

## **BY-LAWS OF WALNUT GROVE HOMES ASSOCIATION, INCORPORATED.**

(hereinafter the Association)

(as revised, December 1979, December 2005 and January 2012)

### ARTICLE I MEMBERSHIP

Every owner of a single family or duplex lot (whether used for a duplex or condominium unit) in the Walnut Grove subdivision or in the Foxboro, Westfield, Oxwood, Harwood, Farmington, Park, South Park or Westfield Addition to Walnut Grove, in the City of Madison, Dane County, Wisconsin, shall be a member of the corporation. Each owner shall be entitled to one vote for each lot owned and where there is more than one owner or a co-owner, the person whose name first appears as grantee shall be entitled to the right to vote. Those people only owning a security interest in the property shall not be members and shall have no right to vote but a land contract vendee, in good standing, shall have the voting rights rather than the vendor of the land contract. Notwithstanding the above, each owner of a condominium unit shall get one vote regardless of the number of lots involved.

### ARTICLE II DIRECTORS

The affairs of the Association shall be managed by the directors of the Association who shall be nine in number and may be increased by a majority vote of the directors at any regular or special meeting called for that purpose. The directors shall serve for staggered two-year terms such that five directors are elected in each even numbered year and four directors are elected in each odd numbered year, e.g., five directors elected in 1982, and four directors elected in 1983. For the first year in which the staggered term procedure is

being implemented, calendar 1980, the procedure to be followed shall be:

Nine persons will be elected at the Annual meeting of the homeowners to be held in January of 1980 to serve as directors of the Association. Five of those persons will serve for a two-year term and four of those persons will serve for a one-year term. The term to be served by the persons so elected shall be determined in the manner described as follows. At the first meeting of the directors following the January Annual meeting of the Association, the directors will select a president, vice-president, secretary, and treasurer. In addition, the directors will select a person from among them to serve as head of the Architectural Control Committee. The five directors who are selected to serve as president, vice-president, secretary, treasurer, and head of the Architectural Control Committee shall be the directors who shall serve initially for a two-year term. The other directors shall serve for a one-year term. In January of 1981 there will be an election at the Annual meeting of the Association at which four persons will be selected to serve as directors of the Association for a two-year term.

Except for the initial period described above, directors shall generally serve for a two-year term commencing in January of a year. However, they may continue to serve beyond the two-year period until new-directors are elected. A director may resign at any time by submitting a written letter of resignation to the president or vice-president of the Association.

Commencing with each election of directors after the election to be held in January of 1980, the procedure for the election of directors will be as follows:

1. In November or December of the year prior to the election, the then current directors will announce in either the Association newsletter or in some other notice distributed to the homeowners, the date of the next annual meeting and the number of directors to be elected at that meeting. The notice will indicate that a person desiring to serve as a director can notify the board of directors of such desire. The notification to the directors shall be in writing.

2. In the official notice of the Annual meeting which shall be mailed to the homeowners, the then current board of directors shall include the names and addresses of all persons who notified it in writing of their desire to serve on the board of directors. At the discretion of the board of directors, additional materials regarding the qualifications or platform of each of the persons desiring to serve on the board of directors may be included in the material distributed to the homeowners along with the notice. The amount of information so distributed shall be left to the sole discretion of the majority of the board of directors. However, all persons interested in serving on the board of directors who so notified the then current board of directors in writing shall be treated equally with regard to the distribution of materials.

3. At the Annual meeting of the homeowners held in January, nominations for participation on the board of directors may be taken from the floor at that meeting. Any person so nominated who has not previously notified the board of directors in writing of their willingness to serve on the board of directors must either be present at the January Annual meeting or, prior to the Annual meeting, must notify the board of directors in writing of their, willingness to serve.

### ARTICLE III MEETINGS

An annual meeting of the members shall be held in January of each year (referred to herein as the Annual meeting) at a date set by the board of directors and the meeting shall be held in Dane County, Wisconsin. Special meetings may be called at any time by the board of directors which meetings shall also be held in Dane County.

#### ARTICLE IV NOTICE

Written notice stating the place, day and hour of a meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, which notices shall be delivered not less than three nor more than thirty days before the date of the meeting, delivered either personally or by mail to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his last known address as appears on the records of the corporation with postage thereon prepaid. In lieu of such notice, notice may be given by publishing the same each week for two consecutive weeks in a newspaper published in Madison, Wisconsin,

#### ARTICLE V VOTING

A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its' execution unless otherwise specifically provided in the proxy.

#### ARTICLE VI QUORUM OF MEMBERS

Members holding one-tenth of the votes entitled to be cast, present in person or represented by proxy shall constitute a quorum at a meeting of the members. A majority of the votes entitled to be cast by the members present in person or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members.

#### ARTICLE VII CORPORATE RECORDS OF MEMBERS

For the purpose of giving notice to the members, the owner of record as of January 1 of the year of the meeting shall be considered to be the member unless the corporation has received written notice of a change of ownership at least fifteen days prior to the date of sending out the notice of annual or special meetings. Such record of membership shall be continued in the case of any adjournment of an initial meeting.

#### ARTICLE VIII MEETINGS OF BOARD OF DIRECTORS

Unless otherwise decided by a majority vote of the directors, the board of directors shall meet at least once each month. Notice of any regular monthly meeting or non-emergency special meeting shall be given orally or in writing to each director at his home at least three days prior to such meeting. Notice of a special meeting of the board of directors may be called on one hour's notice to the directors if it is deemed to be an "emergency meeting" as determined in the sole discretion of at least

two of the Association officers The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened.

Business may be transacted at any meeting as long as a majority of the directors are present either in person or by proxy. No resolution may be passed or adopted unless it receives the affirmative vote of a majority of the directors (not merely a majority of the directors present at the meeting) If a member of the board of directors cannot personally attend a meeting of the board of directors, they may give their proxy to another member of the board of directors who shall vote for the member of the board of directors who is unable to attend. The proxy may be general in nature or may be specifically limited to certain matters. A proxy shall only be valid for the one meeting described in the proxy.

If a member of the board of directors misses over one half of the regular monthly meetings of the board of directors in a 12 month period or misses three consecutive monthly meetings of the board of directors, then, at the sole discretion of the majority of the board of directors (determined without regard to the member of the board who missed such meetings) that member of the board of directors may be removed by the directors and the vacancy filled by the appointment of another person who will serve out the remaining term of the director so removed.

The board of directors may by resolution, adopted by a majority thereof, designate one or more committees, each committee to consist of at least one director and as many other members of., the association as the board of directors provides for in such resolution. The directors may act by consent as provided in Section 181.72 of the Wisconsin Statutes.

## ARTICLE IX OFFICERS

The officers of the association shall consist of a president, one or more vice presidents, a secretary, a treasurer, and such other officers and assistant officers as the board of directors may deem necessary. All officers shall be elected or appointed annually by the board of directors from among the members of such board of directors. The election or appointment shall be for a one-year term and shall be made at the first regular meeting of the board-of directors immediately following the Association's Annual meeting. Officers will continue to serve until the new officers are elected even though they were not re-elected to the board of directors at the last Annual meeting of the Association. Any two or more offices may be held by the same person, except the offices of president and secretary and the offices of president and vice president.

Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment, the best interest of the Association shall be served thereby, but

such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

All directors and officers of the Association shall be members of the Association. Officers of corporations owning title to any lot in Walnut Grove or its further subdivisions shall be entitled to be officers and directors of this Association. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all business and affairs of the corporation. He shall, when present, preside at all meetings.

The officers shall have such duties and functions as are generally held or performed by such officers of business corporations, and such additional duties and functions as may be established by the board of directors. Additional officers and assistant officers shall have charge of and shall perform such duties as may be authorized by the board of directors and assigned to them by the president. The board of directors shall have the absolute right to establish rules and regulations with, respect to use of the property owned by the Association including hours of the day that they may be used, numbers of people and any other matters. It shall also make decisions with respect to maintenance, improvements and the hiring and firing of any employees.

#### ARTICLE X CHARGES AND SPECIAL ASSESSMENTS

Each single family and duplex lot owner shall be subject to a general annual charge or assessment not to exceed Seventy-five (\$75.00) Dollars per lot as determined solely by the board of directors of the corporation for the purpose of deferring the cost of improving, maintaining and administering the open space, landscaped circles, walkways, lighting and recreational facilities, and other activities of the Association. The maximum charge may not be increased without a fifty (50%) per cent vote of the membership entitled to vote at any Annual meeting or special meeting called for the purpose of increasing such annual maximum charge.

A reasonable allowance for contingencies and expenses of enforcing the recorded declaration of conditions, covenants, restrictions and easements affecting Walnut Grove or any subsequent additions may be included in such budget. The owners of record on January 1 of any year shall be charged for the anticipated costs during that year. The annual charge to each lot owner shall be paid on or before the date set by the directors. If not paid on or before such date such charge shall bear interest at the highest rate permitted by law from or after such date until paid in full. In the event the assessment is not paid in a timely manner, together with the delinquent interest, the

board of directors shall take such collection action as they deem appropriate, including the filing of liens or the securing of a judgment.

- Dues payments received more than 15 days past the due date will incur a \$10 late fee.
- After the 15 day grace period, unpaid dues will incur an additional 20% per annum delinquency charge on the entire amount owed.
- Continued delinquent accounts will result in a lien being placed on the property. In addition to the unpaid past due amounts plus accrued delinquency charges, the homeowner will be charged a \$50 lien processing fee, plus the applicable City of Madison filing fees, and all applicable attorney fees incurred by Walnut Grove Homes Association. The homeowner will also be charged any applicable City of Madison fees associated with the removal of the lien after full payment of all amounts owed is received.
- Any accounts delinquent as of 1 January, 2012 will be subject to the terms of this amendment for the outstanding unpaid balance as of this date.

Special assessments may be made by the directors against any lot to cover all or any portion of the expenses incident to the enforcement of the recorded declaration of conditions, covenants, restrictions and easements, concerning said lot, including in the case of vacant unimproved or unkept lot, its maintenance and the removal of grass, weeds or any other unsightly or undesirable objects therefrom.

The Association shall have the absolute right to enter upon any unimproved lot for the purpose of enforcing the terms and conditions of the preceding paragraph.

Unexpended funds may be held and used by the Association to meet its future costs and needs.

Upon dissolution of the Association all funds shall be returned to the persons who are then members of the Association.

#### ARTICLE XI ARCHITECTURAL CONTROL COMMITTEE

The board of directors shall establish an Architectural Control Pool (hereinafter referred to as the Pool) which shall consist of a chairman, who shall be a member of the board of directors of the Association, as well as six other persons to be selected by the board of directors. Persons in the Pool shall, from time to time, serve as members of the Architectural Control Committee (hereinafter referred to as the Committee). The Committee shall be charged with the responsibilities set forth in the covenants running with the land covering lots located in the Walnut Grove Subdivision and the Additions thereto.

Upon the Committee's receipt of a request, two persons in the Pool shall be selected by the use of random numbers to serve with the chairman of the Pool as the three member Architectural Control Committee. If for any reason the chairman of the Committee deems himself or herself to have a conflict of interest or believes that he or she cannot act within the 15 day period following the submission of the request, he or she may select another person from the Pool to serve on and as chairman of the Committee in his absence. The selection of a replacement for the chairman of the Committee need not be made by use of the random number system.

The Architectural Control Committee shall consist of three persons. A majority of the Committee shall be needed to approve or disapprove any plans submitted to it.

#### ARTICLE XII AMENDMENT

These by-laws may be amended by two-thirds vote of the directors then in existence as provided for above, except that amendments that affect the relationship between the Association and the City of Madison relative to the use of the property owned by the Association shall be subject to approval by the Common Council of the City of Madison.

#### ARTICLE XII DEPOSITS

All funds of the Association shall be deposited in the First Wisconsin National Bank of West Towne and withdrawals may be made on the signatures of the Treasurer and one other officer.

Notwithstanding the above, funds may be deposited at any bank or lending institution as shall be determined by the board of directors and may be withdrawn on the signature of any other persons as shall be designated by the board of directors.

#### ARTICLE XIV SALARIES

No salaries shall be paid to any officer of the Association.

#### ARTICLE XV RULES AND REGULATIONS

The board of directors shall from time to time promulgate rules and regulations covering the use and activities of the common areas and shall furnish any member with a copy of such rules.