

# BYLAWS Of HIGHLAND HEIGHTS CONDOMINIUM OWNERS ASSOCIATION

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#### BYLAWS Of HIGHLAND HEIGHTS CONDOMINIUM OWNERS ASSOCIATION

### ARTICLE I Name and Purpose

1.1 <u>Name and Purpose</u>. Pursuant to the "Declaration of Condominium of Highland Heights Condominiums" recorded in the Office of the Register of Deeds for Outagamie County, Wisconsin (hereinafter called "Declaration"), the following are adopted as the Bylaws of Highland Heights Condominium Owners Association ("Association") which is an unincorporated non-profit association formed to serve as an association of unit owners who own real estate and improvements under the Condominium form of use and ownership, as provided in the "Condominium Ownership Act" under the laws of the State of Wisconsin and subject to terms and conditions of the Declaration.

These Bylaws and the Rules adopted in accordance herewith shall be deemed covenants running with the land and shall be binding on the unit owners, their heirs, administrators, Executors, successors and assigns, tenants and guests.

# ARTICLE II Members, Voting and Meetings

- 2.1 <u>Members</u>. This Association shall have one class of members and the rights and qualifications of the members are as follows:
  - A. <u>Unit Owner Members</u>. Every unit owner upon acquiring title to a unit, under the terms of the Declaration, shall automatically become a member of the Association and shall remain a member thereof until such time as ownership of such unit ceases for any reason, at which time membership in the Association shall automatically cease. In the event of a lease of a unit, the lessee shall be deemed the owner only to the extent provided in the lease filed with the Board of Directors of the Association.
  - B. One Membership Per Unit. If title to a unit is held by more than one person, the membership related to that unit shall be shared by such owners in the same proportionate interests and by the same type of tenancy in which the title to the unit is held. A unit owner shall be entitled to one membership for each unit owned. Voting rights may not be split and shared membership interests must be voted pursuant to the terms of paragraphs 2 and 3 hereof.
  - C. <u>Transfer of Membership</u>. Each such membership shall be appurtenant to the unit upon which it is based and shall be transferred automatically upon conveyance of that unit. Membership in the Association may not be transferred, except in connection with the transfer of a unit. Upon transfer of a unit, the Association shall, as soon as possible thereafter, be given notice of such transfer, including the name of the new owner, identification of unit, date of transfer, and any other information about the transfer which the Association may deem pertinent.

- 2.2 <u>Voting Rights</u>. Each unit shall be entitled to one vote as provided in the Condominium Declaration. Directors of the Association shall be elected by the members at their annual meeting as hereinafter provided. At meetings of the Association, each unit owner is entitled to cast one vote appurtenant to his or her unit. If only one of the multiple owners of a unit is present at a meeting of the Association, the owner present is entitled to cast the vote allocated to that unit. If more than one of the multiple owners is present, the vote allocated to that unit may not be cast proportionally among the owners and unanimous agreement is conclusively presumed if any one of them purports to cast the vote allocated to that unit without protest being made promptly by any of the other owners to the person presiding over the meeting. No unit owner may vote if the Association has recorded a Statement of Condominium Lien on the said unit owner's unit and the amount necessary to release the lien has not been paid at the time of the meeting.
- Quorum and Proxies for Members' Meetings. A quorum for members' meetings shall consist of a majority of votes entitled to vote. Votes may be cast in person or by proxy. Proxies shall be valid only for a maximum period of 180 days following its issuance, unless granted to a mortgagee or lessee, and must be filed with the Secretary before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present without further notice. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.
- 2.4 <u>Time, Place, Notice and Calling of Members' Meetings</u>. Written notice of all meetings stating the time and place and the purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing, to each member at their address as it appears on the books of the Association and shall be mailed, or personally delivered not less than ten (10) days prior to the date of the meeting. Notice of meeting may be waived before or after meetings. Meetings shall be held at such time and place as may be designated by the Board of Directors. The annual meeting shall be held within the first half of October prior to the fifteenth for the purpose of electing directors and of transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President or any two members of the Board of Directors and must be called by such officers upon receipt of a written request signed by members with one-third or more of all votes entitled to be cast.
- 2.5 <u>Order of Business</u>. The order of business at the annual meeting, and as far as practical at all other meetings of the members, shall be
  - A. Call to order by the President
  - B. Calling of the roll and certifying of proxies
  - C. Proof of notice of meeting or waiver of notice
  - D. Approval of previous minutes
  - E. Reports of officers
  - F. Reports of committees
  - G. Election of inspectors of election
  - H. Election of directors (if necessary)
  - I. Unfinished business
  - J. New business
  - K. Adjournment

- 2.6 <u>Majority Vote Prevails</u>. Decisions of the Association shall be made on a majority of votes of the unit owners present and voting.
- 2.7 <u>Powers of the Association</u>. The Association has the power to:
  - A. Adopt budgets for revenues, expenditures and reserves and levy and collect Assessments for common expenses from unit owners
  - B. Employ and dismiss employees and agents
  - C. Sue on behalf of all unit owners
  - D. Exercise any other power conferred by the condominium instruments or Bylaws
  - E. Make contracts and incur liabilities; including contracts with other condominium association(s) or other entities so as to provide and/or furnish amenities for the benefit of the members and to pay for the cost of same
  - F. Regulate and impose charges for the use of common elements
  - G. Cause additional improvements to be made as a part of the common elements
  - H. Acquire, hold, encumber and convey any right, title or interest in and to real property
  - I. Grant easements through or over the common elements
  - J. Receive any income derived from payments, fees or charges for the use, rental or operation of the common elements
  - K. Grant or withhold approval of any action by a unit owner or other person which would change the exterior appearance of the unit or of any other portion of the Condominium

### ARTICLE III Board of Directors

- 3.1 <u>Number and Qualifications of Directors</u>. The Board of Directors initially shall consist of three (3) persons and thereafter shall consist of not less than three (3) nor more than seven (7) as is determined from time to time by majority vote at an annual or special meeting. All Directors shall be Unit Owners occupying an association unit as their primary residence. Additionally only one family or unit member may serve on the Board of Directors at the same time.
- 3.2 <u>Powers and Duties of the Board of Directors.</u> The affairs of the Association shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised by the Board of Directors. Such powers and duties shall be exercised in accordance with the provisions of the Declaration and the provisions of the Condominium Ownership Act, including the power to engage the services of a manager or managing agent.
- 3.3 <u>Election and Term of Directors</u>. The terms of at least one-third of the directors shall expire annually or until their successors are duly elected and qualified, or until any of said directors shall have been removed in the manner provided hereinafter. At the annual meeting of the Association, the members shall elect at least two (2) directors to 3-year terms. Directors are limited to two consecutive 3-year terms followed by at least one year off the Board.
- 3.4 <u>Vacancies on Board</u>. Vacancies on the Board of Directors caused by any reason other than removal of a director by a vote of the members shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so

- elected shall be a director until a successor is elected at the next annual or special meeting of the members.
- 3.5 <u>Removal of Directors</u>. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the members entitled to be cast and a successor may then and there be elected to fill the vacancy thus created.
- 3.6 <u>Regular Meetings and Notice</u>. A regular annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members. Notice of the regular annual meeting of the Board of Directors shall not be required.
- 3.7 <u>Special Meetings and Notice</u>. Special meetings of the Board of Directors may be called by the President or two (2) directors on two (2) days prior written notice to each director, given personally or by mail, which notice shall state the time, place and purpose of the meeting.
- 3.8 <u>Waiver of Notice</u>. Before, at, or after any meeting of the Board of Directors, 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 waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- 3.9 Quorum of Directors Adjournments. At all meetings of the Board of Directors, a majority 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 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 without further notice. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted.
- 3.10 <u>Fidelity Bonds</u>. The Board of Directors may require that some or all officers and/or employees of the Association handling or responsible for the Association's funds shall furnish adequate fidelity bonds. The premiums on any such bonds shall be paid for by the Association.
- 3.11 <u>Liability of Directors and Officers</u>. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Association, if such person (a) exercised and used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took, or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which he had reasonable grounds to believe to be true. The foregoing shall not be exclusive or other rights and defenses to which he may be entitled as a matter of law.
- 3.12 Compensation. No compensation shall be paid to directors for their services as directors.

#### ARTICLE IV Officers

- 4.1 <u>Designation, Election and Removal</u>. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer to be elected annually by the Board of Directors. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor shall be elected at the regular meeting of the Board of Directors, or at any special meeting called for that purpose.
- 4.2 <u>President</u>. The President shall be selected from among the members of the Board of Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of President including, but not limited to, the power to sign, together with any other officer designated by the Board, any contracts, checks, drafts, or other instruments on behalf of the Association in accordance with the provisions herein.
- 4.3 <u>Vice-President</u>. 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 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 by the Board of Directors.
- 4.4 <u>Secretary</u>. The Secretary shall have responsibility for keeping the minutes of all meetings of the Board of Directors and of the Association and shall have charge of the Association's books and records, and shall, in general, perform all the duties incident to the office of Secretary; including counting votes at meetings of the Association. If the Secretary is absent, the Board shall designate an acting Secretary to have all the responsibility and duties of the Secretary.
  - When a unit is placed for resale, the Secretary, or Board of Director designee(s), of the Association shall contact the respective Owner/Realtor to determine that said Owner/Realtor has a loaner copy of the Bylaws and Rules for review by prospective buyers. The Secretary shall provide new unit owners with a current copy of the Bylaws and Rules.
- 4.5 <u>Treasurer</u>. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and financial records and books of account belonging to the Association. He shall be responsible for the deposit of all monies and all 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 of Directors. The Treasurer shall also be responsible for the billing and collection of all common charges and assessments made by the Association. If the Treasurer is absent, the Board shall designate an acting Treasurer to have all the responsibility and duties of the Treasurer.
  - The Treasurer, or Board of Director designee(s), shall prepare quarterly financial reports and make those reports available to the owners.
- 4.6 <u>Compensation</u>. No compensation shall be paid to an officer for services as an officer, except as may be authorized by a vote of the membership after the sale of over 75% of the units.

### ARTICLE V Operation of the Property

5.1 <u>Annual Operating Charges</u>. The Board of Directors shall prepare an annual operating budget for the Association in order to determine the amount of the common charges payable by the members to meet the common expenses of the Association for the ensuing year. The budget shall be prepared and determined by <u>September 15</u> of each calendar year and the amounts required by such budget shall be allocated among the members of the Association according to their respective percentages of ownership as set forth in the Declaration.

The Board of Directors shall advise all members of the Association in writing of the amount of common charges payable by each of them by the date of the annual members' meeting and shall furnish copies of the budget on which such common charges are based to each member.

The Budget shall provide for two funds, one of which shall be designated the "operating fund" and the other the "reserve fund". The operating fund shall be used for all common expenses which occur with greater than annual frequency such as amounts required for the cost of wages, materials, insurance, services and supplies. The reserve fund shall be used for contingencies and replacement expenses. In the event that the Association incurs extraordinary expenditures not originally included in the annual estimate, then such sums as may be required shall be first charged against the reserve fund. In the event that both funds prove inadequate to meet the necessary common expenses, the directors may levy a further assessment which shall be charged to each owner in proportion to his interest as set forth herein.

The reserve fund may include such amounts as the Board of Directors may deem necessary.

It may also be used to discharge mechanic's liens or other encumbrances levied against the entire property or any part thereof which may constitute a lien against the common property rather than against the unit interest of particular owners. The unit owner responsible for any such lien shall be specifically assessed for the full amount thereof.

The Declarant agrees to collect \$500.00 from the initial Buyer (s) of each unit to initially fund the Reserve Fund.

The directors may also use the reserve fund for the maintenance and repair of any unit if such maintenance and repair is necessary to protect the common property. The full amount of the cost of any such maintenance or repair shall be specially assessed to the unit owner responsible therefor.

All of the preceding shall constitute common expenses and charges and shall be paid quarterly to the Association commencing on or before the first day of February in each year, or within thirty (30) days of the notice of assessment, whichever occurs first. If not paid on or before the due date, the charges shall bear interest at the rate of eighteen (18%) percent per annum until paid in full.

If within ten (10) days of the determination of such charges by the Board of Directors, a petition is presented to the Board of Directors protesting against such charges or the budget upon which they are based, and the petition is signed by the Association's members representing more than fifty (50%) percent of the membership interests entitled to vote with respect to such charges, then

the directors shall notify all members of a meeting called for the sole purpose of reviewing such charges or budget before the charges become due. At such meeting, the vote of more than fifty (50%) percent of the membership interests entitled to vote may revise the budget and charges, and such revised budget and corresponding charges shall replace for all purposes the one previously established; provided, however, that the annual budget and charges may not be revised downward to a point lower than the amount equal to the aggregate of the average total budgets for each of the preceding two years and provided further, that if a budget and charges have not been established and made for any two preceding years, then the budget and charges may not be revised downward until two years of experience exists.

- 5.2 <u>Special Assessments</u>. In the event a unit owner fails or neglects to repair and/or maintain his unit or common elements damaged by him or his guest as required after ten (10) days written notice, the cost of so doing authorized by the Association shall be charged as a special assessment against the unit.
- 5.3 <u>Default</u>. If a member of the Association is in default in payment of any charges or assessments for a period of more than thirty (30) days, the Board of Directors, in the name of the Association, may bring suit for and on behalf of the Association as representative of all members to enforce collection of such delinquencies or to foreclose the lien therefore, as provided by law, and there shall be added to the amount due the costs of suit and the legal interest, together with a reasonable attorney's fee. The provisions of the Condominium Ownership Act pertaining to such assessments, lien for same and collection thereof shall govern.
- Responsibility of Transferees for Unpaid Assessments. In a voluntary transfer of a unit, the transferee of the unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board or President, or managing agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the transferor due to the Association and such transferee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the transferor in excess of the amount therein set forth. In the event the Association or the Board does not provide a statement setting forth any sums due within five (5) business days after transferee's written request for same, the Association or the Board shall be barred from claiming a lien against the transferee.

# ARTICLE VI Duties and Obligations of Unit Owners

- 6.1 <u>Rules and Regulations</u>. The units and the common areas and facilities and limited common areas (hereinafter in this paragraph sometimes collectively referred to as "commons") shall be occupied and used in accordance with the Declaration, these Bylaws, and the rules and regulations of the Association. The Board may adopt procedures to govern penalties for rules infractions.
  - A. <u>General use and Occupancy</u>. No unit owner shall occupy or use his unit or the limited common areas appurtenant thereto, or permit the same or any part thereof to be occupied

or used for any purpose other than as a private residence for the owner, the owner's family, or the owner's lessees or guests.

- 1. Nothing should be done to disrupt the uniformity of appearance of the building from the outside.
- 2. No unit owner or occupant shall, except in specifically designated storage areas, place, store or maintain objects of any kind in the walkways, grounds or other common areas.
- 3. Every unit owner or occupant shall observe all laws, ordinances, rules and regulations now or hereafter enacted by either the State of Wisconsin, the City of Appleton, or adopted by the Association.
- 4. Common walks, lawns, and other common areas and facilities shall be kept free from rubbish, debris, and other unsightly materials and shall not be obstructed, littered, defaced, or misused in any manner.
- 5. No outdoor clothes lines may be erected and nothing shall be hung or exposed on any part of the common areas and facilities except as approved IN WRITING by the Board of Directors.
- 6. A unit owner or occupant shall not cause or permit anything to be hung or displayed on the outside windows or placed on the outside walls of his unit, and no sign, awning, shutter, or antenna shall be affixed to or placed on the exterior walls or roof, or any part thereof, without the prior consent of the Association.
- 7. Only signs used by an owner, or his agent, to advertise the sale of a unit are permitted in the common areas near the unit. No other sign of any kind shall be displayed to the public view without prior written permission from the Board of Directors.
- 8. Unit owner or occupant shall not do any work which would jeopardize the soundness or safety of the property, or reduce the value thereof, or impair any easement.
- 9. A unit owner or occupant shall be liable for the expense of any maintenance, repair, or replacement to the common areas and facilities rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees.
- 10. A unit owner or occupant shall not paint or otherwise change the appearance of the patio to which said unit owner has exclusive use and possession.
- 11. No exterior structural changes or alterations shall be made to any unit without prior written consent of the Board of Directors.
- 12. Permission must be obtained from the Board of Directors for garage, rummage or estate sales. One (1) sale per year per address will be considered. Each sale must be limited to three (3) consecutive days or less in duration.

- B. <u>Obstructions</u>. There shall be no obstruction of the common areas and facilities and nothing shall be stored therein without the prior consent of the Association.
- C. <u>Increase of Insurance Rates</u>. Nothing shall be done or kept in any unit or in the commons which will increase the rate of insurance on the commons, without the prior consent of the Association. No unit owner shall permit anything to be done or kept in his unit or in the commons which will result in the cancellation of insurance on any unit or any part of the commons, or which would be in violation of any law or ordinance. No waste will be committed in the commons.

#### D. Animals and Pet Control.

- 1. Owners are allowed up to two (2) domestic animals (pets) per unit with a combined total weight not exceeding 50 pounds. A domestic animal means any animal customarily considered tame and not vicious or dangerous and appropriately maintained within a residential condominium setting.
- 2. No reptiles, livestock, poultry of any kind shall be raised, bred or kept in any unit or on Association property.
- 3. All pets must be walked on a leash. This is a City of Appleton Ordinance.
- 4. The owner of each pet is responsible for immediately cleaning any dirt or soilage caused by the pet in any developed area.
- 5. Landscape damage caused by a resident or guest's pet(s) will be repaired at the expense of the unit owner involved.
- 6. The leash used to tether pets must be kept to a reasonable length so as not to become a nuisance to other residents or their guests. Pets may only be tethered in the rear of the units.
- 7. Pets must not be left unattended in the garage or on the common area.
- 8. A unit owner is responsible for the pets of anyone living in or visiting his unit.
- 9. No pet shall be allowed to create a noise nuisance on the condominium premises.

#### E. Vehicles and Parking.

- 1. Overhead garage door must be closed when not in use for ingress and egress.
- 2. No commercial vehicle, motor home, recreational vehicle, boat or trailer is allowed on the condominium premises longer than 48 hours unless it is parked inside of a garage.
- 3. Parking is not permitted on private streets after a 2" snow fall.

- 4. Vehicles are not permitted on patio, deck or grass areas. The term "vehicle" includes cycles, bikes and snowmobiles.
- 5. Use of parking space as defined in the Declaration (Article 4. GENERAL DESCRIPTION COMMON ELEMENTS 4.3 "PARKING SPACES. Vehicular parking space located immediately in front of each attached garage and for a distance of 20 feet therefrom is a limited common area to the unit of which the adjacent garage is a part.") will be restricted to no permanent parking. Exceptions must have prior written approval from the Board of Directors.
- 6. Only legally licensed vehicles may be parked on Limited Common or Common property.
- 7. On street parking is limited to 24 hours consecutively.

#### F. Garbage and Refuse.

- 1. Garbage must be kept in the garage, except when set out for pick-up.
- 2. Follow City of Appleton rules and regulations for refuse collection and recycling.
- G. <u>Maintenance Personnel</u>. All employees of the Association are hired by and remain under the direction of the Board of Directors. They are all assigned to specific duties and may do no other work unless they have a work order issued by the Board of Directors.
- H. <u>Noxious Activity</u>. No noxious or offensive activity shall be carried on in any units or in the commons, nor shall anything be done therein which may be or become an annoyance or nuisance to others.
- I. <u>Alteration, Construction or Removal</u>. Nothing shall be altered or constructed in or removed from the common areas and facilities, except upon the written consent of the Association.
- J. <u>Additional Rules and Regulations</u>. Additional rules and regulations concerning the use of the units and the common elements may be adopted and amended from time to time by the Association Board of Directors. Copies of such rules and regulations and any amendments thereof shall be furnished by the Association to each unit owner prior to the time when they become effective.
- K. <u>Conflict</u>. The above and attached rules and regulations, and those which may be hereinafter adopted by the Association, are in addition to the Declaration, and in the event of a conflict, the Declaration shall govern.
- 6.2 <u>Maintenance and Repair of Units</u>. Every unit owner must perform properly all maintenance and repair work within his own unit which if omitted would affect the project in its entirety or in a portion belonging to other owners, and such owner shall be personally liable to the Association for any damages caused by his failure to do so. Every unit owner or occupant shall at all times keep his unit in a clean and sanitary condition.

6.3 <u>Limited Common Areas</u>. Every unit owner must maintain the limited common areas appurtenant to his unit in clean and proper condition. No objects or structures, other than movable furniture or decorative pieces and other than movable barbecue pits or grills may be placed on the patio/deck or the common areas without the prior written consent of the Board of Directors of the Association. All objects and structures must conform to City of Appleton Municipal Code.

### ARTICLE VII Amendments

Amendments. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the members, by an affirmative vote of sixty-seven (67%) percent of all of the votes entitled to be cast. No such amendment shall be valid if it conflicts with the Declaration or the Condominium Ownership Act.

### ARTICLE VIII Miscellaneous

- 8.1 Record of Ownership. Every unit owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment or other conveyance to him of such unit or other evidence of his title thereto and shall file such lease with and present such other evidence of his title to the Board of Directors and furnish his current mailing address, and the Secretary shall maintain all such information in the record of ownership of the Association. No unit owner may vote at meetings of the Association until this information is furnished.
- 8.2 <u>Mortgages</u>. The Board of Directors at the request of any mortgagee or prospective purchaser of any unit or interest therein shall report to such person the amount of any assessments against such unit then due and unpaid.
- 8.3 Indemnity of Officers and Directors. Every person who is or was a director or officer of the Association shall (together with the heirs, executors and administrators of such person) be indemnified by the Association against loss, costs, damages and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceedings, including criminal proceedings, to which he is made or threatened to be made a party by reason of his being or having been such director or officer, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The Association, by its Board of Directors, may indemnity in like manner, or with any limitations, any employee or former employee of the Association with respect to any action taken or not taken in his capacity as such employee. The foregoing rights of indemnification shall be in addition to all rights to which officers, directors or employees may be entitled as a matter of law.

All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated

and handled by the Association as common expenses; provided, however, that nothing in this Article VIII contained shall be deemed to obligate the Association to indemnity any member or owner of a Condominium unit who is or has been an employee, director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration, Wisconsin's Condominium Ownership Act, the Articles and Bylaws of the Association, as a member of the Association, or owner of a condominium unit covered thereby.

- 8.4 <u>Subordination</u>. These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Condominium Ownership Act under the laws of the State of Wisconsin, which shall control in case of any conflict. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration of said Condominium Ownership Act.
- 8.5 <u>Interpretation</u>. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the unit owners.
- 8.6 <u>Mailing Address</u>. The current mailing address of the Association is: c/o Meerdink & Associates, 4351 W. College Ave, Appleton, WI 54914.
- 8.7 <u>Borrowing Money</u>. No money shall be borrowed except upon affirmative vote of a majority of votes of the unit owners present and voting or upon an affirmative vote of two-thirds (2/3) of the members of the Board of Directors.
- 8.8 <u>Fiscal Year</u>. The fiscal year shall begin on the first day of January and end on the last day of December of each year.
- 8.9 Property Insurance. The Association shall obtain and continue in effect, insurance against loss or damage to the condominium, common and limited areas, and facilities for all risks of loss excluding such perils as are found in MP-OO 13 form. Coverage shall be obtained for the full replacement value of the building. The insurance policy shall be endorsed or written to recognize the replacement value and deleting the co-insurance clause normally contained in the policy. The Board of Directors may engage the services of a bank, trust company or title insurance company authorized to do business in Wisconsin to act as agent or depository on behalf of the Board of Directors for the purposes of receiving and disbursing insurance proceeds resulting from any loss upon such terms as the Board of Directors shall determine consistent with the provisions of the Condominium Ownership Act. The expenses and fees of such agent or depository shall be common expenses.
- 8.10 <u>Waiver of Subrogation</u>. Each unit owner and the Association hereby mutually waive and release any and all claims which they may have against each other, their respective Directors, officers, agents, employees and invitees, if any, for damage or destruction to the condominium, including the common areas and facilities, the units and any personal property located within said units or within the common areas and facilities caused by or resulting from fire or any other casualty to the extent that such damage or destruction is covered by fire insurance or other form of insurance and to the extent such waiver is legally authorized and permitted by the insurance carrier.

8.11 Other Insurance. The Board of Directors shall also have authority to and shall obtain comprehensive general liability insurance, including liability for bodily injuries, personal injuries and property damages with a combined single limit of \$1,000,000. The comprehensive general liability policy shall be extended to include owner's and contractor's protective liability, contractual, and any other liability insurance as the Board may deem desirable. Premises medical payments shall be added to the policy using limits of \$1,000 per person and \$25,000 per occurrence. The Association shall be the named insured while each unit owner shall be added as an additional named insured as their interest might appear.

The Board may also be given authority by the members to obtain such other insurance as deemed necessary. The premiums for all insurances discussed in these subparagraphs 9 and 11 shall be common expenses.

8.12 <u>Insurance of Unit Owner</u>. Insurance coverage obtained as part of the common expenses as above provided shall be without prejudice to the rights of the unit owners to insure their respective units for their benefit. Each unit owner shall be responsible for insurance on the contents of the unit, fixtures, furnishings, personal property herein, any additions, alterations or improvements to the unit, and for personal liability to the extent not covered by the liability insurance for all of the unit owners obtained as part of the common expenses as above provided, and for such other insurance as the unit owner may deem necessary.

# ARTICLE IX Default

- 9.1 <u>Definition</u>. Failure to comply with any of the terms of the Declaration, these Condominium Bylaws or duly adopted Rules and Regulations of the Association shall constitute an event of default and shall be grounds for relief, which may include without intending to limit the same an action to recover sums due for damages and injunctive relief, or any combination thereof.
- 9.2 <u>Costs.</u> In any proceedings arising because of any alleged default by any owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees from such owner.
- 9.3 No Waiver. The failure of the Association or of any owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Condominium Bylaws or duly adopted Rules and Regulations of the Association shall not constitute a waiver of the right of the Association or of any such owner to enforce such right, provision, covenant or condition in the future.
- 9.4 <u>Rights Cumulative</u>. All rights, remedies and privileges granted to the Association or any owner pursuant to any provisions of the Declaration, these Condominium Bylaws or duly adopted Rules and Regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, not shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

# ARTICLE X Severability

10.1 <u>Severability</u>. In the event that any of the terms, provisions or covenants of these Condominium Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not effect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

# ARTICLE XI Table of Contents: Headings

11.1 <u>Table of Contents: Headings</u>. The table of contents and headings used in these Condominium Bylaws have been inserted for convenience only and do not constitute matter to be construed in interpretation.