

**BY-LAWS
OF
PLEASANT VALLEY PRESERVE HOMEOWNERS ASSOCIATION, INC.**
(A Nonstock, Nonprofit Corporation)

**ARTICLE I
NAME AND LOCATION**

The name of the Association is PLEASANT VALLEY PRESERVE HOMEOWNERS ASSOCIATION, INC., hereafter referred to as the "Association." The principal office of the Association and the mailing address of the Association shall be W61 N488 Washington Avenue, Cedarburg, WI 53012, but meetings of Owners and Directors may be held at other places within the State of Wisconsin.

**ARTICLE II
DEFINITIONS**

The following terms used in these Bylaws shall have the meanings set forth below:

"Association" shall mean and refer to PLEASANT VALLEY PRESERVE HOMEOWNERS ASSOCIATION, INC. a nonprofit, nonstock corporation created under Chapter 181 of the Wisconsin Statutes to carry out the purposes expressed in the Declaration, the Articles of Incorporation and the Bylaws for said Association.

"Common Areas" shall mean and refer to all personal property, fixtures, structures, improvements and real estate within the Subdivision conveyed or to be conveyed to the Association and/or Owners in undivided fractional shares.

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Pleasant Valley Preserve Subdivision applicable to the Subdivision, recorded in the office of the Register of Deeds for Ozaukee County, Wisconsin, on November 2, 2005 as Document No. 0829911, and any supplements or amendments thereto as provided in the Declaration.

"Developer" shall mean and refer to Pleasant Valley Preserve, LLC, a Wisconsin limited liability company, its successors and assigns.

"Lot" shall mean platted lot within the Subdivision identifiable by reference to a lot number, regardless of whether such Lot is currently platted or platted at some future time.

"Mortgage" shall mean any Mortgage or other security instrument by which a Lot or any part thereof is encumbered.

"Owner" shall mean and refer to the holder(s) of a legal or equitable interest in fee simple record title to a Lot, regardless of the type of estate, and shall include land contract vendees but shall not include the holder of any leasehold interest or any Mortgage or consensual lien prior to acquisition of legal or equitable title.

"**Subdivision**" shall mean the Pleasant Valley Preserve Subdivision as described on Exhibit A attached hereto and incorporated herein.

ARTICLE III
MEETING OF OWNERS

3.1. **ANNUAL MEETING:** The annual meeting of the Owners shall be held in June of each year. The specific date, time and location of the annual meeting shall be selected by the Board of Directors. The purpose of each annual meeting of the Owners shall be for the election of Directors and the transaction of such other business as may come before the meeting.

3.2. **SPECIAL MEETING:** Special meetings of the Owners may be called at any time by the Board of Directors or by the President, or upon written request of the Developer or by Owners who are entitled to vote one-fourth (1/4) of all of the votes.

3.3. **PLACE OF MEETINGS:** Meetings of the Owners shall be held at such suitable place convenient to the Owners as may be designated by the Board of Directors.

3.4. **NOTICE OF MEETINGS:** Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary or other person authorized to call a meeting, by delivering written notice, either personally or by mail at least ten (10) days before such meeting to each Owner entitled to vote thereat, last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. In lieu of such notice, waivers may be accepted from all Owners.

3.5. **QUORUM:** The presence of the meeting of Owners entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.6. **PROXIES:** At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be effective for a maximum period of one hundred-eighty (180) days (unless granted to a Mortgagee or lessee), shall be revocable and shall automatically cease upon conveyance by the Owner of his Lot.

3.7. **MAJORITY OF OWNERS:** As used in these By-Laws, the term "majority of Owners" shall mean those Owners having more than fifty percent (50%) of the total authorized votes of all Owners present in person or by proxy and voting at any meeting or the Owners.

3.8. **ORDER OF BUSINESS:** The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of committees
- (f) Election of Directors (when applicable)
- (g) Unfinished business
- (h) New business

3.9. PARLIAMENTARY PROCEDURE: Except where inconsistent with these By-Laws, meetings of the Association shall be conducted in accordance with the latest revised edition of "Roberts Rules of Order".

3.10. DEVELOPER'S CONTROL: As long as Developer is the fee title holder to at least one (1) of the Lots, Developer, or a person or persons authorized by it may appoint and remove the Board of Directors and officers of the Association and exercise powers and responsibilities of the Association.

3.11. RIGHTS OF DEVELOPER PRIOR TO TRANSFER: As long as Developer is the fee title holder to at least one (1) of the Lots, Developer may use the Common Areas and any Lot owned by Developer as may facilitate the completion and sale of all Lots contemplated thereon, including, but not limited to, in connection therewith, maintaining a sales office, maintaining a model home on a Lot, showing of property and erecting and maintaining signs on the Common Area or any Lot owned by Developer.

ARTICLE IV BOARD OF DIRECTORS SELECTION - TERM OF OFFICE

4.1. NUMBER AND SELECTION: The affairs of this Association shall be managed by a Board of three (3) Directors, all of whom shall be an Owner, except that the initial Directors and any subsequent Directors appointed by the Developer need not be Owners. Such Board shall be elected as follows:

- (a) Prior to the conveyance of all of the Lots by Developer to third-party purchasers, the Developer shall elect all of the Directors.
- (b) Within one (1) year of the date the last Lot owned by the Developer is conveyed to a bona fide third-party purchaser, a special meeting of the Owners shall be called at which time all of the initial Board of Directors, or their successors as designated by Developer, shall tender their resignations, and the Owners shall elect a new Board of Directors.

4.2. INITIAL DIRECTORS: Notwithstanding any provision set forth in these By-Laws to the contrary, the Developer shall designate the initial Board of Directors, none of which must be Owners, consisting of three (3) persons who shall have all of the rights and powers reserved to the Board of Directors under these By-Laws. Such Board of Directors, or successors to any of them as designated by Developer, shall continue to

serve until their successors are elected as set forth herein. The names and addresses of the initial Directors are:

S. Duane Stroebel, Jr.
W61 N488 Washington Avenue
Cedarburg, WI 53012

Laura Stroebel
W61 N488 Washington Avenue
Cedarburg, WI 53012

Dolores Johnson
W61 N488 Washington Avenue
Cedarburg, WI 53012

4.3. ELECTION AND TERM OF OFFICE: At the time of election of the full Board, the term or office of the first elected Owner of the Board of Directors shall be fixed at three (3) years, the term of office of the second elected Owner of the Board of Directors shall be fixed at two (2) years, and the term of office of the last elected Owner of the Board of Directors shall be fixed at one (1) year. If there is any conflict in determining the terms of office, the decision of the initial Directors shall control. At the expiration of the initial term of office of each respective Owner of the Board of Directors, his/her successor shall be elected to serve for a term of three (3) years. Except in the event of death, resignation or removal, each Director shall hold office until his/her successor has been elected by the Lot Owners.

4.4. REMOVAL: Any Director may be removed from the Board, with or without cause, by a majority vote of the Owners of the Association, or by a majority vote of the other Directors. In the event of death, resignation or removal of a Director, his/her successor shall be selected by the remaining Owners of the Board and shall serve for the unexpired term of his predecessor.

4.5. COMPENSATION: No Director shall receive compensation for any service he/she may render to the Association as such. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

4.6. ACTION TAKEN WITHOUT A MEETING: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V
MEETING OF DIRECTORS

5.1. **REGULAR MEETING:** Regular meetings of the Directors shall be held periodically without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

5.2. **SPECIAL MEETINGS:** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by two-thirds of the Directors, after not less than twenty-four (24) hours notice to each Director.

5.3. **QUORUM:** A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

5.4. **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. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him/her of the time and place thereof. 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 such meeting.

ARTICLE VI
POWER AND DUTIES OF THE BOARD OF DIRECTORS

6.1. **POWERS:** In addition to their other powers and authority as set forth in the Declaration and the Articles of Incorporation, the Directors shall have power to:

- (a) Adopt budgets for revenues, expenditures and reserves and levy and collect assessments for common area expenses and assessments from Owners;
- (b) Employ and dismiss employees and agents;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Developer or the Owners by other provisions of these By-Laws or the Declaration;
- (d) Open bank accounts on behalf of the Association and to designate the signatories required therefor;
- (e) Purchase, lease or otherwise acquire in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners, Lots offered for sale or lease or surrendered by the Owners to the Board of Directors;

(f) Purchase Lots at foreclosure or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners;

(g) Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of the Board of Directors), or otherwise deal with Lots acquired by and to sublease Lots leased by the Board of Directors or its designee, corporate or otherwise, on behalf of all Owners; and

(h) Organize limited liability entities to act as designees of the Board of Directors in acquiring title to or leasing of Lots on behalf of all Owners.

6.2 DUTIES: It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the Annual Meeting of the Owners, or at any special meeting when such statement is requested in writing by three-fourths (3/4) of the Owners who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) As provided in the Declaration, to fix the amount of the general and special assessments against each Lot and provide notice of each assessment to every Owner subject thereto;

(d) Issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. But such certificate may not be withheld for non-payment of such charge. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard and other insurance on property owned by the Association;

(f) Cause all officers, members of the Board and employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Areas to be maintained;

(h) Suspend the voting rights of an Owner upon the recording of a statement of Association lien on that Owner's Lot. Such suspension of voting rights shall continue until the amount necessary to release the lien has been paid in full;

(i) Grant easements through or over Common Areas;

(j) Make contracts and incur liabilities in connection with the operation of the Common Areas; and

(k) Maintain a current roster of names, telephone numbers and addresses of all of the Owners.

ARTICLE VII
OFFICERS AND THEIR DUTIES

7.1. ENUMERATION OF OFFICES: The officers of this Association shall be a President, Vice-President, and Secretary who shall at all times be members of the Board of Directors, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

7.2. ELECTION OF OFFICERS: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Owners.

7.3. TERM: Each officer of this Association shall be elected annually by the Board and each shall hold office until a successor is elected, unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.4. SPECIAL APPOINTMENTS: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

7.5. RESIGNATION AND REMOVAL: Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time, by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.6. VACANCIES: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

7.7. MULTIPLE OFFICES: The offices of Vice-President and Secretary, Vice-President and Treasurer, and Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

7.8. DUTIES: The duties of the officers shall be as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments

and shall co-sign all checks if required to do so by resolution of the Board of Directors.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners and present the minutes of the prior meeting and have all minutes available at all meetings; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the members of the Association together with their addresses and telephone numbers, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board or Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Ownership at its regular annual meeting, and deliver a copy of each to the Owners.

ARTICLE VIII COMMITTEES

The Association may appoint such committees as deemed appropriate in carrying out its purpose.

ARTICLE IX BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner or any mortgagee. The Declaration, Articles and the By-Laws as well as annual reports of the Association and minutes of annual meetings shall be available for inspection by any Owner or any mortgagee at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association general and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments, or installments thereof,

which are not paid when due shall be delinquent and subject to collection under the Declaration.

ARTICLE XI
ABATEMENT AND ENJOINING OF VIOLATIONS

The violations of any rule or regulation adopted by the Board of Directors, or the 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 or the Declaration: (a) to enter the Lot in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of the trespass; or (b) to enjoin, abate or remedy such thing or condition by appropriate legal proceedings.

ARTICLE XII
NOTICE OF CONVEYANCE

Within ten (10) days after a sale, transfer or conveyance (by land contract, mortgage or otherwise) or any legal or equitable interest in a Lot, the purchaser or mortgagee shall deliver notice to the Association stating: (a) the date of the conveyance; (b) the Lot; (c) the purchaser's or mortgagee's name, telephone number and mailing address; and (d) the name and address of the designee of such purchaser, if any; and (e) any other information as may be reasonably requested by the Board.

ARTICLE XIII
CONFLICTS

In case there is any conflict between the provisions of the these By-laws and of the documents listed below, or between the various documents listed below, the documents shall control in the following Order:

- (a) The Declaration;
- (b) The Articles of Incorporation for the Association; and
- (c) These By-Laws.

ARTICLE XIV
AMENDMENTS

Prior to the conveyance of all of the Lots by Developer to bona fide third-party purchasers, these By-Laws may be amended by: the Developer, acting alone and at its sole discretion. After the Developer has conveyed all of the Lots in the Subdivision, these By-Laws may be amended by the affirmative vote of Owners having seventy-five percent (75%) or more of the votes at a regular or special meeting of the Owners.

ARTICLE XV
FISCAL YEAR

The fiscal year of the corporation shall be the annual period beginning January 1 and ending December 31, or such other fiscal year as the Board of Directors may, from time to time, designate.

ARTICLE XVI
CORPORATE SEAL

The Association shall not have a seal; and where a seal is required, there shall be a notation thereon to the effect that the Association has no seal.

ARTICLE XVII
INDEMNITY OF OFFICERS AND DIRECTORS

The Association shall indemnify its directors, officers, employees and agents, to the fullest extent allowed by law, and shall advance to such director, officer, employee or agent his/her expenses in defending any claim arising out of the his/her actions as a director, officer, employee or agent of the Association. The provisions set forth in Sections 181.0855 through 181.0889 Wisconsin Statutes are incorporated herein by this reference and any amendments to these provisions which broaden the scope of the indemnification rights of the directors, officers, employees or agents shall become part of these By-laws. The Association may procure insurance to cover all or any portion of its obligations under this Section.

IN WITNESS WHEREOF, the Directors of PLEASANT VALLEY PRESERVE HOMEOWNERS ASSOCIATION, INC., have hereunto set their hands this ____ day of _____, 2005.

S. Duane Stroebel, Jr.

Laura Stroebel

Dolores Johnson