

BY-LAWS
OF
THE COTTAGES AT LAKE PARK CONDOMINIUMS ASSOCIATION

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BYLAWS

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ARTICLE I
Name and Purpose

Pursuant to the Condominium Declaration for The Cottages at Lake Park Condominiums, recorded in the Office of the Register of Deeds for Calumet County, Wisconsin (hereinafter called the "Declaration"), by Cypress Homes, Inc. (the "Declarant"), the following are adopted as the By-Laws of The Cottages at Lake Park Condominiums Association, (hereinafter sometimes referred to as the "Association"), which is a non-profit, unincorporated association formed and organized to serve as an Association of Unit Owners who own real estate and improvements (hereinafter the "Property") under the condominium form of use and ownership, as provided in the Condominium Ownership Act under the laws of the State of Wisconsin and subject to the terms and conditions of the Declaration. The initial address of the Association shall be 1500 West College Avenue, Suite A, Appleton, Wisconsin, 54914.

These By-Laws (hereinafter the "By-Laws") shall be deemed covenants running with the land and shall be binding on the unit owners, their heirs, administrators, personal representatives, successors and assigns.

ARTICLE II
Members, Voting and Meetings

2.1 Members. The Association shall initially have two classes of membership as follows:

a) Class A Members.

(1) Defined. Class A members shall be all unit owners, with the initial exception of the Declarant, and shall have one vote for each unit owned. Every unit owner upon recording of his ownership of a unit shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Association shall automatically cease.

(2) One Membership Per Unit. One membership and one vote shall exist for each unit. If title to a unit is held by more than one person, the membership related to that unit shall be shared by such owners in the same proportionate interests and by the same type of tenancy in which the title to the unit is held. Voting rights may not be split, and shared membership interests must be voted pursuant to the nomination contained in the membership list.

(3) Membership List. The Association shall maintain a current Membership List showing the membership pertaining to each unit and the person designated to cast the one vote pertaining to such unit. Only the person so designated shall be entitled to cast a

vote in person or by proxy. A designation may be changed by notice in writing to the Secretary of the Association signed by a majority of the persons having an ownership interest in the unit.

(4) Transfer of Membership. Each membership shall be appurtenant to the unit upon which it is based and shall be transferred automatically upon conveyance of that unit. Membership in the Association may not be transferred, except in connection with the transfer of a unit. Upon transfer of a unit, the Association shall, as soon as possible thereafter, be given written notice of such transfer, including the name of the new owner, identification of unit, date of transfer, name of the person designated to vote, and any other information about the transfer which the Association may deem pertinent, and the Association shall make appropriate changes to the Membership List effective as of the date of transfer.

b) Class B Members.

(1) Defined. Class B member(s) shall be the Declarant and shall be entitled to three votes for each unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in Class A equal or exceed the total votes outstanding in Class B Membership, or three (3) years from the date the first unit is conveyed by Declarant to any person other than Declarant, whichever occurs first.

2.2 Quorum and Proxies for Members' Meetings. A quorum for members' meetings shall consist of a majority of votes entitled to be cast. Votes may be cast in person or by proxy in accordance with designations in the Membership List. The act of a majority of votes present in person or by proxy at any meeting at which a quorum is present shall be the act of the members. Proxies shall be valid only for the particular meeting(s) or time period designated therein, unless sooner revoked, and must be filed with the Secretary before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

2.3 Time, Place, Notice and Calling of Members' Meetings. Written notice of all meetings stating the time and place and the purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing, to each member at his address as it appears on the books of the Association and shall be mailed or personally delivered not less than five (5) days nor more than thirty (30) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings by the members. Meetings shall be held at such time and place as may be designated by the Board of Directors. The annual meeting shall be held on the third Monday in October of each year for the purpose of electing officers and of transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President or any two members and must be called by such officers upon receipt of a written request signed by members with one-third (1/3) or more of all votes entitled to be cast.

ARTICLE III
Board of Directors

3.1 Number and Qualifications of Directors. The initial Board of Directors shall consist of three (3) persons, appointed by Declarant, who need not be members of the Association, to serve until Class B membership ceases and is converted to Class A membership as provided in Article II herein. Thereafter, the Board of Directors shall consist of three (3) persons, to be classified with respect to the terms for which they severally hold office as set forth in paragraph 3.3 below. Each member of the Board of Directors shall be a member of the Association or in the event that such member of the Association is not a natural person, the appointee of such member of the Association.

3.2 Powers and Duties of the Board of Directors. The affairs of the Association shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised in accordance with the provisions of the Declaration, the Articles of Association, and these By-Laws.

3.3 Election and Term of Directors. At the first annual meeting of the Association, the members shall elect three (3) Directors to be Classified with respect to the terms for which they hold office by dividing them into three (3) classes as follows:

a) One (1) director whose term will expire after one (1) year, at the next annual meeting of the Association.

b) One (1) director whose term will expire after two (2) years, at the second annual meeting of the Association after his election.

c) One (1) director whose term will expire after three (3) years, at the third annual meeting of the Association after his election.

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of three (3) years or until their successors are duly elected and qualified, or until any of said directors shall have been removed in the manner hereinafter provided, so that the term of one class of directors shall expire in each year.

The election of directors shall be in compliance with section 703.15(2)(d) of the Wisconsin Statutes and the Declaration and these By-Laws shall be so construed.

3.4 Vacancies on Board. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the members shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the members at which that class of directors is to be elected. In the event the remaining directors become deadlocked, a special meeting of the members shall be duly called and a replacement director elected.

3.5 Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the members entitled to be cast and a successor may then and there be elected to fill the vacancy thus created.

3.6 Regular Meetings and Notices. A regular annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members. Notice of the regular annual meeting of the Board of Directors shall not be required.

3.7 Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President or by two (2) directors on three (3) days prior written notice to each director, given personally or by mail, which notice shall state the time, place and purpose of the meeting.

3.8 Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.9 Quorum of Directors - Adjournment. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted.

3.10 Fidelity Bonds. The Board of Directors may require that some or all officers and/or employees of the Association who handle or are responsible for the Association's funds shall furnish adequate fidelity bonds. The premiums on any such bonds shall be paid for by the Association.

ARTICLE IV Officers

4.1 Designation, Election and Removal. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, to be elected annually by the members. Upon the affirmative vote of a majority of the members, any officer may be removed either with or without cause, and his successor shall be elected at the regular meeting of the Association, or at any special meeting called for that purpose. Any two or more offices, except a combination of the offices of President and Secretary and a combination of the offices of President and Vice-President, may be held by the same person.

4.2 President. The President shall be selected from among the members and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of President including, but not limited to, the power to sign, together with any other officer designated, any contracts, checks, drafts, or other instruments on behalf of the Association in accordance with the provisions herein.

4.3 Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice-President are unable to act, the members shall appoint some other member to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

4.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the Association and shall have charge of the Association's books and records, and shall, in general, perform all duties incident to the office of Secretary.

4.5 Treasurer. The Treasurer shall have responsibility for the Association's funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and financial records and books of account on behalf of the Association. He shall be responsible for the deposit of all monies and all valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also be responsible for the billing and collection of all common charges and assessments made by the Association.

4.6 Liability of Directors and Officers. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Association, if such person (a) exercised and used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which he had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he may be entitled as a matter of law.

4.7 Compensation. No director or officer of the Association shall receive any fee or other compensation for services rendered to the Association except by specific resolution of the membership.

ARTICLE V Operation of the Property

5.1 The Association. The Association, shall be responsible for administration and operation of the condominium property, in accordance with the Declaration, the Articles of Association, and these By-Laws. The Association may contract for management services and a managing agent with respect to the administration and operation of the condominium.

5.2 Rules and Regulations. The Association, shall from time to time adopt rules and regulations governing the operation, maintenance and use of the units and the common elements and facilities by the unit owners and occupants. Such rules and regulations of the Association shall not be inconsistent with the terms of the Declaration or the contracts, documents, and easements referred to in the Declaration, and shall be designed to prevent unreasonable interference with the use of the respective units and the common elements, limited common elements and facilities by persons entitled thereto. The Association members, their guests, and any occupants of the units shall conform to and abide by all such rules and regulations. A violation of any such rules or regulations shall constitute a violation of the Declaration. The Association through its Board of Directors shall designate such means of enforcement thereof as it deems necessary and appropriate. The rules and regulations may be altered and amended or repealed in the same manner as these By-Laws.

5.3. Common Expenses. The Board of Directors shall determine the common expenses of the Association, and shall prepare an annual operating budget for the Association in order to determine the amount of the common charges payable by each unit to meet the estimated common expenses of the Association for the ensuing year. The common charges shall be prorated and paid quarterly to the Association on or before the first day of each quarter. If not paid on or before the due date, the charges shall bear interest at the rate of twelve percent (12%) per annum until paid in full.

5.4 Operating Budget. The annual operating budget shall provide for an “operating fund.” The operating fund shall be used for all common expenses which occur with greater than annual frequency, such as amounts required for the cost of maintenance of the common elements, management services, insurance, common services, administration, materials and supplies. The operating fund may be used for periodic expenses such as painting or renovation provided said items are included in the annual operating budget.

The Association may also use the operating fund for the maintenance and repair of any unit if such maintenance and repair is necessary to protect the common property and provided said items are included in the annual operating budget. The full amount of the cost of any such maintenance or repair shall be specially assessed to the unit owner responsible therefor. The Association may provide for a “reserve fund” for capital improvements or extraordinary expenses or the Association may specially assess unit owners for such improvements or expenses.

The annual budget shall be prepared and determined by September 30 of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common charges payable on behalf of each unit by the date of the annual members’ meeting and shall furnish copies of the budget on which such common charges are based to each member.

If within fifteen (15) days after the annual membership meeting a petition is presented to the Board of Directors protesting such charges or the budget upon which they are based, and the petition is signed by members representing more than sixty percent (60%) of the membership entitled to vote with respect to such charges, then the officers shall notify all members of a

meeting called for the sole purpose of reviewing such charges or budget. At such meeting, the vote of more than sixty percent (60%) of the membership entitled to vote may revise the budget and charges, and such revised budget and corresponding charges shall replace for all purposes and ones previously established; provided, however, that the annual budget and charges may not be revised downward to a point lower than the average total budget for the preceding two years and provided further, that if a budget and charges have not been established and made for any two preceding years, then the budget and charges may not be revised downward until two years of experience exist.

5.5 Default. If a member of the Association is in default in payment of any charges or assessments for a period of more than thirty (30) days, the Association, may bring suit for and on behalf of all members, to enforce collection of such delinquencies or to foreclose the lien therefor, as provided by law, and there shall be added to the amount due the costs of suit and the interest, together with a reasonable attorney's fee.

ARTICLE VI Duties and Obligations of Unit Owners

6.1 Rules and Regulations. The units and the common elements and facilities and limited common elements (hereinafter in this paragraph sometimes collectively referred to as "commons") shall be occupied and used in accordance with the Declaration, the Articles of Association, these By-Laws, and the rules and regulations of the Association, including the following:

- a) Use as Residence. Each Unit shall be used only for single-family residential.
- b) Obstructions. There shall be no obstruction of the common elements and facilities and nothing shall be stored therein without the prior written consent of the Association.
- c) Increase of Insurance Rates. Nothing shall be done or kept in any unit or in the common elements or limited common elements which will increase the rate of insurance on the common elements, without the prior written consent of the Association. No unit owner shall permit anything to be done or kept in his unit or in the common element or limited common elements which will result in the cancellation of insurance on any unit or any part of the common elements or limited common elements, or which would be in violation of any law or ordinance. No waste will be committed in the common elements or limited common elements.
- d) Signs. No sign of any kind shall be displayed to the public view on or from any unit or the common element or limited common elements without the prior written consent of the Association, other than a standard size "for sale" sign.
- e) Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on the Property, except that each unit may keep common household pets such as fish, canaries or parakeets provided that they are not kept, bred or maintained for any commercial purposes and no more than two (2) cats, two (2) dogs, or one (1) cat and one (1) dog,

weighing less than 20 pounds each. The above provisions notwithstanding, a unit owner may keep a dog weighing more than 20 pounds if (1) the unit owner owns the animal at the time they purchase the unit; and (2) the Board of Directors determines, in its discretion, that the animal will not detract from the quiet enjoyment of the condominium by other unit owners. No outside kennels, dog coops or dog houses may be constructed or placed on the common elements, limited common elements or in any garages. Said pets must be on a leash when outside of the units. No pet shall be permitted which causes an unreasonable disturbance. Any pet excrement in common elements shall be removed immediately by the owner of the unit in which the pet resides. The Association reserves the right to assess unit owners for damages caused by pets to common elements or limited common elements. The Association also reserves the right to insist upon the removal of any pet which causes an unreasonable disturbance.

f) Noxious Activity. No noxious or offensive activity shall be carried on in any units or in the commons, nor shall anything be done therein which may be or become an annoyance or nuisance to others.

g) Alteration, Construction or Removal. Nothing shall be altered or constructed in or removed from the common elements and facilities, except upon the written consent of the Association.

h) Parking. No vehicle shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from a building or driveway area. Any traffic flow markings and signs regulating traffic or parking on the premises shall be strictly observed.

i) Wiring. No wiring for electrical or telephone purpose, or for any other purpose, shall be installed in any unit or the common elements and facilities nor shall any television or radio antennae or satellite dishes, machines or air conditioning units, be installed, either on the exterior of any unit including any part of any balconies, or that protrude through the walls or the roof of any unit, except as may be expressly authorized by the Association. No electric equipment will be allowed that interferes with the television reception of other unit owners.

j) Trash Disposal. Disposal of garbage and trash shall be only by the use of garbage cans or suitable plastic garbage bags. Said garbage cans and garbage bags shall at all times be stored in the garage except for placement outside of the unit on the day that disposal pickup is made.

k) Terraces. The terraces, decks and patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. Patios may be used for the purposes of outdoor cooking; however, it is understood that said cooking equipment shall be stored out of sight or shall be covered when not in use.

l) Storage Liability. The Association assumes no liability for, nor shall it be liable for, any loss or damage to articles stored in any common element or other storage area.

m) Recreation Vehicles. No camper, travel trailer, motor home, boat trailer, personal watercraft, ATV, snowmobile, or ice shanty shall be allowed to be parked or stored on common elements or limited common elements without permission of the Association which shall not be unreasonably withheld.

n) Conflict. The above rules and regulations, and those which may be hereafter adopted by the Association, are in addition to the Declaration, and the documents, contracts, declarations, and easements set forth in the Declaration, and in the event of a conflict, the Declaration and contracts, declarations, and easements set forth and referenced therein shall govern.

6.2 Maintenance and Repair of Units. Every unit owner must perform properly or cause to be performed all maintenance and repair work within his own unit which if omitted would affect the project in its entirety or in a portion belonging to other owners, and such owner shall be personally liable to the Association for any damages caused by his failure to do so.

6.3 Limited Common Elements. Every unit owner must maintain the limited common elements appurtenant to his unit, other than those limited common elements to be maintained by the association, in clean and proper condition. No objects or structures, other than movable furniture or decorative pieces, shall be placed thereon without the prior written consent of the Association. Every unit owner shall have the right to decorate the limited common element appurtenant to his unit in a nonstructural manner provided that decorations which are visible to other units or to the public shall have the prior written approval of the Board of Directors of the Association.

6.4 Enforcement of Declaration, Bylaws, and Condominium Ownership Act Provisions. Each Unit Owner shall be responsible for his family, tenants, employees, agents, and guests, and their conduct at the Condominium, and shall see that these individuals abide by the provisions of the Declaration, Bylaws, Condominium Ownership Act, and any decisions made by the Association which are authorized thereby. Unit Owners should report infractions to the Board of Directors in writing, and the Board shall reply to the reporting Unit Owner within 30 days concerning the action taken. In the event of a violation of any provision of the Declaration, the Bylaws, the Condominium Ownership Act, or any authorized Association decision, the Board of Directors shall notify the alleged offender. If the violation is not corrected within a reasonable time, the Association may take such action as it deems appropriate, including legal action, to correct the violation. In the event the Association takes legal action against any Unit Owner or occupant of a Unit which results in a judgment in favor of the Association, the Unit Owner defendant in such action shall pay the Association's costs and actual attorneys' fees. In the event the Association fails to take appropriate enforcement action, any Unit Owner may take appropriate legal action against any other Unit Owner or the Association to enforce the provisions of the Declaration, the Bylaws, and the Condominium Ownership Act.

ARTICLE VII

General

7.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE VIII

Amendments

8.1 Members. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the members, at any meeting called for such purpose, by an affirmative vote of sixty-seven percent (67%) or more of all of the votes entitled to be cast.

8.2. Rights of Declarant. No amendment of these By-Laws shall alter or abrogate the rights of Declarant as contained in these By-Laws.

ARTICLE IX

Miscellaneous

9.1 Record of Ownership. Every unit owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment or other conveyance to him of such unit or other evidence of his title thereto, and shall file such lease with and present such other evidence of his title to the Board of Directors, and the Secretary shall maintain all such information in the record of ownership of the Association.

9.2 Mortgages. Any unit owner who mortgages his unit or any interest therein shall notify the Board of Directors of the name and address of his mortgagee, and also of any release of such mortgage, and the Secretary shall maintain all such information in the record of ownership of the Association. The Board of Directors at the request of any mortgagee or prospective purchaser of any unit or interest therein shall report to such person the amount of any assessments against such unit then due and unpaid.

9.3 Indemnity of Officers and Directors. Every person who is or was a director or an officer of the Association (together with the heirs, executors and administrators of such person) shall be indemnified by the Association against all loss, costs, damages and expenses (including reasonable attorney's fees) asserted against, incurred by or imposed upon him in connection with or resulting from any claim action, suit or proceeding, including criminal proceedings, to which he is made or threatened to be made a party by reason of his being or having been such director or officer, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The Association by its Board of Directors may indemnify in like manner, or with any limitations, any employee or former employee of the Association with respect to any action taken or not taken in his capacity as such employee. The

foregoing rights of indemnification shall be in addition to all rights to which officers or employees may be entitled as a matter of law.


All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article IX contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been an employee, director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration, Wisconsin's Unit Ownership Act, the Articles and By-Laws of the Association, as a member of the Association, or owner of a condominium unit covered thereby.

9.4 Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Unit Ownership Act under the laws of the State of Wisconsin, which shall control in case of any conflict. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or said Unit Ownership Act.

9.5 Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the unit owners.

Approved and adopted this _____ day of September, 2011.

CYPRESS HOMES, INC.

By: 

Michael Blank, President