

Bylaws

Updated 2021

HEATHER VALLEY CONDOMINIUM OWNERS ASSOCIATION, INC.

Updated June, 2021

BYLAWS

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BYLAWS
HEATHER VALLEY CONDOMINIUMS OWNERS ASSOCIATION, INC.

ARTICLE I
NAME, FORM OF ADMINISTRATION, ADDRESS

1.01 Name. These Bylaws shall govern the operation of Heather Valley Condominiums Owners Association, Inc., referred to herein as the Association.

1.02 Form of Administration. The Association is incorporated as a Wisconsin non-stock corporation under Chapter 181, Wisconsin Statutes. Control of the association, except as otherwise provided herein, is vested in an Executive Board to be elected by the members of the Association in accordance with Article III of these Bylaws.

1.03 Address. The address of the Association and its principal office is:

3903 Heather Valley Road
Sheboygan, Wisconsin 53083

1.04 Legal Description. The legal description of the Property is:
Part of Lot One (1), Certified Survey Map dated April 15, 1998, and recorded in the Office of the Register of Deeds for Sheboygan County, Wisconsin on April 25, 1997, in Vol. 14 of Certified Survey Maps, on pages 24 and 25, as Document No. 1475006; which is more particularly described in Exhibit A, attached to the Declaration.

ARTICLE II
MEMBERS, RIGHTS AND OBLIGATIONS, MEETINGS

2.01 Members. All owners (including land contract purchasers) of a Unit in Heather Valley Condominiums (the "Condominium"), created by a Declaration of Condominium recorded, in the office of Register of Deeds for Sheboygan County, Wisconsin, in Volume 1586 of Records, pages 682-693, as Document No. 1510177, shall be members ("Members") of the Association.

(a) Upon conveyance or other transfer of a Member's interest in a Unit, the transferor ceases to be a Member of the Association and the transferee becomes a Member. The Association shall maintain a roster of the names and addresses of all Members 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.

(b) The Association shall also maintain a roster of holders of security interests in Units. Members are responsible for providing the information necessary to keep this roster current.

2.02 Annual Meeting. The annual meeting of the Association shall be held on the first Sunday of November of each year at a time and location selected by the Executive Board.

2.03 Special Meetings. Special meeting may be held at any time on the call of the President of the Association or on written request to the Association by Members who collectively own not less than a 20% interest in common elements in the Condominium. 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 the request specifies a longer period.

2.04 Notice of Meetings. The Secretary of the Association shall give written notice of a meeting to every Member at least ten (10) days before the date set for such meeting.

(a) Content of Notice. The notice shall state whether the meeting is an annual or special meeting, the authority for the call of the meeting, the place, date and hour of the meeting and, when required, the purpose or question to be considered at the meeting.

(b) Delivery of Notice. The notice shall be given by delivery of a copy to the Member personally or by mailing the notice to the Member at the Member's address as it appears on the Association's roster, postage prepaid.

(c) 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.

(d) 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 Bylaws from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record.

(e) 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.

2.05 Quorum. The presence of Members, whether in person or by proxy, possessing a majority of votes 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 the owners of a Unit cannot agree on the manner in which the vote is to be cast, no vote may be accepted from that Unit.

(a) Proxies. A Member may give another person authority to represent and to vote on behalf of the Member 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 180 days after its date; however, a Member may renew the 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.

(b) 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 status with the Secretary.

(c) Suspension. Voting rights may be suspended by the vote of the Association's Executive Board in accordance with the Declaration and no person who is not on the Association's roster of Members may vote unless such person holds a proxy from one who appears on the roster.

2.07 Unanimous Consent Without Meeting. Any action required or permitted by these Bylaws or by 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 so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof.

2.08 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 adjournment meeting is required.

2.09 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) Report of Officers
(f) Report of Committees
(g) Election of Executive Board
(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.

2.10 Reserved Rights. Election of officers, amendment of the Bylaws, borrowing funds, acquiring or conveying any interest in real estate, final approval of the annual budget, and levying of special assessments are reserved to vote by the Members.

ARITICLE III
EXECUTIVE BOARD

3.01 Number and Qualification. The affairs of the Association are governed by an Executive Board composed of four officers. All officers must be Members.

3.02 Designation. The principal officers of the Association are a President, Vice President, Secretary, and a Treasurer, all of whom shall be elected from the Association Members.

3.03 Election of Officers. The officers of the Association are elected at the annual meeting of the Association.

3.04 Term. The officers of the Association hold office for a term of three (3) years or until their successors are elected and qualified.

3.05 Removal of Officers. Any elected officer may be removed, with or without cause, by a majority vote of the Members at any annual, regular, or special meeting of the Association, notice of which includes notice of the proposed removal.

3.06 Vacancies. A vacancy in any principal office shall be filled by the Association.

3.07 President. The President is the principal officer of the Association. The President presides at all meetings of the Association, and has all of the powers and duties set forth in these Bylaws or delegated by the Executive Board.

3.08 Vice President. The Vice President takes the place of the President and performs his duties whenever the President is absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be delegated by the Executive Board.

3.09 Secretary. The Secretary supervises the taking, preparation and preservation of minutes of all meetings of the Executive Board, caused all notices required by these Bylaws to be given, certifies copies of the organizational and operational documents of the Condominium, as amended from time to time, upon request and executes other certificates on behalf of the Association, and has other powers and duties as may delegated in the Declaration by these Bylaws, or by the Executive Board.

3.10 Treasurer. The Treasurer supervises the keeping of the financial books and records of the Association, causes appropriate notices relating to Common Expenses of the Condominium to be given, supervises the collection of amounts due the Condominium and their application under the Declaration, Bylaws, and policies established by the Executive Board, and such other powers and duties as may be delegated by these Bylaws or by the Executive Board.

3.11 Compensation. No compensation shall be paid to officers for their service as officers.

3.12 Regular Meetings. The time, place, and manner of such regular meetings shall be as determined from time to time by resolution of the officers.

3.13 Special Meetings. Special meetings of the Executive Board may be called by or at the request of the President or any two officers. The time, place, and manner of such meetings are determined by the President.

3.14 Notice. Notice of all meeting of the Executive Board must be given to each officer, personally or by mail, at least three (3) days prior to the date of such meeting.

3.15 Waiver of Notice. Before or at any meeting of the Executive Board, any officer may, in writing, waive notice of such meeting and such waiver is deemed equivalent to the giving of such notice. Attendance by an officer at any meeting of the Board is a waiver of notice by him of the time and place thereof. If all the officers are present at any meeting of the Board, no notice is required and any business may be transacted at such meeting.

3.16 Quorum. At all meetings of the Executive Board, a majority of the officers constitutes a quorum for the transaction of business, and the act of the majority of the officers present or represented by proxy at a meeting at which a quorum is present is the act of the Executive Board. If, at any meeting of the Executive Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.17 Open Meetings. Any Member may attend any annual, regular, or special meeting of the Executive Board.

3.18 Committees. The Executive Board may by resolution designate one or more committees, each committee to include one or more officers appointed by the President.

3.19 Powers and Duties. The Executive Board may adopt and exercise all powers of the Association not specifically reserved to the Members and is responsible for establishing polices for the Association in pursuance of its purposes and supervision of the implementation of these polices.

(a) Rules. The Executive Board may adopt Rules for the regulation of the use and enjoyment of the Condominium. The Board, acting on behalf of the Association, shall have the authority to enforce the Rules or to enjoin the violation thereof by appropriate legal proceedings. In the event that any enforcement proceedings are necessary, the Member in violation thereof shall be obligated to pay for the costs and actual attorneys' fees incurred by the Association.

(b) Delinquencies. The Executive Board may set a delinquency charge on delinquent payments of regular or special assessments and the charge shall thereafter become an additional assessment against any Unit for which any regular or special assessment is not timely paid.

(c) 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 is 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 payments of benefits or limiting clauses other than insurance conditions on payment of benefits. The insurance maintained by the Association must provide at least ten (10) days' notice to Unit mortgagees or their assigns before a policy is reduced or cancelled.

ARTICLE IV
ASSESSEMENTS

4.01 Common Expenses. Each Unit Owner is jointly and severally liable for the shares of expenses of the Association, including the expense of maintaining such reserves for the repair and replacement of Common Elements as the Association may establish, which are assessed against such owner's Unit. These expenses, referred to as Common Expenses, are assessed among the Unit in equal shares. All expenditures of 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 Members as set forth in the Declaration.

4.02 Regular Expenses. Regular assessments are those based upon the annual budget of the Condominium adopted by the Executive Board and approved by the Members.

(a) Budget. The budget for the forthcoming year shall be adopted by the Executive Board 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 Executive Board for further consideration and a special meeting of the Members called to approve it before the beginning of the fiscal year.

(b) Condominium Fees. Once the budget is adopted, the Executive Board shall allocate to the Units their proportionate share and give notice of the amount due from each Unit. Owners of each Unit shall have the privilege of paying the condominium fees in twelve (12) equal monthly installments on the condition that each monthly installment is paid **by the first (1st) day of the month.**

(c) **Liens.** If fees or fines as outlined in the Rules and Regulations are still unpaid after ninety (90) days, a lien will be placed on the Unit. Assessments of Common Expenses, together with such interest as the Association may impose for delinquencies and the costs of collection and actual attorney's fees, constitutes a lien on the Units against which they are assessed. Attachment, filing, effectiveness, priority, and

enforcement of such liens shall be provided by law. If any assessment of Common Expenses is delinquent and a statement of condominium lien has been recorded against a Unit, the Association may suspend the voting rights of the delinquent Unit Owner. A delinquency resulting in the filing of a statement of condominium lien against a Unit constitutes an act of default under any mortgage secured by the Unit. The Association may bring an action at law against the Unit Owner personally obligated to pay assessments, or to foreclose the lien against the property. In the event of any collection action or foreclosure, the Unit Owner shall be obligated to pay costs and actual attorneys' fees of the Association.

4.03 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.

4.04 Collection. The Association has all powers given by law, the Declaration or these Bylaws to effect collection of the assessments hereunder.

ARTICLE V
UNITS

5.01 Unit. A "Unit" is that part of the Condominium designed and intended for the exclusive independent use of its owner, its owner family, and those persons authorized or invited to use it by its owner.

5.02 Definition. A unit includes one or more contiguous or noncontiguous cubicles of air. The exterior boundaries of each cubicle being the unfinished interior surface of the perimeter walls surrounding the cubicle, the unfinished lower surface of the ceiling above the highest level of the cubicle, and the uncovered or unfinished upper surface of the floor of the lowest level of the cubicle.

5.03 Inclusions. In addition, a Unit includes the following items serving the particular Unit although they may be outside of the defined cubicle air:

(a) all doors and windows, their interior casements, and all their opening, closing and locking mechanisms and hardware;

(b) all wall and ceiling mounted electrical fixtures and recessed lighting

(c) all floor, wall, baseboard or ceiling electrical outlets and switches and the junction boxes serving them;

(d) the cable television connection to the Unit and the junction box serving it;

(e) all plumbing fixtures, the water heater and the piping, valves, and other connecting and controlling materials or devices lying between the fixtures and the main water or sewer lines serving the unit;

(f) the furnace and ducts and other connecting and controlling materials and devices lying between and associated with it;

(g) the air conditioners serving the Unit, including the compressor, fans and the ducts, conduits, wiring and other connecting and controlling materials and devices associated with it;

(h) any flues, chutes, and ducts serving the Unit exclusively; and

(i) all cabinets and floor coverings

5.04 Exclusions. Not included as a part of the Unit are those structural components of the building and any portions of the mechanical systems of the building, not specifically included in the Unit which lie within the cubicle or cubicles of air comprising the Unit.

5.05 Identification. Units are identified by number and location on the condominium Plat of Heather Valley Condominiums.

5.06 Common Elements. "Common Elements" are all those portions of the Condominium which are not included in the definition of Unit and include the tangible personal property used in the operating, maintenance and management of the Condominium. Except as provided herein, the Common Elements are available for the use and enjoyment of the owners of Units, their families, guests and invitees. None of the real estate which is part of the Common Elements may be abandoned, subdivided, encumbered, sold or transferred except by amendment of this Declaration.

5.07 Limited Common Elements. "Limited Common Elements" are those Common Elements reserved for the exclusive use and enjoyment of the owners of one or more but not all Units, their families and persons authorized or invited to use them by Unit Owners. Limited Common Elements, which include the lower level parking spaces designated GARAGE numbered 1 through 40, and storage lockers designed STORAGE LOCKERS numbered 101 through 308, are identified on the Condominium Plat. The Unit or Units to which their use is reserved will be designated on the initial deed to each Unit in the Condominium or on any subsequent deed.

5.08 Insurance. As required by §703.17 of the Act, the Association shall maintain multi-peril property insurance at full insurable value based on replacement cost of the entire Condominium **from the walls out**. This is to include fire and extended coverage and all other types of coverage commonly maintained on such projects. Each unit owner shall be responsible for his/her/its own insurance on their contents, as well as the insurance for the unit as defined in the definition of

"unit", para. 5.03. The Association shall hold this insurance in its name for the use and benefit of the Unit Owners and of the mortgagees of Units, or their successors and assigns, as their interest may appear.

(a) Public Liability Insurance. The Association shall maintain comprehensive public liability insurance with limits not less than $2,000,000.00 per occurrence for personal injury or property damage on the Common Elements. This is to contain a "severability of interest" clause permitting recovery by Unit Owners for injury or damage insured against.

(b) Fidelity Coverage. Unless waived by a majority vote of the Association, the Association shall maintain fidelity coverage against dishonest acts by any person, paid or volunteer, responsible for handling the funds belonging to or administered by the Association. The Association is to be named insured and protection is to be not less than one and one-half times the Association's annual operating expenses and reserves.

(c) Common Expense. All insurance is maintained as a Common Expense. The Association acts as trustee for the purpose of obtaining insurance coverage and the receipt, application and disbursement of proceeds from it.

(d) Maintenance. Maintenance of insurance by the Association does not relieve nor prohibit Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or on risks not insured by it.

5.09 Our intent is to maintain Heather Valley Condominium Owners Association, Inc. as an owner-occupied community. Owner-occupied is defined as immediate family [owner, parent, child]. Any deviation of this change must be approved by the Board of Directors. As of November 3, 2013, an owner may not convert an owner-occupied unit to a rental unit and any unit purchased after November 3, 2013, must be owner-occupied.

5.10 Changes in Units. A Unit Owner may make improvements and alterations within a Unit, provided that if it involves the movement, alteration, removal or construction of a wall it must be approved by the Association. Furthermore, when replacing carpeting in a Unit with hardwood or other types of flooring, the owner must have an insulation layer installed beneath the new flooring

(a) Boundaries. The boundaries of adjourning Units may not be relocated.

(b) Changes. Any changes in a Unit must be accomplished in accordance with applicable laws, regulations and ordinances. All expenses involved in such changes, including expenses to the Association, which it may charge as a special assessment to the affected Units, shall be borne by the Unit Owners involved in the changes. No such change may alter the exterior appearance of the Unit or the Condominium, impair the structural integrity or operation of the mechanical systems or services of the Condominium, unreasonably interfere with the use and enjoyment of other Units or the Common Elements, reduce the value of the other Units or the Common Elements, or impair or restrict any easement or other right in and to the property.

ARTICLE 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 actions of the Association. Such books and records are open to inspection by all Members.

6.02 Audit. The Executive Board may establish an audit committee, containing at least one Member who is not an officer, to audit the accounts of the Association on an annual basis.

ARTICLE VII
LIABILITY OF OFFICERS

7.01 Exculpation. No officer of the Association, in a capacity as officer rather than as a Member; is liable for acts or defaults of any other officer, or Member or for any loss sustained by the Association or any Member, unless the same has resulted from his own willful misconduct or negligence. Nothing contained in this section exempts such an officer from the liabilities and obligations of Members as provided by these Bylaws.

7.02 Indemnification. Every officer of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed in connection with the claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of having been an officer of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification is in addition to and not in limitation to all rights to which such persons may be entitled as a matter of law and inures to the benefit of legal representatives of such person. The Association may insure its obligations under this subsection.

ARTICLE 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.

ARTICLE IX
AMENDMENT

9.01 Amendment. Except as otherwise provided herein, these Bylaws may be amended from time to time by affirmative vote of two-thirds (2/3) of the Unit votes at a meeting duly called for

the purpose. Any portion of these Bylaws that merely reflect or give priority to the Declaration may not be amended unless the Declaration is similarly amended.

ARTICLE X
INTERPRETATION

10.01 Interpretation. In case any provisions of these Bylaws shall beheld 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 Bylaws, or the intent of any provision thereof.

10.03 Gender; Number. The use of masculine gender in these Bylaws 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.