

**SANDHILL HOMES CONDOMINIUM
ASSOCIATION, INC.**

BY-LAWS

This document includes changes approved by the SHCA membership on August 24, 2009, at the SHCA Annual Meeting on October 13, 2010, at the SHCA Annual Meeting on November 20, 2013, at the SHCA Annual Meeting on November 16, 2017 and at the SHCA Annual Meeting on November 15, 2018

Prepared November, 2018

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**BY-LAWS
OF
SANDHILL HOMES CONDOMINIUM
ASSOCIATION, INC.**

**ARTICLE I
STATEMENT OF PURPOSE**

The provisions of this instrument are adopted as the By-Laws of Sandhill Homes Condominium Association, Inc. (hereinafter "Association") which is formed and organized to serve as an association of Unit Owners who own real estate and improvements (hereinafter "Property") under the condominium form of use and ownership, as provided for in the Condominium Ownership Act (hereinafter "Act") in Chapter 703, Wisconsin Statutes (1999-2000), or as amended, and are subject to the terms and conditions of the Declaration for Sandhill Homes, A Condominium (hereinafter "Declaration").

**ARTICLE II
OFFICE/MEMBERSHIP**

2.01 Office. The registered office of the Association shall initially be 2923 Marketplace Dr #204, Madison, Wisconsin 53719; provided, however, that the same may be changed from time to time by the Board of Directors.

2.02 Membership. The Association shall be incorporated pursuant to Chapter 181, Wisconsin Statutes (1999-2000), or as amended. All owners of units (hereinafter "Unit Owners") in Sandhill Homes shall automatically become members (hereinafter "Members") of the Association.

**ARTICLE III
MEMBER MEETING AND VOTING**

3.01 Annual Meeting. The annual meeting of the Association shall be held at such time and place to be determined by the Board of Directors for the purpose of electing directors, approving the annual budget, and transacting any other business authorized to be transacted by the Members.

3.02 Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the Members as may be designated by the Board of Directors.

3.03 Notices. Written notice of all meetings specifying the time, day, place, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Officer authorized by the Board of Directors and shall be mailed to each Member at his/her address as it appears on the Association's roster, or given in person at least ten (10) days prior to the date of the meeting. Notice shall be deemed given upon such mailing. If notice is given as herein provided, the failure of any Member to receive actual notice shall not invalidate the meeting or any action taken at such meeting. Notice of meetings may be waived by any Member before or after said meeting. The presence of any Member in person or by proxy shall be deemed a waiver of notice as to such Member unless he/she objects at the opening of the meeting. Upon written request to the secretary, the holder of any record security interest in any Unit may obtain a copy of any notice permitted or required to be given from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record. Notice shall be given to all holders of recorded security interests of proposed amendments to the Declaration.

3.04 Quorum. Except as otherwise provided in the Articles of Incorporation, the By-Laws, or applicable law, the presence in person or by proxy of Members holding at least fifty-one percent (51 %) of the votes (hereinafter "Majority of Members") shall constitute a quorum.

3.05 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of each meeting and shall not be valid for more than one hundred eighty (180) days.

3.06 Adjourned Meetings. Any meeting of the Members may be adjourned from time to time and to such place and time as may be determined by a majority vote of the Units represented, whether or not a quorum is present. No further announcement of the time or place of the adjourned meeting shall be required.

3.07 Membership. Every Unit Owner shall be entitled and required to be a Member of the Association. If title to a Unit is held by more than one person, each of such persons shall be a Member. A Unit Owner of more than one Unit shall be entitled to one membership for each Unit owned by him/her. Each such membership shall be appurtenant to the Unit upon which it is based, and shall be transferred automatically by conveyance of that Unit. No person or entity other than a Unit Owner may be a Member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to a Unit; provided, however that the rights of voting may be assigned to a Mortgagee as further security for a loan secured by a lien on a Unit.

3.08 Voting Rights. The Association shall have one (1) class of voting membership. A Unit Owner against whom the Association has recorded a Statement of Condominium Lien on the person's Unit who has not paid the amount necessary to release the lien at the time of a meeting shall not be permitted to vote at any meeting of the Association during the period of such time such amount remains unpaid. Voting is on the basis of Unit Votes. Each Unit is entitled to cast one (1) indivisible vote without regard to the number of persons who have an ownership interest in the Unit. The vote for each Unit may be cast as agreed by the persons who have an ownership interest in the Unit and if only one such person is present it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event they

cannot agree on the manner in which the vote is to be cast no vote may be accepted from that Unit. Any personal representative, executor, or administrator of the estate of any member or guardian or trustee for any member may exercise such member's voting rights. Such person shall file an affidavit or other proof of his status with the secretary.

3.09 Supplement. The provisions of this Article are to be supplemented by the Articles of Incorporation and the By-Laws of the Association, provided, however, that no such supplement shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

3.10 Unanimous Consent. Any action required or permitted by the Articles of Incorporation or these By-Laws or any provision of law to be taken at a meeting of the Association may be taken without a meeting by consent in writing setting forth the actions undertaken if signed by all of the Members entitled to vote with respect to the subject matter thereof.

3.11 Transfer of Membership. Each membership shall be appurtenant to a Unit upon which it is based and shall be transferred automatically upon conveyance of that Unit. For purposes of this provision, "conveyance" shall include a transfer by a land contract or similar manner that separates the legal and equitable interests in a Unit.

3.12 Association Roster. The secretary shall maintain a roster of the names and addresses of all Members and of all holders of recorded security interests in Units. Members are responsible for providing to the secretary such information as is necessary to keep this roster current. A Member shall not be entitled to vote unless and until his/her roster information is provided to the secretary. To facilitate maintaining current rosters, the Association may issue certificates of membership in the Association, which certificates may be reissued upon the reconveyance of any Unit.

3.13 Number of Directors and Qualifications. The Board of Directors shall consist of not less than three (3) persons. Each Member of the Board of Directors shall be a Member of the Association and, in the event that such Member of the Association is not a natural person, the appointee of such Member of the Association. Only one Member of any given Sandhill Unit is allowed to serve on the Board of Directors at any given time.

3.14 Election and Term of Directors. The Board of Directors shall consist of not less than three (3) persons. Those candidates receiving the greatest number of votes from among the candidates nominated shall be elected, notwithstanding the fact that said candidates may not have received a majority of the votes cast. Each Unit shall have one (1) vote to cast for each director to be elected, although such votes may not be cast cumulatively. At the 2017 annual meeting the by-laws were amended to change the Board Member terms to three years in lieu of the current two years starting in 2019. In order to make this happen, we will also change the 2018 election for one Board Member to be elected for a term of two years, and in the 2019 election for one of the two Board Members to be elected for a term of three years, while the other will again be two years. This is intended to establish a pattern of one election for Board Member per year for a three-year term for each of the three Board Members from 2020 continuing on.

ARTICLE IV BOARD OF DIRECTORS

4.01 General Powers. The business and affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) persons, all of whom must be Unit Owners. General powers shall be as specified in sections 181.04 and 703.15, Wisconsin Statutes (1999-2000), or as amended.

4.02 Specific Powers and Duties. All of the powers and duties of the Association as specified in the Act, the Declaration, the Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to the approval by the Members when such is specifically required and shall include, but shall not be limited to, the following:

(1) Adopt a budget for revenues, expenditures, and reserves and levy and collect assessments for Common expenses from Unit Owners, subject to approval of a majority of the votes of the membership at the annual meeting or a special meeting called for such purpose. The Board of Directors by two-thirds (2/3) vote has the right to reallocate expenditures in said budget in the case of emergency or unforeseen circumstances.

(2) Employ and dismiss employees and agents.

(3) Sue on behalf of all Unit Owners.

(4) Maintain, repair, replace, and operate the Property.

(5) Construct improvements after a casualty and improve the Property further.

(6) Make and amend reasonable rules and regulations respecting the use of the Property with the approval of no less than 66% of the Members of the Association.

(7) Contract for the management of the Property and delegate to such manager all powers and duties of the Association, except those which are specifically required to have the approval of the Board of Directors or of the Members. Such contract shall not exceed the maximum permissive period or failure to have such termination provisions as may be required by "Freddie Mac" or other such government or quasi-governmental guidelines or regulations.

(8) Pay taxes and assessments that may be levied against any of the Common Elements, other than the Units and their appurtenances, and assess such charges against Members.

(9) Purchase such insurance for the protection of Unit Owners and the Association as required by the Declaration.

(10) Authorize additional improvements to be made as part of the Common Elements.

(11) Borrow such monies as are necessary to operate the Association and to fulfill its obligations hereunder.

(12) Acquire, hold, encumber and convey any right, title or interest in or to real or personal property.

(13) Receive any income derived from payments, fees, or charges for the use, rental, or operation of the Common Elements.

(14) Grant or withhold approval of any action by a Unit Owner or other person which action would change the exterior appearance of the Unit or of any other portion of the Property.

(15) Comply with all requests by individual Unit first Mortgagees with regard to defaults by any Unit Owner of any provision of the Condominium documents, make available upon request during normal business hours to Unit Owners and to all holders of security interests in the Units current copies of the Condominium documents and other books, records, and financial statements of the Association, and provide annual reports to first Mortgagees upon request.

(16) Determine whether to establish and maintain qualification as a "condominium management association" under Section 528, Internal Revenue Code, as amended.

(17) Grant utility easements under, through, or over the Limited Common Element and Common Elements, which are reasonably necessary to the ongoing development and operation of the Condominium. The Association shall be responsible for any damage resulting from such easements.

(18) Exercise any other power and perform any other duty conferred by the Condominium instruments or By-Laws.

4.03 Tenure and Qualifications. Each Director shall hold office and until his/her successor shall have been elected, or until his/her prior death, resignation, or removal. A Director may be removed for cause by the affirmative vote of a majority of Members at any annual or special meeting. The notice of any such meeting shall include notice of the proposed removal.

4.04 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than by this provision and shall be held immediately after the annual meeting of Members and each adjourned session thereof. The place of such regular meetings shall be the same as the place of the meeting of Members or such other suitable place as may be announced at such meeting of Members. The Board of Directors may provide, by resolution, the time, date and place for the holding of additional regular meetings without other notice than by such resolution. All such meetings shall be open to the membership.

4.05 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or of any two (2) Directors upon three (3) days notice to each Director. The notice may be given by mail, telephone, or telegraph, or may be given personally, and shall state the time, date, and place, and the purpose of the meeting. Notice of any meeting

may be waived before or after said meeting. Attendance by a Director at any meeting shall constitute waiver of notice by him/her of such meeting. All such meetings shall be open to the membership.

4.06 Vacancies. Vacancies caused by any reason shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the Association's next scheduled meeting.

4.07 Quorum. Except as otherwise provided in the Articles of Incorporation, the By-laws or applicable law, the presence in person or by proxy of Directors holding at least fifty-one percent (51%) of the votes (hereinafter "Majority of the Board of Directors") shall constitute a quorum.

4.08 Compensation. The Board of Directors shall receive no compensation for services to the Association as such Directors or Officers.

4.09 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation or these By-Laws or any provisions of law to be taken at a meeting of the Board of Directors may be taken without a meeting by consent in writing, setting forth the actions undertaken, if signed by all of the directors entitled to vote with respect to the subject matter thereof.

4.10 Fidelity Insurance. The Board of Directors shall obtain fidelity insurance as specified in Section 11.03 of the Declaration.

ARTICLE V CORPORATE OFFICERS

5.01 Principal Officers. The principal Officers of the Association shall be the president, vice-president, secretary and treasurer, all of whom shall be elected by and from the Board of Directors. The vice-president position is only filled if the Board consists of more than three (3) members. The Board of Directors may appoint an assistant treasurer and assistant secretary and such other officers as in their judgment may be necessary. The same appointee may serve as secretary-treasurer.

5.02 Election and Term. The Officers of the Association shall be elected by the Board of Directors at their regular annual meeting and shall hold office at the pleasure of the Board. Each Officer shall hold office until his/her prior death, resignation, or removal.

5.03 Removal. Any Officer may be removed by the affirmative vote of a Majority of the Board of Directors, either with or without case.

5.04 Vacancies. Any vacancy in a principal office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

5.05 President. The president shall be the chief executive officer of the Association. He/she shall preside at all meetings of the Association and of the Board of Directors. He/she shall have all of the general powers and duties that are usually vested in the office of president of an Association, including but not limited to, power to appoint committees from among Members from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of Association affairs.

5.06 Vice-President. The vice-president shall take the place of the president and perform his/her duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis.

5.07 Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association and shall count votes at all meetings of the Association. He/she shall have charge of all books and records and shall, in general, perform all of the duties incident to the office of secretary.

5.08 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. He/she shall be responsible for the deposit of all monies and other 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.

5.09 Compensation. The Principal Officers shall serve without compensation, but may be reimbursed for reasonable and necessary out-of-pocket expenses.

ARTICLE VI OPERATIONAL BUDGET

6.01 Budget Preparation. The Directors shall have an annual operating budget prepared in order to determine the amount of the monthly Condominium Assessment (Dues) to be paid by each Unit Owner so as to maintain the Common Elements and pay the operating expenses incurred by the Association. The budget shall include all expenses, and an adequate reserve fund for maintenance, repairs, and replacement of those Limited Common Elements and Common Elements that must be maintained, repaired or replaced on a periodic basis for which a fee (Dues) shall be payable in advance monthly installments from each Unit Owner to the Association rather than by special assessments. Said budget shall be approved pursuant to Section 4.02(1) hereof.

6.02 Non-Payment. Monthly installments shall be deemed delinquent if not paid on or before the fifth (5th) day of the month. Any delinquent assessment, or installment thereof, shall bear interest, at the option of the Directors, from the date when due until paid at the rate of

twelve percent (12%) per annum; subject however, to any applicable legal or usury limits. In the event any Member is in default of any assessment or installment thereof, the directors may declare such Member ineligible to vote in any matter of the Association. Further recourse in the event of non-payment shall be as specified in the Declaration and in Section 703.16, Wisconsin Statutes (1999-2000), or as amended.

ARTICLE VII AMENDMENTS TO BY-LAWS

The By-Laws may be amended by the affirmative vote of Members having seventy-five percent (75%) or more of the votes of all Unit Owners.

ARTICLE VIII LIABILITY OF DIRECTORS AND OFFICERS

8.01 Exculpation. No Director or Officer of the Association, in his/her capacity as Director or Officer rather than as a Unit Owner, shall be liable for acts or defaults of any other Director, Officer, or Unit Owner or for any loss sustained by the Association or any Member, unless the same has resulted from his/her own willful misconduct or gross negligence. Nothing contained in this provision shall exempt such Director or Officer from the liabilities and obligations of Unit Owners as provided by these By-laws.

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

ARTICLE IX GENERAL & ADMINISTRATIVE PROVISIONS

9.01 Administrative Rules and Regulations. Subject to the Condominium Declaration for Sandhill Homes, as recorded in the office of the Register of Deeds for Dane County, Wisconsin, the Association may from time to time adopt Rules and Regulations governing the operation, maintenance, and use of the Units and of the Common Elements as provided for herein.

9.02 Nature of By-laws. These By-Laws shall be covenants running with the land and shall be binding upon the Unit Owners and their successors in interest.

9.03 Arbitration. Any dispute between the Association and a Member shall be submitted to and resolved by arbitration which shall be binding upon all Members. The Members shall by a majority vote select two (2) non-Members as representatives. The two (2) non-Members shall then select the third non-Member. The dispute shall be resolved by the simple majority of the arbitration panel. The decision of the arbitration panel shall be treated as if it were a unanimous decision of all Members.

9.04 Conflict. These By-Laws are subordinate to and subject to all provisions of the Declaration and any amendments thereto, to the Act, to Chapter 181, Wisconsin Statutes (1997-98), or as amended, or to any other applicable local ordinance, statute, and regulation. All terms, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or Act.