By-Laws;
- (b) The Board of Directors shall give the mortgagee by mail a copy of the notice of default which is given to any Unit Owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice to any Unit Owner which shall be not later than 30 days after such failure;
- (c) The Board of Directors shall notify the mortgagee of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) The Board of Directors shall notify the mortgagee of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$10,000 when such damage is known to the Board of Directors and shall notify all mortgagees if common elements of the

Condominium are damaged in an amount exceeding \$20,000. The Board of Directors shall also notify the mortgagee in writing of any condemnation proceedings concerning the Property; and

(e) The Board of Directors shall permit the mortgagee to examine during normal business hours books and records of the Association (including current copies of the Declaration, these By-Laws and all rules and regulations promulgated thereunder) and upon request shall furnish the mortgagee annual reports and such other financial data as it sends to Unit Owners.

Section 4. Land Contracts. For purposes of this Article VI and elsewhere in these By-Laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

ARTICLE VII

Sales and Lease of Units

Section 1. Sales and Leases. Unit Owners may sell or lease their units or any interest therein as provided in the Declaration. The Association may adopt rules and regulations requiring notice of the rental or sale of units for the security and well being of the Condominium. A Unit Owner's sale of his or her unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements appurtenant to such unit; (b) the limited common elements appurtenant to such unit; (c) the interest of such Unit Owner in any units the proceeds of the sale or lease thereof, in any; and (d) the interest of such Unit Owner in any other assets of the Association (a), (b), (c) and (d) hereinafter collectively called the "appurtenant interests".

Section 2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her unit without including therein the appurtenant interests, it being the intention hereof to prevent any other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of, except as a part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all units.

Section 3. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her unit unless and until he or she shall have paid in full to the Association all unpaid common expenses theretofore assessed by the Board of Directors against his or her unit.

ARTICLE VIII

Condemnation

Section 1. Common Elements. In the event of a taking in condemnation or by eminent domain of part or all of the common elements of the Property exclusive of the units, the award made for such taking shall be payable to the Association if such award amounts

to \$10,000 or less, otherwise it shall be payable to the insurance trustee. The Association shall promptly undertake to restore the common elements. The proceeds of the award shall be disbursed to effect such restoration and any costs in excess of the award shall be common expense. The Board of Directors shall effect such restoration in accordance with Article V, section 3(a) of these By-Laws. If restoration is not undertaken, the proceeds of the award shall be disbursed to the Unit Owners in proportion to their respective undivided percentage interests in the common elements.

Section 2. Units. In the event of a taking in condemnation or by eminent domain of any of the units exclusive of the common elements, or of any of the units and a portion of the common elements, the Association by vote of a majority of the Unit Owners of the condominium within 90 days of payment of the award (or other payment if conveyed in lieu of such taking) shall determine whether to permit repair or reconstruction of the units and common elements affected. If the Association determines to permit repair or reconstruction and the Unit Owners affected unanimously elect to undertake repair or reconstruction of their units, the Board of Directors shall effect such repair or reconstruction in accordance with Article V, section 3(a) of these By-Laws, except that any cost of repair or reconstruction of units in excess of the award shall be the sole expense of the owners of such units. If the Association determines not to repair or reconstruct or fails to vote within said 90-day period or the Unit Owners affected do not unanimously elect to repair or reconstruct, the entire net proceeds shall be disbursed to those Unit Owners whose units have been taken in proportion to their respective undivided percentage interests in the common elements. If any such Unit Owner is in default in paying common expenses, the amount of said common expenses shall be deducted from his or her share of the proceeds. Upon receipt of his or her share of the proceeds, each Unit Owner shall execute a release, in form satisfactory to the Association, of his or her undivided percentage interest in the common elements and shall thereafter no longer be considered a Unit Owner. The interests of the remaining Unit Owners in the common elements shall be recomputed by the Board of Directors, whose decision shall be final, to reflect said releases.

ARTICLE IX

Records

Section 1. Records and Reports. The Board of Directors or the managing agent shall keep detailed records of the actions of the Association and the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Unit Owners, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account of each unit which, among other things, shall contain the amount of each assessment of common expenses against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all Unit Owners at least semiannually. In addition, an annual report of the receipts and expenditures of the Association, prepared or audited by an independent certified public accountant which report need not be certified, shall be rendered by the Board of Directors to all Unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices to the Board of Directors or the Association shall be sent by registered or certified mail, c/o the managing agent, or if there is no managing agent, to the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. Except when delivered in person, all notices to any Unit Owner shall be mailed or hand delivered to his or her unit or to such other address as may have been designated by him or her from time to time, in writing, to the Board of Directors. All notices to mortgagees of units shall be mailed or hand delivered to their respective addresses, as designated by the Unit Owners to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Notices to the Unit Owners or their mortgagees need not be mailed by registered or certified mail, except as otherwise provided in these By-Laws.

Section 2. Invalidity. The validity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are intended only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, when ever the context so require.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee. The insurance trustee shall be a financial institution in the State of Wisconsin, designated by the Board of Directors and having a capital, surplus and undivided profits of \$1,000,000 or more. The Board of Directors shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense.

Section 7. Conflict. These By-Laws are set forth to comply with the requirements of the Wisconsin Condominium Ownership Act. In case any of these By-Laws conflict with the provisions of such Act, the provisions of such Act shall control. In case any of these By-Laws conflict with the provisions of the Declaration, the Declaration shall control.

ARTICLE XI

Amendments to By-Laws

Section 1. Amendments to By-Laws. These By-Laws may be modified or amended by vote of at least 67% of the authorized votes of all Unit Owners, such vote to be taken at a meeting of Unit Owners duly held for such purposes; provided that for any amendment to Article V, Section 1 of these By-Laws to be valid, the mortgagee (if any) of any consenting owner must also consent to such amendment.

APPENDIX 1

RULES AND REGULATIONS OF SUNSET VILLAGE CONDOMINIUM

Section 1. Use of Property. In order to provide for congenial occupancy of the property and for the protection of the values of the units, the use of the property shall be subject to the following limitations:

(a) The common and limited common areas and facilities shall be used only for the purposes for which they are reasonably suited and which are incidental to the residential use and occupancy of units.

(b) No nuisances or noxious odors shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the property by its residents.

(c) No unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accompanied at the sole expense of the Unit Owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the property.

(d) A Unit Owner shall not place any furniture, packages, firewood or objects in common or limited common areas or facilities, except in an area designated as a storage area and except that a Unit Owner may place furniture on a deck assigned to his or her unit.

(e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the property, except that each unit may keep one dog or one cat and other such small household pets (such as fish, canaries or parakeets) provided that such animals are not kept, bred or maintained for any commercial purposes. No pet shall be permitted which causes an unreasonable disturbance. Any pet excrement in maintained common areas shall be removed immediately by the owner of the pet. This includes, but is not limited to, areas behind and between garages, areas around the dumpsters, all cut grass areas, walkways, shrubs, and drive or roadways. If any pet owner does not clean up the pet excrement, the Board of Directors may authorize another party to do so, and the cost will be assessed against the unit in which the pet lives. (The charge will be a minimum of \$55.75 as per Town of Menasha ordinance. This charge is subject to the same changes as the ordinance.)

Section 2. Signs No sign of any kind shall be displayed to the public view on or from any unit or the common areas unless specifically provided for in the Declaration of condominium or the By-Laws without the prior written consent of the Board of Directors. The restriction shall not apply to mortgagees relative to mortgage foreclosure proceedings, in which case mortgagees shall be permitted to display "for sale" and "for rent" signs near the subject unit.

Section 3. Extra Parking Area. The Association has provided a parking area for useable trailers, boats, canoes, or campers owned by the Unit Owners. No disabled vehicles are to be parked in this area. Neither the Association nor Declarant will be liable for vandalism or vandalism on articles of personal property stored in the parking area.

Section 4. Storage Lockers. Assigned storage lockers, if any, may be used only for the purpose of storage of personal effects and household goods. The use of said lockers is subject to such additional reasonable regulations as the Board of Directors may prescribe.

Section 5. Garage Doors. Garage doors shall be kept closed at all times except for the parking and removal of motor vehicles kept therein.

Section 6. Payment of common Expense. Pursuant to Article V, Section 4 of the By-Laws, the Board of Directors for Sunset Village Condominium Association, Inc. has established by Resolution the following rules regarding the payment of common expenses:

(a) For Unit Owners electing to pay the assessment in a lump sum, in advance, the Twentieth day of January of each year shall be the due date.

(b) For Unit Owners electing to pay the assessment in twelve equalized installments over the course of the year, the due date of each installment shall be the first day of each month.

(c) The amount of such assessment will be "fixed" at least thirty days in advance of the annual assessment period due date (at least thirty days in advance of the first due date where the monthly installment method of payment is elected), and written notice of the amount of the assessment will be sent to each Unit Owner.

(d) If a Unit Owner pays the annual dues assessment in full by January 20 of the year in which the assessment is made, the Unit Owner will be deemed to have elected to pay the full amount in a lump sum in advance, and the Unit Owner will receive a 6% discount off his or her total dues. Any Unit Owner not paying annual dues in full by the twentieth of January will be deemed to have elected the monthly installment method of payment and will not be entitled to the 6% discount.

(e) If a Unit Owner elects to pay his or her annual dues in advance, and receives the 6% discount, the Unit Owner will not be allowed to request a refund of the amount paid and instead elect to pay monthly.

Section 7. Required Approval. Except as otherwise specifically provided in the Declaration or the By-Laws, no building, fence, wall, antenna, exterior lighting, structure or projection from a structure (whether of a temporary or permanent nature, or whether or not affixed to a unit or to any other structure or to the ground) shall be commenced, erected, maintained, improved or altered, nor shall any grading, excavation, tree removal or planting be done in the common or limited common areas, nor shall any change of exterior color or other work which in any way alters the exterior appearance of any unit, common area, or limited common area be done without the prior written approval of the Board of Directors regarding (i) the harmony of its exterior design and location in relation to, and its effects upon, surrounding structures, vegetation, topography, and the overall community design of the Property, (ii) the character of the exterior materials and (iii) quality of the exterior workmanship.

Section 8. Decks and Balconies. A Unit Owner shall not paint or otherwise decorate or adorn or change the appearance of the balcony or deck adjacent to his or her unit

without the knowledge and approval of the Board of Directors in order to maintain a consistent appearance within the condominium complex.

Section 9. Miscellaneous. No Unit Owner shall overload the electric wiring in the building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of directors, an unreasonable disturbance to others.

Section 10. Fines. Any violation of these Rules and Regulations of Sunset Village Condominium, following two warnings, either verbal or written, from the Board of Directors given to the violating Unit Owner, shall result in an assessment to the Unit in an amount of \$50 per each 24 hour occurrence. By way of example, a violation of Section 3., such as a disabled vehicle parked in the extra parking area, after two warnings will result in a fine of \$50 per day for each day that the disabled vehicle is left in the extra parking area. Additionally, by way of example, result in a fine of \$50 per day for each day that the pet excrement is left unremoved, in addition to the charge outlined in Section 1. (e) hereof for clean-up costs.

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