

**BYLAWS OF  
ALPINE MEADOWS CONDOMINIUMS  
UNIT OWNERS ASSOCIATION, INC.**

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# **BYLAWS OF ALPINE MEADOWS CONDOMINIUMS UNIT OWNERS ASSOCIATION, INC.**

The following Code of Bylaws applies to ALPINE MEADOWS CONDOMINIUMS UNIT OWNERS ASSOCIATION, INC., a Wisconsin non-stock corporation, created to manage Alpine Meadows Condominiums (the "Condominium"), created by a Declaration of Condominium recorded as Document No. 3818790, in the Office of the Register of Deeds for Dane County, Wisconsin. These Bylaws incorporate by reference the Declaration of Condominium and Condominium Plat, the Articles of Incorporation of Alpine Meadows Condominiums Unit Owners Association, Inc., and the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes. The Bylaws are intended to provide the structure necessary for the operation and maintenance and enjoyment of the Condominium for the benefit of all persons authorized to use it, to establish the procedure for the levy and collection of assessments to finance the operations of the Association, and to permit Unit Owners to participate through a democratic structure in this process of maintenance, operation, financing and control.

## **ARTICLE I**

### **Name, Form of Administration, Address**

1.01. **Name.** The name of the Association is ALPINE MEADOWS CONDOMINIUMS UNIT OWNERS ASSOCIATION, INC., and is referred to herein as the "Association."

1.02. **Form of Administration.** The Association is incorporated as a Wisconsin non-stock corporation under Chapter 181, Wisconsin Statutes. Policy control of the Association, except as otherwise provided herein, is vested in a Board of Directors to be elected by the members in accordance with Article III hereof. A manager or management company may be retained by the Board and serves under its supervision and control.

1.03. **Address.** The address of the Association and its principal office is 8605 Fairway Place, Suite 101, Middleton, Wisconsin 53562. This address is subject to change to such other address in Dane County, Wisconsin, as the Board of Directors may designate from time to time.

## **ARTICLE II**

### **Members, Rights and Obligations, Meetings**

2.01. **Members.** All Unit Owners in the Condominium are members of the Association. They are granted all rights and subject to all obligations of membership as created herein. The membership of the Association shall include vendees named in land contracts providing for the purchase of Units, but shall not include land contract vendors. Persons holding an interest in a Unit solely as security for an obligation (including mortgagees) shall not be members of the Association.

- (1) Upon conveyance or other transfer of a Unit Owner's interest in a Unit, the transferor ceases to be a member of the Association and the transferee becomes a member. If a Unit Owner dies and such Unit Owner's ownership interest passes to a Unit Owner's personal representative or to a trustee, the personal representative or trustee receiving such interest shall become a member of the Association.
- (2) The Association shall maintain a roster of the names and addresses of all Unit Owners and upon conveyance or other transfer it shall be the responsibility of the transferor to promptly notify the Association of the information necessary to keep the roster current. The Association shall also maintain a roster of holders of security interests in Units and shall provide such notices regarding the Unit(s) encumbered and the Condominium as a secured party requests or the law requires. Every Unit Owner shall provide the Association with his or her name and current mailing address, and shall not be entitled to vote until such information is furnished.
- (3) All Unit Owners, tenants of such owners, employees of owners and tenants, or any other persons that in any manner use the Condominium or any part thereof shall be subject to the Condominium Ownership Act, Declaration of Condominium, Articles of Incorporation of the Association, the Association's Bylaws, and the Rules and Regulations of the Association.
- (4) All agreements, decisions and determinations lawfully made by the Association in accordance with the voting percentages in the Condominium Ownership Act, the Declaration, the Articles or these Bylaws, shall be deemed to be binding on all Unit Owners.

2.02. Annual Meeting. The annual meeting of the Association shall be held on the second Tuesday of December of each year at a location selected by the Board of Directors. The meeting shall be at a time designated by the Board of Directors and shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

2.03. Special Meetings. Special meetings may be held at any time on the call of the President or on written request to the Association by owners of not less than twenty (20%) percent interest in the Common Elements. Special meetings held on written request as provided herein shall be conducted within sixty (60) days of the date of receipt of the request unless it specifies a longer period. The business to be transacted at a special meeting shall be limited to the items identified in the notice of such meeting.

2.04. Notice of Meetings. The Secretary of the Association shall give written notice of every meeting to every member at least ten (10) days before the date set for such meeting, unless waivers of notice are duly executed by all Unit Owners.

- (1) Content of Notice. The notice shall state whether the meeting is an annual or special meeting, the authority for the call of the meeting, the place, date, and hour of the meeting and, where required, the purpose or question to be considered at the meeting.

- (2) Delivery of Notice. The notice shall be given by delivery of a copy to the member personally or by mailing the notice to the member at his address as it appears on the Association's roster. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to the Unit Owner at the Unit Owner's address as appears on the records of the Association, with postage prepaid.
- (3) Failure to Receive Notice. If notice is given as provided hereunder, the failure of any member to receive actual notice shall not invalidate the meeting or any proceedings conducted at the meeting.
- (4) Holders of Security Interests. Upon written request to the Secretary of the Association, the holder of any recorded security interest in any Unit in the Condominium may obtain a copy of any notice permitted or required to be given by these Bylaws from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record. Notice shall be given to all holders of security interests of proposed amendments to the Declaration.
- (5) Waiver of Notice. The presence of any member in person or by proxy shall be deemed a waiver of notice as to such member unless such member objects at the opening of the meeting to the holding of the meeting because of failure to give proper notice. Members may waive notice of any meeting in writing to the Secretary.

2.05. Quorum. The presence of a majority of Unit votes whether in person or by proxy constitutes a quorum.

2.06. Voting. Each Unit is entitled to cast one indivisible vote without regard to the number of persons who have an ownership interest in the Unit. The vote for each Unit may be cast as agreed by the persons who have an ownership interest in the Unit and if only one such person is present, it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event they cannot agree on the manner in which the vote is to be cast no vote may be accepted from that Unit. The act of a majority of the votes entitled to be cast by Unit Owners present in person or represented by proxy at a meeting at which a quorum is present shall be the act of the Unit Owners, unless a greater proportion is required by the Articles of Incorporation, Chapter 181 or 703 of the Wisconsin Statutes, or these Bylaws.

- (1) Proxies. A member may give another person authority to represent him and vote on his behalf at meetings of the Association. Such proxy must be in writing, dated and signed by the member, and filed with the Secretary. Except for a proxy to a mortgagee or lessee of the Unit involved, no proxy is valid for more than one hundred eighty (180) days after its date, however, a member may renew his proxy by filing a new proxy or a renewal of the existing proxy with the Secretary. A proxy may grant full or limited voting rights and may contain instructions, which shall be binding on the proxy holder.
- (2) Representatives. Any personal representative, executor or administrator of the estate of any member, or guardian or trustee for any member, may exercise such member's



voting rights. Such person shall file an affidavit or other proof of his status with the Secretary.

- (3) Eligible Unit Owners. No person who is not on the Association's roster of Unit Owners may vote unless such person holds a proxy from one who appears on the roster. A Unit Owner shall not be entitled to vote on any issue submitted to a vote of the Unit Owners if a statement of condominium lien on the Unit has been filed and the amount necessary to secure the release of such lien has not been received by the Association prior to the vote.

2.07. Unanimous Consent Without Meeting. Any action required or permitted by these Bylaws or any provision of law to be taken at a meeting of the Association, may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Unit Owners entitled to vote with respect to the subject matter thereof.

2.08. Adjournment. Any meeting of the Association may be adjourned from time to time and to such place and time as may be determined by a majority vote of those present, whether or not a quorum is present. No further announcement of the time or place of the adjourned meeting is required.

2.09. Order of Business. The order of business at all annual meetings is as follows:

- (a) Roll Call;
- (b) Proof of Notice of Hearing;
- (c) Proof of Quorum;
- (d) Reading of Minutes and Preceding Annual Meeting;
- (e) Report of Officers;
- (f) Report of Committees;
- (g) Election of Board of Directors;
- (h) Unfinished Business;
- (i) New Business;
- (j) Approval of Budget; and
- (k) Adjournment

The order of business at all special meetings is determined by the President.

2.10 Presumption of Assent. A Unit Owner who is present at a meeting of the Unit Owners at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Unit Owner who voted in favor of such action.

## ARTICLE III

### Board of Directors

3.01. Powers and Duties. Except for those powers and duties specifically reserved to or required of the Unit Owner(s), all of the powers and duties of the Association under the Declaration, the Articles of Incorporation, these Bylaws, the Condominium Ownership Act and Chapter 181 of the Wisconsin Statutes shall be exercised by the Board of Directors. The powers and duties of the Board of Directors shall include, without limitation, the power or duty to:

- (a) Adopt budgets for revenues, expenditures and reserves.
- (b) Levy and collect General Assessments and Special Assessments against Unit Owners and disburse funds in payment of the Association's expenses.
- (c) Manage, maintain, repair, replace, improve operate and regulate the Common Elements.
- (d) Grant easements through or over the Common Elements.
- (e) Hire and supervise any manager, managing agent, employee, attorney, accountant or any other independent contractor whose services the Board of Directors determines are necessary or appropriate.
- (f) Sue on behalf of all Unit Owners.
- (g) Make contracts and incur liabilities.
- (h) Purchase, take, receive, rent or otherwise acquire and hold any interest in real or personal property, including any Unit of the Condominium.
- (i) Sell, convey, mortgage, encumber, lease, exchange, transfer or otherwise dispose of any interest in real or personal property, including any Unit of the Condominium; provided the Board of Directors shall not by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements without prior written approval of two-thirds (2/3) of the Unit Owners other than the Declarant.
- (j) Receive any income derived from payments, fees or charges for the use, rental or operation of the Common Elements.
- (k) Adopt and amend rules and regulations governing the operation, maintenance and use of any portion of the Condominium and the personal conduct of any person upon or with regard to Condominium property, including the imposition of charges for the use of Common Elements and penalties for infractions of the rules and regulations of the Association. Such rules and regulations may also be adopted, amended and repealed by the Unit Owners having sixty-seven percent (67%) or more of the votes

of the Association. Rules and regulations which are adopted, amended or repealed by the Unit Owners may not thereafter be amended, repealed or readopted by the Board of Directors.

- (l) Insure the Condominium property against loss by fire and other casualty and the Association and Unit Owners against public liability as provided in the Declaration and purchase such other insurance as the Board of Directors may deem advisable.
- (m) Keep all of the books and records and prepare accurate reports of all transactions of the Association.
- (n) Appoint committees to carry out any tasks which the Board of Directors deems necessary or appropriate.
- (o) Designate depositories and establish accounts for the funds of the Association and determine which officers or agents shall be authorized to withdraw and transfer funds deposited in such account.
- (p) Delegate any or part of the powers and duties of the board of Directors or Association officers to a manager or managing agent.

3.02. Manager. The Board of Directors may hire a manager or managing agent at a compensation rate established by the Board to perform such duties and services as the Board shall be authorized including, without limitation, the duties enumerated in Section 3.01.

3.03. Number and Qualification. The affairs of the Association are governed by a Board of Directors composed of three (3) directors. Except as otherwise provided in Article 4, all directors must be Unit Owners.

3.04. Election. Directors are elected by Unit votes at the annual meeting of the Association. Those candidates receiving the greatest number of votes from among the candidates running for the available Board positions shall be elected, notwithstanding the fact that they do not receive a majority of the votes cast. Each Unit has one vote for each vacancy on the Board and cumulative voting shall not be allowed.

3.05. Term of Office. The term of office for each director is one (1) year. Directors hold office until their successors are elected and qualified.

3.06. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum. Each director so elected shall serve as a director until a successor is elected at the next annual meeting.

3.07. Removal of Directors. Directors may be removed for cause by a majority of the Unit Owners at any annual or special meeting, notice of which includes notice of the proposed removal.

3.08. Compensation. No compensation shall be paid to directors for their services as officers or directors, unless expressly provided for in a resolution duly adopted by a majority of the Unit Owners. The Board of Directors may authorize payment of expenses to directors, officers, or committee members which are approved by this Board.

3.09. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association. No notice is necessary to newly-elected directors in order legally to constitute such meeting, provided that a quorum of the directors is present.

3.10. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly. The time, place and manner of such regular meetings shall be as determined from time to time by resolution of the directors.

3.11. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The time, place and manner of such meetings is determined by the President.

3.12. Notice. Notice of all meetings of the Board of Directors, other than annual meetings, must be given to each director, personally or by mail, at least three (3) days prior to the date of such meeting.

3.13. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver is deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board is a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice is required and any business may be transacted at such meeting.

3.14. Unanimous Consent Without Meeting. Any action required or permitted by these Bylaws or any provision of law to be taken by the Board of Directors at a meeting may be taken without a meeting, if a consent in writing, setting forth the action, is signed by all of the directors in office.

3.15. Quorum. At all meetings of the Board of Directors, a majority of the directors constitutes a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present is the Act of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.16 Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered

mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Unit Owner who voted in favor of such action.

3.17. Telephonic Meetings. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting may be taken through the use of any means of communication by which (a) all participating directors may simultaneously hear each other during the meeting, or (b) all communication during the meeting is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors.

3.18. Open Meetings. Any Unit Owner may attend any annual, regular or special meeting of the Board of Directors.

## ARTICLE IV

### Interim Control

4.01. Scope. This Article provides for control of the operation of the Association during the period of Declarant control. The powers, rights, duties and functions of the Board of Directors and Association herein established may be exercised by the Declarant for a period not exceeding the earlier of: (1) three (3) years following the date the first Unit is conveyed by Declarant to any other person; (2) thirty (30) days after the conveyance of seventy-five (75%) percent of the Common Element interest by Declarant to purchasers; or (3) the Declarant's election to waive its right of control.

4.02. Purpose. This Article is intended to vest in Declarant the powers necessary for it to assure that the Association and Condominium will operate in a manner consistent with Declarant's reserved rights to develop and market the Units of the Condominium. This Article is also intended to give the Unit Owners as much voice in the operation of the Association and the Condominium as possible subject to the rights and interests of Declarant, both to let the Unit Owners' interests be understood and to give the Unit Owners experience in governing the Association.

4.03. Declarant Powers. So long as this Article is in effect, Declarant shall have the exclusive right to appoint and remove Directors, subject to the provisions of Section 4.04.

4.04. Initial Board of Directors. The initial Board of Directors shall consist of three (3) directors selected by Declarant who need not be Unit Owners. Upon the sale of twenty-five (25%) percent of the Common Element interest of the Units, one (1) director who is a Unit Owner shall be elected by Unit Owners. The initial Board will serve for three (3) years, until thirty (30) days after sale of seventy-five (75%) percent of the Common Elements interest, or Declarant's waiver of its right of control, whichever occurs first.

4.05. Turnover Date. Control of the Association shall be turned over from Declarant to a Board of Directors elected entirely by the Unit Owners at the earliest of the times stated in Section 4.01. Within forty-five (45) days following the expiration of Declarant's control, the Association

shall hold a meeting and the Unit owners shall elect three (3) directors to serve until the next annual meeting.

4.06. Amendments. Until the turnover date, Declarant reserves the right to amend these Bylaws in its discretion.

4.07. Termination. As each section of this Article becomes ineffective under its provisions, that section is automatically deleted from these Bylaws. When all Units of the Condominium have been conveyed by Declarant to Unit Owners, this entire Article shall automatically be deleted from these Bylaws.

## ARTICLE V

### Officers

5.01. Designation. The principal officers of the Association are a President, a Vice President, a Secretary and a Treasurer.

5.02. Election of Officers. The officers of the Association are elected at the annual meeting of the Board of Directors.

5.03. Term. The officers of the Association hold office for a term of one (1) year.

5.04. Removal of Officers. Any elected officer may be removed, with or without cause, by a majority vote of the Directors at any annual, regular or special meeting of the Board, notice of which includes notice of the proposed removal.

5.05. Vacancies. A vacancy in any principal office shall be filled by the Board of Directors.

5.06. President. The President is the principal officer of the Association. He presides at all meetings of the Association and of the Board of Directors, and has all of the powers and duties set forth in these Bylaws or delegated to him by the Board of Directors.

5.07. Vice President. The Vice President takes the place of the President and performs his duties whenever the President is 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 delegated to him by the Board of Directors.

5.08. Secretary. The Secretary supervises the taking, preparation and preservation of minutes of all meetings of the Board of Directors or of the Association, causes all notices required by these Bylaws to be given, certifies copies of the organizational and operational documents of the Condominium, as amended from time to time, upon request and executes other certificates on behalf of the Association, and has other powers and duties as may be delegated to him in the Declaration, by these Bylaws, or by the Board of Directors.

5.09. Treasurer. The Treasurer supervises the keeping of the financial books and records of the Association, causes appropriate notices relating to Common Expenses of the Condominium to be given, supervises the collection of amounts due the Condominium and their application under the Declaration, Bylaws and policies established by the Board of Directors, and has such other powers and duties as may be delegated to him by these Bylaws or by the Board of Directors.

## ARTICLE VI

### Assessments

6.01. Common Expenses. All expenses for the operation, maintenance, repair and restoration of the Common Elements and for the operation of the Association are Common Expenses to be shared on a percentage basis, as established by the Declaration of Condominium.

6.02. Regular Assessments. Regular assessments are those based upon the annual budget of the Condominium adopted by the Board of Directors and approved by the members.

- (1) Budget. The budget for the forecoming year shall be adopted by the Board of Directors and distributed with the notice of the annual meeting of members. The members may approve or disapprove the budget in whole but may not amend it. If disapproved, the budget shall be returned to the Board of Directors for further consideration and a special meeting of the members called to approve it before the beginning of the fiscal year.
- (2) Assessments. Once the budget is adopted, the Board of Directors or its designee shall allocate to the Units their proportionate share and give notice of the amount due from each Unit which shall be expressed both as an annual amount and in twelve (12) equal monthly installments. The monthly installments are delinquent if not paid before the fifth (5th) day of the month.
- (3) Utilities. All utilities metered within the Condominium shall be paid at times and in a manner established by the Association.

6.03. Special Assessments. Special Assessments may from time to time be levied against Unit Owners by the Board of Directors for any of the purposes enumerated in the Declaration or permitted by law and shall be due and payable in the manner and upon the date or dates designated by the Board of Directors.

6.04. Association Remedies Upon Nonpayment of Assessment. Any Regular Assessment or Special Assessment not paid within ten (10) days of the date on which it is due shall bear interest from the due date at the rate of fifteen percent (15%) per year or the highest rate permitted by law, whichever is less. The Association may seek to collect any assessments not paid when due by filing statements of condominium lien against the assessed Units, by enforcing and foreclosing such liens or by bringing an action for money damages against the Unit Owner personally obligated to pay the delinquent assessments. A suit to recover a money judgment for unpaid assessments may be

maintained without foreclosing or waiving any lien securing the same. No Unit Owner may waive or otherwise escape liability for the assessments provided herein by nonuse of the Common Elements or abandonment of the Unit.

## ARTICLE VII

### Indemnification

7.01. Indemnification for Successful Defense. Within twenty (20) days after receipt of a written request pursuant to Section 7.03, 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.

7.02. Other Indemnification.

(a) In cases not included under Section 7.01, 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:

- (1) A wilful failure to deal fairly with the Association in connection with a matter in which the director or officer has a material conflict of interest.
- (2) A violation of criminal law, unless the director or officer had reasonable cause to believe his or conduct was lawful or no reasonable cause to believe his or conduct was unlawful.
- (3) A transaction from which the director or officer derived an improper personal profit.
- (4) Wilful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 7.05.

(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.

7.03. Written Request. A director or officer who seeks indemnification under Section 7.01 or 7.02 shall make a written request to the Association.

7.04. Nonduplication. The Association shall not indemnify a director or officer under Sections 7.01 or 7.02 if the director or officer has previously received indemnification or allowance



of expenses from any person, including the Association, in connection with the same proceedings. However, the director or officer shall have no duty to look to any other person for indemnification.

7.05. 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, any director or officer seeking indemnification under Section 7.02 shall select one of the following means for determining his or her right to indemnification:

- (1) By a majority vote of a quorum of the Board of Directors consisting of directors who are 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 of Directors and consisting solely of two or more directors who are 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.
- (2) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.
- (3) By a panel of three arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two arbitrators previously selected.
- (4) By an affirmative vote of the members at a meeting of the members in which a quorum is present.
- (5) By a court under Section 7.08.
- (6) By any other method provided for in any additional right to indemnification permitted under Section 7.07.

(b) In any determination under sub. (a), the burden of proof shall be on the Association to provide by clear and convincing evidence that indemnification under Section 7.02 should not be allowed.

(c) A written determination as to a director's or officer's right to indemnification under Section 7.02 shall be submitted to both the Association and the director or officer within sixty (60) days of the selection made under sub. (a).

(d) If it is determined that indemnification is required under Section 7.02, the Association shall pay all liabilities and expenses not prohibited by Section 7.04 within ten (10) days after receipt of the written determination under sub. (c). The Association shall also pay all expenses incurred by the director or officer in the determination process under sub. (a).

7.06. Expenses as Incurred. 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 7.05 that indemnification under Section 7.02 is not required and that indemnification is not ordered by a court. 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.

7.07. Nonexclusivity.

(a) Except as provided in sub. (b), Sections 7.01, 7.02 and 7.07 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

- (1) The Articles of Incorporation.
- (2) A written agreement between the director or officer and the Association.
- (3) A resolution of the Board of Directors; and
- (4) A resolution of the members of the Association.

(b) Regardless of the existence of an additional right under (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 Section 7.02(a)(1), (2), (3) or (4). A director or officer who is a party to the same or related proceedings for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(c) Sections 7.01 to 7.11 do not affect the Association's power to pay or reimburse expenses incurred by a director or officer in any of the following circumstances:

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

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

7.08. Court-Ordered Indemnification. 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 7.05(a)(4) or for review by the court of an adverse determination under Section 7.05(a)(1), (2), (3) or (5).

7.09. 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 to the extent provided by the Articles of Incorporation or Bylaws by general or specific action of the Board of Directors or by contract.

7.10. 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, or arising from his or her status 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 7.01, 7.02, 7.05, 7.07 and 7.09.

7.11 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.

## ARTICLE VIII

### Contracts and Financial Matters

8.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Association, and such authorization may be general or confined to specific instances. No contract or other transaction between the Association and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors or officers are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies the contract or transaction, if (1) the fact of such relationship or interest or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (2) the fact of such relationship or interest is disclosed or known to the Unit Owners, which authorize, approve or ratify such contract or transaction; or (3) the contract or transaction is fair and reasonable to the Association. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves or ratifies such contract or transactions, but such

interested directors shall abstain from any vote to authorize, approve or ratify such contract or transaction.

8.02. Loans. No indebtedness for borrowed money shall be contracted on behalf of the Association and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

8.03. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by any officer of the Association or an agent of the Association duly appointed for the purpose.

8.04. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

## ARTICLE IX

### Accounts, Finances

9.01. Accounts. The Association shall maintain such books and records and establish such financial accounts as required by law and as may be necessary accurately to reflect the condition and actions of the Association. Such books and records are open to inspection by all Unit Owners.

9.02. Audit. The Board of Directors may establish an audit committee, containing at least one (1) Unit Owner who is not a director, to audit the accounts of the Association.

## ARTICLE X

### Books and Records

10.01. Inspection. The books, records, minutes and papers of the Association shall at all times, and during reasonable business hours, be subject to inspection by the Unit Owners. The Declaration, Articles of Incorporation and Bylaws of the Association shall be available for inspection by any Unit Owner, Mortgagee or prospective purchaser of a Unit at the principal office of the Association, where copies of which may be purchased at reasonable cost.

10.02. Report of Unit Owner Defaults. The Association shall, within ten (10) days of a request by a prospective Unit Purchaser, report to such person the amount of any due and unpaid assessments against the Unit being purchased.

10.03. Current Roster. Each Unit Owner shall promptly notify the Secretary upon (i) acquisition of an ownership interest in any Unit, (ii) any change in such Unit Owner's name or address, and (iii) any transfer of ownership interest in the Unit. In the event that a Unit Owner grants a security interest in its Unit (or any interest therein), such Unit Owner shall notify the Secretary of the name and mailing address of the secured party. The Unit Owner shall also notify the Secretary

upon a release of such security interest. The Secretary shall maintain all information contemplated by this section in the current roster of the Association.

10.04. Audit. The accounts and records of the Association shall be audited at least once every other year by an audit committee selected by the Board of Directors. The committee shall retain such professional auditors and other independent examiners as it deems appropriate. The cost of such audit shall be a Common Expense.

## ARTICLE XI

### Fiscal Year

11.01. Fiscal Year. The fiscal year of the Association begins on January 1 in each year and ends on December 31.

## ARTICLE XII

### CORPORATE SEAL

The Association shall not have a corporate seal.

## ARTICLE XIII

### Amendment

13.01. By Unit Owners. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Unit Owners if such amendment or other change in the Bylaws is adopted by affirmative vote of not less than sixty-seven percent (67%) of the votes of all Unit Owners present in person or by proxy represented at an annual or special meeting of the Unit Owners at which a quorum is in attendance.

13.02. By Directors. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors if such amendment or other change in the Bylaws is adopted by affirmative vote of a majority of the number of directors present at or participating in any meeting at which a quorum is in attendance. Notwithstanding the foregoing, no Bylaw adopted by the Unit Owners shall be amended or repealed by the Board of Directors unless such authority is conferred by the Unit Owners on the Board.

## ARTICLE XIV

### Interpretation

14.01. Interpretation. 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.

14.02. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws, or the intent of any provision thereof.

14.03. Gender, Number. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, wherever the context so requires.

## ARTICLE XV

### Rules Of Construction

Should there be any conflict between the terms of the Declaration, the Articles of Incorporation and these Bylaws, the terms of the Declaration shall prevail over the Articles of Incorporation and these Bylaws, and terms of the Articles of Incorporation shall prevail over these Bylaws.