

By-Laws of Champions Village Maintenance Association, Inc.

ARTICLE I Declaration of Restrictions

Section 1. Recorded Declaration.

Certain property located in the City of Muskego, Waukesha County, State of Wisconsin, (“Property”) known generally as Champions Village of Country Club Villages, has been subjected to the provisions of a Declaration of Covenants and Restrictions for Champions Village of Country Club Villages (“Declaration”) recorded in the office of the Register of Deeds for Waukesha County on April 7, 1997 on Reel 2412, Images 0871 to 0884, as Document No. 2202290.

Section 2. Adoption of By-Laws and Applicability of Definitions.

These By-Laws are adopted as the By-Laws of Champions Village Maintenance Association, Inc., (“Association”), a Wisconsin Corporation organized under the Wisconsin Nonstock Corporation Law to serve as an association of owners under the Declaration. The provisions of these By-Laws apply to the Property and to the use and occupancy of the Property. The terms used in these by-laws shall, unless the context or the Declaration requires otherwise, have the same meaning as the definitions contained in the Declaration.

Section 3. Office and Mailing Address.

The office and mailing address of the Association and of the Board of Directors of the Association (“Board of Directors”) shall be located at N81 W12920 Leon Road, Menomonee Falls, Wisconsin, 53051.

ARTICLE II Board of Directors

Section 1. Number and Qualification.

Until election of a new Board of Directors by the Members, the Board of Directors shall consist of those persons named as directors in the Articles of Incorporation. Thereafter, the Board of Directors shall be composed of three persons, each of whom shall be a Member, fiduciary owners, members or employees of partnership owners, or an office, stockholder or employee of corporate Member, or a person nominated by the Developer.

Section 2. Powers and Duties.

The affairs of the Association shall be governed by the Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, except those 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 Members or have been specifically reserved by or to the Members. The Board of Directors shall have full power and authority necessary for or desirable for the complete enforcement and administration of the provisions of the Declaration, these By-Laws, and the rules and regulations for the Development.

Section 3. Managing Agent and Manager.

The Board of Directors may employ a managing agent 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 members of the Board of Directors elected by the Members shall hold office for a term of one year and until their respective successors shall have been elected.

Section 5. Removal of Members of the Board of Directors.

At any regular or special meeting of Members, any one or more of the members of the Board of Directors previously elected by the Members may be removed with or without cause by a majority of the authorized votes of all Members, and a successor may be elected to fill the vacancy created. Any member of the Board of Directors whose removal has been proposed by the Members 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 director by a vote of the Members, shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of the vacancy even though the directors present at the meeting may be less than a quorum, and each person so elected shall be a director of the Board of Directors for the remainder of the term of the director so removed and until a successor is elected at the next annual meeting of the Members.

Section 7. Regular Meetings.

Regular meetings of the Board of Directors may be held at the time and place as determined from time to time by a majority of the members of the Board of Directors.

Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telegram, at least 48 hours prior to the time of the meeting.

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 mail or telefax, and the 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 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 the waiver shall be deemed equivalent to the giving of the notice. Attendance by a member of the Board of Directors at any meeting of the Board shall be a waiver of notice 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, no notice shall be required and any business may be transacted at the meeting.

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 members of the Board of Directors present at a meeting at which a quorum is present shall constitute a 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 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. Compensation.

No member of the Board of Directors shall receive any compensation from the Association for acting as a Director.

Section 12. Liability of the Board of Directors.

The members of the Board of Directors shall not be liable to the Members for any mistake of judgment, failure to adhere to the provisions of the Declaration of these By-Laws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Members 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 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 contracts made by them on behalf of the

Association. It is also intended that the liability of the Members 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 equally by all of the unit owners, and the liability of any single Member shall be limited to an equal 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 13. Informal Action.

Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at 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. The consent shall have the same force and effect as a unanimous vote.

**ARTICLE III
Members**

Section 1. Annual Meetings.

The annual meetings of the Members shall be held on the third Monday of January of each year. At such meetings the Board of Directors shall be elected by ballot of the Members in accordance with the provisions of these By-Laws. The Members may transact other business at the meetings as may properly come before them.

Section 2. Place of Meetings.

Meetings of the Members shall be held at the principal office of the Association or at any other suitable place convenient to the Members 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 Members if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Members having 25% of the total authorized votes of all Members. 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 Member of record or cause to be delivered to each Member a notice of each annual or special meeting of the Members, at least ten but not more than 20 days prior to the meeting, stating the purpose of the meeting as well as the time and place where it is to be held.

Section 5. Adjournment of Meetings.

Any meeting of Members of which as quorum has or has not attended may be adjourned at the option of the Members by vote of a majority of the authorized votes of the Members who are present, either in person or by proxy, at the meeting.

Section 6. Title to Lots.

Title to Lots may be taken in the name of an individual or in the names of two or more person, as tenants in common as or joint tenants, in the name of a corporation or partnership, or in the name of a fiduciary.

Section 7. Voting.

Each Member shall furnish the Association with the owner's name and current mailing address. No Member may vote at meetings of the Association until this information is furnished. The owner or owners of each unit, or some person designated by the owner or owners to act as proxy and who need not be an owner, shall be entitled to cast the vote belonging to the unit at all meetings of Members. The designation of any proxy shall be made in writing to the Secretary by the Member or Members so designating. Any 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 Member (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 Members the vote belonging to each unit owned. Where ownership is in the name of two or more persons, the vote may be cast by any one joint owner; provided, however, that if any joint owner protects promptly the casting of the 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 the vote shall thereafter be cast pro rate by all joint owners in accordance with their interests in the lot.

Section 8. Majority of Lot Owners.

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

Section 9. Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members having 33-1/3% of the total authorized votes of all Members shall constitute a quorum at all meetings of the Members.

Section 10. Majority Vote.

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

Section 11. Action of Unanimous Consent.

Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if a consent in writing setting forth the action taken shall be signed by all Members entitled to vote. The signature required in each instance shall be that person who is then entitled to cast the vote of a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership.

- (a) Every person or entity who is an Owner shall be a Member of the Association. Notwithstanding the foregoing, any such person or entity who merely holds record ownership as security for the performance of an obligation shall not be a Member of the Association.
- (b) The Association shall have two (2) classes of voting members:

CLASS A. Class A Members shall be all those Owners as defined in subsection (a) with the exception of the Developer (as long as the Class B membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it otherwise would qualify). Class A Members shall be entitled to one vote for each Lot owned. When more than one person is the Owner of an Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the Class A Members are entitled to cast in the aggregate from time to time, provided that the Class B membership shall cease and terminate one (1) year after the last Lot within the Development owned by Developer (or its affiliates) has been sold and conveyed and all other portions of the Development owned by Developer (or its affiliates) have been conveyed to third-parties, or at any time prior to that date at the election of the Developer.

NOTWITHSTANDING any provision to the contrary, the Developer shall have the right to elect a majority of the Board of Directors of the Association until one (1) year after the Developer (and its affiliates) no longer holds title to any portion of the Development, unless such right is relinquished prior thereto. In such case, the then existing Members shall be obligated to elect the Board and assume control of the Association.

- (c) When reference is made in the By-Laws to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members and not of the Members themselves.

ARTICLE IV

Officers

Section 1. Designation, Election and Removal.

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected annually by the Board of Directors. The Board of Directors may appoint such other officers as in its judgment may be necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary and President and Vice President. Any officer may with or without cause, be removed by the Board of Directors, and a successor selected, by majority vote of the members of the Board of Directors, at any regular meeting of the Board of Directors, or at any special meeting called for that purpose.

Section 2. President.

The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Directors. The President shall have all of the general powers and duties of the President of a stock corporation organized under the Wisconsin Business Corporation Law, including, but not limited to, the power to appoint Members to any committee which is established under these By-Laws.

Section 3. Vice President.

The Vice President shall take the place of, and perform the duties of, the President 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 requested by the Board of Directors or by the President.

Section 4. Secretary.

The Secretary shall keep the minutes of all meetings of the Members and of the Board of Directors, have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes of meetings of the Association.

Section 5. Treasurer.

The Treasurer shall be responsible for Association funds and securities and 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. The Treasurer shall be responsible for the deposit of all monies 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 shall, in general, perform all the duties of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 6. Agreements, Contracts, Deeds, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by any officer or by such other person or persons as may be designated by the Board of Directors.

Section 7. Compensation of Officers.

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

**ARTICLE V
Operation of the Property**

Section 1. Determination of Common Expenses.

The Board of Directors shall, at least annually, prepare a budget for the forthcoming year and allocate and assess the common expenses against the Lots and the Owners as provided in the Declaration. The assessment for the entire year shall be effective as of January 1 of each year but shall be payable at such time or times as the Board of Directors shall determine.

Section 2. Payment of Common Expenses.

All Owners shall pay the common expenses assessed by the Board of Directors pursuant to the Declaration and the provisions of Section 1 of this Article at such time or times as the Board of Directors shall determine.

No owner shall be liable for the payment of any part of an assessment assessed against a Lot after a sale, transfer or other conveyance of the unit by the Owner. A purchaser of a Lot shall be liable for the payment of an assessment assessed against the Lot before the acquisition by the purchaser of the Lot.

Each owner shall be obligated to pay assessment under these By-Laws and the Declaration notwithstanding the fact that the Owner may have a pending dispute with the Association or the Board of Directors on any matter.

ARTICLE VI Miscellaneous

Section 1. Notices.

All notices to the Board of Directors or the Association shall be sent by registered or certified mail to the office of the Board of Directors 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 Owner shall be mailed or hand delivered to such address as may have been designated by the Owner from time to time, in writing, to the Association. 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 Owners need not be mailed by registered or certified mail.

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 in these By-Laws 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 the intent of any provision of these By-Laws.

Section 4. Singular – Plural.

The use of the singular or in these By-Laws 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 of enforcement, regardless of the number of violations or breaches which may occur.

ARTICLE VII
Conflicts

Section 1. Control of Conflicts.

In case any of these By-Laws conflicts with the provisions of the Declaration or Articles of Incorporation, the Declaration or Articles of Incorporation, as applicable, shall control.

ARTICLE VIII
Fiscal Year

Section 1. Adoption of Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE IX
Amendments to By-Laws

Section 1. Amendments to By-Laws.

These By-Laws may be modified or amended by vote of a majority of the Members, which vote shall be taken at a meeting or Members held for that purpose.

Section 2. Rights of Developer.

No amendment of these By-Laws shall alter or abrogate the rights of the Developer as contained in these By-Laws, the Articles of Incorporation or the Declaration.