

BY-LAWS
OF
THE OAKS PLAT 2 HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

Name and Purpose

Pursuant to the Articles of Incorporation of The Oaks Plat 2 Homeowner's Association, Inc. and the Declaration of Covenants, Conditions and Restrictions of The Oaks Plat 2 recorded in the Office of the Register of Deeds for Rock County, Wisconsin (hereinafter "Declarations"), the following are adopted as the By-Laws of THE OAKS PLAT 2 HOMEOWNER'S ASSOCIATION, INC. (hereinafter sometimes referred to as the "Association"), which is a non-profit nonstock corporation formed and organized to serve as an association of owners of real estate and improvements located in The Oaks Plat 2 Subdivision, City of Beloit, State of Wisconsin (together, the "Property") subject to the terms and conditions of the Declarations.

These By-Laws shall be deemed covenants running with the land and shall be binding on the Owners and their heirs, administrators, personal representatives, successors and assigns.

ARTICLE II

Members, Voting and Meetings

2.1 **Members.** The rights and qualifications of the members are as follows:

A. **Defined.** Members of the Association shall be all owners of individual lots in the Subdivision (the "Owners"). Each Owner of a lot shall have one vote, equal to the number of Lots (as that term is defined in the Declarations) owned by said Owner. If title to any Lot is held by more than one person, or is under lease, or is owned by a partnership or corporation, only one person will be designated to vote. Every Owner upon acquiring title shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

b. **Membership List.** The Association shall maintain a current Membership List showing the names of Owners, the address to which notice of meetings of the Association shall be sent, any mortgagee of the Lot, and the person designated to cast the votes. Only the person so designated shall be entitled to cast a vote in person or

by proxy. A designation may be limited in time or 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 Lot.

c. **Transfer of Membership.** Each membership shall be appurtenant to the separate parcel of land within the Property (the "Lot") upon which it is based and shall be transferred automatically upon conveyance of that Lot. Membership in the Association may not be transferred, except in connection with the transfer of a Lot. Upon transfer of a Lot, the Association shall, as soon as possible thereafter, be given written notice of such transfer, name of the person designated to vote, name and address of mortgagee, if any, 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.

2.2 **Quorum and Proxies for Members' Meetings.** A quorum for members' meetings shall consist of thirty percent (30%) of the votes in the Association. Votes may be cast in person or by proxy in accordance with designations in the Membership List. Proxies shall be valid only for the particular meeting(s) or time period designated therein, up to a maximum of 180 days, 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 **Act by Majority.** Unless specifically provided otherwise herein, or under the Wisconsin Nonstock Corporation Law, the act of a majority of votes of the Association present in person or by proxy at any meeting at which a quorum is present shall be the act of the Association.

2.4 **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 by all Owners, 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 or more than sixty (60) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings. Meetings shall be held at such time and place as may be designated by the Board of Directors.

2.5 **Annual and Special Meetings.** The first annual meeting shall be held on January 30, 2020, or such other date and time selected by Declarant, and thereafter on the second week of December of each year, at a place designated by the Board of

Board of Directors of each year for the purpose of electing directors 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 of the Board of Directors and must be called by such officers upon receipt of a written request signed by members with ten percent (10%) or more of all votes entitled to be cast.

ARTICLE III

Board of Directors

3.1 Initial Board of Directors. The initial Board of Directors shall consist of four (4) persons, appointed by Shopiere Oaks, LLC ("Declarant"), who need not be members of the Association. The initial Board of Directors shall serve until such time as the members elect a Board of Directors pursuant to Section 3.4 below.

3.2 Number and Qualifications of Directors. The Board of Directors shall consist of four (4) persons, to be classified with respect to the terms for which they severally hold office as set forth in Section 3.4 below. Except for those members of the Board designated by the Declarant, 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. In no event shall more than one (1) member of the Board of Directors be the owner of, or the appointee of an owner who is not a natural person, of a single lot.

3.3 Powers and Duties of the Board of Directors. The affairs of the Association including management and operation of the Property 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 by the Board of Directors. Such powers and duties shall be exercised in accordance with the provisions of the Declarations, the Articles of Incorporation, and these By-Laws.

3.4 Election and Term of Directors. Subject to Article 2.3 of the Declarations, at the first annual meeting of the Association, the members shall elect four (4) directors to be classified with respect to the terms for which they hold office by dividing them into two (2) classes as follows:

a. Two (2) directors whose terms will expire after one (1) year, at the next annual meeting of the Association (Class "A" Directors).

b. Two (2) directors whose terms will expire after two (2) years, at the second annual meeting of the Association after their election (Class "B" Directors).

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of two (2) 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.

3.5 Vacancies on Board. Subject to the rights of the Declarant under the Declarations, 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 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.

3.6 Removal of Directors. Subject to the rights of the Declarant, 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 membership present or represented at such meeting, providing a quorum in attendance, and a successor may then and there be elected to fill the vacancy thus created.

3.7 Annual Meetings and Notice. An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members, for the purpose of election of officers and transacting such business as may come before the meeting. Notice of the regular annual meeting of the Board of Directors shall not be required.

3.8 Regular Meetings and Notice. The Board of Directors may provide by a resolution for regular or periodic meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution, such meetings shall be held at the stated time and place without the necessity of other notice than such resolution.

3.9 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.

3.10 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 by him of notice 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.

3.11 Quorum of Directors - Adjournments. 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.

3.12 Fidelity Bonds. The Board of Directors may, but are not required to, have some or all officers and/or employees of the Association handling or responsible for Association's funds 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 Board of Directors. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor shall be elected at a regular meeting of the Board of Directors, 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 of the Board of Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of 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 by the Board, any contracts, checks, drafts or other instruments on behalf of the Association in accordance with the provisions herein. The President shall perform such duties and have such other authority as may be delegated by the Board of Directors.

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 Board of Directors shall appoint some other member of the Board to act on an interim basis. The Vice President shall also perform such 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 the Secretary. The Secretary shall be responsible for maintaining the Membership List for the Association.

4.5 **Treasurer.** The Treasurer shall have responsibility for the Association's funds and shall be responsible for keeping full and accurate records 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 and special charges and assessments made by the Association. The Treasurer shall count votes at meetings of the Association.

4.6 **Assistants.** The Board of Directors shall have the power to appoint any person to act as assistant to any officer, and such assistant so appointed by the Board of Directors shall have the power to perform all the duties of the office to which he is so appointed to be assistant, except as such power may be otherwise defined or restricted by the Board of Directors.

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

ARTICLE V

Indemnification

5.1 **Mandatory Indemnification.** The Association shall, to the fullest extent permitted or required by Sections 181.04 to 181.053, inclusive, of the Wisconsin Nonstock Corporation Law ("Statute"), including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Association to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or Officer is a Director or Officer of the Association. The Association may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors and Officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which Director or

Officer may be entitled under any written agreement, board resolution, vote of the Members, the Statute or otherwise. All capitalized terms used in this Article V and not otherwise defined herein shall have the meaning set forth in Section 181.041 of the Statute.

5.2 Permissive Supplementary Benefits. The Association may, but shall not be required to, supplement the foregoing right to indemnification against Liabilities and advancement of Expenses under Section 5.1 above by (a) the purchase of insurance on behalf of any one or more of such Directors or Officers whether or not the corporation would be obligated to indemnify or advance expenses to such Director or Officer under Section 1 of this Article, and (b) entering into individual or group indemnification agreements with any one or more of such Directors or Officers.

5.3 Private Foundation Limitations. Notwithstanding the foregoing, no indemnification will be permitted to the extent such indemnification would constitute an act of "self-dealing" or is otherwise subject to excise taxes under Chapter 42 of the United States Internal Revenue Code of 1986, or prohibited under Section 181.77 of the Wisconsin Statutes or any similar successor provisions thereto.

ARTICLE VI

Operation of The Oaks Plat 2 ("Subdivision")

6.1 The Association. The Association, acting through the Board of Directors, shall be responsible for administration, maintenance, management and operation of the Common Improvements identified in the Declarations, the Articles of Incorporation, and these By-Laws. The Association, by resolution of the Board of Directors, shall have full power and authority to borrow money on behalf of the Association, provided that any single Association loan or mortgage involving the a sum greater than ten percent (10%) of the current annual budget, shall first be approved by the membership at an annual or special meeting called for such purpose. The Association may, to the extent it deems advisable, contract for management services or a managing agent with respect to the administration and operation of the Association.

6.2 Rules and Regulations. The Association, through the Board of Directors, may from time to time adopt rules and regulations governing the operation, maintenance and use of the Common Areas of the Subdivision. Such rules and regulations of the Association shall not be inconsistent with the terms of the Declarations or the contracts, documents and easements referred to in the Declarations, and shall be designed to prevent unreasonable interference with the use of the respective common areas by persons entitled thereto. The Association members, their lessees or guests, and any occupants of a Lot 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 Declarations. 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 adopted, altered and amended or repealed by either the members of the Association or the Board of Directors, in each case by an affirmative vote of 67 percent or more of the votes present or represented at a meeting at which a quorum is in attendance, provided that no rule or regulation adopted by the members shall be amended or repealed by the Board of Directors if the rule or regulations so adopted so provides.

6.3 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 assessments payable by each Owner to meet the estimated common expenses of the Association for the ensuing year. The amounts required by such budget shall be assessed against the Lots and allocated among the members of the Association according to their respective percentages of ownership. The assessments shall be made on an annual basis and shall bear interest thirty (30) days after Notice of Assessment is mailed to an Owner at the prevailing prime rate of interest, determined as of the first day of each month by the bank handling the Association accounts, until paid in full. If delinquent for more than thirty (30) days, the Association may pursue foreclosure or collection action pursuant to Section 6.5 herein. In the event the annual budget and assessments are not determined prior to the beginning of a fiscal year of the Association, the assessment for the prior year shall remain in effect until revised by the Board of Directors.

6.4 Operating Budget. The annual operating budget shall provide for two funds, one of which shall be designated the "operating fund" and the other the "reserve fund". The operating fund shall be used for all common expenses which occur annually or more frequently, such as amounts required for the cost of maintenance and repair of the Common Areas (as defined in the Declarations), management services, insurance, common services and utilities, administration, materials and supplies. The reserve fund shall be used for contingencies and periodic expenses such as landscape replacement. In the event the Association incurs extraordinary expenditures not originally included in the annual budget, then such sums as may be required in addition to the operating fund may be charged against the reserve fund. In the event that both funds prove inadequate to meet the necessary common expenses, or at the discretion of the Board of Directors, the directors may levy further assessment(s) against the Owners.

The reserve fund may also be used to discharge mechanic's liens or other encumbrances levied against the common areas, if resulting from action by the Association. The Owner or Owners responsible for any lien which is paid by the Association but not the obligation of the Association shall be specially assessed for the full amount thereof. The directors may also use the reserve fund for the maintenance and repair of any Lot, if such maintenance and repair, although the obligation of the Owner, is

necessary to protect the Common Areas. The full amount of the cost of any such maintenance or repair shall be specially assessed to the Owner responsible therefor. Any charges against the reserve fund in accordance with the foregoing paragraphs which are not otherwise repaid to the fund shall be replenished by additional assessments against the Owners in subsequent years.

The annual budget shall be prepared and determined by December 1 of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common assessments payable on behalf of each Lot by the date of the annual membership meeting and shall furnish copies of the budget on which such common assessments are based to each member.

6.5 Default and Liens. All annual and special assessments, until paid, together with interest and actual costs of collection, constitute a lien for the benefit of the Association on the Lot on which they are assessed. 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 Board of Directors, in the name of the Association, may file liens therefor and bring suit for and on behalf of the Association, as representative of all members, to enforce collection of such delinquencies or to foreclose the lien therefor, as provided by law and Declarations, and there shall be added to the amount due the costs of collection and interest, together with actual and reasonable attorney fees. Liens shall be signed and verified on behalf of the Association by any officer of the Association. The owners of a Lot against which a lien has been filed shall not be entitled to vote at Association meetings until the lien has been paid in full.

ARTICLE VII

Repairs and Maintenance

7.1 General Lot Maintenance. Except as otherwise provided in Section 7.2 below, the Owner of any Lot shall have the duty of, and responsibility for, keeping its property, improvements, appurtenances and landscaping in a well-maintained, safe, clean and attractive condition at all times. Although the Owner may by contract require tenants or occupants to perform these duties, the Owner shall be responsible to the Association for duties arising under this Section. All grass, trees and shrubbery must be kept in good condition and appearance at all times. All grass must be cut whenever necessary and weeds must be controlled. Each Owner shall be responsible for removal of any rubbish or trash of any kind or character which may accumulate.

7.2 Common Areas. The Association shall be responsible for the management and control of the Common Areas and Common Improvements (as defined in Section 1.6 and 1.7 of the Declarations) and shall cause the same to be maintained, repaired and kept in good, clean and attractive condition, order and repair. Without in any way limiting the

foregoing, the Association shall be responsible, at Association expense (unless necessitated by the negligence or misuse of an Owner, in which case such expense shall be charged and specially assessed to such Owner), for accomplishment of all landscaping, grass cutting, weed control and general maintenance of the Common Areas.

ARTICLE VIII

Duties and Obligations of Owners

8.1 **Rules and Regulations.** Each Lot shall be occupied and used in accordance with the Declarations, the Articles of Incorporation, these By-Laws, and the rules and regulations adopted by the Association from time to time.

8.2 **Enforcement.** The rules and regulations contained in the Declarations and other rules and regulations adopted by the Association shall be enforced by such means as the Association deems necessary and appropriate, including recourse to civil authorities, court action if necessary, and monetary fines of up to \$50.00 per violation to be charged and assessed against the Owners who violate or whose guests violate such rules and regulations. Such fines shall be charged and assessed against a Lot and may be enforced and collected as an assessment for common expenses, including the foreclosure of a lien therefor, all pursuant to the provisions of the Declarations.

ARTICLE IX

General

9.1 **Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of January and the end of the last day of December in each year, unless a different fiscal year is elected on the first annual tax return filed by the Association.

9.2 **Address.** The mailing address of the Association shall be c/o Secretary, 525 Third Street, Suite 300, Beloit, WI 53511, until such time as control of the Association passes to the Owners pursuant to the terms of the Declarations, at which time a new mailing address may be designated by the Association.

9.3 **Seal.** The Association shall have no corporate seal.

ARTICLE X

Amendments

10.1 **By 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 purpose, by the affirmative vote of Owners having sixty-seven percent (67%) or more of the votes in the Association.

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

10.3 **Notice.** Notice of any amendment shall be filed with the City of Beloit within ten (10) days of the amendment.

ARTICLE XI

Miscellaneous

11.1 **Record of Ownership.** Every Owner shall promptly cause to be duly recorded or filed of record the deed, assignment or other conveyance of such Lot or other evidence of such Owner's title thereto, and shall present such evidence of title and file any lease with the Board of Directors, and the Secretary shall maintain all such information in the Membership List of the Association.

11.2 **Statement of Assessments.** The Board of Directors or Treasurer of the Association, at the request of any mortgagee or any prospective purchaser of any Lot or interest therein, shall provide a statement to such person as to the amount of any assessments against such Lot then due and unpaid, within ten (10) business days after such request is received.

11.3 **Subordination.** These By-Laws are subordinate and subject to all provisions of the Wisconsin Nonstock Corporation Law, and the Declarations and any amendments thereto, which shall control in case of any conflict.

11.4 **Definition of Terms.** All terms herein (except where specifically defined herein or clearly repugnant to the context) shall have the same meanings as in the Declarations or the Wisconsin Nonstock Corporation Law.

11.5 **Interpretation.** In case any provision of these By-Laws shall be held invalid, such invalidity shall no 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 Owners.

Approved this 30 day of January, 2020.



Diane M. Hendricks, Chairman



Lori Goff, Secretary