

The Forest Condominium Association, Ltd.

By-Laws Table Of Contents

Article I. Plan of Unit Ownership

- Section 1. Condominium Unit Ownership
- Section 2. Applicability of By-Laws and Definitions
- Section 3. Office and Mailing Address

Article II. Board of Directors

- Section 1. Number and Qualifications
- Section 2. Agent and Manager
- Section 3. Managing Powers and Duties
- Section 4. Election and Term of Office
- Section 5. Removal of Members of the Board of Directors
- Section 6. Vacancies
- Section 7. Regular Meetings
- Section 8. Special Meetings
- Section 9. Waiver of Notice
- Section 10. Quorum of Board of Directors
- Section 11. Fidelity Bonds
- Section 12. Compensation
- Section 13. Liability of the Board of Directors
- Section 14. Informal Action

Article III. Unit Owners Meetings

- Section 1. Annual Meeting
- Section 2. Place of Meetings
- Section 3. Special Meetings
- Section 4. Notice of Meetings
- Section 5. Adjournment of Meetings
- Section 6. Voting
- Section 7. Majority of Unit Owners
- Section 8. Quorum
- Section 9. Majority Vote
- Section 10. Action by Unanimous Consent
- Section 11. Membership

Article IV. Officers

- Section 1. Designation
- Section 2. Election of Officers
- Section 3. Removal of Officers
- Section 4. President
- Section 5. Vice President
- Section 6. Treasurer
- Section 7. Agreements
- Section 8. Contracts, Deeds, Checks, Etc.
- Section 9. Compensation of Officers

Article V. Determination and Collection of Common Expenses

- Section 1. Determination of Common Expenses
- Section 2. Payment of Common Expenses
- Section 3. Collection of Assessments
- Section 4. Default in Payment of Common Expenses
- Section 5. Foreclosure of Liens for Assessments
- Section 6. Statement of Assessments

Article VI. Items of Common Expense

- Section 1. Budget and General Description
- Section 2. Working Capital
- Section 3. Insurance
- Section 4. Water and Sewer Charges
- Section 5. Electricity and Gas
- Section 6. Maintenance and Repair
- Section 7. Additions, Alterations, or Improvements by Association
- Section 8. Other Common Expenses

Article VII. Repair and Reconstruction After Damage

- Section 1. Damage of Less than 20%
- Section 2. Damage in Excess of 20%; Less than 80% Insurance
- Section 3. Damage in Excess of 20%; More than 80% Insurance
- Section 4. Unit Owner Authorization Implied
- Section 5. Insurance Trustee

Article VIII. Owner Improvements

- Section 1. Structural Additions, Alterations or Improvements By Unit Owners
- Section 2. Architectural and Design Control

Article IX. Use of Property: Remedies

- Section 1. Use of Property
- Section 2. Rules of Conduct
- Section 3. Abatement and Enjoining Violations
- Section 4. Grievance Procedure

Article X. Mortgages

- Section 1. Mortgage of Units
- Section 2. Notice to Board of Directors
- Section 3. Rights of Mortgagees
- Section 4. Land Contracts

Article XI. Sales and Leases of Units

- Section 1. Sales
- Section 2. No Severance of Ownership
- Section 3. Payment of Assessments
- Section 4. Leases

Article XII. Condemnation

- Section 1. Common Elements
- Section 2. Units and Limited Common Elements

Article XIII. Records

- Section 1. Records and Reports

Article XIV. Miscellaneous Section

- Section 1. Notices
- Section 2. Invalidity
- Section 3. Captions
- Section 4. Gender
- Section 5. Waiver
- Section 6. Conflicts

Article XV Amendments to By-Laws

- Section 1. By Members
- Section 2. By Directors
- Section 3. Implied Amendments

By-Laws Of The Forest Condominium Association, Ltd.

Article 1. Plan Of Unit Ownership

Section 1. Condominium Unit Ownership. The property located in the Town of Pacific, Columbia County, Wisconsin, (the "Property") known as The Forest at Swan Lake Village Condominium, has been 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 Columbia County.

Section 2. Applicability of By-Laws and Definitions. These By-Laws are adopted as the By-Laws of The Forest Condominium Association under the Wisconsin Non-stock Corporation Law to 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 or Declaration requires otherwise, have the same meaning as used or defined in the Wisconsin Condominium Ownership Act.

Section 3. Office and Mailing Address. The mailing address of the Association and of the Board of Directors of the Association (Board of Directors) shall be The Forest Association at Swan Lake, P.O. Box 73, Portage, Wisconsin. 53901.

Article II Board Of Directors

Section 1. Number and Qualifications: The affairs of the Association and of the Property shall be governed by the Board of Directors, consisting of three persons having been duly elected by the members.

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 Property, 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 Declarant or unit owners. The Board of Directors shall have full powers and authority necessary or desirable for the complete enforcement and administration of the Property and the provisions of the Wisconsin Condominium Ownership Act, The Declaration, these By-Laws and rules and regulations hereunder.

Section 3. Managing Agent and Manager. The Board of Directors with the approval of a majority of unit owners may employ for the Property, 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. Any management contract shall not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee upon 90 days written notice.

Section 4. Election and Term of Office. At the first annual meeting of the unit owners, and each annual meeting thereafter, the Members of the Board of Directors shall be elected. The term of office for each Director shall be three (3) years. The terms of office shall be staggered so that only one Director is elected each year.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, anyone 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 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by vote of the unit owners shall be temporarily filled within thirty (30) days by the Board of Directors. The vacancy will be filled by election at the next unit owner's meeting.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of members of the Board of Directors, by e-mail, mail or facsimile and by posting notice to the unit owners by distribution of a notice to each address, which notice shall state the time, place and purpose of the meeting, at least 48 hours prior to the time of such meetings.

Section 8. 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 by e-mail, mail, or facsimile and by posting notice to the membership by distribution of a notice to each address 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 on like notice on the written request of at least one member of the Board of Directors.

Section 9. 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 equivalent to the giving of such notice.

Section 10. 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 11. Fidelity Bonds. The Board of Directors shall obtain or require fidelity bond coverage for all officers and employees of the Property handling or responsible for funds of the Association, including employees of professional managers. The premiums on such bonds shall constitute a common expense.

Section 12. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting in such capacity, but may, upon approval of the Board of Directors, be reimbursed for expenses incurred in acting in such capacity.

Section 13. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake in 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 arising out of any contract made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith. It is also intended that the liability of the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be shared by all the unit owners on a pro-rata basis and not 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, director's liability insurance may be obtained and shall be paid for as a common expense.

Section 14. Informal Action. Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be 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.

Article III Unit Owners Meetings

Section 1. Annual Meeting. The meeting contemplated by Article II, Section 1 (b) shall be deemed the first annual meeting, and thereafter the annual meetings of the unit owners shall be held on the second Monday of October of each succeeding year. At such meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Any meetings of the unit owners shall be held at the principal office of the Association or at such other suitable place 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 (10) but not more than twenty (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 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 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. Voting. There shall be one vote in the Association appurtenant to each unit. Each unit owner shall furnish the Association with his name and current mailing address. No unit owner may vote at meetings of the Association until this information is furnished.

(a) Joint or Multiple Ownership. Each unit owner shall be entitled to cast at all meetings of the unit owners the vote appurtenant to each unit owned, except as herein specifically limited. Where ownership is in the name of two or more persons, the vote appurtenant to their unit may be cast by anyone 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 in accordance with each join owner's interest in the unit. For the purposes of this section, a land contract vendee or vendees shall be deemed the unit owner or owners.

(b) Proxies. 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 the unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time prior to a meeting 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 issuance unless granted to a mortgagee land contract vendor.

(c) Effect of Liens. 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, such unit owner may not vote at the meeting.

Section 7. 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 acting at any meeting of the unit owners.

Section 8. Quorum. Except as otherwise provided in these By-Laws, the presence, in person, of 33% of the total authorized votes of all unit owners shall constitute a quorum at all meetings of unit owners. Proxies, which are valid as votes, are not counted for quorums.

Section 9. 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, be the Declaration or by these By-Laws.

Section 10. 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 that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 11. 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 Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Columbia County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Columbia County, Wisconsin, of a deed or other instrument establishing a change of record title to a unit. A copy of such deed or instrument shall be delivered to the Association by the transferee, and transferee shall thereby become a member of the Association and the membership of the prior owner or vendor shall be terminated. Until such delivery the transferee 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 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. The President and Vice-President must be members of the Board of Directors.

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. Removal of Officers. Upon the affirmative vote of a majority of members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such a purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He 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 decides is appropriate to assist in the conduct of affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If 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 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 shall have charge of such books and papers as the Board of Directors may direct; and shall in general perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association.

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 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 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. No officer shall receive any compensation from the Association for acting as such.

Article V. Determination And Collection Of Common Expenses

Section 1. Determination of Common Expenses. 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 for the forthcoming year, and allocate and assess such common expenses against the unit owners as provided in the Declaration and Article VI of these By-Laws, provided however, that the budget and the assessments created thereby shall be presented for the review and approval by the members at the annual member's meeting or any special meeting called for such purpose.

Section 2. Payment of Common Expenses. 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 monthly withdrawals from the unit owners' checking accounts into a designated depository. A late charge of up to \$20 may be imposed by the Board of Directors against a unit owner if any balance in common expenses remains unpaid by the fifth day of the month when due. No Unit owner shall be liable for the payment of any part of the common expenses assessed against his unit subsequent to a sale, transfer or other conveyance by him thereof made in accordance with the provisions of Section 1, Article XI 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 of such unit except that if the Association or Board of Directors furnishes a statement pursuant to Section 7-3.16 of the Wisconsin Unit Ownership Act, such liability shall be limited to the amount set forth therein. Each unit owner shall be obligated to pay common expenses hereunder notwithstanding the fact that he may have a pending dispute with the Association or the Board of Directors on any matter. Assessments shall commence the first day of the following month of an original sale of a unit by the Declarant to an original buyer. Prior to the original sale the Declarant shall not be liable for any unit owned by the Declarant and not sold. However; the Declarant shall be responsible for all maintenance, water and sewer for such unsold unit.

Section 3. 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 for more than 30 days from the due date for its payment.

Section 4. Default in Payment of Assessments. In the event of default by any unit owner in paying the Association the assessed common expenses, such unit owner shall be obligated to pay interest at the highest rate permitted by law per year on such assessments 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 assessments. The Board of Directors shall have the right and duty to attempt to recover such assessments and 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. The Board of Directors shall also have the right to notify all other unit owners of 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 unit, each unit owner shall be deemed to have consented to such notification.

Section 5. Foreclosure of Liens for Assessments. In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid assessments, the unit owner shall be required to pay a reasonable rental for the use of his 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 6. Statement of Assessments. The Board of Directors shall promptly provide any unit owner, his mortgagee or land contract vendor, who makes a request in writing, a written statement for his unpaid assessments.

Article VI Terms Of Common Expense

Section 1. Budget and General Description. The initial budget shall have been prepared and shall be submitted to Unit Owners at the time they receive the Disclosure Materials. The assessments for common expenses for the entire year shall be effective as of January 1 of each year, but shall be payable in monthly installments. If a unit owner chooses to make such payments in monthly installments, said payments shall be made on the first day of each month, commencing January 1. 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 provisions of this Article, and shall also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital, for a general operating reserve, for a reserve fund for replacement, and for making up any deficit in the common expenses for any prior year, except to the extent that such expenses are attributable to the limited common elements by the Declaration. The Board of Directors shall advise each unit owner in writing of the amount of the common expenses payable by him, and shall furnish copies to all unit owners of each budget on which such common expenses are based.

Section 2. Working Capital. A working capital fund shall be established. All Forest Association Funds in excess of the yearly budget are designated as Working Capital Reserve for the purposes of maintenance, repairs, and capital improvements of the common elements, ponds, roads water and sewer or other as decided by majority vote of the Forest Association members.

Section 3. Insurance.

(a) Fire and Extended Coverage. 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 and other improvements constructed upon the Common Elements. Such insurance shall cover the Property and shall name as insured the Association and all unit owners and their mortgagees and land contract vendors, as their interests may appear, in the amount equal to not less than the replacement value of any depreciable improvements without deduction for depreciation. 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. 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. 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 cancelled or substantially modified without at least ten days prior written notice to the Association. Prior to obtaining any policy of fire insurance or any renewal thereof, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings and all of the common and limited common elements without deduction for depreciation, for the purpose of determining the amount of fire insurance to be in effect pursuant to this section.

(b) Public Liability. The Association shall also be required to obtain and maintain public liability insurance in such limits as the Association may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, 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 unit owners, such public liability insurance shall be in a single limit of at least \$1,000,000.00 covering all claims of bodily injury or property damage arising out of one occurrence.

(c) Workers Compensation. The Association shall obtain and maintain worker's compensation insurance to the extent necessary to comply with all applicable laws.

(d) Unit Owners. 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, such 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.

Section 4. Water and Sewer Charges. Water and sewer services shall be supplied to all of the units and common elements by the Association, and shall be separately billed for each unit. Each unit owner shall pay the water bill charged to his unit as defined in the Water Agreement.

Section 5. Electricity and Gas. Electricity and gas required to service the units and the common elements shall be supplied by the public utility company serving the area, and shall be separately metered for each unit. Each unit owner shall be responsible for electricity and gas consumed or used in or in connection with his unit. The Association shall pay the bills for electricity and gas consumed used in or in connection with the common elements as a common expense.

Section 6. Maintenance and Repair.

(a) Units. All maintenance of and repairs to any unit and to any limited common element appertaining to such unit, structural or non-structural, ordinary or extraordinary shall be made by the owner of such unit: Each unit owner shall be responsible for all damages to any other unit or common or limited common element resulting from his negligence, misuse, misconduct or neglect.

(b) Common Elements. All maintenance, repairs and replacements to the common elements (except as provided in Section 6 (a) and 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, shall be made by the Association and be charged to all the unit owners as a common expense.

Section 7. Additions, Alterations, or Improvements by the Association. Whenever, in the judgment of the Board of Directors, the 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 the 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 8. Other Common Expense. Common expenses shall include the items above specified, as well as any other expense stated in these By-Laws, the Declaration, or the Wisconsin Condominium Ownership Act to be an item of common expense.

Article VII Repair and Reconstruction After Damage

Section 1. Damage of Less than 20%. In the event of any damage to or destruction of the common elements in an amount equal to or less than twenty (20%) percent 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 thereof (excluding any damaged 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 may assess all the unit owners for such deficit as part of the common expense.

Section 2. Damage in excess of 20%; Less than 80% insurance. In the event the Property is destroyed or damaged in an amount in excess of twenty (20%) percent of the replacement cost of the entire Condominium, and insurance proceeds, if any, constitute less than eighty (80%) percent 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 not to proceed with repair, reconstruction or sale. 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, reconstruct or sell, 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 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.

Section 3. Damage in excess of 20%; more than 80% Insurance. In the event the Property is destroyed or damaged in an amount in excess of twenty (20%) percent of the replacement cost of the entire Condominium, and insurance proceeds are equal to or greater than eighty (80%) percent 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 Section 6, Article VI.

Section 4. Unit owner Authorization Implied. By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Section 10, Article II 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 5. 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 \$500,000.00 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.

Article VIII. Owner Improvements

Section 1. Structural Additions, Alterations or Improvements by Unit Owners. A unit owner may make additions, improvements or alterations within his unit which do not impair the structural integrity or lessen the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to, the exterior of improvements made to his unit or of any portion of the Property without the prior written approval of the Design Review Committee, described below. The Board of Directors 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.

Section 2. Architectural and Design Control.

(a) A Design Review Committee consisting of three or more persons shall be appointed by the Board of Directors and shall be responsible to the Board. The Design Review Committee shall regulate the external design and appearance of the units and the design, appearance and location of improvements to the common areas and limited common areas in such a manner as to promote those qualities in the environment which bring value to the Property and foster the attractiveness and functional utility of the Condominium as a place to live, including a harmonious relationship among structures, vegetation and topography.

(b) No building, fence, wall, structure or projection from a structure (whether of a temporary or permanent nature, or whether or not affixed to the grounds) shall be commenced, erected, maintained, improved or altered in common or limited common areas, nor shall any change of exterior color or other work which in anyway alters the exterior appearance of any unit, common area or limited common area be done, without the prior written approval of the Design Review Committee (i) regarding 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.

(c) The Design Review Committee shall, subject to the approval of the Board of Directors, develop and promulgate policy guidelines for the application of the design review provisions set forth herein. The policy guidelines shall include review procedures, aspects and objectives of review, and principles and criteria used as design practices that, though optional, are generally acceptable methods for achieving the required objectives in particular design problems frequently encountered in the Property.

(d) In the event the Design Review Committee fails to approve or disapprove in writing an application within thirty (30) days after the plans and specifications in writing have been submitted to it by a unit owner, in accordance with adopted procedures, approval will be deemed granted. An applicant may appeal an adverse Design Review Committee decision to the Board of Directors, who may reverse or modify such decisions by a two-thirds vote of those Directors present and voting at a meeting at which a quorum is present.

Article IX Use Of Property; Remedies

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 elements shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of units.

(b) No nuisances 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 accomplished 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 object in common areas unless permitted by the Board of Directors, these By-Laws, or rules and regulations promulgated hereunder.

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property, except that each unit owner may keep domestic dogs, cats, fish, canaries, parakeets provided that they are not kept, bred or maintained for commercial purposes. No pet shall be permitted which causes an unreasonable disturbance. Pets shall not be permitted in the common areas except for immediate transfer to and from units.

(f) The portion of the limited common element lying between a garage constructed upon a unit and the street right of way is provided for the exclusive use of the owner of such unit. Provided, however, that such area shall be used only for the parking of two (2) operable vehicles (automobiles or trucks or less than ½ tons in capacity), other than occasional short-term visitor parking. The use of such area for the repair (other than minor short-term repairs) or storage of automobiles, boats, motorcycles, camping or travel trailers, firewood or items other than said operable automobiles or trucks is strictly prohibited.

Section 2. Rules of Conduct. Rules and regulations concerning the use of the units and 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.

(a) No resident or guest of a resident is allowed to carry and/or discharge a loaded firearm or bow either within a residence or common area of The Forest at Swan Lake Village.

Section 3. Abatement and Enjoining Violations. The violation of any rule or regulation adopted by the Board of Directors, or breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (a) to enter the limited common elements appurtenant to a 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 structure, thing or condition that may exist therein contrary to the intent or meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoy, abate or remedy such thing or condition by appropriate legal proceedings. Provided however, that the right of entry shall only be exercised subsequent to a finding that a violation has occurred at a hearing held for such purpose pursuant to Section 4, below, or a judicial determination to such effect.

Section 4. 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 therefore 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 (15) 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, a hearing before the Grievance Committee will be held not less than 14 nor 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 (3) 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 other wise 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 representation at the hearing by counsel and shall be entitled to examine and cross-examine witnesses. 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 (7) 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 shall without limiting any other rights set forth in the By-Laws, impose a fine against the defaulting unit owner in the amount of \$25.00 for the violation and \$100.00 for subsequent violations which if not paid within three (3) days shall bear interest at the rate allowable by law on judgments and shall constitute a lien against the unit until paid in full.

Article X. Mortgages

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

Section 2. Notice to Board of Directors. A unit owner who mortgages his unit shall immediately notify the Board of Directors of the name and address of his mortgagee. The Board of Directors shall maintain such information in the same manner as it maintains a record of ownership of units.

Section 3. Rights of Mortgagees. As to any mortgagee of a unit which has notified the Association in writing delivered or mailed by certified mail to the place of service of process stated in Section 12 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 of such failure;

(c) The Board of Directors shall notify the mortgagee of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$10,000.00 when such damage is known to the Board of Directors and shall notify all mortgagees if common or limited common elements of the Condominium are damaged in an amount exceeding \$20,000.00. The Board of Directors shall also notify the mortgagee in writing of any condemnation proceedings concerning the Property; and

(d) The Board of Directors shall permit the mortgagee to examine books and records of the Association 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 and elsewhere in these By-Laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

Article XI Sales And Leases Of Units

Section 1. Sales. Unit owners may sell their units or any interest therein provided the provisions of this Article are complied with. A unit owner's sale of his unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements appurtenant thereto; (b) the interest of such unit owner in any units heretofore acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale thereof, if any; and (c) the interest of such unit owner in any other assets of the Association. (a), (b), and (c) hereinafter are 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 unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or 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 later shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred 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, or sell his unit unless and until he shall have paid in full to the Association all unpaid common expenses theretofore assessed by the Board of Directors against his unit.

Section 4. Leases. No owner (other than Declarant) may lease his unit more than twice in any 12 month period without permission of the Board of Directors. For purposes of this section, the assignment or sublease of a lease shall be counted as a new lease. Any owner executing a lease, sublease or assignment of lease shall give written notice thereof to the Board of Directors within three (3) days of taking such action.

Article XII 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, the award made for such taking shall be payable to the Association of such award amounts to \$10,000.00 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 a common expense. The Board of Directors shall effect such restoration in accordance with Section 1, Article VII 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 and Limited Common Elements. In the event of a taking in condemnation or by eminent domain of any of the units or the limited common elements appurtenant thereto, the owner(s) of the unit (s) so taken shall be entitled to receive all of the net proceeds of the award attributable to such unit (s) and the improvements made to the limited common elements appurtenant thereto. The net proceeds attributable to the limited common elements (other than the improvements thereto) shall be disbursed to all unit owners in proportion to their respective undivided percentage interests in the Property. If any such unit owner is in default in paying common expenses, the amount of said expenses shall be deducted from his share of the proceeds. Upon receipt of his share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association, of their 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 limited common and common elements shall be recomputed by the Board of Directors, whose decision shall be [mal, to reflect said releases.

Article XIII Records

Section 1. Records and Reports. The Board of Directors 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, and upon request of two-thirds of the unit owners, an annual report of the receipts and expenditures of the Association, prepared 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 XIV 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 unit or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices of 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 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 invalidity 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 inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or 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, whenever the context so requires.

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. Conflicts. 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 the By-Laws conflict with the provisions of the Declaration, the declaration shall control.

Article XV Amendments To By-Laws

Section 1. By Members. These By-Laws may be altered, amended or repealed or new By-Laws adopted by affirmative vote of 67% of all unit owners either present or by proxy of the eligible number of all unit owners at a meeting that has had public notice of not more than twenty (20) days and not less than ten (10) days prior to the meeting.

Section 2. By Directors. These By-Laws may be altered, amended or repealed or new By-laws adopted by the Board of Directors by affirmative vote of a majority of the number of directors present at any meeting at which a quorum is in attendance; but no By-Law adopted by the members shall be amended or repealed by the Board of Directors if the By-Law so adopted so provides.

Section 3. Implied Amendments. Any action take or authorized by the members or by the Board of Directors, which would be inconsistent with the By-Laws then in effect but is taken or authorized by affirmative vote of not less than the number of voting members or the number of directors required to amend the By-Laws so that the By-Laws would be consistent with such action, shall be given the same effect as though the By-Laws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.