

**BYLAWS OF THE NEWPORT CORPORATION**  
**Approved 2016**

**SECTION I.**      **PURPOSE : PLAN : LEASES**

**1.1. PURPOSE.**

The purpose of the Newport Corporation (hereinafter the "Corporation") is to own, maintain and operate an exclusively residential cooperative apartment building at 1610 North Prospect Avenue, Milwaukee, Wisconsin 53202 (hereinafter the "Building") for the use of its Members.

**1.2 PLAN.**

(a) All of the apartments in the Building (except for Apartment No. 101 which is owned by the Corporation) shall be sold to members under proprietary leases as the Board of Directors (hereinafter the "Board") shall approve in accordance with these Bylaws. Lease shall be in such form as the Board shall from time to time prescribe.

(b) Subject to the continuing control of the Board, each Member and Lessee of a member shall have access to, and free use of the common areas of the Building and Grounds, including, but not limited to the front grounds and exterior space including the space between the locked gates on either side of the lobby, the lobby, hallways, garage, roof deck, and the East Terrace and South Walkways. The utility (laundry) rooms on each floor of the Building are only for the use of the Residents residing on that particular floor.

(c) There shall be one Membership in the Corporation for each separate and complete Membership owned apartment in the Building, with a limit of (2) apartments per owner. Existing ownership with be grandfathered.

**1.3 PROPRIETARY LEASE.**

(a) A member is entitled to lease an apartment in the building in conformity With the provisions hereof, and the terms of the proprietary lease as adopted by the Board from time to time. The Board may amend, modify or revise the form of the proprietary lease at any time, and any such amendments, modifications or revisions shall automatically become effective on the date of Board approval. Such proprietary lease shall be distributed to each Member by the Board for the records of the member, and for the purpose of any transfer of Membership Certificate, but need not be executed by the Corporation and/or the existing Member except:

- (i) Upon request by a member
- (ii) Upon request of the Board following any amendment, modification or revision to the form of the proprietary lease.
- (iii) Upon request of the Board, each Member shall promptly execute the lease in duplicate and return one duplicate original to the Corporation.

Each Member's right to lease the apartment shown on his or her Membership Certificate pursuant to the then current form of the proprietary lease shall continue effective so long as such Membership Certificate shall be effective in accordance with these Bylaws.

- (b) The current form of the proprietary lease adopted by the Board is attached to these Bylaws as **Exhibit A.**
- (c) The terms of the proprietary lease attached hereto shall be automatically effective as of the date of adoption of these revised Bylaws.

#### **1.4 ASSOCIATION FEES.**

(a) Association fees for each apartment shall be based upon the annual amount determined by the Board to be requisite to meet the anticipated expenses of the Corporation:

- (i) Real estate and personal property taxes; special assessments and special improvement taxes and assessments;
- (ii) Insurance premiums for the Building and all personal property owned by the Corporation, public liability insurance, Directors and Officers Indemnity insurance, and worker's compensation insurance for employees of the Corporation;
- (iii) Salaries, wages and other compensation including contributions, taxes, insurance and other expenses directly attributable there to, for all employees of the Corporation;
- (iv) Maintenance and repairs of the Building and grounds;
- (v) Utility services for the building other than electric, telephone, and security for the individual apartments;
- (vi) Acquisition and replacement of machinery and equipment for the general use of the Building and grounds;
- (vii) Interest, amortization of principal and other costs and expenses Incident to any indebtedness of the Corporation;
- (viii) Any other legitimate expenses of the Corporation including any additions or improvements reasonably required to maintain and operate the building according to the high standards dictated by the Board; plus a cash reserve of not in excess of ten (10) percent of such estimated amount realized in the previous year, plus any deficit, or less any surplus.

(b) Prior to December 31<sup>st</sup> of each year, the Board shall fix the amount estimated to be necessary to defray the expenses of the Corporation specified in subsection (a) hereof for the ensuing calendar year, a proportionate amount of which shall be assessed against each Member, in accordance with his or her percentage of equity in the property of the Corporation as established by his/her certificate of Membership. The annual association fees for each member may be paid in installments of one twelfth (1/12th) each month. In the event of any delinquency in payment, the Corporation may assess late charges and interest, and may

accelerate the balance of the annual Maintenance Fees, and any other assessment remaining unpaid by such Member for the purpose of collection action by the Corporation.

(c) Association Fees shall be due and payable on the first (1<sup>st</sup>) day of each month and shall become delinquent if not received in the office by the fifteenth (15<sup>th</sup>) day of each month. Other obligations shall be due and payable as determined by the Board, but in any case, within thirty (30) days following the date of the billing.

(d) The Board is empowered to levy on a monthly basis a late payment charge determined by the Board for delinquent monthly payment of Association Fees or other obligations of Members. The late payment charge for delinquent monthly Association Fees shall be established annually by the Board of Directors. Language specifying amount of charge has been deleted. Late payment charges shall be uniformly applied. The Board may take such action as it deems appropriate or necessary to enforce payment of obligations of Members to the Corporation, including collection and court action if necessary. The costs and expenses of collection and/or court action, including attorney's fees and all costs, together with interest thereon from the date due until paid. Interest shall be assessed at a rate equal to prime plus six (6) per cent as determined by the Board.

(e) No member may exempt himself/herself, from liability for contributions to Association Fees or other charges and assessments by waiver of use or enjoyment of his/her apartment in the Building, or by abandonment of his/her Membership Interest, or by any other means.

(f) No conveyance of a Membership Interest shall relieve the selling member of liability for past fees, charges and assessments of the corporation. However, a selling Member shall be jointly, severally, and individually liable along with the purchaser of the Membership interest for such fees, charges and assessments incurred up to and including the date of sale, until all such fees, charges and assessments against such Membership Interest have been paid, including all costs of collection. Any member, or authorized agent of a Member shall be entitled to a statement of unpaid obligations with respect to that Member's own membership interest within fifteen (15) days after receipt of a written request therefore by an Officer or Member of the Board of the Corporation.

(g) The Board may establish, and from time to time charge, a reasonable fee (up to one (1) percent) that must be paid any time the Corporation is asked by the member to approve a transfer of the members' ownership of his/her Proprietary Lease. This shall not apply to transfers to spouses, descendants or trusts created for their benefit.

(h) No sums shall be levied, assessed or charged to Members other than the Association Fees and operating expenses herein specified.

## **1.5 ASSIGNMENT OF LEASES**

Leases to Members may be assigned only to a person simultaneously acquiring Membership bearing the Membership number corresponding to the apartment covered by the lease, and upon assignment of the lease to the new Member, the old lease shall be surrendered

for cancellation, and a new replacement lease issued to such new Member.

### **1.6 HOUSE RULES.**

Each resident shall respect the peace, comfort and safety of every Resident of the Building and prevent unnecessary noise, disruption or embarrassment which might interfere with the enjoyment of other Residents of the Building. The Board shall adopt reasonable rules which may from time to time amend. Repeated failure of a resident to abide by the house rules may result in expulsion of the resident as provided in **Section 2.5**, of these Bylaws. A lessee of Member who fails to abide by the house rules may have his/her lease terminated on sixty (60) days notice.

### **1.7 SUBLEASES.**

It is the preference of the corporation that all units be owner occupied. However, a member may sublease an apartment under special circumstances, and with the prior consent of the Board after occupying the apartment for a minimum of (2) years. The limit to the number of renters in the building at one time is limited to 10% or 8 units. The terms and conditions of the sublease must be stated in writing and consented to and signed by the Secretary or other officer of the Corporation. All subleases must contain the provisions set forth in the attached **Exhibit B**, and shall provide as follows:

(a) The term of the sublease shall be at least two (2) years

(b) It is the members' responsibility to pay the monthly fee and all other fees, fines and assessments. Rent agreed to between the member and sub-lessee will be paid to the owner per their agreement. The Member shall remain responsible in all respects for the actions of the sub-lessee including compliance with the Articles of Incorporation, these By-Laws, the Proprietary Lease and the House Rules and Regulations issued by The Board.

The consent of the Board to the sublease does not relieve the Member of any obligation under his/her proprietary lease, and the Corporation shall be subrogated at any time it may elect to all of the rights of the Member under the sublease, including the right to collect Association Fees and any other financial obligations provided for in these Bylaws. All sublease renewals or extensions shall be submitted to the Board for approval.

### **1.8 UPKEEP OF APARTMENTS.**

(a) Each member shall be responsible for the upkeep of his/her apartment, including all equipment and furnishings therein and the cleanliness thereof at all times, and shall maintain the same in accordance with the standards dictated by the Board. There shall be an annual inspection of all apartments for the purpose of assuring the safety and security of the residents, and of the building. In the event of safety, fire, or other hazards in any apartment the Member shall be required, at his/her own expense to make such improvements that are required to assure that his/her own safety, and the safety of other residents is no longer threatened. This matter is more fully covered in the house rules.

(b) If an apartment is vacant, the Board may, after inspection, require that the apartment be cleaned or brought up to acceptable condition at the expense of the Member before allowing the apartment to be shown to a prospective Member. In the event that the Member fails, or refuses to comply with the requirement for a period of sixty (60) days of written notice of such requirement, the Board shall proceed to have the apartment properly cleaned and conditioned at the sole expense of the Member.

**1.9 LIEN.** The Corporation shall have a lien against each Member's Membership certificate for all sums which may be due to the Corporation from the Member, and such lien shall take priority over the rights of any pledge of such Membership Certificate, or over the rights of any other creditor of the Member.

**1.10 PLEDGING OF MEMBERSHIP CERTIFICATES.**

(a) A member may pledge his/her Membership Certificate for a loan against the Equity represented by the certificate, subject to the written approval of the Board as to the terms and conditions of the pledge, and the pledge must conform to the rules established by the Board governing the procedures and requirements for such pledges.

(b) A signed copy of the executed pledge agreement must be provided to the Board, endorsed on the original and the copy by its authorized officers. The endorsement of the officer (officers) must be obtained and an initial copy furnished prior to formal execution of the pledge. The Board shall be notified in writing when the pledge has been executed, and when the final satisfaction of the pledge has been received.

(c) Any pledgee asserting the right of subrogation to any Membership upon default of a Member shall be subject to the prior subrogation rights of the Corporation, and the Board shall establish such procedures to be followed by the Member and the pledgee in securing subrogation.

(d) No pledge agreement shall affect the assertion of any right of the Corporation against a member under these By-Laws, nor shall it affect the rights of a Member not in default of said agreement under these Bylaws. The Board shall have such powers as it deems necessary to fully protect the Corporation except to the extent that rights have been granted to the pledgee with Board consent and approval.

(e) Nothing in this section shall prevent the Corporation from mortgaging the property owned by it as security for, and to the extent of, a loan made to it, or from increasing any mortgage on such property to the extent of additional funds received, provided that, if any of the loaned proceeds are distributed to Members of the Corporation, the allocable portion of such distribution shall be made first to any pledges of a Member to the extent that the proceeds are sufficient to satisfy the pledge, and then, in the event of any excess, to the Member.

(e) Any pledge by a Member shall be subordinate at all times to the lien of Any mortgages now, or hereafter, placed upon the Building by the Corporation, and all extensions, amendments and supplements to any such mortgage, without the necessity of the

execution and delivery of any further instruments on the part of a Member or pledgee to effectuate such subordination. However, upon the request of the Board, the Member and/or its pledgee shall expeditiously execute and deliver such further instruments evidencing the subordination of such pledge to the lien of any mortgage by the Corporation.

## **SECTION II. MEMBERS**

### **2.1 ELECTION.**

Except as provided in **Section 2.2, 2.4, and 2.5 (d)**, a person must be elected to Membership by the affirmative vote of at least two-thirds (2/3) of the Directors present at a duly held meeting of the Board, provided that not less than five (5) Directors shall vote affirmatively for such election. A person shall qualify for Membership by subscribing for, and acquiring a Certificate of Membership from the Corporation or from an existing Member. Unless the Member qualifies within ninety (90) days from the date of the election by the Board, the election shall be void, subject to re-election by the Board, or by the Membership as provided for in **Section 2.5 (d)**.

All applications for Membership shall be in writing, signed by the applicant, and the Board may require the applicant to furnish financial statements, or other information as the Board deems reasonable in order to act upon such application. The Board shall provide suitable application forms.

### **2.2 APPEAL.**

Any applicant, who shall not be elected to Membership by the Board within fifteen (15) business days following the application therefore, if he/she has a contract or agreement in writing to purchase a Membership, shall have the right to appeal to the whole Membership, subject to the provisions of this section. If such appeal is filed in writing with the Secretary of the Corporation within ten (10) business days after

(a) notice of non-election is mailed to such applicant, or

(b) upon expiration of fifteen (15) days from the date of the application  
whichever occurs first.

The Secretary shall call a Special Meeting of Member within five (5) business days. At such special meeting the affirmative vote by seventy-five (75) Members shall be required to override the Board's prior action. For purposes of this section, a business day is any day other than Saturday, Sunday, or a legal holiday.

### **2.3 TRANSFERS.**

No Membership shall be transferable except to a person or entity elected to Membership in the manner set forth here in above. However, a Member may contract to sell and transfer a membership subject to the election of the proposed transferee to Membership.

### **2.4 DEATH.**

Upon the death of a Member, if he/she is survived by a co-owner, the Membership shall be transferred into the sole name of the surviving co-owner. If the deceased Member is not survived by a co-owner, the Membership in his/her name shall pass to his/her personal representative, unless other disposition thereof is made in the Member's will. No other distributee, other than the deceased Member's issue of legal age residing with the Member at the time of death, shall be entitled to lease or occupy the apartment unless such distributee shall be elected to Membership in the manner above provided. If the legal issue of the Member is the distributee, transfer shall be expedited. Otherwise, any new Member shall be subject to the approval of the Board as provided in Section 2.1 above.

However, members of the family of a deceased Member residing with such Member at the time of the Member's death, shall be entitled to continue to occupy the apartment for a period of two (2) years after the Member's death, but not after final settlement and distribution of the estate of the deceased Member unless the legal issue of the member obtains Membership through the estate.

If the legal issue of the Member obtains membership, the membership is transferred on the books of the Corporation; the original lease is terminated and a new proprietary lease issued. Otherwise any new Member shall be subject to the approval of the Board as provided in Section 2.1 above.

**2.5 EXPULSION.** In addition to the remedies provided under the House Rules as set forth in Section 1.4 above:

(a) Any Member may be expelled for non-payment of any obligation to the Corporation which is due and payable, but remains unpaid for a period of (30) days, after notice of delinquency, or for failure to comply with any directive of the Board under Sections 1.6, 1.9, or 1.10, or for failure to comply with the provisions of the proprietary lease pertaining to the apartment of the Member, provided that the expulsion is accomplished by affirmative vote of at least two-thirds (2/3rds) of the Board of Directors, at a duly called meeting of the Board.

(b) Notice of the proposed action of the Board shall be delivered to said Member in the same format as a notice of a special meeting, at least ten (10) days prior to the meeting at which the proposed expulsion will be considered.

(c) At such meeting the member whose expulsion is proposed shall be given full opportunity to present evidence, to be represented by counsel, and to present arguments as to why such action should not be taken.

(d) No expelled Member shall be re-elected to membership except by affirmative vote of at least two-thirds (2/3rds) of all members of the Corporation at a Special Meeting duly called for that purpose, or at an Annual Meeting, if the proposed re-election is specifically noticed in advance.

(d) If the expelled member has not sold his/her membership to a person eligible for election to membership by the Board within ninety (90) days from the last day of

the month in which the expulsion action was taken, the proprietary lease of the expelled member shall terminate and the Membership Certificate and the apartment shall be turned over to the Corporation and the expelled member shall cease to occupy the apartment, and the Corporation shall arrange for the sale of the apartment.

(f) If the expelled member refuses to surrender his/her membership or the apartment, the membership shall nevertheless be declared null; and void, and the Corporation may take all lawful means to evict the member from the apartment, and the expelled member shall be deemed to have waived all rights otherwise provided by law, and shall be liable for legal fees, costs of court action, and any other expenses incurred by the Corporation, and such expenses shall be chargeable against the proceeds of the sale of the apartment.

(g) Any proceeds remaining after reimbursement to the Corporation for costs involved in the expulsion and costs of sale of the apartment shall be paid to the expelled Member within (15) days after the conclusion of the sale.

## **2.6 MEETINGS: NOTICES**

(a) The annual meeting of the members shall be held during the month of October at the time and place designated by the Board.

(b) Special meetings shall be held upon call of the President, or the Secretary, or by a majority of the Board, or at least fifteen (15) members of the Corporation, at the time and place specified in the notice.

(c) Notice of the Annual and Special meetings shall be given to members in writing by mail or delivery to the apartment occupied by each member, or to the distribution box of each apartment at least ten (10) days, and not more than thirty (30) days prior to the meeting. If mailed, the notice shall be deemed to have been given when deposited in the United States mail in a sealed wrapper, addressed to each member at his or her last known address, or to the apartment of each member within the building, with postage prepaid thereon.

(c) At any regular or special meeting of the members, members may act upon any action permitted in these bylaws, provided that notice of such proposed action is properly noticed in the announcement of the meeting.

## **2.7 QUORUM: CONCURRENCE REQUIRED**

(a) At all properly noticed meetings of members, except as set forth in Sections 2.2, 2.5(b) and (d), 3.5, 6.9, or 6.10, the majority of those members present, either in person or by proxy, shall constitute a quorum for action.

(b) The affirmative vote, in person or by proxy, of a majority of the

members, except as set forth above, shall constitute a quorum for the adoption of any resolution or action requiring a majority vote.

(c) For any action requiring the affirmative action of more than a majority, a quorum shall be deemed present if sufficient members are present, in person or by proxy, to act affirmatively on the matter being considered.

## **2.8 VOTING**

Each membership shall be entitled to only one vote, provided that the vote of a jointly owned membership may be divided in accordance with the membership percentage. Members may vote either in person or by proxy. No proxy shall be valid for a period in excess of eleven (11) months from the date of execution unless otherwise provided in the proxy.

## **SECTION III. DIRECTORS**

### **3.1 NUMBER**

The Board shall manage the affairs of the Corporation and shall consist of nine (9) Members, of the Corporation.

### **3.2 POWERS AND DUTIES.**

The Board shall have all the powers and duties specified in these bylaws and by law. In addition the board shall directly, or by delegation, maintain and operate the building to the highest standards for the comfort, convenience and safety of the Members, and Residents. The Board's authority shall include the ability to contract with a Management Company to carry on the day to day operations of the building under the supervision of the Board, to hire and fire employees, to engage contractors and other service personnel, and to otherwise act in behalf of the members to carry out the efficient operation of the building.

### **3.3 ELECTION.**

Expiring Directorships shall be filled by election from the Membership at each Annual Meeting of the Members. Ballots shall be mailed in advance of the meeting to Members by placement in their apartment distribution boxes. Ballots shall be mailed to Members who are non-Residents and to Members who have notified the Board that they will be absent from the Building during the month preceding the annual meeting. Distribution of the ballots shall be made by the Secretary of the Board on or before the third Tuesday in September. The ballots shall be returned by the Members at or before the Annual Meeting. Election results shall be announced at the Annual Meeting. An affirmative vote of at least a majority of the Members participating in person, or by proxy, shall be required.

### **3.4 TERMS.**

The term of a Director shall be three (3) years, or until a successor has been elected and qualified. The terms of three (3) Members of the Board shall expire each year.

### **3.5 REMOVAL.**

A Director may be removed by an affirmative vote of at least six (6) Members of the Board, or by a majority of all of the Members of the Corporation at the Annual Meeting, or a duly called Special Meeting.

### **3.6 MEETINGS OF THE BOARD**

Meetings of the Board shall be held monthly, or upon call of the President, or the Secretary, or pursuant to a resolution of the Board. The Annual Meeting of the Board shall be held immediately following the Annual Meeting the Members. Notices of all meetings of the Board, regular or special, shall be given in writing by the President or Secretary at least forty-eight (48) hours prior to the time of the meeting.

### **3.7 QUORUM; CONCURRENCE REQUIRED.**

A majority of the Board shall constitute a quorum. The affirmative vote of a majority of the Directors present shall be required for the adoption of any resolution or the taking of any action upon a matter presented at a duly called meeting at which a quorum is present, except in instances where the Bylaws otherwise dictate.

### **3.8 VACANCIES.**

The unexpired term created by a vacancy in any Board position may be filled by affirmative vote of a majority of the Board.

### **3.9 ATTENDANCE AT MEETINGS**

Board members who are absent from at least three (3) consecutive meetings of the Board shall show cause as to why they should not be removed from the Board.

## **SECTION IV. OFFICERS**

### **4.1 NUMBER AND DESIGNATION.**

The Officers of the Corporation shall be the President, Vice President, Secretary, and Treasurer, each of whom shall be a Member of the Board.

## **4.2 TERMS**

The Officers shall serve for a term of one (1) year or until their successors are duly elected and qualified. They may be reelected.

## **4.3 ELECTION.**

The officers for the ensuing year shall be elected by the Board at each Annual Meeting of the Board.

## **4.4 DUTIES.**

The duties of the Officers shall be as follows:

(a) The President shall preside at all meetings of the Members and of the Board. The President and the Treasurer shall sign all notes, contracts and obligations on behalf of the Corporation. The President shall have general supervision of all activities of the Corporation, and shall perform such other duties as may be required by the Board. The President, subject to the approval of the Board, shall appoint all Committees.

(b) The Vice President shall perform all of the duties of the President, in the absence of the President, and shall perform such other duties as may be required by the Board.

(c) The Secretary of the Corporation shall have custody of all of the books and records of the Corporation, shall conduct all correspondence, shall keep minutes of all meetings of the Board and of the Corporation, and shall perform such other duties as are required by the Board and by these Bylaws. Erroneous language "of her" deleted.

(d) The Treasurer shall have custody of all monies, financial records, and the property of the Corporation, and shall sign all notes, contracts and obligations on behalf of the Corporation. The Treasurer shall perform such other duties as may be required by the board.

## **4.5 VACANCIES**

Any vacancy shall be filled by majority vote of the Board until the next annual election of Officers.

## **4.6 REMOVAL OF OFFICERS.**

Removal of an officer shall be for cause, and shall be by affirmative vote of at least six (6) Members of the Board.

## **SECTION V. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

## **5.1 MANDATORY INDEMNIFICATION.**

The Corporation shall, to the fullest extent permitted or required by applicable federal and state law, indemnify its Directors and Officers against any and all liabilities for a breach of, or failure to perform, any duty resulting solely from their status as Officers and Directors. The Corporation shall advance any and all reasonable expenses incurred thereby in any proceeding to which any Director or Officer is a party as a result of his/her office in the Corporation.

## **SECTION VI. COMMITTEES**

### **6.1 EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee consisting of the officers of the Board of Directors. The Executive Committee shall have the power and responsibilities of the Board when the Board is not in session and shall meet at such times and upon call as the Executive Committee shall prescribe. All actions of the Executive Committee shall be reported at the next regularly scheduled meeting of the full Board of Directors. Actions of the Executive Committee regarding fiscal policy must be ratified by two-thirds vote of the full Board. Two thirds of the members of the Executive Committee shall constitute a quorum.

### **6.2 STANDING COMMITTEES**

The Standing Committees of the Corporation shall be Finance, Bylaws, House Rules, Building and Grounds, (*comprised of two divisions*), Activities and Personnel.

### **6.2 COMMITTEE STRUCTURE AND DUTIES**

(a) The Finance Committee shall consist of the Treasurer and at least two (2) non board members. It shall have general oversight of the financial affairs of the Corporation. Through the Treasurer, it shall make recommendations to the Board of Directors.

(b) The Bylaws Committee shall consist of at least three (3) members, two of whom shall be non board members. It shall annually review the bylaws, making recommendations to the Board as to any changes, additions or deletions to be considered at the Annual Meeting of the Corporation.

(c) The House Rules Committee shall consist of at least three (3) members, two of whom shall be non members of the Board. It shall suggest and from time to time revise the House Rules in accordance with the bylaws, the directives of the Board of Directors, and perceived needs of the Members of the Corporation. It shall meet at least annually.

(d) The Building and Grounds Committee shall be appointed by the board and shall operate as two sub-committees.

- (1) Committee on Structure, Mechanical Systems, Physical Plant of the Newport. This sub-committee shall consist of not less than three (3) members, at least two (2) of whom shall be non board members. This committee shall have the responsibility for review of maintenance, repair, and replacement operations and shall make recommendations to the Board of Directors as appropriate.
- (2) Committee on Interior Decor, Landscaping and Appearance of The Newport. This sub-committee shall consist of not less than three (3) members, at least two of whom shall be non board members. This Committee shall have the responsibility for periodic review of all common interior areas of the building, along with the landscaping and terrace areas, and shall make recommendations to the board as appropriate.

(e) The Activities Committee shall consist of not less than three (3) members, two of whom shall be non board members. It shall plan member activities and make recommendations to the Board of activities it deems appropriate and of interest to the members.

(f) The Personnel Committee shall consist of no less than five (5) members, three of whom shall be non board members. It shall provide oversight for personnel-related matters at The Newport that affect the day-to-day experiences of residents. The committee will communicate to the Board of Directors such complaints, recommendations, and suggestions as it deems necessary, and the Board of Directors, shall, if appropriate, transmit the same to the management company.

All committees shall report to and be responsible to the Board of Directors of the Corporation.

(g) The fiscal year of the Corporation shall be the twelve (12) months ending on December 31<sup>st</sup> of each year.

## **VII. SPECIAL COMMITTEES**

Special committees as deemed necessary shall be appointed by the President or the Board of Directors. The membership and tenure of such committees shall be determined at the time of appointment by the respective appointing authority.

## **VIII. GENERAL PROVISIONS**

### **8.1 FISCAL YEAR.**

The fiscal year of the Corporation shall be the twelve (12) months ending on December 31<sup>st</sup> of each year.

### **8.2 ANNUAL REPORT.**

The annual report will be circulated to members within thirty (30) days of the close of the fiscal year.

### **8.3 WAIVER OF NOTICE.**

Any notice required to be given by law may be waived in writing, signed by the person or persons entitled to such notice, and such waiver shall be deemed equivalent to the giving of notice.

### **8.4 INFORMAL ACTION.**

Any action required to be taken at any meeting may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Members,

Directors, or Committee members entitled to vote thereon.

#### **8.5 COMPENSATION AND LOANS TO OFFICERS AND DIRECTORS.**

No Officer or Director shall be entitled to compensation for services, but may be entitled to reimbursement for expenses reasonably and actually incurred in the performance of his/her duties. No funds of the Corporation shall be loaned to any Officer or Director of the Corporation.

#### **8.6 DIVIDENDS AND INCOME DISTRIBUTIONS PROHIBITED; INVESTMENT OF FUNDS.**

No dividend shall be paid and no part of the income of the Corporation shall be distributed to its Members, Directors or Officers.

Notwithstanding this provision, distribution upon dissolution or final liquidation of the Corporation in accordance with the Bylaws may be paid to Members in accordance with their interest in the Corporation. These payments shall not be deemed dividends.

Funds of the corporation exceeding current requirements and prudent reserves may either be returned to the Members, or retained in cash on deposit or invested in United States Treasury bonds or notes or in savings accounts or certificates of banks or savings institutions insured by an agency of the United States government.

Except for improvements to the property of the Corporation, no investments, other than those allowed by this subsection, shall be made unless authorized by the affirmative vote of at least two-thirds (2/3rds) of all of the Members of the Corporation.

#### **8.7 SURRENDER AND RELEASE OF LIABILITY.**

Any Member may surrender his/her Membership in the Corporation, providing that he/she simultaneously surrenders the Proprietary Lease for the corresponding apartment in the Building and the occupancy and possession of such apartment to the Corporation; except for payment of all amounts due and owing the Corporation on the date of surrender of the Membership, lease and occupancy rights.

#### **8.8 CERTIFICATES OF MEMBERSHIP.**

The Corporation shall issue certificate of membership in the Corporation in such form as approved by the Board. The books and records of the Corporation, including the minutes of meetings of the Directors and the Members, shall, in all events, determine the status of any Membership.

A new section 8.9 has been added to memorialize in the bylaws the decision made at a Membership meeting in June 2002:

## **8.9 REFINANCING CURRENT DEBT AND MAJOR REPAIRS AND REPLACEMENTS**

The corporation shall refinance current debt and future major repairs and replacements through a pre-established line of credit.

## **8.10 SALE OF PROPERTY; ASSESSMENTS; INDEBTEDNESS.**

The affirmative vote of two-thirds (2/3) of the Membership of the Corporation shall be required in order to:

- (a)** Sell either the land or buildings of the Corporation, or both;
- (b)** Assess the Members for any sums not herein authorized by the Bylaws;
- (c)** Make capital improvements in excess of \$200,000.00.
- (d)** Incur or refinance any obligation secured by mortgage upon the real or personal property of the Corporation; or
- (e)** Incur or refinance any unsecured obligation of the corporation which exceeds \$50,000.00, for any one purpose, or which is for a term of more than one year.

## **9.10 AMENDMENTS.**

These Bylaws may be repealed or amended by a majority vote of the Members, except that no amendment to any Bylaw which contains a Member vote provision requiring more than a simple majority shall be effective unless adopted by the same greater majority of Members contained in such Bylaw provision.