

BYLAWS OF

SAWGRASS CONDOMINIUM HOMES AT PRAIRIE OAKS ASSOCIATION, INC.

ARTICLE 1 NAME AND LOCATION

1.1 Name. The name of the corporation shall be SAWGRASS CONDOMINIUM HOMES AT PRAIRIE OAKS ASSOCIATION, INC. (the "Association").

1.2 Location. The principal office of the Association shall be at 1031 North Edge Trail, Verona, Wisconsin 53593. The Association may have offices at such other places as the Board of Directors of the Association (the "Board") may from time to time determine.

ARTICLE 2 APPLICATION, MEMBERSHIP AND INITIAL ORGANIZATION

2.1 Application. These Bylaws, together with the Declaration of Condominium of Sawgrass Condominium Homes at Prairie Oaks (the "Declaration"), all amendments to the foregoing, all rules and regulations passed by the Association and the Wisconsin Condominium Ownership Act, as the same may be amended, renumbered or renamed from time to time (the "Act"), shall apply to, govern and control the Condominium and all present or future owners, tenants, employees and other persons using it. The mere acquisition, rental or occupancy of a Unit (as defined in the Declaration) will signify the acceptance and ratification of these Bylaws by all such persons.

2.2 Operation. All aspects of the management, operation, and duties of the Association shall be delegated to the Board.

2.3 Organization. The Board shall be composed of five (5) directors, chosen by the Unit Owners (each a "Director"). Each Director shall serve for a term of two (2) years.

ARTICLE 3 VOTING, QUORUM, AND PROXIES

3.1 Voting. Each Director shall have one (1) vote.

3.2 Super Majority Vote. At any meeting at which there is a quorum (as defined in Section 3.3 below), the decision of at least 80% of the Board, voting in person or by proxy, shall constitute a super majority vote.

3.3 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Directors holding at least 60% of the votes entitled to be cast shall constitute a quorum.

3.4 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Unless granted to a Lessee or a mortgagee, a proxy shall be effective only for one hundred eighty (180) days.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Powers and Duties. The Board shall have the powers and duties necessary to administer the Condominium and, among other duties, carry out the following:

(a) make and enforce (including enforcement through the establishment of a system of fines) rules and regulations and amendments thereto from time to time respecting the operation, use and occupancy of the Condominium;

(b) make and collect assessments from the Members in accordance with the provisions of the Declaration, and expend said assessments for insurance, taxes, utility services for and maintenance, repair and operation of the Common Elements of the Condominium or for such other purposes as shall fall within the responsibility of the Association and general powers of the Board;

(c) execute contracts on behalf of the Association, employ necessary personnel, and carry out all functions and purposes necessary for the operation of the Condominium, including acquiring and conveying property and suing on behalf of all Members;

(d) satisfy all liens against the Condominium and pay necessary expenses connected therewith;

(e) employ a professional property manager, management company or managing agent on a salaried basis to perform such duties as the Board shall authorize including but not limited to, the duties listed in this Section; and

(f) perform such other functions as are required or permitted by law, the Declaration or these Bylaws.

4.2 Fees. No fee or other compensation shall be paid to any Director of the Board at any time except by specific resolution of the Association.

4.3 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be designated from time to time, by 60% of the Directors, but the Board shall meet at least quarterly during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or facsimile, at least three (3) days prior to the day named for such meeting.

4.4 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be

called by the President or Secretary in like manner and on like notice on the written request of at least a two (2) Directors.

4.5 Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.6 Board of Directors' Quorum. At all meetings of the Board, 60% of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there is less than a quorum present, then the majority of those present may adjourn the meeting, and any business which might have been transacted at the meeting as originally called may not be transacted without further notice.

4.7 Fidelity Insurance and/or Fidelity Bonds. The Board shall cause the Association to maintain fidelity coverage against dishonest acts by any persons, paid or volunteer (including officers and employees) responsible for handling funds belonging to or administered by the Association. Alternatively, the Board may require such persons to obtain such coverage or to provide the Association with a fidelity bond at the Association's expense. The Association shall be a named insured or obligee under such insurance coverage/bond. The amount of such coverage or fidelity bond shall be as determined by the Board.

ARTICLE 5 OFFICERS

5.1 Designation and Election. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected annually by the Board. The Directors may elect an assistant treasurer, an assistant secretary or such other officers as in their judgment may be necessary. A Board member may also serve as an officer.

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

5.3 President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. He or she shall have all of the general powers and duties which are usually vested in the office of President of a not-for-profit, non-stock corporation.

5.4 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 shall appoint some member of the Board to do so 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.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Association. He or she shall have charge of such books and papers as the Board may direct and he or she shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall count the votes cast at any annual or special meeting of the Association or the Board.

5.6 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books of account and other customary financial records, all of which shall be the property of the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board. The Treasurer shall also be responsible for the billing and collection of all Regular Assessments and Special Assessments made by the Association.

5.7 Compensation. No officer shall receive compensation for services rendered to the Association unless the same is established by a resolution of the Members.

ARTICLE 6 BUDGET, ASSESSMENTS AND DEPOSITORIES

6.1 Budget. The Board shall at least annually adopt a budget for the operation of the Association. Such budget will contain estimates of the cost of operating the Association and shall include all common expense items, including, but not limited to, taxes; the maintenance and repair of all common areas and limited common areas; the cost of insurance of all types; management, maintenance and security personnel; administration costs; and any other expense item inuring to the benefit of all Unit Owners. The Board shall determine what sums, if any, will be required for improvements, capital expenditures, reserves or replacement funds, or other operations not included in the above which shall be included in the budget.

6.2 Assessments. The estimate of the charges to be paid during each year by each Director for the share of the common expenses of the Condominium, in accordance with the provisions of the Declaration, shall be assessed against each Unit and paid at such time as provided in resolutions by the Board. Assessments shall be subject to the provisions of the Declaration. The first assessment payment shall be made, on a prorated basis where proper, upon receipt by the Director of his or her deed to his or her Unit. If such assessment proves inadequate, the Board at any time may levy a further assessment to be payable in such reasonable manner as the Board directs. Assessments and installments on such assessments shall be paid on or before the date when such assessments and installments are due. Any assessment or installment not paid when due shall be delinquent, and the Unit owner may be charged interest on the unpaid assessment or installment of such assessment. The interest charged shall be calculated from the date when the assessment or installment was first due until the date it is paid. The Board of Directors shall establish a uniform policy with regard to the number of days that must run following the due date for interest to be charged and shall establish the rate of interest to be charged on such unpaid assessments. Such rate of interest shall not exceed eighteen percent (18%) per annum for natural persons or the maximum rate of interest permitted by the usury laws of the State of Wisconsin. All payments upon account shall be first applied to the interest, if any, and then to the assessment payment first due. If a

Director fails to pay the assessment within the time herein specified, such failure shall constitute a default hereunder and the Board shall take such appropriate measures as may be allowable by law, including, but not limited to, the filing of a statement of condominium lien in accordance with the Act, which statement shall be signed and verified by the Secretary or any other officer authorized by the Board. No Director shall be entitled to cast a vote for a Unit at any meeting of the Association if the Association has recorded a statement of Condominium lien on the Director's Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

6.3 Special Assessments. The Board may impose special assessments ("Special Assessments") not included in the annual operating budget for amounts necessary to establish or maintain reserves (for operations, capital improvements or otherwise) and such other anticipated or unanticipated expenditures as are approved by the Board from time to time.

Special Assessments shall be paid in a single payment or in such installments as the Board determines. Delinquent Special Assessments shall bear interest as provided in Section 6.2. The Board and the Association shall be entitled to take such actions as may be allowed by law to collect the Special Assessment in the same manner that it is entitled to collect regular assessments under Section 6.2.

6.4 Depositories. The funds of the Association shall be deposited in a bank or banks or other depositories designated by the Board and shall be withdrawn therefrom only upon check or order signed by the officers who shall from time to time be designated by the Board for that purpose. The Board may require that all payment of assessments imposed by the Board against Directors be paid by such Directors directly to a designated depository. The Board may direct that checks of less than One Thousand Dollars (\$1,000.00) for payment of the obligations of the Association bear only one (1) signature of a designated officer but checks for a greater amount must bear a signature and counter-signature of designated officers.

ARTICLE 7 OBLIGATIONS OF THE JOINT OWNERS

7.1 Maintenance and Repair.

(a) Every Unit Owner must perform promptly all maintenance and repair work within his or her own Unit. Every Unit Owner shall keep the patio appurtenant to his or her Unit in a clean and neat condition, clear of snow, ice and water, and is expressly responsible for the damages and liabilities that his or her failure to do so may cause.

(b) Each Unit Owner shall immediately reimburse the Association for any expenditures incurred in repairing or replacing any part of the Common Elements or Limited Common Elements in any manner damaged by him or her, any member of his or her family, any tenant, any employee or any other user or occupant of his or her Unit.

7.2 Use of Common Areas and Facilities. No Unit Owner shall place or cause to be placed any objects of any kind in the Common Elements, except in the Limited Common Elements appurtenant to his or her Unit, unless otherwise permitted.

7.3 Right of Entry.

(a) Each Unit Owner grants a right of entry to his or her Unit to the Association and to any professional property manager, management company or managing agent employed by the Board or to any other person authorized by the Board in case of any emergency, whether the Unit Owner is present at the time or not. Any damage or loss caused as a result of such entry shall be at the expense only of the Unit Owner if, in the judgment of those authorizing the entry, such entry was for emergency purposes.

(b) Each Unit Owner shall permit such professional property manager, management company or managing agent employed by the Board or any other person authorized by the Board, or their representatives, when so required, to enter his or her Unit for the purpose of performing non-emergency installations, alterations or repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner.

7.4 Rules of Conduct. The Units, Common Elements and Limited Common Elements shall be occupied and used in accordance with the Declaration, the Articles of Incorporation, these Bylaws and any Rules and Regulations adopted by the Association.

7.5 Rules and Regulations. The Board shall from time to time adopt rules and regulations ("Rules and Regulations") with regard to the manner of use, enjoyment and occupancy by Unit Owners of their Units and the Common Elements (including Limited Common Elements). All such Rules and Regulations will be adopted by the Board in its reasonably exercised discretion, consistent with its responsibilities to the Unit Owners and the Association (i) to further and enhance the maintenance, conservation and beautification of the Condominium, (ii) for the health, comfort, safety and general welfare of the Unit Owners, and (iii) to further the exercise of specific powers and authority of the Association as provided in the Declaration and these Bylaws. Written notice of the Association Rules and Regulations shall be given to all Unit Owners, and the Condominium shall at all times be used, occupied and enjoyed by Unit Owners subject to such Rules and Regulations. Any Rule or Regulation adopted by the Board, or amendments of existing Rules and Regulations adopted by the Board from time to time, may be amended at a meeting called for that purpose by the affirmative vote of those Directors holding 75% or more of the total votes of the Board. No rule or regulation may be adopted or enforced by the Board which is inconsistent with the terms of the Declaration.

7.6 Remedies. Failure to comply with any of these Bylaws or any other rules, regulations, covenants, conditions or restrictions imposed by the Act, the Declaration or the Board shall be grounds for action to recover sums due for damages or injunctive relief or both, maintainable by the Association or, in a proper case, by an aggrieved Unit Owner.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnification for Successful Defense. Within twenty (20) days after receipt of a written request pursuant to Section 10.3, the Association shall indemnify a Director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director or officer was a party because he or she is a Director or officer of the Association.

8.2 Other Indemnification.

(a) In cases not included under Section 8.1, the Association shall indemnify a Director or officer against all liabilities and expenses incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Association, unless liability was incurred because the Director or officer breached or failed to perform a duty he or she owes to the Association and the breach or failure to perform constitutes any of the following:

(i) A willful failure to deal fairly with the Association in connection with a matter in which the Director or officer has a material conflict of interest.

(ii) A violation of criminal law, unless the Director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful.

(iii) A transaction from which the Director or officer derived an improper personal profit.

(iv) Willful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 8.5.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

8.3 Written Request. A Director or officer who seeks indemnification under Sections 8.1 or 8.2 shall make a written request to the Association.

8.4 Non-Duplication. The Association shall not indemnify a Director or officer under Sections 8.1 or 8.2 if the Director or officer has previously received indemnification or allowance of expenses from any person, including the Association, in connection with the same proceeding. However, the Director or officer has no duty to look to any other person for indemnification.

8.5 Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the Director or officer and the Association, the Director or officer seeking indemnification under Section 8.2 shall select one of the following means for determining his or her right to indemnification:

(i) By a 75% vote of a quorum of the Board consisting of Directors not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, by majority vote of a committee duly appointed by the Board and consisting solely of two (2) or more Directors not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

(ii) By independent legal counsel selected by a quorum of the Board or its committee in the manner prescribed in Section 8.5(a)(i) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board, including Directors who are parties to the same or related proceedings.

(iii) By a panel of three (3) arbitrators consisting of one arbitrator selected by those Directors entitled under Section 8.5(a)(ii) to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification and one arbitrator selected by the two (2) arbitrators previously selected.

(iv) By a court under Section 8.8.

(v) By any other method provided for in any additional right to indemnification permitted under Section 8.7.

(b) In any determination under Section 8.5(a), the burden of proof is on the Association to prove by clear and convincing evidence that indemnification under Section 8.2 should not be allowed.

(c) A written determination as to a Director's or officer's indemnification under Section 8.2 shall be submitted to both the Association and the Director or officer within 60 days of the selection made under Section 8.5(a).

(d) If it is determined that indemnification is required under Section 8.2, the Association shall pay all liabilities and expenses not prohibited by Section 8.4 within ten (10) days after receipt of the written determination under Section 8.5(c). The Association shall also pay all expenses incurred by the Director or officer in the determination process under Section 8.5(a).

8.6 Advance Expenses. Within ten (10) days after receipt of a written request by a Director or officer who is a party to a proceeding, the Association shall pay or reimburse his or her

reasonable expenses as incurred if the Director or officer provides the Association with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Association.

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent that it is ultimately determined under Section 8.5 that indemnification under Section 8.2 is not required and that indemnification is not ordered by a court under Section 8.8(b)(ii). The undertaking under this subsection shall be an unlimited general obligation of the Director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

8.7 Non-exclusivity.

(a) Except as provided in Section 8.7(b), Sections 8.1, 8.2 and 8.6 do not preclude any additional right to indemnification or allowance of expenses that a Director or officer may have under any of the following:

(i) The Articles of Incorporation.

(ii) A written agreement between the Director or officer and the Association.

(iii) A resolution of the Board.

(b) Regardless of the existence of an additional right under Section 8.7(a), the Association shall not indemnify a Director or officer, or permit a Director or officer to retain any allowance of expenses unless it is determined by or on behalf of the Association that the Director or officer did not breach or fail to perform a duty he or she owes to the Association which constitutes conduct under Sections 8.2(a)(i), 8.2(a)(ii), 8.2(a)(iii) or 8.2(a)(iv). A Director or officer who is a party to the same or related proceeding for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(c) Sections 8.1 to 8.12 do not affect the Association's power to pay or reimburse expenses incurred by a Director or officer in any of the following circumstances:

(i) As a witness in a proceeding to which he or she is not a party.

(ii) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, Director or officer of the Association.

8.8 Court-Ordered Indemnification

(a) Except as provided otherwise by written agreement between the Director or officer and the Association, a Director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application may be made for an initial determination by the court under Section 8.5(a)(v) or for review by the court of an adverse determination under Sections 8.5(a)(i), 8.5(a)(ii), 8.5(a)(iii), 8.5(a)(iv) or 8.5(a)(vi). After receipt of an application, the court shall give any notice it considers necessary.

(b) The court shall order indemnification if it determines any of the following:

(i) That the Director or officer is entitled to indemnification under Section 8.1 or 8.2.

(ii) That the Director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under Section 8.2

(c) If the court determines under Section 8.8(b) that the Director or officer is entitled to indemnification, the Association shall pay the Director's or officer's expenses incurred to obtain the court-ordered indemnification.

8.9 Indemnification of Employees or Agents. The Association may indemnify and allow reasonable expenses of an employee or agent who is not a Director or officer by general or specific action of the Board or by contract.

8.10 Insurance. The Association may purchase and maintain insurance on behalf of an individual who is an employee, agent, Director or officer of the Association against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, Director or officer, regardless of whether the Association is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 8.1, 8.2, 8.6 and 8.9.

8.11 Liberal Construction. In order for the Association to obtain and retain qualified Directors and officers, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of Directors and officers and, accordingly, the indemnification above provided for shall be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

8.12 Definitions Applicable to this Article.

(a) "Affiliate" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Association.

(b) "Association" means this corporation and any domestic or foreign predecessor of this corporation where the predecessor Association's existence ceased upon the consummation of a merger or other transaction.

(c) "Director or officer" means any of the following:

(i) A natural person who is or was a Director or officer of the Association.

(ii) A natural person who, while a Director or officer of the Association, is or was serving at the Association's request as a Director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise.

(iii) A natural person who, while a Director or officer of the Association, is or was serving an employee benefit plan because his or her duties to the Association also impose duties on, or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

(iv) Unless the context requires otherwise, the estate or personal representative of a Director or officer.

For purposes of this Article 8, it shall be conclusively presumed that any Director or officer serving as a Director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of an Affiliate shall be so serving at the request of the Association.

(d) "Expenses" include fees, costs, charges, disbursements, attorneys' fees and other expenses incurred in connection with a proceeding.

(e) "Liability" includes the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses.

(f) "Party" includes a natural person who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(g) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the Association by any other person.

**ARTICLE 9
AMENDMENTS**

9.1 Bylaws. These Bylaws may be amended by the Unit Owners in a duly constituted meeting for such purpose; but no amendment shall take effect unless approved by the owners of at least Sixty-seven Percent (67%) of the Units, together with such consent of Unit Owners' mortgagees as required in the Declaration. No amendment shall limit any of the rights granted to or reserved by Declarant in the Declaration or herein without the consent of the Declarant.

**ARTICLE 10
MORTGAGES**

10.1 Notice to Association. Any Unit Owner who permits or causes his or her Unit to be encumbered by a mortgage shall notify the Secretary of each such mortgage and the release of each such mortgage and the name and address of each such mortgagee. Such notice may also be served by any such mortgagee. The Secretary shall maintain a record of the names and addresses of all mortgagees of which the Secretary shall have received notice. The Board, at the request of any mortgagee, owner or any prospective purchaser of any Unit or interest therein, shall report to such person in writing within ten (10) business days the amount of any assessments against such Unit which may be due and unpaid, or that there are no unpaid assessments.

10.2 Protection of First Mortgagee. If the holder of a first mortgage on a Unit forecloses the mortgage, or accepts a deed in lieu of foreclosure, the lien of any assessment shall be automatically extinguished, without the need to name the Association as defendant in the foreclosure and without the need to take any other action. The purchaser at the foreclosure sale, the grantee names in the deed in lieu of foreclosure, and their heirs, representatives, successors and assigns shall not be liable for any common expenses or assessments accruing prior to the acquisition of title by such purchaser or grantee. The lien of a first purchase money mortgage shall be prior to all unpaid assessments accruing prior to the perfection of the mortgage lien.

**ARTICLE 11
CONFLICTS**

These Bylaws are set forth to comply with the requirements of the Act. If these Bylaws conflict with the provisions of the Act, or the Declaration, the provisions of the Act or of the Declaration will control.

**ARTICLE 12
FISCAL YEAR**

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year.

Adopted this 6th day of December, 2006.

Section 4