

BYLAWS OF  
HIGHLANDS OF SEMINOLE NEIGHBORHOOD ASSOCIATION, INC.

ARTICLE I. OFFICES

**Section 1.01 Principal Office.** The principal office of the Highlands of Seminole Neighborhood Association, Inc. (the "Neighborhood Association") shall be located in Madison, Dane County, Wisconsin.

ARTICLE II. MEMBERS

**Section 2.01 Membership.** Every owner of a lot in the plats of Highlands of Seminole, and First and Second Additions to Highlands of Seminole, in the City of Fitchburg, Dane County, Wisconsin, shall be a member of the Neighborhood Association.

**Section 2.02. Classes of Membership; Voting.** The Neighborhood Association shall have two classes of voting membership:

(a) **Class A.** Class A members shall be all Owners with the exception of the Developer. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds any interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) **Class B.** The Class B member shall be the Developer. The Class B member shall be entitled to four (4) votes for each Lot owned. The Class B membership shall terminate and be converted to Class A membership upon the happening of any of the following events, whichever occurs earliest:

(i) The total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or

(ii) On the twenty-fifth (25th) anniversary of the date this Declaration is recorded, or

(iii) Upon the Neighborhood Association's receipt of written notification from the Developer that the Developer wishes to convert its Class B membership to Class A membership.

**Section 2.03 Annual Meeting.** The annual meeting of members shall be held the first Monday in June beginning 1996, or at such time, and at such place, as the Board of Directors shall establish.

**Section 2.04 Special Meetings.** Special meetings may be called by the Board of Directors. Special meetings shall be held at the principal office of the Neighborhood Association or such other location as the Board of Directors may determine.

**Section 2.05 Notice.** Written notice stating the time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) or more than fifty (50) days prior to the date of the meeting.

**Section 2.06 Quorum.** Members holding one-tenth of the votes entitled to be cast, present in person or represented by proxy, shall constitute a quorum at a meeting of members. Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, a majority of the votes entitled to be cast by the members present in person or represented by proxy at the meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members.

### ARTICLE III. BOARD OF DIRECTORS

**Section 3.01 General Powers.** The affairs of the Neighborhood Association shall be managed by the Board of Directors.

**Section 3.02 Election of Directors.** Directors shall be elected by the members at each annual members' meeting. Unless otherwise provided in the Articles of Incorporation, Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Election by "plurality" means that each shareholder may vote for as many candidates as there are positions available, and the individuals with the largest number of votes, up to the number of Directors to be chosen, are elected.

**Section 3.03 Number, Tenure and Qualifications.** The number of Directors of the Neighborhood Association shall be three (3). Each Director shall hold office continuously until death, resignation, removal or until his or her successor is elected. Upon the conversion of Class B membership to Class A membership as set forth in Section 2.02, only owners of lots in the Highlands of Seminole Subdivision may be a Director.

**Section 3.04 Resignation and Removal.** A Director may resign at any time by filing a written resignation with the

President. Any Director may be removed from office, with or without cause, by a vote of the members at a meeting called for that purpose.

**Section 3.05 Vacancies.** Any vacancy occurring on the Board of Directors for any reason, including a vacancy created by an increase in the number of Directors, shall be filled by the members, at the next annual meeting or at a special meeting called for that purpose.

**Section 3.06 Regular Meetings.** The Board of Directors may provide, by resolution, the time and place, either within or outside the State of Wisconsin, for the holding of regular meetings without other notice than that resolution.

**Section 3.07 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or any Director.

**Section 3.08 Place of Meeting.** Regular and special meetings of the Board of Directors may be held at such place or places as may be fixed by the Board of Directors, or as may be fixed by the person or persons authorized to call the meeting. In the absence of any such designation of meeting place, the meeting shall be held at the principal office of the Neighborhood Association.

**Section 3.09 Notice.** Notice of any special meeting shall be given at least forty-eight (48) hours prior to the meeting by written notice delivered personally or by private carrier, sent via facsimile transmission or mailed to each Director at his or her business address. If mailed, notice shall be deemed to be given when deposited in the United States mail so addressed with the postage prepaid. If delivered by private carrier, notice shall be deemed to be given when delivered to the private carrier with the necessary delivery fees. Notice sent via facsimile transmission shall be deemed to be given when transmitted to the facsimile number provided to the Neighborhood Association by the Director.

**Section 3.10 Quorum.** Except as otherwise provided by law or the Articles of Incorporation or these Bylaws, a majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

**Section 3.11 Manner of Acting.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws.

**Section 3.12 Compensation.** No Director shall be entitled to compensation for services to the Neighborhood Association as a Director.

**Section 3.13 Informal Action Without Meeting.** Any action required or permitted by law, the Articles of Incorporation or these Bylaws to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all of the Directors then in office.

**Section 3.14 Committees.** The President shall appoint such standing and ad hoc committees and chairpersons as he or she may deem necessary. Membership on the committees shall include at least one of, but shall not be restricted to, the Directors then in office, except those cases where the Board of Directors determines that participation of non-Board of Directors members is neither necessary nor desirable.

**Section 3.15 Attendance by Electronic Means.** The Board of Directors may permit any Director to participate in a regular or special meeting of the Board of Directors by, or to conduct the meeting through the use of, any means of communication if:

(a) All participating Directors may simultaneously hear each other during the meeting; or

(b) All communication during the meeting is immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors.

If a meeting is conducted through the use of electronic means, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. A Director participating in a meeting by electronic means is deemed to be present in person at the meeting.

#### ARTICLE IV. OFFICERS

**Section 4.01 Number.** The principal officers of the Neighborhood Association shall be a President, Vice-President, Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as deemed necessary or convenient may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President. All principal officers shall be selected from the current Board of Directors.

**Section 4.02 Election and Term of Office.** The officers of the Neighborhood Association shall be elected annually by the Board of Directors at its annual meeting. If the election of officers is not held at such meeting, the election shall be held as soon thereafter as convenient. Each officer shall hold office until a successor has been duly elected or appointed or until his or her death, resignation, or removal.

**Section 4.03 Vacancies.** A vacancy in any principal office because of death, resignation, removal, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

**Section 4.04 President.** The President shall be the principal executive officer of the Neighborhood Association and, subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the Neighborhood Association, and shall perform all duties incident to the office of President and such other duties as prescribed by the Board of Directors.

**Section 4.05 The Vice-President.** In the absence of the President or in the event of his or her death or inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties and have such authority as assigned to him or her by the President or by the Board of Directors.

**Section 4.06 The Secretary.** The Secretary shall: (a) keep the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; (c) be custodian of the records; and (d) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as designated or assigned to the Secretary by the President or the Board of Directors.

**Section 4.07 The Treasurer.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Neighborhood Association; receive and give receipts for money due and payable to the Neighborhood Association from any source whatsoever, and deposit all such moneys in the name of the Neighborhood Association at such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and (b)

in general, perform all the duties incident to the office of Treasurer and have such other duties and exercise such other authority as delegated or assigned by the President or the Board of Directors.

#### ARTICLE V. FINANCES

**Section 5.01 Assessments.** Assessments shall be determined, established and collected each year in the following manner:

(a) At the beginning of each calendar year, starting in 1996, the Board of Directors shall determine a budget for the year, which shall include the costs to be incurred by the Neighborhood Association in connection with its obligations under covenants recorded at the Dane County Register of Deeds. The budget shall be approved by a vote of two-thirds (2/3) of the Board of Directors on or before the last day of February of each year.

(b) The maximum general annual assessment which may be authorized under this Article shall be \$100 per lot for the year 1995. The general assessment for years after 1995 shall be adjusted accordingly in accordance with the budget prepared under Section 5.01(a).

(c) There shall be no limit on any specific assessments that are assessed on an owner pursuant to the covenants recorded at the Dane County Register of Deeds.

(d) The Board of Directors shall declare assessments due an payable thirty (30) days from the date of such levy. The Board of Directors shall notify each owner of the action taken by the Board of Directors, the amount of the assessment against the lot owned by the owner and the date the assessment is due and payable. Such notice shall be mailed to the owner at the last known post office address by United States mail, with postage prepaid, or be personally delivered to the owner.

(e) Upon a voluntary conveyance, the grantee of a lot shall be jointly and severally liable with the grantor for all unpaid assessments as provided in this Article up to the time of conveyance, without prejudice to the grantee's right to recover from the grantor the amount paid by the grantee. However, any such grantee shall be entitled to a written statement from the President setting forth the amount of the unpaid assessments and any such grantee shall not be liable for, nor shall the lot conveyed be subject to a lien for, any unpaid assessment against the grantor pursuant to this Article in excess of the amount therein set forth. If the Neighborhood Association does not provide a statement within thirty (30) business days after the grantee's written request, it is barred from claiming any lien

which is not filed prior to the request for assessments owed by the grantor.

**5.02 Collection.** Consistent with covenants recorded at the Dane County Register of Deeds, the Board of Directors shall pursue collection or enforcement of all assessments that it determines to be necessary. The owner of a lot, or any portion thereof, shall be personally obligated to pay assessments which were assessed or accrued upon the land owned during the period of ownership. All assessments which are unpaid when due shall from such date become and remain a lien upon the lot until paid, with interest thereon from the due date of eighteen percent (18%) per annum until paid in full. The Neighborhood Association may commence an action against any owner personally obligated to pay the assessments or to foreclose the lien for such assessments against any lot. Any foreclosure action may be brought, at the Board of Director's election, either in the same manner as an action to foreclose a real estate mortgage, or as a proceeding to enforce a statutory maintenance lien as provided in Section 779.70, Wisconsin Statutes, to the extent the section is applicable. The Board of Directors shall, upon the written request of an owner or purchaser of any lot, issue a Certificate of Status of Lien. If the owner or purchaser does not receive a Certificate within thirty (30) days after receipt of the written request by the Board of Directors, any right to a lien is waived. Such waiver shall not affect the right of the Neighborhood Association to collect the assessments due from the person, including business organizations, owning the lot at the time the assessments were levied. If an attorney is retained to enforce any such delinquent assessment, reasonable attorney's fees, title charges and court costs and other costs incurred shall be added to and become a part of the assessment.

## ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS

**Section 6.01 Contracts.** The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Neighborhood Association, and such authorization may be general or confined to specific instances.

**Section 6.02 Loans.** No loans shall be contracted on behalf of the Neighborhood Association and no evidences of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

**Section 6.03 Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Neighborhood

Association, shall be signed by such Officer or Officers, agent or agents of the Neighborhood Association and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

**Section 6.04 Deposits.** All funds of the Neighborhood Association not otherwise employed shall be deposited from time to time to the credit of the Neighborhood Association in such banks, trust companies or other depositories as may be selected by or under the authority of the Board of Directors.

**VII. LIABILITY AND INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES AND AGENTS; INSURANCE**

**Section 7.01 Liability of Directors and Officers.** To the fullest extent not prohibited by law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the Neighborhood Association to further limit or eliminate the liability of a Director or Officer than the law permitted the Neighborhood Association to provide prior to such amendment), no Director or Officer shall be liable to the Neighborhood Association, its members, or any person asserting rights on behalf of the Neighborhood Association or its members or creditors, or any other person, for liabilities arising from a breach of, or a failure to perform, any duty resulting solely from his or her status as a Director or Officer.

**Section 7.02 Indemnification of Directors, Officers, Employees and Agents.**

(a) **Right of Directors and Officers to Indemnification.** Any person shall be indemnified and held harmless to the fullest extent permitted by law, as the same may exist or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the Neighborhood Association to provide broader indemnification rights than the law permitted the Neighborhood Association to provide prior to such amendment), from and against all reasonable expenses and liability asserted against, incurred by or imposed on him or her in connection with any action, suit or proceeding to which he or she is made or threatened to be made a party by reason of his or her being or having been a Director or Officer of the Neighborhood Association.

(b) **Indemnification For Intervention, Etc.** The Neighborhood Association shall not, however, indemnify a Director or Officer under this Section for any liability incurred in a proceeding otherwise initiated (which shall not be deemed to include counterclaims or affirmative defenses) or participated in



as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of the majority of the Directors in office.

(c) Right of Employees and Agents to Indemnification.

The Neighborhood Association may on such terms as the Board of Directors deems advisable indemnify and allow reasonable expenses of any employee or agent of the Neighborhood Association with respect to any action taken or failed to be taken in his or her capacity as such employee or agent.

Section 7.03 Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the Neighborhood Association and the Director or Officer pursuant to which the Neighborhood Association and the Director or Officer intend to be legally bound. Any repeal, amendment or modification of this Article shall be prospective only as to conduct of a Director or Officer occurring thereafter, and shall not affect any rights or obligations then existing.

Section 7.04 Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which a Director, Officer, employee or agent may be entitled under any statute, agreement, vote of disinterested Directors or otherwise. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director or Officer in respect to matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 7.05 Insurance. The Neighborhood Association may purchase and maintain insurance, at its expense, to protect itself and any person who is a Director, Officer, employee or agent of the Neighborhood Association against any liability asserted against that person or incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Neighborhood Association would have the power to indemnify the person against such expense, liability or loss under this Article.

**ARTICLE VIII. FISCAL YEAR**

Section 8.01 Fiscal Year. The fiscal year of the Neighborhood Association shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE IX. SEAL

Section 9.01 No Seal. The Neighborhood Association shall not have a corporate seal, and all formal corporate documents shall carry the designation "No Seal" along with the signature of the Officers.

ARTICLE X. AMENDMENT

Section 10.01 Amendment. These Bylaws may be amended at any time by the vote of a majority of the members or the Directors then in office, but no Bylaw adopted by the members shall be amended or repealed by the Directors unless the Bylaw adopted by the members shall have conferred such authority on the Directors then in office.

These are the bylaws adopted by consent resolutions of the Board of Directors dated March \_\_\_\_\_, 1995.

Dated March \_\_\_\_\_, 1995.

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Ronald E. Smith, Secretary