

# **CERESA DRIVE HOMEOWNERS' ASSOCIATION BYLAWS**

WHEREAS, it is the desire of the parties to have an orderly and defined management of Ceresa Drive and Ceresa Court (hereinafter referred to as "Road"); and

WHEREAS, the parties agree that the maintenance of Ceresa Drive, Ceresa Court and Road is important for access to the parties.

It is hereby agreed that a Homeowners' Association shall be created and shall be named the Ceresa Drive Homeowners' Association. Each lot and each condominium shall have one vote. For purpose of these Bylaws, "unit" refers to individual lots or condominiums. However, at no time shall each condominium have more than 1/54 of the total votes nor shall any condominium have an obligation for more than 1/54 of the total of any cost.

The affairs of the Association and of the Road shall be governed by the Board of Directors. Until election of a new Board of Directors by the unit owners pursuant to these Bylaws, the Board of Directors shall consist of such three persons as shall have been designated by the Ceresa Drive Homeowners' Association, or as shall have been elected by the unit owners pursuant to these Bylaws. Thereafter the Board of Directors shall be composed of three persons, all of whom shall be owners of lots or condominiums.

The Homeowners Association shall be governed on a day-to-day basis by a Board of Directors. The Board of Directors shall consist of three persons who shall be elected by the Homeowners' Association Members. The directors must have an ownership interest in the lots or the condominiums. Each lot and each condominium shall be entitled to one vote in the homeowners association. It is expressly agreed that any vacant lots shall have a vote in the homeowners association, provided that such vacant lots shall

at least be adequate in size and set back requirements for a single family residence. Each director shall serve a three year term. Initially, each director shall be elected. The first election shall occur on July 1, 1998 or as soon thereafter as adequate notice can be given, and during the annual meeting in September thereafter. Adequate notice shall be two weeks' advance notice, in writing. There shall be an election each year at the annual meeting at which time one director shall be elected. The board of directors shall have three year terms. Initially, however, the following individuals shall be the Directors, beginning as of January 15, 1998: Gladys Ceresa (one year term); Thomas Ceresa (two year term); Tony Ceresa (three year term). The ballot shall designate for which board position each individual is running for. Any owner of any lot or condominium shall have the power to nominate persons for the position of director. Nominations may be made thirty (30) days prior to the annual meeting. Such nominations shall be signed by any unit owner, in addition a unit owner may nominate themselves. Then such individual's name shall be placed on the ballot. The individual receiving the most votes for the position shall be elected, even if that is not a majority of the members.

The Board shall have the power to make all necessary maintenance and repairs to the Road. At least thirty (30) days prior to the annual meeting, the Board shall submit to all unit owners a proposed budget for the coming year, an accounting of all income and expenses for the prior year, along with copies of the tax returns for the homeowners association for the prior year. This budget would then need to be approved by a majority of the units either in person or by proxy. If the Board fails to submit all of these items, they may not increase any assessment from the prior year. In addition, if the Board fails to submit this information for more than one consecutive year, the other unit owners may file a request with a Court of competent jurisdiction for the appointment of a receiver to control the affairs of the homeowners association.

It is expressly agreed that access to the Road cannot be terminated for any unit or lot.

It is agreed that the homeowners association must get at least one estimate from a disinterested third person who has no ownership interest in any lot or condominium, for all repairs or maintenance which it is intending to do on the Road. All normal maintenance and repair costs for Ceresa Drive and Ceresa Court, including snow plowing, shall be pro-rated, together with extraordinary expenses required in the maintenance of Ceresa Drive and Ceresa Court. Pursuant to the settlement agreement with the condominium owners, no unit owner, except for the developer, shall be responsible for the development or construction costs associated with Ceresa Court. It is assumed that these expenses shall be the developers sole liability. The unit owners agree that once Ceresa Court has been fully constructed and developed in accordance with recommendations from Mathy Construction, at no less than 25 feet wide, they agree to share, under the terms and conditions in the balance of this agreement, the costs of repair and snow removal. Any capital improvements or extraordinary expenses must be supported by an independent bid or quote from an independent third party in support of said expense. For purposes of this paragraph, it is agreed that an estimate for repairs from a reputable contractor shall be adequate. It is further agreed that the homeowners association shall have the right to build up a capital improvement fund for future large scale maintenance and or unforeseen major expenses. Special assessments shall only come when repairs and costs are needed and also annually to cover budgeted ordinary operation expenses. The homeowners association shall actually hold title to the Road, and shall purchase, if available, liability insurance to cover any potential liability for such Road ownership and maintenance.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and the Road. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Road.

Vacancies of the Board of Directors caused by any reason other than the removal of a member thereof by a vote or the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for the

purpose promptly after the occurrence of any such vacancy even through the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the next member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telegraph at least 48 hours prior to the time of such meeting.

Special meetings of the Board of Directors may be called by the President on 48 hours notice to each member of the Board of Director given by mail or telegraph which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one member of the Board of Directors.

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place of the meeting. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum is present, a majority of those present may adjourn the meeting from time

to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

No member of the Board of Directors shall receive any compensation from the Association for acting in such capacity.

The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, failure to adhere to the provisions of these Bylaws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the association unless any such contract shall have been made in bad faith. It is intended that the members of 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 the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be shared by all of the unit owners in accordance with their undivided percentage interests in common elements and the liability of any single unit owner shall be limited to such proportionate share of the total liability.

At the option of the Board of Directors, directors' liability insurance may be obtained and shall be paid for as a common expense. The Board of Directors may assess common expenses for such items as tax preparation, stationary, postage, directors liability insurance, office supplies and coping.

Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as a unanimous vote.

The Homeowners' Association shall have an annual meeting of the members on or about September 1<sup>st</sup> of each year.

Any meetings of the Association shall be held at such suitable place convenient to unit owners as may be designated by the Board of Directors.

It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having 25% of the total authorized votes of all unit owners. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

The Secretary shall mail to each unit owner of record or cause to be delivered to each unit owner a notice of each annual or special meeting of the unit owners, at least ten but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the address of his unit or at such other address as such unit owner shall have designated by notice in writing to the Secretary.

Any meeting of the unit owners at which a quorum has or has not attended may be adjourned at the option of the unit owners by vote of a majority of the authority votes of the unit owners who are present either in person or by proxy, at such meeting. Any meeting which has been adjourned by the unit owners because of the lack of a quorum may be reconvened at such time as a quorum is obtained, without further notice. At such reconvened meeting at which a quorum is present, either in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified.

Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or joint tenants, in the name of a corporation or

partnership, or in the name of a fiduciary. Any unit, i.e., condominium or vacant lot shall still receive only one vote.

As used in these Bylaws, the term “majority of unit owners” shall mean those unit owners having more than 50% of the authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners.

The vote of a majority of the unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a high percentage vote is required by law or by these Bylaws.

Any action required to be taken or which may be taken at a meeting of unit owners may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all unit owners entitled to vote thereon. The signature required in each instance shall be that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

The principal officers of the Association shall be the President, Vice President and Secretary/Treasurer, all of whom shall be elected by the Board of Directors. All officers must be members of the Board of Directors.

Officers shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

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

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including but not limited to the power to appoint from among the unit owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Association.

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

The Secretary-Treasurer shall keep the minutes of all meetings of the unit owners and of the Board of Directors; he or she shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation law. The Secretary-Treasurer shall count the votes at meetings of the Association. The Secretary-Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he or she shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Wisconsin Business Corporation law.

All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by the President of the Association or by such other person or persons as may be designated by the Board of Directors.

No officer shall receive any compensation from the Association for acting as such or for fulfilling the duties set forth above. No officer, director or relatives, affiliates, assigns or employees of the same may contract with the homeowners association for the providing of services to the Association.

The Board of Directors shall take prompt action to collect from a unit owner any assessment due which remains unpaid by him for more than 30 days from the due date for its payment.

In the event of default by any unit owner in paying to the Board of Directors the assessed common expenses, such unit owner shall be obligated to pay interest at the highest annual rate permitted by law or assessed a \$10.00 late fee for those who do not pay their assessed common expenses within 30 days of the annual meeting and an additional \$25.00 if not paid by the next years annual meeting, which ever is greater, on such common expenses from the due date thereof, together with all expenses including attorneys fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common expenses. The Board of Directors shall have the right and duty to attempt to recover such common expenses, together with interest thereon, and the expenses of the proceedings including attorneys fees, in an action brought against such unit owners, or by foreclosure of the lien on such unit. The Board of Directors shall also have the right to prohibit such unit owner from voting at a meeting of the Association if the Association has recorded a statement of lien on such unit and the amount necessary to release the lien has not been paid at the time of the meeting. In order to enforce any lien for unpaid assessments, the liens must be uniformly placed against any unit owners that fail to pay their assessments.

The Board of Directors shall promptly provide any unit owner, who makes a request in writing, a copy of all records of the association, including all deposit and expense records, a copy of all paid and unpaid liens of the association and a record of all

accounts payable and accounts receivable with a written statement of any of his unpaid common expenses.

All notices to the Board of Directors or the Association shall be sent by registered or certified mail, c/o managing agent, or if there is no managing agent, to the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. Except when delivered in person, all notices to any unit owner shall be mailed or hand delivered to his unit or to such other address as may have been designated by him/her from time to time, in writing, to the Board of Directors. All notices to mortgagees of units shall be mailed or hand delivered to their respective addresses, as designated by the unit owner to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Notices to the unit owners or their mortgagees need not be mailed by registered or certified mail, except as otherwise provided in these Bylaws.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

These Bylaws may be modified or amended by vote of at least 67% of the authorized votes of all unit owners, such vote to be taken at a meeting of unit owners duly held for such purposes.

These Bylaws shall run with the land and shall be binding upon all purchasers, or subsequent title holders of any unit.