

**BYLAWS OF  
HARLAN HILLS  
HOME OWNERS ASSOCIATION, INC.**

Harlan Hills Home Owners Association, Inc., a nonstock, nonprofit corporation organized and existing under the laws of the State of Wisconsin (the "Association"), hereby adopts the following bylaws ("Bylaws"):

**ARTICLE I  
OFFICES**

1.1 Principal and Business Offices. The Association may have such principal and other business offices, within Dane County, State of Wisconsin, as the Association's board of directors (the "Board") may designate or as the business of the Association may require from time to time.

1.2 Registered Office. The Association shall maintain a registered agent in the State of Wisconsin whose address may be, but need not be, identical with the principal office of the Association. The identity and address of the registered agent of the Association may be changed from time to time by resolution of the Board and the filing of a statement with the State of Wisconsin pursuant to the relevant provisions of Chapter 181 of the Wisconsin Statutes ("Chapter 181").

**ARTICLE II  
PURPOSE**

2.1 Purpose. The purpose of the Association shall be to engage in any lawful activity within the purposes for which corporations may be organized under Chapter 181.

**ARTICLE III  
CERTAIN DEFINITIONS**

3.1 Declaration. The term "Declaration" shall mean the Declaration of Protective Covenants for Harlan Hills recorded May 5, 1999 and recorded as Document No. 3109074 as amended by Amendment to Declaration of Protective Covenants for Harlan Hills recorded October 25, 2001 as Document No. 3390729 and by an Affidavit of Correction recorded May 22, 2003 as Document No. 3719449. The Declaration, as amended from time to time, shall be deemed incorporated herein by reference.

3.2 Developer. The term "Developer" shall mean Harlan Hills LLC and its successors and assigns.

3.3 Lot. The term "Lot" shall mean a portion of the subdivision identified as a lot on the recorded plat of Harlan Hills, specifically excluding Outlots and specifically excluding Lot 32, Harlan Hills.

3.4 Owner. The term "Owner" shall mean any person or persons, including any business organization, having the power to convey fee simple title to a Lot. Owners shall include land contract vendees, but shall not include land contract vendors or persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

#### **ARTICLE IV MEMBERS**

4.1 Membership. Every Owner shall be deemed a member of the Association.

4.2 Voting Rights. The number of votes held by each member shall be as set forth in Section 6.02 of the Declaration. If a Lot is owned by two or more members (the "Owning Members"), then: (a) the vote or the votes to be exercised for such Lot shall be exercised as the Owning Members, among themselves, determine, but in no event shall more votes be cast with respect to any Lot than the number of votes assigned to such Lot under this Section; and (b) absent indication to the contrary, the Board and the officers of the Association may presume that an Owning Member who casts a vote appurtenant to the Owning Member's Lot has the authority to cast the vote on behalf of all of the Owning Members of that Lot.

4.3 General and Special Charges; Payment of Same. General and special charges to members of the Association under the Declaration shall be established by the Board and adjusted in its discretion. Such charges shall be established and collected in the manner provided for in the Declaration. Any member who is delinquent in making payment of any general or special charge will be subject to suspension of voting rights until such time as the delinquent charges are paid.

4.4 Suspension of Voting Rights. If a member violates any terms or conditions of the Declaration, the Board may, by the vote of two-thirds of the members of the Board, suspend such member's voting rights. The Board shall have the authority to establish policies and procedures relating to the suspension of memberships and the reinstatement of suspended memberships.

4.5 Transferability of Membership. Membership in the Association is appurtenant to and shall not be separated from ownership of any Lot that is subject to assessment.

4.6 Termination of Membership. Membership shall be terminated only upon (a) the death of a member or (b) conveyance by a member of fee simple title or a land contract purchaser's interest in any Lot that is subject to assessment.

4.7 Annual Meeting of Members. The annual meeting of the members shall be held on the fourth Saturday in August of each year, beginning in 2005. Such meeting shall be for the purpose of electing directors of the Association and for the transaction of such other business as may come before the meeting. Failure to hold an annual meeting at the designated time shall not cause a forfeiture or dissolution of the Association.

4.8 Special Meetings of Members. Special meetings of the members may be called by the President, the Board, or by members having one-tenth of the votes entitled to be cast at such meeting.

4.9 Notice of Members' Meetings. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be communicated or sent not less than ten nor more than 50 days before the date of the meeting, unless a different time is provided in Chapter 181, the Articles of Incorporation or these Bylaws. The notice shall be delivered either personally or by mail, by or at the direction of the President, the Secretary, or other officer or person calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association, with postage thereon prepaid. Notice may also be given by publishing a class 2 notice, under Chapter 985 of the Wisconsin Statutes, in any newspaper in general circulation in Dane County, Wisconsin.

4.10 Quorum. Members holding one-fifth of the votes entitled to be cast, present in person or represented by proxy, shall constitute a quorum at a meeting of members.

4.11 Manner of Acting. The act of a majority of the votes entitled to be cast by members present in person or represented by proxy at a meeting at which a quorum is present shall be the act of the members, unless a greater proportion is required by the Articles of Incorporation, Chapter 181 or these Bylaws.

4.12 Conduct of Meetings. The President or, in his or her absence, any member chosen by a majority of the members present, shall call each meeting of the members to order and shall act as the chairperson of such meeting. The chairperson may appoint any member to act as secretary of the meeting.

4.13 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation, these Bylaws, or any provision of law to be taken by the members at a meeting or by resolution may be taken without a meeting if a consent in writing setting forth the actions so taken is signed by all the members.

## **ARTICLE V BOARD OF DIRECTORS**

5.1 Number. The business and affairs of the Association shall be governed by a Board consisting of three persons. These Bylaws may be amended to enlarge or reduce the number of directors except that the number of directors shall not be reduced to less than three.

5.2 Tenure and Qualification. Each director shall hold office until the next annual meeting of the members and until his or her successor is elected, or until his or her prior death, resignation or removal. A director may be removed from office for cause by the members if, at a meeting of members called for that purpose, the number of votes cast to remove the director exceeds the number of votes cast not to remove him or her. A director may resign at any time by filing his or her written resignation with the Secretary of the Association.

5.3 Annual Meeting. The annual meeting of the Board shall be held without other notice than this bylaw immediately after the annual meeting of members. Such meeting shall be for the purpose of electing officers of the Association and to conduct such other business as may come before the meeting.

5.4 Regular Meetings. The Board may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

5.5 Special Meetings. Special meetings of the Board may be called by or at the request of the President, Vice President or any two directors. The President, Vice President or any two directors calling any special meeting of the Board may fix any place as the place for holding any special meeting of the Board, and if no other place is fixed the place of meeting shall be the principal business office of the Association in Dane County, Wisconsin.

5.6 Notice; Waiver. Notice of special meetings of the Board shall be given by telephone or by written notice delivered personally or by mail or telegram to each director at his or her business address or at such other address as such director shall have designated in a writing filed with the Secretary. Notice in the case of telephone, personal delivery or telegram shall be given not less than 48 hours prior to the time of the meeting. If mailed, such notice shall be delivered at least 96 hours prior to the meeting and shall be deemed to

be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any director of the Association under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at anytime, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

5.7 Quorum. Except as otherwise provided by law, by the Articles of Incorporation or these Bylaws, a majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board. A majority of directors present (though less than a quorum) may adjourn the meeting from time to time without further notice.

5.8 Manner of Acting. 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, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

5.9 Conduct of Meeting. The President, and in the President's absence, any director chosen by the directors present, shall call a meeting of the Board to order and shall act as the chairperson of such meeting. The chairperson may appoint any director or other person to act as secretary of the meeting.

5.10 Vacancies. Any vacancy occurring in the Board, including a vacancy created by an increase in the number of directors, shall be filled until the next succeeding annual election of directors by the affirmative vote of a majority of the directors in office, even though less than a quorum.

5.11 Presumption of Assent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

5.12 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board at

a meeting or by resolution may be taken without a meeting if a consent in writing setting forth the actions so taken, is signed by all the directors then in office.

5.13 Telephonic Meetings. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board at a meeting may be taken through the use of any means of communication by which (a) all participating directors can simultaneously hear each other during the meeting or (b) all communication during the meeting is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors.

## **ARTICLE VI OFFICERS**

6.1 Number and Qualifications. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer and such other officers as may be determined by the Board. Any two or more offices may be held by the same person, except for the offices of President and Secretary, or President and Vice President.

6.2 Election and Term of Office. The initial officers of the Association shall be elected by a majority vote of the directors contemporaneously with the adoption of these Bylaws or as soon thereafter as practicable. Successor officers shall be elected by a majority vote of the directors at each annual meeting of the Board. Officers shall hold office until their successors are duly elected and qualified. An officer may serve consecutive terms in the same office.

6.3 Resignation or Removal. Any officer may resign at any time by filing a written resignation with the Secretary of the Association. Officers may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

6.4 Vacancies. A vacancy in any office, by resignation or for any other reason, shall be filled by the Board for the unexpired portion of the term.

6.5 President. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Association. He or she shall have authority, subject to such rules as may be prescribed by the Board, to appoint such agents and employees of the Corporation as he or she deems necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the Association, all deeds, mortgages, bonds, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the

course of the Association's regular business, or which is authorized by the Board; and, except as otherwise provided by law or the Board, he or she may authorize the Vice President or any other officer or agent of the Association to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general, the President shall perform all duties incidental to the office of chief executive officer and such other duties as may be prescribed from time to time by the Board.

6.6 Vice President. In the absence of the President or in the event of his or her death, inability to act or refusal to act, or in the event for any reason it is impracticable for him or her to act personally, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board. The execution of any document or instrument of the Association by the Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

6.7 Secretary. The Secretary shall: (a) keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the Association's corporate records; (d) keep or arrange for the keeping of a register of the post office address of each member (which address shall be furnished to the Secretary by such member); and (e) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him or her by the President or by the Board.

6.8 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as may be selected by the Association; and (c) in general, perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him or her by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine.

6.9 Assistants and Acting Officers. The Board shall have the power to appoint any person to act as assistant to any officer, or as agent for the Association in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board shall have the power to perform all the duties of the office to which

he or she is so appointed to be assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board.

6.10 Salaries. No salaries shall be paid to any of the Association's officers or directors.

## **ARTICLE VII INDEMNIFICATION**

7.1 Definitions. As used in this Article VII, the term "Statute" means Sections 181.0871 through 181.0889 of Chapter 181, as amended from time to time, and all successor provisions. All other capitalized terms used in this Article VII shall have the meanings set forth in Section 181.0871 of the Statute.

7.2 Indemnification. The Corporation shall, to the extent required by the Statute, indemnify each person who is or was a Director and Officer against any and all Liabilities, and advance any and all reasonable Expenses as incurred by such person, arising out of or in connection with any proceeding to which such person is a Party because such person is or was a Director or Officer. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses to which such person may be entitled under any written agreement, Board resolution, the Statute or otherwise.

## **ARTICLE VIII CONTRACTS AND FINANCIAL MATTERS**

8.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Association, and such authorization may be general or confined to specific instances. No contract or other transaction between the Association and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors or officers are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies the contract or transaction, if: (a) the fact of such relationship or interest is disclosed or known to the Board which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (b) the fact of such relationship or interest is disclosed or known to the members, which authorize, approve or ratify such contract or transaction; or (c) the contract or transaction is fair and reasonable to the Association. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board which



authorizes, approves or ratifies such contract or transactions, but such interested directors shall abstain from any vote to authorize, approve or ratify such contract or transaction.

8.2 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Association and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board. Such authorization may be general or confined to specific instances.

8.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by any officer of the Association or an agent of the Association duly appointed for the purpose, or by such greater number of officers and agents as the Board may from time to time require.

8.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board.

8.5 Budget. The Board shall cause to be prepared for the Board's approval, prior to the start of each fiscal year of the Association, an annual budget for the Association.

## **ARTICLE IX CORPORATE SEAL**

The Association shall not have a corporate seal.

## **ARTICLE X AMENDMENTS**

10.1 By Members. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the members if such amendment or other change in the Bylaws is adopted by affirmative vote of not less than three-fourths of the votes of all members present or represented at an annual or special meeting of the members at which a quorum is in attendance.

10.2 By Directors. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board if such amendment or other change in the Bylaws is adopted by affirmative vote of a majority of the number of directors present at or participating in any meeting at which a quorum is in attendance. Notwithstanding the foregoing, no Bylaw adopted by the members shall be amended or repealed by the Board unless such authority is conferred by the members on the Board.

**ARTICLE XI  
CONSTRUCTION**

Should any provision of these Bylaws conflict with any provision of the Declaration, the Declaration, to the extent consistent with Chapter 181, shall prevail.