Rules and Regulations
Hidden Lakes Condominium Assoc.

HIDDEN LAKES CONDOMINIUMS RULES AND REGULATIONS

Hidden Lakes Condominiums

FILE

c/o Holley Realty, 404 N. Hartwell Avenue, Waukesha, WI 53186

MEMORANDUM

DATE: February 13, 2003

TO: All Hidden Lakes Members

FROM: The Hidden Lakes Board of Directors

RE: Establishment of Rules

Enclosed herewith is a copy of newly established Rules and Regulations for Hidden Lakes Condominiums. ***They are effective March 1, 2003.*** *These Rules and Regulations are intended for the overall benefit of the residents of Hidden Lakes Condominiums. In consideration of adopting these provisions, the Board of Directors has been very cognizant of the need for Rules and Regulations which are not overly burdensome and which can be administered to provide condominium owners with some autonomy with respect to their units as well as be applied evenly and fairly to all residents.*

The Board's reason for establishing such rules is to allow one (1) concise packet of rules to cover the day to day practice of the Association. The majority of the rules simply reiterate a provision(s) of the Declaration or By-laws for quicker reference, updates existing rules, changes the syntax of a rule to match other similar rules or simply to numerate the rules in article and section form for quicker reference. Note: These Rules and Regulations supercede all other Rules previously distributed.

Please read over the Rules and Regulations carefully. If you have any questions, you may contact Holley Realty at 262-547-6250.

These changes represent material information to all potential buyers of your unit. It must be disclosed with all other disclosure materials.

Enclosure

HIDDEN LAKES CONDOMINIUMS
RULES AND REGULATIONS

ARTICLE I
VARIANCES TO RULES AND REGULATIONS

1.1 A variance of any Rule or Regulation or special dispensation due to special or extraordinary circumstances may be granted by the Board upon the Unit owner supplying the Board a written request detailing the need for a special dispensation. A majority vote of the Board will be required to grant such a variance or special dispensation. Any variance or special dispensation granted by the Board shall be subject to revocation by a majority of all Unit owners, at a meeting duly called for such purpose.

ARTICLE II
ASSESSMENT AND ASSESSMENT COLLECTION

2.1 The regular monthly assessments, as and for the payment of common expenses as determined by the Board pursuant to the By-Laws of Hidden Lakes, Inc., are **due on or before the first day of each month.** Additional Assessments may be incurred if payments are not made timely (see 2.4 and 2.7).

2.2 Special assessments, as levied from time to time by the Board, and/or the installment thereof, shall be due on or before the date or dates stated in the Board's notice to the Unit owners informing of the levied special assessment.

2.3 Payments tendered with future dates (postdated) are not allowed and will not be accepted by the Association. The actual date of the Association's receipt of a payment shall control as to whether payment was made timely. Any costs incurred by the Association as a result of the return of a unit owner's payment due to insufficient funds, or other similar reason, shall immediately be assessed to the Unit owner's account and therefore against the Unit owner's unit, until such costs are reimbursed to the Association by the Unit owner, provided that the cost shall not be less than $50.00 No statement of "payment in full," "accord and satisfaction," or other similar notation on or accompanying any payment shall be binding on the Association.

2.4 An automatic assessment of $50.00 shall be made to a Unit owner's account and, therefore, against the Unit owner's unit in the event any assessment whether regular or special, whether an installment or otherwise, is not received by the Association by the fifteenth (15) day after its due date. This automatic additional assessment shall be made upon each failure by the Unit owner to remit good and timely payment of any assessment of installment thereof.

2.5 The Association treasurer shall provide the Unit owner written notice of each automatic additional assessment and the resulting balance owed by the Unit owner. The treasurer's failure to provide said notice and/or the Unit owner's failure to receive said notice shall not effect, in any fashion, the imposition of such automatic additional assessment.

The resulting new balance owed by the Unit owner must be paid in full within fifteen (15) calendar days of the date on which the automatic additional assessment was made pursuant to Section 2.4 above, to prevent further and/or additional collection procedures.

2.6 The unit owner's right to be recognized and heard at all meetings of the Association, whether member's meetings or Board of Director's meetings, shall automatically be suspended upon the Unit owner's failure to pay any resulting new balance owed by the Unit owner, in full, on or before the date due, as determined in Section 2.5 above. Such suspension shall remain in effect until any and all moneys owed, as provided herein, are paid in full.

2.7 An automatic additional assessment of $100.00, as and for additional costs incurred by the Association to recalculate and adjust the Unit owner's account, shall be made to the Unit owner's account and therefore, against the Unit owner's unit in the event the Unit owner fails to remit, in full, by the due date any resulting balances owed pursuant to Section 2.5 above. The Association treasurer shall not be required to notify the Unit owner of the imposition of said automatic additional assessment.

2.8 Upon the assessment of the amount stated in Section 2.7 above, the Association treasurer shall immediately refer the delinquent Unit owner's account to legal counsel for the Association. Said legal counsel shall cause a Statement of Condominium Lien to be filed against the Unit owner's unit, (or other such method of collection so advise by legal counsel) securing all amount then owed to the Association and all amounts permitted under the laws of the State of Wisconsin, the Declaration of Condominium, the Association By-Laws, and these Rules and Regulations.

Once the Unit owner's account has been referred to legal counsel all payments of the Unit owner's account must be submitted to such legal counsel for proper application of same. In the event a Unit owner submits to said legal counsel a payment which is thereafter returned due to insufficient funds, or other similar reason, the Unit owner's account and, therefore the Unit owner's unit, shall be automatically assessed $100.00 as and for additional costs incurred by the Association in consulting with legal counsel to recalculate and adjust the Unit owner's account. Upon the assessment as provided herein, the Unit owners right to vote at all meetings of the Association, whether members' meetings or Board of Directors' meetings, shall automatically be suspended. Such suspension shall remain in effect until any and all moneys owed, as provided herein, are paid in full.

2.9 An automatic second additional assessment of $160.00, as and for additional costs incurred by the Association to recalculate and adjust the Unit owner's account, shall be made to a Unit owner's account, and therefore, against the Unit owner's unit upon the commencement of litigation against the Unit owner for the collection of any amount owed to the Association. All costs incurred by the Association's legal counsel or advanced by the Association, with respect to prosecuting said litigation, including, but not limited to lien filing fees, court costs, post judgment supplemental costs and interest, shall be automatically assessed to the Unit owner's account, and therefore, against the Unit owner's unit.

2.10 Upon the Association's referral of a Unit owner's account to legal counsel for collection, the balance owed by the Unit owner, together with all subsequent accruing and/or additional assessments, shall incur interest at the rate of eighteen percent (18%) per annum (or the highest legal limit allowed at such time, whichever is less), until the Unit owner's account is paid in full. Said interest shall relate

back to and commence from the date on which the oldest owed assessment became due. All payments upon a Unit owner's account shall first be applied to the interest accrued, if any, and then to assessments in the order in which they were assessed.

2.11 In the event the Association utilizes the services of a professional management company to which assessments are remitted by the Unit owners or which is otherwise responsible for the accounting of paid and unpaid assessments or notifying the Unit owners of the balance of Unit owner's account or the enforcement of any provisions of the Declaration, By-Laws and/or these Rules and Regulations, all requirements or duties of the Association Directors and/or Officers shall be the requirements or duties of the management company so retained by the Association.

ARTICLE III
USE OF PREMISES

3.1 The Units (as provided pursuant to Declaration and By-Laws) shall be used for residential purposes only. The Common and Limited Common Elements and Units shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of residential units.

3.2 As provided in the By-Laws, no nuisance shall be allowed on the Common and Limited Common Elements or Units, nor shall any use or practice be allowed which is a source or persistent and meaningful annoyance to the residents, or which interferes with the peaceful possession or proper use of said property by the residents.

3.3 Use of skateboards, bikes, roller blades, etc. on any common or limited common areas is forbidden. This includes, but is not limited to, driveways, sidewalks or stairways.

3.4 No flagrantly immoral, improper, offensive or unlawful use shall be made of the Common and Limited Common Elements or Units or any part thereof, and all valid laws, ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with.

3.4 Members and members' occupants shall not make or allow any noises or odors which in any way or at any time might be objectionable to other members or members' occupants. Members and members' occupants shall not cause or allow voices, musical instruments, televisions, radios or other such sound producing devices to in any way or at any time become objectionable to other members or members' occupants.

3.5 Trash, garbage or other wastes shall be discarded in trash containers which shall be located inside the garage and provided by each unit owner.

3.6 No trailer, tent, shack, garage, barn or other outbuilding, or living quarters of a temporary nature shall be permitted on any part of the Property at any time. Except with prior written permission of the Board of Directors, no trucks, buses, trailers, campers, snowmobiles, boats or other vehicles shall be parked on the Property (other than inside garages).

3.7 Garages must be kept closed at all times. Garages and common and limited common areas shall not be used for vehicle repairs, painting, or similar activities.

3.8 No rule or regulation shall be adopted by the Board which shall deprive any member of substantial property or occupancy rights, or which shall operate in a discriminatory manner.

3.9 No Unit owner shall decorate or alter the exterior of a Unit or the Common and Limited Common Elements without the prior written consent of the Board of Directors. This provision shall not be construed as to deny Unit owners the right to decorate their units for an appropriate holiday. No owner of a Unit may erect, post or display posters, signs or advertising material on the Common and Limited Common Elements or at locations within a Unit which are visible from the Common and Limited Common Elements without the prior written consent of the Board of Directors, except that a Unit owner may erect or post a temporary sign of customary and reasonable dimension relating to the open house of a Unit for sale or lease(not a **"FOR SALE"** sign). Where consent of the Board of Directors is obtained, the permitted signs will be erected and maintained in accordance with all ordinances, rules and regulations applicable thereto. "Signs" as used herein shall be construed and interpreted in the broadest possible sense and shall include any placard, posters or other such devices as may be affixed to the exterior of the Building.

ARTICLE IV
SECURITY

4.1 No soliciting or selling, including door to door soliciting of any type, shall be permitted on any part of the Common and Limited Common Elements without the prior written approval of the Board.

4.2 For emergency purposes, all members or occupants of members' units shall notify the Association of the member's or occupant's intention to be absent from the unit for a period of two (2) weeks or longer. No member or occupant shall allow newspapers or other items to accumulate which will indicate the member's or occupant's absence from the unit.

4.3 Each Unit owner shall be responsible for maintaining not less than one (1) fully operational smoke detector on each floor of their unit at all times. The Unit owner who fails to comply with this provision shall assume the responsibility of any resulting damage(s) or additional resulting damages caused by their non-compliance with this provision.

ARTICLE V
LEASING OF UNIT

5.1 Written permission of the Board of Directors is required prior to any owner entering into a lease agreement as only a percentage of units are allowed to be rented at a time.

5.2 Notwithstanding any provisions regarding leasing in the Declaration and/or By-Laws any member intending to lease their unit must notify the Association not less than 60 days prior to the commencement of any such lease. Any member electing to lease their unit must within 7 days of commencement of said lease notify the Association of the following:

(a) tenant name(s)
(b) phone numbers - home and work
(c) number of occupants
(d) written, signed statement saying tenant(s) have viewed Declaration By-Laws, Rules and Regulations and will comply. However, members will still remain the responsible party.

5.3 A copy of a fully executed lease must be supplied to the Association prior to the tenant(s) moving in.

5.4 Any member who chooses to lease their unit shall be assessed an additional monthly assessment equal to 50% of the regular monthly assessment, due and payable with the member's regular monthly assessment.

ARTICLE VI
SANITATION

6.1 In addition to the provisions of Declaration Article XI, Section 4, the Common and Limited Common Elements shall not be obstructed, littered, defaced, damaged or misused in any manner.

6.2 Owners are to put out trash and recycables no earlier than 3:00 p.m. the evening before pick-up.

6.3 All members shall be responsible for adhering to any laws, ordinances, and/or rules pertaining to recycling as dictated by any Governmental, Quasi-Governmental and/or Association authority.

ARTICLE VII
MANAGEMENT

7.1 No member or occupant of a member's unit shall or attempt to direct, supervise, or in any manner assert control over any association contracted worker(s). Poor workmanship or performance of such individuals should be reported to the Board or to the property management company immediately.

7.2 In the event the Association utilizes the services of a professional management company to which assessments are remitted by the Unit owners or which is otherwise responsible for the accounting of paid and unpaid assessments or notifying the Unit owners of the balance of Unit owner's account or responsible for enforcement of the provisions of the Declaration, the By-laws and/or these rules and regulations all requirements or duties of the Association and/or officers (Board of Directors) shall be the requirements or duties of the management company so retained by the Association. All notices and/or requested to the Association shall be directed to the management company for presentation to the Board of Directors.

ARTICLE VIII
PATIOS/WALKWAYS/DECKS

8.1 A member or occupant of a member's unit shall control all barbecue fires, smoke and/or offensive odors so as to not disturb or be dangerous to the neighboring members, neighboring units or the Common and Limited Common Elements.

8.2 Per City of Franklin and the State of Wisconsin, owners are prohibited to use charcoal and gas grills on a combustible foundation and cannot be any closer than ten (10) feet from the building. Any fines levied from the City will be the owner's expense.

8.3 No boxes, bicycles, carriages or other similar items shall be stored on the patios, decks, or beneath the decks.

8.4 No clothes, sheets, blankets, rugs, laundry or other similar unsightly items shall be hung and/or displayed from the patios. In addition, no such items shall be placed in any unit or on the Common and Limited Common Elements so as to display same to or from any Common or Limited Common Elements. No clothesline of any fashion or material shall be placed on the patios or decks.

8.5 No antenna, other than a permanent condominium television antenna and/or satellite dish if so approved and installed by order of the Board of Directors shall be placed on any portion of the Common and Limited Common Elements or the patios.

8.6 No member shall plant, re-landscape, and/or decorate any bedding area(s) without the prior written permission of the Board. Members may, however, place removable planters, flowers, and/or flowering plants along their limited-common sidewalk, patio, decks and bedding areas.

ARTICLE IX
VEHICLES, PARKING AND GARAGE

9.1 The following rules and regulations are in addition to or in conjunction with the provisions of Article VIII, Section 1(d) of the By-Laws.

9.2 Owners have two parking spots allotted to them. Owners are required to park vehicles in their garage and the space directly behind the garage. For corner garage units, specified parking spots have been designated for your use. Visitor parking is for visitors only.

9.3 Due to the potential for fire and/or personal injury, unreasonable amounts of newspapers, empty boxes, or flammable materials and the like shall not be kept for any unreasonable length of time in the garage and/or unit of the condominium. Due to the hazardous nature of such items, any such item(s) found in violation of this provision may be confiscated by the Board. In addition, there shall be no use of any grill, barbecue, cooking stove or the like in the garage area.

9.4 Cooking, sleeping and/or residing in any vehicle, whether temporary in nature or otherwise, is prohibited in all areas of the condominium.

9.5 Due to required periodic maintenance of and snow removal from the condominium parking areas, no vehicle of any type, which cannot be moved on a daily basis, shall be parked in any of the condominium parking areas. Any member or occupant of a member's unit who requires a parking space to park a vehicle, which vehicle cannot be moved on a daily basis, must obtain prior written authorization from the Board. No vehicle of any type shall be stored in any parking area of the condominium. No inoperable vehicle of any type shall be parked in any parking area of the condominium. No repair and/or maintenance of a vehicle(s) shall be allowed on any common or limited-common area(s) of the condominium. Such repair and/or maintenance may only be done in a member's garage.

9.6 No member or occupant of a member's unit shall park any vehicle in the limited-common assigned parking area of another member without the prior permission of the other member. A member who discovers an unauthorized vehicle parked in his or her parking area shall be responsible for contacting the Franklin Police Department to have the offending vehicle ticketed and/or towed.

9.7 No vehicle shall travel at a rate of speed in excess of fifteen (15) miles per hour in any parking or drive area of the condominium.

9.8 Condominium By-Laws prohibit the extended parking of a vehicle on condominium (common) property. Any owner who should encounter an emergency situation (such as temporary occupation of the unit by an additional child/guest) which will cause the necessity for a vehicle to be parked as such for a period in **excess of seven (7) days** should follow these procedures:

(a) The member must present an application in writing to the Board PRIOR to the parking of said vehicle. The application should state:

(1) length of parking permit requested,
(2) the reason for the request,
(3) name of unit owner and name of vehicle owner,
(4) license number,
(5) make/model/year of vehicle owner.

The application will be reviewed by the Board who will make decisions on a per case basis. Initial requests for up to three months may be made.

(b) Upon the approval of such a request, the condominium owner shall submit a monthly fee of $20.00 per month or a single payment of $50.00 for the three month period. The vehicle shall be parked in a "guest" parking spot according to the directions of the Board as stipulated in the permit. Any snow removal problems encountered due to the parking of the vehicle shall be the responsibility of the unit owner.

(c) Permits may be eligible for re-application, re-evaluation and renewal for one additional three month period. Renewals shall be made at the discretion of the Board and shall not be considered automatic extensions. Under no circumstances shall an additional vehicle be parked on the Association property for a period in excess of six months.

ARTICLE X
RULE VIOLATIONS

10.1 Each member shall be responsible for the violations of and/or noncompliance with the By-Laws, rules, regulations, covenants, conditions or restrictions committed by the member, any individual of the member's household, any occupant of the member's unit, any tenant or sub-tenant of the member's guest or visitor or the member's occupant's guest or visitor.

10.2 All members and occupants of members' units shall report, in writing, any alleged violation of or non-compliance with the By-Laws, rules, regulations, covenants, conditions or restrictions as required hereunder.

10.3 Upon the Board's receipt of information regarding an alleged violation of or non-compliance with any By-Laws, rules, regulations, covenants, conditions or restrictions, by any member, the Board shall furnish written notice to the member by personal delivery or by regular mail to the member's last known mailing address informing the member of the alleged violation or non-compliance and of the possible imposition of a fine. If the member, within seven (7) days after receipt of said notice, fails to demand a hearing on the alleged violation by written notice delivered upon the President, the Board shall assess the fine specified in the publication of the rules and regulations. This fine and any costs, including but not limited to attorney fees, incurred by the Association in collecting same shall constitute an assessment as said term is utilized in sub-sections 3 through and including 9 of section 703.16 Wis. Stats. Unpaid fines shall incur interest at the rate of interest provided in Article II, Section 10 of these Rules and Regulations.

10.4 Any member who shall consider that he or she is unfairly accused of violation of or non-compliance with any rule or is justified otherwise, shall be entitled to a hearing before the Board which shall designate an impartial referee for the hearing of evidence, all to the end that members enjoy due process and the right of hearing in respect of any claim of violation. In the case of any such proceedings, the costs thereof, if any, shall be borne by the member requesting the hearing, unless it is found by the impartial referee that the Board proceeded in bad faith or without substantial cause.

10.5 The notice furnished by the Board informing the member of the alleged violation or non-compliance shall contain the following:

(a) the name of the member;
(b) the date of delivery of the notice upon the member;
(c) the date(s) of the alleged violation;
(d) a description of the rule(s) or regulation(s) allegedly violated;
(e) the amount of the fine(s) that can result;
(f) a description of what procedure the member must take, if any, to cure the violation(s) and state the requirement of written intent to cure be made upon the president within seven (7) days;
(g) information regarding the members' right to demand a hearing;

(1) the member has seven (7) days in which to make his demand;
(2) such demand must be in writing;
(3) such demand must be made upon the president;

(4) failure to make such demand within the required period shall constitute a waiver of the right and consequently the stated fine, if any, will be assessed against the member, together with any cost and reasonable attorney fees incurred, and shall constitute an assessment upon the member's unit.

(5) the costs of the hearing will be borne by the member unless the impartial referee determines that the board proceeded in bad faith or without substantial cause.

(h) The signature of the president as president of the Association and the signature of at least one other member of the Board in such capacity.

10.6 Upon a member's failure to demand a hearing and after the required period of time given the member to make such a demand, or upon a finding, by the impartial referee, of actual violation if the member has timely demanded a hearing, the Board shall notify the member in writing, by regular mail, of the imposition of the fine. The notice shall inform the member that failure to pay the fine within seven (7) days shall cause the fine and any costs of collection related thereto to constitute an assessment upon the member's unit. The fine, together with any collection costs, shall incur interest at the rate of interest provided in Article IV of these Rules & Regulations commencing eight (8) days after delivery of the notice until said amount is paid in full.

ARTICLE XI
AVAILABLE REMEDIES AND FINES

11.1 The following is a schedule of the fines that will be imposed under these rules and regulations, pursuant to the provisions hereof, as a result of a member's violation of or non-compliance with the By-Laws, rules, regulations, covenants, conditions or restrictions:

(a) **A WRITTEN WARNING for a member's first violation** of or non-compliance with a specific By-Law, rule, regulation, covenant, condition or restriction.

(b) **FIFTY DOLLARS ($50.00) for a second violation** of or noncompliance with a specific By-Law, rule, regulation, covenant, condition or restriction for which the member received a written warning pursuant to paragraph (a) immediately above.

(c) **ONE HUNDRED DOLLARS ($100.00) for each successive violation** of or noncompliance with a specific By-Law, rule, regulation, covenant, condition or restriction for which the member received a written warning pursuant to paragraph (a) immediately above, and incurred the imposition of the fine prescribed in paragraph (b) immediately above.

11.2 In addition to the provisions of Section 1 hereof, the remedy provisions of By-Law Article VIII, Section 1(l) shall remain available to the Association.

ARTICLE XII
GENERAL PRINCIPALS

12.1 The Board of Directors shall adopt rules and regulations governing the use of the Common and Limited Common Elements and Units, as same are defined in the Declaration., and the personal conduct of the members and the member's family, tenants and guest thereon. Such rules and regulations will be so adopted in light of the duties and rights established in the Declaration. The Board shall publish and furnish to each member the specific rules an regulations as adopted from time to time.

12.2 The Board of Directors shall retain the right to make reasonable decisions based on a solely "subjective" basis as they may deem to be in the best interest of the Association.

12.3 All provisions of the Declarations and By-Laws shall remain unchanged. If there is any conflict between any provision of the Declaration and any provision of the Rules and Regulations, the provision of the Declaration shall control. If there is any conflict between any provision of the By-Laws and any provision of the Rules and Regulations, the provision of the By-Laws shall control.

CONTRACTS

(i.e. management, landscape, snow removal, etc.)

The association contracts annually with various contractors. These contracts must be made available to all owners and any prospective buyers. If, as an owner or a prospective buyer, you would like to review these, please contact the managing agent listed below.

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