

**AMENDED AND RESTATED BY-LAWS
HERITAGE ESTATES ASSOCIATION, INC.**

These By-Laws incorporate by reference the Declaration of Condominium and Condominium Plat, the Articles of Incorporation of Heritage Estates Association, Inc. and the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes. The By-Laws are intended to provide the structure necessary for the operation and maintenance of the Common Elements of the Condominium, to control and regulate the use and enjoyment of the Condominium for the benefit of Unit Owners and all other persons authorized and invited 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.

**SECTION I
NAME, FORM OF ADMINISTRATION, ADDRESS**

1.01. Name. The name of the Association created herein is HERITAGE ESTATES ASSOCIATION, INC., and is referred to herein as 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 Section III hereof. Any Manager, retained by the Board of Directors, is responsible for implementation of the policy decisions of the Board and operates under its supervision and control.

1.03. Address. The address of the Association and its principal office shall be the address of the registered agent for the Association as the same may be changed from time to time.

**SECTION II
MEMBERS, RIGHTS AND OBLIGATIONS, MEETINGS**

2.01. Members. All Unit Owners in the Condominium are, by the fact of ownership of their Unit, members of the Association. As such, they are granted all rights and subject to all obligations of membership as created herein.

(1) Upon conveyance or other transfer of a Unit Owner's interest in a Unit, the transferee ceases to be a member of the Association as to that Unit, and the transferee becomes a member. 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 transferee to notify the Association of the information necessary to keep the roster current.

(2) The Association shall also maintain a roster of residents and holders of security interests in Units and shall provide such notices regarding the Unit encumbered and the Condominium as a Unit security holder requests or the law, the Declaration or any document related

to the mortgage or other security instrument requires. Unit Owners are responsible for providing the information necessary to keep this roster current.

(3) No Unit Owner may vote at meetings of the Association until the name and current mailing address of such Unit Owner has been provided to and received by the secretary of the Association. Any Unit Owner that mortgages its Unit or any interest therein or enters into a land contract with respect to its Unit shall notify the secretary of the name and mailing address of its Mortgagee and shall also notify the secretary when such mortgage has been released or such land contract has been fulfilled, and the secretary shall make appropriate changes to the membership list effective as of the date of the mortgage, release, land contract, or fulfillment, as the case may be.

(4) No Unit may be rented to a non-family member without first obtaining consent from the Association's Board of Directors, which consent shall not be unreasonably withheld, delayed or conditioned, provided that each of the following criteria are met:

(a) No more than the lesser of (a) 8% of the Units or (b) 2 Units may be rented at any time. The Board of Directors is not authorized to consent to a greater percentage without an affirmative vote of the majority of the Units.

(b) Written leases for the rental Units are for no less than one (1) year, contain a provision that the tenant shall adhere to the rules and regulations of the Association and the Lease shall remain on file with the Association.

(c) The Unit Owner is not in arrears of any assessments or special assessments to the Association.

2.02. Annual Member Meeting. The annual meeting of the Association shall be held on the last Wednesday of October of each year at 7:00 p.m. at a location selected by the Board of Directors, or at such other time and place as may be designated pursuant to Section 2.04.

2.03. Special Member 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 20% of the Units. 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.

2.04. Notice of Member 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.

(1) Content of Notice. The notice shall state whether the meeting is an annual or special meeting, the authority for 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 a member personally or by mailing the notice to the member at his address as it appears on the Association's roster, postage prepaid or to an electronic mail address sent to the secretary of the Association for the purpose of receiving notice.

(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 By-Laws from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record, including notice of proposed amendments to the Declaration, or the Association's Articles or By-Laws.

(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. Voting is on the basis of Unit votes. 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.

(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 60 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) Suspension. Voting rights may be suspended by a vote of the Association's Board of Directors in accordance with the Declaration, and 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.

(4) Effect of Condominium Lien. No Unit Owner may vote on any matter submitted to a vote of the Unit Owners if the Association has recorded a statement of condominium lien on the Unit owned by such Unit Owner and the amount necessary to release the lien has not been paid at the time of the voting.

2.07. Duties of Officers at Meetings. The president of the Association shall preside at all meetings of the Unit Owners, and in his or her absence, the vice president shall preside or if neither is available an officer of the Association shall preside. The secretary shall take the minutes of the meeting and keep such minutes in the Association's minute book. Votes at all meetings shall be counted by the secretary.

2.08. Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws 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 as so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.

2.09. 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.

2.10. 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 of Preceding Annual Meeting
- (e) Election of Board of Directors
- (f) Report of Officers
- (g) Report of Committees
- (h) Unfinished Business
- (i) New Business
- (j) Approval of Budget
- (k) Adjournment

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

2.11. Reserved Rights. Election of directors, amendment of the By-Laws, borrowing funds, acquiring or conveying any interest in real estate, final approval of the annual budget, use of contingency funds for non-emergency issues, rental of units not in conformity with Section 2.01(4)(a), removal of directors pursuant to Section 3.05 and levying of special assessments are reserved to a vote by the members.

SECTION III BOARD OF DIRECTORS

3.01. Number and Qualification. The affairs of the Association are governed by a Board of Directors composed of five (5) Directors. All Directors must be Unit Owners.

3.02. Election. One (1) month prior to each annual meeting of the Unit Owners, the secretary of the Association shall mail (or electronically mail as the case may be, to all Unit Owners

a notice setting a deadline for nomination of persons to serve as directors on the Board of Directors. All nominations shall be mailed to the secretary. Unit Owners must obtain the prior consent of any person they nominate and may nominate themselves. Only Unit Owners entitled to vote upon the election of any director may nominate a person to serve as a director. If the number of nominees equals the number of directors to be elected, the nominees shall automatically become the new directors to take office at the annual meeting. If the number of nominees is fewer than the number of directors to be elected, the secretary shall solicit further nominees by mail. If the number of nominees exceeds the number of directors to be elected, the secretary shall conduct an election by written ballot during the annual meeting. The persons receiving the largest number of votes shall be elected as directors and shall take office immediately after the vote at the annual meeting.

3.03. Term of Office. The term of office for each Director is three (3) years. The terms of directors shall be staggered so that approximately one-third (1/3) are elected each year.

3.04. 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 serves as a director until a successor is elected at the next annual meeting.

3.05. Removal of Directors. Directors may be removed for cause by a seventy-five percent (75%) vote of the Unit votes at any annual or special meeting, notice of which includes notice of the proposed removal and cause for removal and a list of nominees for replacement.

3.06. Compensation. No compensation shall be paid to directors for their services as officers or directors.

3.07. 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.

3.08. 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.

3.09. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The time, place and manner of such meetings is determined by the president.

3.10. Notice. Notice of all meetings of the Board of Directors must be given to each director personally, by mail to by email (if the director has provided an electronical mail address to the secretary expressly for such purpose, at least three (3) days prior to the date of such meeting.

3.11. 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.

3.12. Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws 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 taken, is signed by all of the directors then in office.

3.13. 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.

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

3.15. Committees. The Board of Directors may by resolution designate one or more committees, each committee to include one or more directors elected by the Board of Directors, which to the extent provided in said resolution as initially adopted, and thereafter amended, shall have and may exercise, when the Board of Directors is not in session, the powers of the Directors in the management of the business and affairs of the Condominium. The Board of Directors may elect one or more of its members to alternate membership of any such committee and such alternate members may take the place of any absent member or members at any meeting of such committee, upon request by the president or upon request by the chairman of such meeting.

3.16. Powers and Duties. The Board of Directors may exercise all powers of the Association not specifically reserved to the members and is responsible for establishing policies for the Association in pursuance of its purposes and supervision of the implementation of these policies. Following a 2/3 vote of the Unit Owners, the Board of Directors shall retain a Manager.

(1) Rules. The Board of Directors shall adopt Rules for the regulation of the use and enjoyment of the Condominium. Changes to rules shall pass by a majority vote of the Board of Directors and must be ratified by fifty percent (50%) of the Unit Owners.

(2) Delinquencies. The Board of Directors may set a delinquency charge for Delinquent regular or special assessments at Twenty-five Dollars (\$25.00) per day plus 1.5% interest on the amount due per day.

(3) Insurance. Hazard insurance maintained by the Association must be maintained with an insurer licensed in Wisconsin and rated Best's Class VI or better, or Class V if it has a general policyholder's rating of A. Policies may not be subject to contribution or assessment, to special corporate action by the carrier to authorize payment of benefits or to limiting clauses other than insurance conditions on payment of benefits. The insurance and bond maintained by the Association must provide at least ten (10) days' notice to the Association and to Unit first mortgagees or their assigns before a policy is substantially modified or cancelled.

(4) Leases. All leases of Units shall be in writing and a copy filed with the Association. Any such lease shall specifically provide that use of the Unit and Common Elements

is subject to the Declaration and the Association's Articles of Incorporation, By-Laws and rules. No lease may be for a period of less than 30 days. The Board of Directors may set other standards, not inconsistent with this section, for approval of leases.

3.17. Telephonic Attendance. Directors may attend meetings of the Board of Directors by telephone or other electronic means provided all Directors can hear each other in real time.

SECTION IV OFFICERS

4.01. Designation. The principal officers of the Association are a president, a vice president, a secretary and a treasurer, all of whom shall be elected from the Board of Directors.

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

4.03. Term. The officers of the Association hold office for one (1) year or until his or her successor shall be elected and qualified.

4.04. 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.

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

4.06. Duties. Unless otherwise indicated by the Board of Directors, the duties of the officers are as follows:

(a) *President.* The president shall preside at all meetings of the members of the Association and of the Board of Directors; oversee the implementation of the Board of Directors' orders and resolutions; sign all leases, mortgages, deeds, contracts, promissory notes, and other written instruments on behalf of the Association; generally manage the business of the Association; supervise and direct all other officers of the Association; and perform such other duties incident to the office of president as may be required under the Wisconsin Condominium Ownership Act, the Wisconsin Nonstock Corporation Law, the Declaration, the Articles, or these Bylaws, or by the Board of Directors.

(b) *Vice President.* The vice president shall act in the place of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

(c) *Secretary.* The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Unit Owners; serve notices of the meetings of the Board of Directors and of the Unit Owners; keep all books and records of the Association other than books of account, including the membership list; and perform such other duties incident to the office of secretary as may be required under the Wisconsin Condominium

Ownership Act, the Wisconsin Nonstock Corporation Law, the Declaration, the Articles, or these Bylaws, or by the Board of Directors.

(d) *Treasurer.* The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, sign all checks on behalf of the Association and disburse such funds as directed by the president or by the Board of Directors; keep complete and accurate books of account; prepare the annual report of the business transacted by the Association each year; and prepare a proposed annual operating budget each year for consideration of the Board of Directors and Unit Owners.

SECTION V ASSESSMENTS

5.01. Common Expenses. All expenditures for the operation, maintenance, repair and restoration of the Common elements and for the operation of the Association are Common Expenses to be shared proportionately by the Unit Owners as set forth in the Declaration.

5.02. 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 forthcoming 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 Treasurer 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 must be made in the form of direct transfers to the Association's bank account and shall be delinquent if not paid before the fifth (5th) day of the month.

5.03. Special Assessments. If unbudgeted expenses for which no reserve has been created are incurred, the members shall hold a special meeting to levy a special assessment to pay these expenses. The special assessment may be in such amount, due and payable at such time and on such terms as the members determine. No unbudgeted expenditures resulting in an assessment of more than \$150.00 per Unit may be made except with the prior approval of at least seventy-five percent (75%) of the Unit Owners.

5.04. Collection. The Association has all powers given by law, the Declaration or these By-Laws to effect collection of the assessments hereunder.

5.05. Intentionally Omitted.

5.06. Maintenance of Common Elements. Except as otherwise provided herein, management, repair, alteration and improvements of the Common Elements shall be the responsibility of the Board. Each Unit Owner shall pay his proportionate share of the expenses of

maintenance, repair, replacement, administration and operation of the Common Elements, which expenses are hereinafter referred to collectively as "Common Expenses." Such proportionate share shall be in the same ratio as his fractional ownership in the Common Elements. Payment thereof shall be in such amount and at such time as may be provided by the By-Laws and/or rules and regulations of the board. In the event of the failure of a Unit Owner to pay such proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act, and these By-Laws.

5.07. By the Board. The Board, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of the building, excluding, however, interior wall, ceiling and floor surfaces but including all decks. In addition, the Board shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the unit boundaries, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Owner under any other provision of the Declaration or By-Laws.

5.08. By the Owner. Except as otherwise provided in Section 5.07 above, each Unit Owner shall furnish, at his own expense, and be responsible for the following:

(1) All of the maintenance, repairs and replacements within his own Unit, and all of the doors and windows (inside and outside surfaces) appurtenant thereto, and all internal installations of such Unit such as refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical fixtures, fireplace, chimney and liner, garage door opener and controls, appliances, and heating, plumbing and air conditioning fixtures, or installations, and any portion of any other utility service facilities located within the Unit boundaries, however, such maintenance, repairs and replacements as may be required for the bringing of water, gas and sewer service or electricity to the Unit, shall be furnished by the Board as part of the Common Expenses. Each owner shall be responsible for cleaning the interior and exterior surfaces of their windows. Each owner shall maintain and repair all concrete or asphalt flatwork appurtenant to the Owner's Unit including patio and driveways ("Flatwork"). The Board may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by personnel as a Common Expense.

(2) All of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board. The interior and exterior surfaces, including Flatwork of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner. Decorating the Common Elements (other than interior surfaces within the Units as above provided), and any redecorating of the Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the Common Expenses. Nothing herein contained shall be construed to impose a contractual

liability upon the Board for maintenance, repair and replacement, but the Board's liability shall be limited to damages resulting from negligence. The respective obligations of the Board and Unit Owners set forth in the Declaration and By-Laws shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

All other exterior maintenance by the Board or the Unit Owners shall be as hereinbefore provided.

5.09. Utilities. Each Unit Owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses. The water sprinklers for the lawn shall be separately metered to the Association and shall be treated as part of the Common Expenses.

5.10. Insurance.

(1) Each Unit Owner shall be responsible for carrying condominium homeowners insurance covering his or her Unit contents, including without limitation all furnishings; wall, ceiling and floor coverings; decorations; cabinets; fixtures (except electrical wires and conduits, plumbing pipes, and air conditioning components contained with the walls, floors or ceiling); window treatments; appliances; furniture; and all other personal property contained in the Unit from time to time.

(2) The Association shall be responsible for carrying insurance on the building's superstructure, including the unfinished surfaces on floors, ceilings and walls and those items excepted in subparagraph (1) hereinabove.

5.11. Negligence of Owner. If, due to the negligent act or omission of a Unit Owner, or of a member of his family or household pet, or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for the damage and such maintenance, repairs and replacements as may be determined by the Board, subject to the rules, regulations and By-Laws of the Board.

5.12. Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then use thereof by the individual Unit Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the board may be required in connection with maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

SECTION VI ACCOUNTS; FINANCES

6.01. Accounts. The Association shall maintain such books and records and establish such financial accounts as required by law and as may be necessary to reflect accurately the

condition and action of the Association. Such books and records are open to inspection by all Unit Owners and Unit first mortgagees.

6.02. Audit. The Board of Directors may establish an audit committee, containing at least one Unit Owner who is not a director, to audit the accounts of the Association. A majority of Unit first mortgagees may have an audited statement of the Association's fiscal dealings for any fiscal year prepared at their expense.

SECTION VII LIABILITY OF OFFICERS

7.01. Exculpation. No director or officer of the Association, in his capacity as director or officer rather than as a Unit Owner, is liable for acts or defaults of any other director, officer or Unit Owner or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct. Nothing contained in this Section exempts such director or officer from the liabilities and obligations of Unit Owners as provided by these By-Laws.

7.02. Indemnification.

(1) General Scope and Definition:

(a) The rights of directors and officers of the Association provided in this Article shall extend to the fullest extent permitted by the Wisconsin Nonstock Corporation Law and other applicable laws as in effect from time to time.

(b) For purposes of this Article, “director or officer” means a natural person (i) who is or was a director or officer of the Association, (ii) who, while a director or officer of the Association, is or was serving at the Association’s request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee, or agent of another corporation or foreign corporation, partnership, limited liability company, joint venture, trust, or other enterprise, (iii) who, while a director or officer of the Association, is or was serving an employee benefit plan because his or her duties to the Association also imposed duties on, or otherwise involved services by, the person to the plan or to participants in or beneficiaries of the plan, or (iv) who is or was a member of the Architectural Review Committee. Unless the context requires otherwise, “director or officer” shall also mean the estate and personal representative of a director or officer.

(c) For purposes of this Article, “proceeding” means any threatened, pending or completed civil, criminal, administrative, or investigative action, suit, arbitration, or other proceeding, whether formal or informal, which involves foreign, federal, state, or local law (including federal or state securities laws) and which is brought by or in the right of the Association or by any other person.

(d) For purposes of this Article, “expenses” means fees, costs, charges, disbursements, attorneys’ fees, and any other expenses incurred in connection with a

proceeding, including a proceeding in which a director or officer asserts his or her rights under this Article, and, if the context requires, liabilities, including the obligation to pay a judgment, settlement, penalty, assessment, forfeiture, or fine, including any excise tax assessed with respect to an employee benefit plan.

(2) Mandatory Indemnification.

(a) To the extent that a director or officer has been successful on the merits or otherwise in the defense of any proceeding (including, without limitation, the settlement, dismissal, abandonment, or withdrawal of any action where he or she does not pay or assume any material liability), or in connection with any claim, issue, or matter therein, he or she shall be indemnified by the Association against expenses actually and reasonably incurred by him or her in connection therewith to the extent that he or she was a party to the proceeding because he or she is or was a director or officer of the Association.

(b) In cases not included under Subsection 7.02(2)(a), the Association shall indemnify any director or officer against expenses actually and reasonably incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is or was a director or officer, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owed to the Association and the breach or failure to perform constituted any of the following: (i) a willful failure to deal fairly with the Association or its members in connection with a matter in which the director or officer had a material conflict of interest; (ii) a violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit or benefit; or (iv) willful misconduct. 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 subsection.

(c) Indemnification under this Section is not required to the extent that the director or officer has previously received indemnification or allowance of expenses from any person, including the Association, in connection with the same proceeding.

(d) To the extent indemnification is required under this Article XIII, the Association has purchased or is required under Subsection 7.02(10) to purchase insurance on behalf of the indemnified person and the insurance policy includes a provision obligating the insurer to defend such person, the Association shall be obligated to extend such defense. To the extent possible under such insurance policy, the defense shall be extended with counsel reasonably acceptable to the indemnified person. The Association shall keep the indemnified person advised of the status of the claim and the defense thereof and shall consider in good faith the recommendations made by the indemnified person with respect thereto.

(3) Determination of Right to Indemnification. Unless otherwise provided by written agreement between the director or officer and the Association, the director or officer seeking indemnification under Subsection 7.02(2) shall make a written request for indemnification which shall designate one of the following means for determining his or her right to indemnification: (a) by a majority vote of a quorum of the Board of Directors or a committee of directors consisting of directors not at the time parties to the same or related proceedings; (b) by independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in Subsection 7.02(3)(a) 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; (c) by arbitration; or (d) by an affirmative vote of a majority of the Unit Owners entitled to vote; provided, however, that Unit Owners who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not vote in making the determination. Any determination under this Section shall be made pursuant to procedures consistent with the Wisconsin Nonstock Corporation Law unless otherwise agreed by the Association and the person seeking indemnification. Such determination shall be completed, and eligible expenses, if any, shall be paid to the person requesting indemnification hereunder within sixty (60) days of the Association's receipt of the written request required hereunder.

(4) Allowance of Expenses as Incurred. Within thirty (30) days after a written request by a director or officer who is a party to a proceeding because he or she is or was a director or officer, 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; and (b) a written undertaking, executed personally or on his or her behalf, to repay the allowance and, if required by the Association, to pay reasonable interest on the allowance to the extent that it is ultimately determined under Subsection 7.02(3) that indemnification under Subsection 7.02(2) is not required and indemnification is otherwise not ordered by a court. The undertaking under this Section 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.

(5) Partial Indemnification.

(a) If it is determined pursuant to Subsection 7.02(3) that a director or officer is entitled to indemnification as to some claims, issues, or matters in connection with any proceeding, but not as to other claims, issues, or matters, the person or persons making such determination shall reasonably determine and indemnify the director or officer for those expenses which are the result of claims, issues, or matters that are a proper subject for indemnification hereunder in light of all of the circumstances.

(b) If it is determined pursuant to Subsection 7.02(3) that certain expenses (other than liabilities) incurred by a director or officer are for any reason unreasonable in amount in light of all the circumstances, the person or persons making such determination shall authorize the indemnification of the director or officer for only such amounts as he or she or they shall deem reasonable.

(6) Indemnification of Employees and Agents. The Board of Directors, may, in its sole discretion, provide indemnification and/or defense and/or allowance of expenses in advance of a final determination of any proceeding to an employee or agent of the Association who is not a director or officer in connection with any proceeding in which the employee or agent was a defendant because of his or her actions as an employee or agent of the Association; provided, however, that prior to such indemnification, defense, or allowance of expenses, the Board of Directors shall first determine that the employee or agent acted in good faith and in a manner he or she reasonably believed to be in, and not opposed to, the best interests of the Association.

(7) Limited Liability of Directors and Officers.

(a) Except as provided in Subsection 7.02(7)(b) and (c), a director or officer is not liable to the Association, its members or creditors, or any person for damages, settlements, fees, fines, penalties, or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director or officer, unless the person asserting liability proves that the breach or failure to perform constitutes any of the acts of misconduct listed in Subsection 2(b).

(b) Except as provided in Subsection 7.02(7)(c), this Subsection (7) does not apply to any of the following: (i) a civil or criminal proceeding brought by or on behalf of any governmental unit, authority, or agency; (ii) a proceeding brought by any person for a violation of state or federal law where the proceeding is brought pursuant to an express private right of action created by state or federal statute; or (iii) the liability of a director under Wisconsin Statutes Sections 181.0832 and 181.0833.

(c) Wisconsin Statutes Subsections 7.02(7)(b)(i) and (ii) do not apply to a proceeding brought by a governmental unit, authority, or agency in its capacity as a private party or contractor.

(8) Severability of Provisions. The provisions of this Article and the several rights to indemnification, advancement of expenses, and limitation of liability created hereby are independent and severable and, if any such provision or right shall be held by a court of competent jurisdiction in which a proceeding relating to such provisions or rights is brought to be against public policy or otherwise to be unenforceable, the other provisions of this Article shall remain enforceable and in full effect.

(9) Nonexclusivity of Rights. The rights to indemnification, defense and advancement of expenses provided for in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, defense, or advancement of expenses may be entitled under any agreement authorized by the Board of Directors, any of the Bylaws, any vote of the members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Notwithstanding the foregoing, the Association may not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses, pursuant to any such additional rights 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 Subsection 7.02 (2)(b).

A director or officer who is a party to the same or related proceeding for which indemnification, defense, or an allowance of expenses is sought may not participate in a determination under this Section.

(10) **Purchase of Insurance.** The Association shall use its reasonable best efforts to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association, to the extent that such director or officer is insurable and such insurance coverage can be secured by the Association at rates, and in amounts and subject to such terms and conditions as shall be determined in good faith to be reasonable and appropriate by the Board of Directors of the Association, and whose determination shall be conclusive (provided, however, that such insurance shall contain a provision obligating the insurer to defend the director or officer, if such provision is available at reasonable rates), against liability asserted against or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify or defend him or her against such liability under the provisions of this Article.

(11) **Benefit.** The rights to indemnification, defense, and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(12) **Amendment.** No amendment or repeal of this Article shall be effective to reduce the obligations of the Association under this Article with respect to any proceeding based upon occurrences which take place prior to such amendment or repeal.

(13) **Prevailing Party.** In any suit brought by a Unit Owner against the Association, any Director or Officer the Unit Owner shall pay for all of the defendant's legal fees and costs whether Association, Director or officer, unless the Unit Owner is the prevailing party.

SECTION VIII FISCAL YEAR

8.01. Fiscal Year. The fiscal year of the Association begins on the first day of January in each year and ends on the last day of December of the same year.

SECTION IX AMENDMENT

9.01. Amendment. Except as otherwise provided herein, these By-Laws may be amended from time to time by affirmative vote of two-thirds (2/3) of all of the Unit Owners during a meeting duly called for such purpose (note the affirmative vote is for all Unit Owners not the Unit Owners at the meeting). Any portion of these By-Laws that merely reflect or give priority to the Declaration may not be amended unless the Declaration is similarly amended.

SECTION X INTERPRETATION

10.01. Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect.

10.02. 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 By-Laws, or the intent of any provision thereof.

10.03. Gender; Number. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Adopted as of Jan. 19, 2019

By: Bachman J. Whitman
Name:
Title: President

By: Sandra J. Whiteman
Name:
Title: Secretary