



THE VILLAS AT
MEADE POND

MEADE POND CONDOMINIUM OWNERS ASSOCIATION

BYLAWS

July 19, 2001



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ARTICLE ONE - PURPOSE

1.1 The purpose for which this unincorporated non-profit association of unit owners who own certain real estate and improvements under the condominium form of use and ownership, which association shall be named the Meade Pond Condominium Owners Association (the "Association"), is to govern and administer all of the condominium property known as the The Villas at Meade Pond (the "Condominium"), which was submitted to the provisions of the Condominium Ownership Act, Chapter 703, Wisconsin Statutes, as has been or may be amended from time to time (the "Act"), by the recording in the office of the Register of Deeds for Outagamie County, Wisconsin, of the Meade Pond Condominium, Declaration of Condominium and Plat attached thereto, on July 18, 2001 as Document No. 1417428 and all amendments thereto (the "Declaration").

1.2 The Bylaws and the Rules (as defined in Section 2.1 below) shall be deemed to be covenants running with the land and shall be binding on the Unit Owners, their heirs, administrators, executors, successors, assigns and Invitees (as defined in Section 2.1 below).

ARTICLE TWO - DEFINITIONS

2.1 Except as otherwise specified in the Bylaws, words and phrases used in the Bylaws but which are defined in the Declaration or the Act shall have the meanings assigned to them in the Declaration or the Act, as the case may be. The following capitalized words and phrases, when used in the Bylaws, shall have the meanings specified in this Section 2.1:

- (a) "Act" has the meaning set forth in Section 1.1 above.
- (b) "Association" has the meaning set forth in Section 1.1 above.
- (c) "Board of Directors" has the meaning set forth in Section 6.1 below.
- (d) "Bylaws" means: the set of formal rules and regulations designated as "Bylaws" required by the Act and intended to govern the administration of the Condominium.

- (e) "Common Expenses" means: (i) all sums lawfully assessed against the Unit Owners by the Association; and (ii) such other expenses as may be designated as common expenses by the Act, the Declaration or the Bylaws.
- (f) "Common Profit or Surpluses" means the balance of all income and revenues remaining after the deduction of Common Expenses.
- (g) "Commons" means those common areas and facilities and limited common areas and facilities or other portions of the Condominium devoted to common or limited common use and ownership pursuant to the Declaration.
- (h) "Condominium" has the meaning set forth in Section 1.1 above.
- (i) "Declarant" means Meade Pond, LLC, the declarant under the Declaration.
- (j) "Director" has the meaning set forth in Section 6.2 below.
- (k) "Invitee" means any tenant, guest, agent or other Person invited onto the property of the Condominium by a Unit Owner or by such Unit Owner's tenant, guest, agent or other invitee.
- (l) "Legal Representative" has the meaning set forth in Section 5.3 below.
- (m) "Managing Agent" has the meaning set forth in Section 7.8 below.
- (n) "Member" has the meaning set forth in Section 4.1 below.
- (o) "Person" means a natural person, corporation, limited liability corporation, partnership, limited partnership, association, trust or other legal entity.
- (p) "President" shall have the meaning set forth in Section 7.3 below.
- (q) "Rules" has the meaning set forth in Section 8.2 below.
- (r) "Secretary" shall have the meaning set forth in Section 7.5 below.
- (s) "Treasurer" shall have the meaning set forth in Section 7.6 below.
- (t) "Unit" means one or more cubicles of air enclosed by the perimeters as set forth in the Declaration.

- (u) "Unit Owner" means a Person, combination of Persons, or other legal entity who is a record owner of all or part of a Unit, or has equitable ownership as a land contract purchaser, with right of occupancy thereof, and the undivided interest in Commons according to the percentage established by the Declaration.
- (v) "Unit Number" means the number designating a Unit in the Declaration.
- (w) "Vice President" has the meaning set forth in Section 7.4 below.

ARTICLE THREE - LOCATION

The Association's mailing address shall be "c/o QBS Realty and Management, 14 Tri Park Way, Building 2, Appleton, Wisconsin 54914" and facsimile number shall be "920/730-4286," unless otherwise designated by the Board of Directors upon at least 10 days' prior written notice to the Unit Owners.

ARTICLE FOUR - MEMBERSHIP

4.1 Qualifications. The Association shall initially have two classes of members, as set forth below. Ownership of a Unit shall be required in order to qualify for membership in the Association. Any Person, upon recordation of title to a Unit in such Person's name, shall automatically become a member of the Association (a "Member") and shall remain a Member until such time as such Person's ownership of such Unit ceases for any reason, at which time such Person's membership in the Association shall automatically cease. For purposes of the Bylaws, the term "Unit Owner" and the word "Member" shall be synonymous and are used interchangeably.

The two classes of members shall be:

A. **Class A.** Class A members shall be all Unit Owners, with the initial exception of the Declarant, and there shall be one vote 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. Voting rights may not be split, and shared membership interests must cast one vote only.

B. **Class B.** Class B member(s) shall be the Declarant and shall be entitled to three votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in Class A membership equal or exceed the total votes outstanding in Class B membership or three (3) years from the date the first unit is conveyed by Declarant to any person other than Declarant, whichever occurs first.

4.2 Payment of Assessments. A Member's rights pursuant to the Bylaws are subject to the punctual payment of all periodic and special assessments levied against such Member or such Member's Unit by the Association. A Member's rights pursuant to the Bylaws may be suspended by the Board of Directors; provided that such suspension shall not exceed (i) in duration the period during which such assessments imposed against such Member are due and payable but remain unpaid; and (ii) in scope that necessary in the reasonable judgment of the Board of Directors to obtain prompt payment from such Member of all such unpaid assessments due and payable. Upon payment by such Member of all such assessments due and payable, all of such Member's rights pursuant to the Bylaws automatically shall be restored.

4.3 Infractions of Rules. If the conduct of any Member violates the Rules, or any other rules, regulations or provisions set forth in the Act, the Declaration or the Bylaws, the Board of Directors may, in its discretion: (i) suspend the rights of such Member pursuant to the Bylaws for a period not to exceed 30 days in aggregate for each infraction or series of related infractions; and/or (ii) impose a daily fine on such Member for each single or continuing infraction. The amount of the fine shall be established by the Board of Directors. The Board of Directors shall also establish a maximum fine per day for violations, which maximum may be adjusted from time to time by the Board. Any such fine shall constitute a personal debt of such Member and a lien against such Member's Unit. Nothing contained in this Section 4.3, however, shall permit a Member to be denied access to such Member's Unit.

4.4 Termination. Termination of membership in the Association shall not relieve any former Member of any liability or obligation incurred during the period of such Member's membership in the Association. Neither shall termination of membership impair any right or remedy, which a Member might have, either through the Board of Directors or directly, against a former Member for any liability or obligation incurred during the period of such former Member's membership in the Association.

ARTICLE FIVE - MEETINGS OF UNIT OWNERS

5.1 Voting. Unit Owners shall be entitled to vote on all matters required or permitted to be voted on by them under the Act, the Declaration or the Bylaws, but only to the extent of the vote allocated to each Unit by the Declaration. The requirements contained in this Article Five shall first be met before the vote of a Unit shall be deemed in good standing and entitled to be counted at meetings of the Association. A Unit Owner in default of assessments against such Unit or Unit Owner or whose rights have been suspended but not reinstated under Section 4.3 above shall not be entitled to vote while remaining in default or suspension.

5.2 Proof of Ownership. Every Person who acquires an ownership interest in a Unit shall, upon acquiring such interest, furnish to the Managing Agent, if any, or the Secretary such information as might be reasonably requested identifying those Persons with an interest in or ownership of the Unit.

5.3 Registration of Mailing Address. The registered physical address (and, at each Unit Owner's discretion, electronic mail address and facsimile number, if any) of a Unit Owner shall be furnished to the Managing Agent, if any, or Secretary within 15 days after transfer of title to such Unit Owner, or after a change of address or facsimile number by such Unit Owner, and such registration shall be in written form and signed by all of the Unit Owners of the Unit, or by such Person or Persons as are duly authorized by law to represent their respective interests (each, a "Legal Representative"). If a Unit is owned by more than one Unit Owner, each such Unit Owner shall designate one and the same registered physical or electronic mailing address or facsimile number for all such Unit Owners to be used by the Association for mailing or facsimile transmission of statements, notices, demands and all other communications to each such Unit Owner.

5.4 Designation of Voting Representative – Proxy. If record title to a Unit is held by one Person, that Person's right to vote shall be established by notification to the Association of his, her or its record title as provided in Section 5.2 above. If record title to a Unit is held by more than one Person, such Persons shall, in addition, execute a proxy appointing and authorizing one of such Persons (or, in the case of a Person which is not a natural person, such natural person as may be authorized to cast the vote of that Person) to cast the whole vote of the Unit so owned at any meetings of the Association. If a Unit is not owned by a natural person, such Unit Owner shall designate in writing to the Secretary such Person's Legal Representative and the natural person or persons authorized to cast the vote of such Unit.

5.5 Proxies. Votes may be cast in person or by proxy, except that the holder of a proxy must also be a Unit Owner. Proxies must be regular in form, in writing, duly executed by the Unit Owner or, if a Unit is owned by more than one Person, by all such Persons (and, with respect to any such Person which is not a natural person, by its Legal Representative), and filed with the Secretary. Unless further limited by its terms, any such proxy shall be deemed valid for a period not to exceed 180 days after the date upon which it is granted. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held in such a capacity. With respect to the immediately preceding sentence, in the event such Unit shall not have been transferred to that person, he or she shall provide to the Secretary evidence reasonably satisfactory to the Secretary that said person is the executor, administrator, guardian or trustee and holds such Unit in that capacity.

5.6 Place. Each meeting of the Unit Owners shall be held at the Association's address as specified in Article Three above unless another place therefor is designated by the Board of Directors in the notice of such meeting made in accordance with Section 5.10 below.

5.7 Quorum. Except as otherwise provided in the Bylaws, the presence in person or by proxy of Unit Owners holding more than 50% of the total votes entitled to be cast shall constitute a quorum at a meeting of Unit Owners.

5.8 Annual Meeting. The annual meeting of the Unit Owners shall be held on such date and at such time during October (or such other month), as may be designated by the Board of Directors in the notice of such meeting made in accordance with Section 5.10 below.

5.9 Special Meetings. Special meetings of the Unit Owners for any purpose may be called by any officer of the Association, by the Board of Directors or any two or more Directors, or by at least one-third of the Unit Owners. Upon request in writing delivered by registered mail or in person to the Secretary of the Association, it shall be the duty of the Secretary to cause notice to be given to the Unit Owners entitled to vote of a meeting to be held at such time as the Secretary shall fix, but not less than five nor more than 10 days after receipt of such request. The Secretary shall not fix a date which unduly delays, or shall have the effect of defeating the purpose of, the special meeting. Business transacted at any special meeting shall be limited to the purpose or purposes stated in the notice of the meeting. For purposes of (and except as set forth to the contrary in) this Section 5.9, notice shall be made in accordance with Section 5.10 below.

5.10 Notice of Meeting. Written notice of the annual meeting stating the time and place thereof shall be given to each Unit Owner not less than 10 nor more than 30 days prior to the date of such annual meeting. Such notice shall be either (i) mailed, or (ii) personally delivered (or, if any such Unit Owner has prior thereto requested in writing to the Secretary, by facsimile or electronic mail), in each case to each Unit Owner at the respective address (or number) registered pursuant to Section 5.3 above. Any Unit Owner may waive notice of any such meeting and such Unit Owner's presence at any such meeting shall constitute such waiver as to the time and place of such meeting. Any such notice shall be deemed delivered (i) if by mail, three days after deposited in the United States mail, properly addressed, with first-class postage thereon prepaid; (ii) if in person, upon such delivery; (iii) if by facsimile, upon transmission and confirmation thereof; and (iv) if by electronic mail, upon transmission, properly addressed and confirmation thereof, if feasible, or in any event, the lack of receipt of notice indicating the message is undeliverable.

5.11 Adjournment. If any meeting of the Unit Owners cannot be held because a quorum has not attended, the Unit Owners who are present, either in person or by proxy, may adjourn such meeting to a date not less than seven days after the date on which the original meeting had been scheduled.

5.12 Order of Business. The order of business at the annual meeting, and as far as practicable at all other meetings, of the Unit Owners shall be as follows:

- (a) call to order;
- (b) roll call and certifying of proxies;
- (c) proof of notice, or waiver or notice, of the meeting;
- (d) reading and disposition of any unapproved minutes;
- (e) reports of officers;
- (f) reports of committees;
- (g) (if deemed advisable by the Board of Directors) election of inspectors of election;
- (h) election of directors (if necessary);
- (i) unfinished business;
- (j) new business; and
- (k) adjournment.

ARTICLE SIX - BOARD OF DIRECTORS

6.1 Powers and Duties of the Board of Directors. The affairs of the Association in the operation of the Condominium shall be governed by a board of Directors (the "Board of Directors"). All powers and duties as shall be necessary for the administration of the affairs of the Association, including without limitation the power to engage the services of a manager or the Managing Agent, shall be exercised by the Board of Directors in accordance with the provisions of the Declaration, the Act and the Bylaws.

6.2 Number, Qualification, Election and Term of Office. Except as provided below, the Board of Directors shall consist of not fewer than three Persons nor more than five Persons, each of whom shall be a Member (or, if any such Member is not a natural person, its Legal Representative) (each, a "Director"), as is determined from

time to time by the Members. At the annual meeting of the Association, the Members shall elect Directors as needed to the Board of Directors. The term of a Director shall expire upon the later of the third anniversary of his or her election or upon his or her successors being duly elected and qualified, or until such Director shall have been removed in the manner provided in the Bylaws.

The initial Board of Directors shall consist of three (3) persons, appointed by Declarant, who need not be Members of the Association, to serve until Class B membership ceases and is converted to Class A membership as provided in Article Four, above. The election of Directors shall also comply with the provisions of Wisconsin Statutes Section 703.15(2)(d) with regard to the transition from Declarant control of the Association and these Bylaws shall be so construed.

Within 45 days after the Class B membership ceases and is converted to Class A membership, the Association shall hold its first annual meeting and the Members shall elect three (3) Directors to be classified with respect to the terms for which they hold office by dividing them into three (3) classes as follows:

- (a) One (1) Director whose term will expire after one (1) year, at the next annual meeting of the Association.
- (b) One (1) Director whose terms will expire after two (2) years, at the second annual meeting of the Association after the Director's election.
- (c) One (1) Director whose term will expire after three (3) years, at the third annual meeting of the Association after the Director's election.

The intent of this Section 6.2 is to provide for the annual expiration of the terms of one-third of the Directors, or as close to one-third as possible if the number of Directors is not evenly divisible by three. Any adjustment to the number of Persons comprising the Board of Directors shall be made so as to preserve this formula for expiration of Directors' terms.

6.3 Regular Meetings. 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 to Directors of the regular annual meeting of the Board of Directors shall not be required. Other regular meetings of the Board of Directors may be held at such times and at such places as may, from time to time, reasonably be determined by the Board of Directors.

6.4 Special Meetings. Special meetings of the Board of Directors (i) may be called by, or at the request of, the President, or in his or her absence, by the Vice President, and (ii) shall be called by the Secretary upon receipt of the written request of any two Directors. Any such persons authorized to call a special meeting reasonably may fix the time and the place for any such special meeting. The Board of Directors may also act by unanimous written consent in lieu of meetings.

6.5 Notice of Meetings. At least 10 days' prior written notice of each regular meeting of the Board of Directors (other than the regular annual meeting of the Board of Directors), shall be given by mail or delivered personally (or, if such Director has prior thereto requested in writing to the Secretary, by facsimile or electronic mail) to each Director. At least three days' written notice of all special meetings of the Board of Directors shall be given to each Director.

6.6 Waiver of Notice. 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 constitute waiver of notice by such Director of the time and place thereof. If all of the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business which may otherwise be transacted at a duly called meeting of the Board of Directors may be transacted at such meeting.

6.7 Quorum and Voting. At any regular or special meeting of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any such meeting at which a quorum is present shall be deemed to be the act of the Board of Directors, except as to any question upon which any different or greater vote is required by the Act or other applicable law, the Declaration or these Bylaws. If, at any meeting of the Board of Directors, there shall be fewer Directors present than the number required to constitute a quorum, a majority of those Directors 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.

6.8 Vacancies. A vacancy on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by the affirmative vote of a majority of the Directors remaining in office, even though such remaining Directors may be fewer than constitute a quorum. Each Director so elected shall hold office until the next annual meeting of the Members and until his or her successor is duly appointed or elected and qualified therefor. The Director who is elected at said annual meeting shall be placed in the same class as the Director who originally vacated the office so that the formula for expiration of Directors' terms, as set forth in Section 6.2, above, is preserved.

6.9 Removal of Directors. At any regular or special meeting of the Unit Owners duly called as provided in the Bylaws, a Director elected by the Association may be removed from office, with or without cause, by a majority of the votes entitled to be cast at such meeting. At any such meeting, a successor or successors to such Director may be elected by a majority of the votes entitled to be cast at such meeting. If any vacancy is not so filled, it may be filled by the affirmative vote of a majority of the Directors then remaining in office.

6.10 Powers of Association – Authority of Board of Directors. The Association shall have all powers necessary or proper to carry out the purpose of the Association as stated in the Declaration or the Bylaws or the administrative rules or as granted in the Act, acting by and through the Board of Directors, including, without limitation, the power to:

- (a) operate, care for, keep up and maintain the Commons;
- (b) determine and assess the amounts required for operation, care, upkeep, maintenance and other affairs of the Condominium;
- (c) collect the assessments from the Unit Owners;
- (d) employ and dismiss personnel as necessary for the efficient management, maintenance and operation of the property of the Condominium;
- (e) adopt and amend administrative rules covering the details of the operation and use of the property of the Condominium;
- (f) enter into contracts;
- (g) incur indebtedness and borrow money subject to the terms of Article 15.5 hereof;
- (h) acquire and convey Units; and
- (i) have access to each Unit, during reasonable hours and upon reasonable prior written notice, as may be necessary for the maintenance, repair or replacement of any of the Commons therein or accessible therefrom, or, upon such notice as may be reasonably practicable under the circumstances, for making emergency repairs therein necessary to prevent damage to the Commons or to another Unit.

6.11 Fidelity Bonds. 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 all such bonds shall be paid by the Association.

6.12 Compensation. No compensation shall be paid any Director for such Director's services as a director.

ARTICLE SEVEN - OFFICERS AND AGENTS

7.1 Number, Election and Qualification. The principal officers of the Association shall be the president, vice president, secretary and treasurer, each of whom shall be elected annually at the annual meeting of the Board of Directors by the affirmative vote of a majority of the Directors (the "President," "Vice President," "Secretary" and "Treasurer," respectively), and such assistant officers as the Board of Directors may, in its discretion, elect from time to time. Each such officer must be a Unit Owner or, if the Unit Owner is not a natural person, such Unit Owner's Legal Representative. The offices of Secretary and Treasurer may be held by the same Person.

7.2 Removal of Officers. Upon an affirmative vote of a majority of Directors, any officer may be removed, with or without cause, and his or her successor elected at any regular meeting of the Board of Directors (or at any special meeting of the Board of Directors called for such purpose).

7.3 President. The President shall be the chief executive officer of the Association and shall be selected from among the Board of Directors. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of such an association, including, but not limited to, the power to appoint such committees from among the Unit Owners from time to time as the President may, at his or her discretion, decide are appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board of Directors or by the Unit Owners at any regular or special meeting.

7.4 Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President (or upon the President's inability for any reason to exercise such powers and functions or perform such duties), and such other powers and duties as the Board of Directors or the President shall delegate to him or her.

7.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, shall (if directed to by the Board of Directors) count votes, and shall have charge of such of the Association's books and records as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of secretary as provided in the Declaration and in the Bylaws. The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of Members and each Member's last known address (and other contact details) as shown on the records of the Association.

Such list also shall show opposite each Member's name the number or other appropriate designation of the Unit owned by such Member and the undivided interest in the Commons. Such list shall be open to inspection by Members and other Persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7.6 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in financial records and books of account belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer also shall be responsible for income and other tax reporting requirements of the Association. In the event the Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall conduct a reasonable review the accounts of the Managing Agent at least once per calendar quarter. At the expense of the Association, the Treasurer shall be bonded for at least \$50,000, unless the Managing Agent has the responsibility of collecting and disbursing funds, in which case the Managing Agent shall provide a bond to the Association or evidence of adequate employee theft insurance coverage. All books of account in which the Treasurer is responsible to make his or her records shall be open to inspection by Members and other Persons lawfully entitled to inspect the same at reasonable times.

7.7 Compensation. No compensation shall be paid to any officer of the Association for services as an officer of the Association, except as may be authorized by an affirmative vote of the holders of a majority of the votes of the membership entitled to be cast.

7.8 Managing Agent. The Board of Directors may appoint, on behalf of the Association, a managing agent who may be a natural person or a legal entity (as the case may be, the "Managing Agent"), and may contract with or employ the Managing Agent to manage and administer the Condominium on such terms and conditions as the Board of Directors deems suitable and advisable. In the event a managing agent is appointed, the Board of Directors may delegate to the Managing Agent, by contract or otherwise, such of its powers of administration over the Condominium as it deems suitable and advisable. The Board of Directors may also appoint the Managing Agent to the office of Secretary and the Managing Agent shall then assume all those responsibilities given to the Secretary, hereunder, except that the Managing Agent shall be a non-voting Secretary.

ARTICLE EIGHT - ADMINISTRATION

8.1 General. The Board of Directors, acting through the officers of the Association and the Managing Agent, shall administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Bylaws and, in each case, all supplements and amendments thereto.

8.2 Administrative Rules. The Board of Directors may establish, make, amend and enforce compliance with such administrative rules, regulations and policies as may be necessary for the operation, use and occupancy of the Condominium (collectively, the "Rules"). A written copy of each such made or amended Rule shall be mailed or personally delivered (or, if any such Unit Owner has prior thereto requested in writing to the Secretary, transmitted by facsimile or electronic mail) to each Unit Owner, in the manner prescribed for the giving of notices in Section 5.10 above. Unless the Board of Directors specifies a different date, the Rule shall become effective upon delivery, as defined in Section 5.10.

8.3 Maintenance. The Association, under the supervision of the Board of Directors, shall keep in good order, condition and repair all of the Commons and all items of common personal property and may incur such reasonable costs and reasonable expenses, as Common Expenses, as may be necessary to achieve such purpose, including, without limitation, for maintenance, repair or replacement thereof.

8.4 Property Insurance. The Association shall obtain and continue in effect insurance against loss or damage to the Condominium or Commons for all risks of loss excluding such perils as are found in MP-00 13 form. Coverage shall be obtained for the full replacement value of the buildings. The insurance policy shall be endorsed or written to recognize the replacement cost method of valuation. The policy should also be endorsed to provide for the agreed amount clause recognizing 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 purpose of receiving and disbursing insurance proceeds resulting from any loss upon such terms as the Board of Directors shall reasonably determine consistent with the provisions of the Act. The reasonable fees and expenses of such agent or depository shall be Common Expenses.

8.5 Waiver of Subrogation. Each Unit Owner and the Association hereby mutually waive and release any and all claims which they may have against each other, and their respective directors, officers, agents, employees and Invitees, if any, for damage or destruction to the Condominium, including to the Commons, the Units and any personal property located within the Commons or said Units 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.

8.6 Other Insurance. The Board of Directors also shall 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 at least \$2,000,000. 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 of Directors may deem desirable. Premises medical payments shall be added to the policy using limits of at least \$1,000 per person and at least \$25,000 per occurrence. The Association shall be the named insured while each Unit Owner shall be added as an additional named insured as such Unit Owner's interest might appear. The Board of Directors may also be given authority by the Members to obtain such other insurances as may be deemed necessary. The reasonable premiums for all insurances discussed in Section 8.4 above and this Section 8.6 shall be Common Expenses.

8.7 Insurance of Unit Owner. Insurance coverage obtained as part of the Common Expenses as above provided shall be without prejudice to the rights of each Unit Owner to insure such Unit Owner's Unit for such Unit Owner's benefit. Each Unit Owner shall be responsible for insurance on the contents of such Unit Owner's Unit, furnishings and personal property therein, any additions, alterations or improvements to such 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 provided above, and for such other insurance as such Unit Owner may deem necessary.

8.8 Mortgages. A Unit Owner who mortgages a Unit or any interest therein shall notify the Board of Directors through the Managing Agent, if any, or the Secretary, giving the name and address of the mortgagee. The Secretary shall maintain such information in a book entitled "Mortgagees of Units." The Board of Directors, whenever so requested in writing by a mortgagee (or, at the request of the respective Unit Owner, prospective purchaser) of a Unit, shall promptly report to such Person the amount of any then unpaid common assessments due from, and any other default by, the owner of the mortgaged Unit and shall send a copy of such report to the Unit Owner. Each mortgagee (or, at the request of the respective Unit Owner, prospective purchaser) of a Unit shall be permitted to examine the books of account at a reasonable time during regular business hours.

ARTICLE NINE - ASSESSMENTS

9.1 Purpose of Assessments. The Association shall levy assessments upon the Unit Owners for the purpose of paying the Common Expenses, which assessments shall be used for the improvement and maintenance of the Condominium and its services and facilities related to the use and enjoyment of the Commons. The Common

Expenses shall include, without limitation, all expenses for common utilities, insurance, labor, equipment, materials, management and supervision for maintenance, repair, replacement and improvement to the Commons and personal property located therein.

9.2 Personal Obligation of Assessments. In addition to being a charge on each Unit and continuing lien thereon, assessments by the Association to be fixed, established and collected, from time to time, as hereinafter provided, shall constitute a personal obligation of the respective Unit Owner at the time when such assessment falls due, to the full extent of the assessment allocated to the Unit in which said Unit Owner holds an interest.

9.3 Categories of Common Expenses. Common Expense shall be separated into the following four classifications, and all funds, expenditures and assessments of the Association shall be classified, credited and charged to accounts on the books and records of the Association corresponding thereto:

- (a) current expenses, which shall include all funds and expenditure within the year for which the funds are budgeted and a reasonable allowance for contingencies and working capital, but shall exclude expenditures chargeable to the reserves;
- (b) reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually;
- (c) reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence; and
- (d) reserve for possible improvements to the Commons.

9.4 Budget and Assessment. The Board of Directors shall cause to be prepared an annual budget by September 15th of each year (or such other date which is at least 30 days prior to the annual meeting of Unit Owners), from which shall be determined the estimated amount of Common Expenses for the forthcoming fiscal year and the Board of Directors shall allocate and assess Common Expenses among the Units on the basis of their respective percentage ownership of undivided interest in the Commons, except as provided below regarding property insurance premiums; provided, however, that the Board of Directors shall not be authorized to assess or establish a reserve for any purpose that requires a capital expenditure or related series of capital expenditures in excess of \$2,500.00 without first obtaining authorization therefor by majority of the Unit Owners present in person or by proxy at a duly constituted meeting.

Special Rule for Assessment of Property Insurance Premiums. Because the various dwellings which constitute the Units will not be identical in size, it would be inappropriate to allocate the cost of Property Insurance based upon the percentage ownership of each Unit Owner's interest in the Commons. Therefore, the cost of property insurance purchased by the Association shall be allocated and assessed to

each Unit Owner in the same proportion as the square footage of liveable space in the Unit located at or above grade bears to the total square footage of liveable space at or above grade in all Units. For units built into a slope such that part of a level exists below grade and part of the same level is at grade, then one-half (or other appropriate ratio as determined by the Board of Directors) of that level shall be considered at or above grade for purposes of allocating property insurance costs.

9.5 Dates of Payment – Adjustments. The Board of Directors shall determine the dates when payment of such assessments, or portions thereof, are due and may adjust, decrease or increase such assessments or apply any excess to Common Expenses in a subsequent year. The Board of Directors, whenever in its opinion it is necessary or proper to do so, may levy special assessments in order to meet increased operating or maintenance costs or as a result of emergencies or to cover any needed replacement or improvement. Notice of all assessments shall be given to each Unit Owner in accordance with Section 5.10 above. The Association shall, upon demand, at any time, furnish to any Unit Owner liable for said assessment, a certificate in writing signed by an officer of the Association or the Managing Agent, if any, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

9.6 Commencement of Annual Assessments. The annual assessments provided for herein shall commence on the date as may from time to time be fixed by the Board of Directors as the date of commencement.

9.7 Audit – Reports; Committee. The Board of Directors in its discretion may at any time cause to be conducted a complete audit or review of the books and accounts of the Association by a certified public accountant, in which case the Board of Directors shall cause to be prepared and delivered to or made available for inspection by each Unit Owner any report or statement issued thereby. The President or a majority of the Board, may appoint an audit committee consisting of not fewer than three Unit Owners, which committee shall review that year's financial records of the Association prior to the annual meeting of Unit Owners and report to the Association on the status of the financial records at such annual meeting.

9.8 Remedies of Association for Non-Payment. In the event that an assessment is not paid when due and upon the general or special authorization by resolution of the Board of Directors, the Association may take any or all of the following actions, or other such action provided for in the Act:

- (a) foreclosure of the lien therefor on the applicable Unit in the manner provided in the Declaration and Bylaws and Wisconsin Condominium Ownership Act;
- (b) suspension of the membership rights of the Unit Owner of the applicable Unit in the manner provided in Section 4.2 of the Bylaws;

- (c) collection of such assessment by suit or otherwise along with a late charge not to exceed \$10.00 per day during which such assessment remains unpaid, and interest thereon at the rate of twelve percent (12%) per annum and expenses of collection, including, without limitation, reasonable attorney's fees; and
- (d) maintenance of an action for damages.

If there is more than one Unit Owner of a Unit, each such Unit Owner shall be jointly and severally liable to the extent of the full assessment against the applicable Unit and shall be subject to all remedies enumerated herein. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Commons or abandonment of such Unit Owner's Unit.

9.9 Contribution From Initial Unit Owner. To provide funds to enable the Association to immediately carry out its obligations as required hereunder, each initial Unit Owner shall be assessed \$500, payable to the Association, at the closing of his/her purchase of a Unit. This initial contribution is non-refundable and is payable only once per Unit upon transfer of a previously unoccupied Unit from the Declarant to the initial third party Unit Owner.

9.10 Contribution to Sidewalk Fund. The sidewalk policy of the City of Appleton may require that the sidewalk be installed in segments located in front of each Unit within six months of occupancy of the unit. The sidewalk is part of the Commons, however, and the cost of each segment of sidewalk should be allocated and assessed in the amount of 1/28th to each Unit Owner. To simplify the procedure of paying for the installation of sidewalks, each initial Unit Owner, as identified in Section 9.9, above, shall also be assessed \$500, payable to the Association at the closing of his/her purchase of a Unit, to be retained in a Sidewalk Fund. The Association shall keep a separate accounting of the Sidewalk Fund and shall use the fund from time to time in order to pay for the installation of sidewalks per the City's sidewalk policy. It is presently anticipated that the \$500 contribution will be sufficient to cover each Unit's share of the cost of the sidewalk. There is no guaranty that \$500 per Unit will be sufficient to cover the total cost since those costs will not be determined until the City establishes the assessment rate for the year of the actual improvement. The Association is not hereby precluded from assessing the Unit Owners an additional amount for sidewalk installation, if necessary. If the entire sidewalk has been installed and the actual cost per unit owner was less than the amount collected per unit, then the Association shall reimburse the difference to the then-current Owner of each Unit, regardless of whether the then-current Owner was the Unit Owner or Owners who actually made contributions to the Sidewalk Fund.

ARTICLE TEN - RIGHTS AND OBLIGATIONS OF UNIT OWNERS

10.1 Use and Employment of Common Areas and Facilities. Each Unit Owner shall have the right to use the Commons in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of others, subject to restrictions and limitations which may be contained in the Declaration, the Bylaws or Rules.

10.2 Notice of Lien or Suit. Each Unit Owner shall give written notice to the Association of any lien or encumbrance upon his, her or its Unit other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his, her or its Unit. Such notice shall be delivered not later than five days after such Unit Owner first obtains knowledge thereof.

10.3 Maintenance and Repair. Every Unit Owner must perform promptly, at his, her or its own expense, all maintenance and repair work and, if necessary, replacement within his, her or its own Unit which, if not done, would adversely affect the appearance of or the aesthetic or physical integrity of part or all of the Condominium. All maintenance, repairs and replacements of the installations in the Unit of water (including the fire protection system), electric, gas, telephone, sanitary, and all other accessories, equipment and fixtures and property of the Unit Owner shall be at the Unit Owner's expense.

The Unit Owner's responsibility for maintenance, repair and replacement of the water, electric, gas, telephone, sanitary and similar systems includes all system components and accessories appurtenant to that Unit regardless of whether located outside the Unit, as defined in the Declaration. This shall be in addition to any other obligations imposed herein or elsewhere upon the Unit Owner. Each Unit Owner shall be obliged to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any Commons damaged by such Unit Owner's acts or by the acts of the Unit Owner's family or Invitees. Until so paid, such amounts shall constitute a lien on said owner's Unit.

Each Unit Owner must also maintain the Limited Common Areas appurtenant to said Unit, other than those Limited Common Areas to be maintained by the Association, in clean and proper condition.

Attached to these Bylaws is an Exhibit entitled "Maintenance, Repair and Replacement List" to help clarify which items are the responsibility of the Owner and the Association.

10.4 Mechanics Lien. Each Unit Owner agrees to indemnify and to hold harmless each of the other Unit Owners from any and all claims of mechanic's lien filed against other Units and the Commons for labor, materials, service or other products

incorporated in such Unit Owner's Unit. In the event such a lien is filed or a suit for foreclosure of a mechanic's lien is commenced, then, within 10 days thereafter, such Unit Owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half (1½) times the amount of such claim plus interest for one year, together with a sum equal to 10% of the amount of such claim (but in any event not less than \$1,000.00), which latter sum may be used by the Association for any reasonable costs and expenses incurred as a result thereof, including reasonable attorneys' fees incurred. Except as otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to ensure payment of or on account of such final judgement or settlement. Any deficiency, including attorneys' fees incurred by the Association, shall be paid forthwith by the Unit Owner and his, her or its failure to so pay shall entitle the Association to make such payment and the amount thereof shall be a debt of the Unit Owner or Unit Owners and a lien against the Unit which may be foreclosed in the manner authorized by the Declaration for liens arising for unpaid assessments. All reasonable advancements, payments costs and expenses, including reasonable attorneys' fees incurred by the Association, shall be forthwith reimbursed to it by such Unit Owner, and the Unit Owner shall be liable to the Association for the payment of interest at the rate of 12% per annum on all such sums paid or incurred by the Association.

10.5 Use of Units – Internal Changes. All Units shall be utilized only for the purposes provided in the Declaration. A Unit Owner shall not make any modifications or alterations to his, her or its Unit or installations located therein without the written approval of the Board of Directors. The Board of Directors shall be notified in writing of the intended modifications by notice given to the Managing Agent or, if no managing agent is employed, then to the Secretary. The Association shall have the obligation to answer a Unit Owner's request within five days after receipt of such notice by the Managing Agent or Secretary, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

10.6 Right of Entry. A Unit Owner shall and does grant the right of entry to the Managing Agent or to any other Person authorized by the Board of Directors in case of any emergency originating in or threatening his, her or its Unit whether the Unit Owner is present at the time or not. A Unit Owner shall permit other Unit Owners or their representatives to enter his, her or its Unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or other utility services which, if not performed, would affect the use of other Units; provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate.

10.7. Compliance with Rules; Costs; No Waiver; Rights Cumulative. All Unit Owners and Invitees shall obey all rules, regulations and covenants contained in the Act, Declaration, the Bylaws, and the Rules, and any failure to comply therewith shall constitute an event of default and shall be grounds for relief, which may include, without limitation, an action by the Association to recover sums due for damages and injunctive

relief, or any combination thereof. In any proceedings arising because of an alleged default by any Unit Owner (or such Unit Owner's Invitee), the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees from such Unit Owner. The failure of the Association or of any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, the Bylaws or the Rules shall not constitute a waiver of the right of the Association or of any such Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association or any Unit Owner pursuant to any provisions of the Declaration, the Bylaws or the Rules, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor 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 ELEVEN - COMMITTEES

11.1 Designation. The Board of Directors may establish such committees as it deems appropriate to the efficient operation of the Condominium. Committees shall be comprised of Unit Owners designated by the Board of Directors.

11.2 Nomination Committee. The Board of Directors shall appoint a nomination committee annually consisting of three Unit Owners. The nomination committee shall make as many nominations for elections to the Board of Directors as it shall, in its discretion, determine but not less than the number of vacancies to be filled. Additional nominations can be made from the floor.

ARTICLE TWELVE - INDEMNIFICATION OF DIRECTORS, OFFICERS AND MANAGING AGENT; LIMITATION OF UNIT OWNERS' LIABILITY

Each Person who is or was a Director, officer or Managing Agent of the Association shall (together with the heirs, executors and administrators of such Person) be indemnified by the Association against all loss, costs, damages and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed upon such Person and which arise from, relate to or are in connection with any claim, action, suit or proceedings, including criminal proceedings, to which such Person is made or threatened to be made a party by reason of such Person being or having been such Director, officer or Managing Agent, except as to such matters as (and only to the extent) to which such Person finally shall be adjudged by a court of competent jurisdiction in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, such indemnification shall be provided to such Person only in connection with such matters covered by the settlement as (and only to the extent) 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 such Person's duty as such Director or officer in relation to the matter

involved. The Association, by the Board of Directors, may indemnify 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 such Person's capacity as such employee. The foregoing rights of indemnification shall be in addition to all rights to which Directors, officers, Managing Agents or employees (or former Directors, officers, Managing Agents and employees) may be entitled as a matter of law. All liability, loss, damage, costs and expense incurred or suffered by the Association and which arises from, relates to or is 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 Twelve shall be deemed to obligate the Association to indemnify any Member or Unit Owner who is or has been a Director, officer, Managing Agent or employee of the Association with respect to any duties or obligations assumed or liabilities incurred by such Person under and by virtue of the Declaration, the Act, or the Bylaws as a Member or Unit Owner covered thereby. It is intended that Directors and the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors shall be limited to such proportion of the total liability thereunder as such Unit Owner's interest in the Commons bears to the interest of all the Unit Owners in the Commons. Every agreement made by the Board of Directors, or by the Managing Agent, on behalf of the property shall provide that the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Commons bears to the interest of all Unit Owners in Commons.

ARTICLE THIRTEEN - ABATEMENT, ENJOINMENT AND EXPULSION

Upon violation by any Unit Owner or Invitee of any Rule adopted by the Board of Directors or the breach of any provision of the Act, the Declaration or the Bylaws, the Board of Directors and the Managing Agent shall have the right, in addition to any other rights they may have: (i) in an emergency to enter the Unit in which, or as to which, such violation or breach exists and summarily abate and remove at the expense of the defaulting Unit Owner, any Person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or the Managing Agent shall not be deemed guilty in any manner of trespass; and to expel, remove and put out using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; and (ii) to enjoin, abate or remedy by appropriate legal proceeding, either at law or an entity, the continuance of any breach.

ARTICLE FOURTEEN - AMENDMENTS TO BYLAWS

14.1 Amendments. The Bylaws may be altered, amended or repealed and/or new Bylaws adopted at any regular or special meeting of the Unit Owners only by an affirmative vote of 67% or greater of all of the votes entitled to be cast; provided that no such alteration, amendment, repeal or adoption shall be valid to the extent that it conflicts with the Declaration; and provided further that any provision stated herein to be or which is in fact governed by the Declaration, may not be amended except as provided in the Declaration.

14.2 Conflicts. In the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

ARTICLE FIFTEEN - MISCELLANEOUS

15.1 Severability. In the event that any of the terms, provisions or covenants of the Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, 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.

15.2 Table of Contents; Headings. The table of contents and headings used in the Bylaws have been inserted for convenience only and do not constitute matter to be construed in interpretation.

15.3 Subordination. The Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the 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 or the Act.

15.4 Interpretation. 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.

15.5 Borrowing Money. No money shall be borrowed or other debt incurred in excess of \$2,500 in aggregate per annum by the Association except upon an affirmative vote of holders of a majority of votes of the Unit Owners entitled to cast such votes or upon an affirmative vote of at least two-thirds the Directors.

15.7 Fiscal Year. The Association's fiscal year shall begin on the first day of January and end on the last day of December of each year.

The Declarant, Meade Pond, LLC has caused these Bylaws to be executed this 19th day of July, 2001.

DECLARANT:
Meade Pond, LLC

Todd W. Platt, Managing Member