

**Bylaws of Valhalla Valley Home Owners Association, Inc. October 1, 2013**

**ARTICLE I  
NAME AND ADDRESS**

**1.01 Name;** The name of Corporation shall be Valhalla Valley Home Owners Association, Inc. (the "Association"). The Association is incorporated as a nonprofit corporation under Chapter 181, Wisconsin Statutes.

**1.02 Purpose.** The general purpose of the by-laws is to help assure that the Subdivision will become and remain an attractive community; to preserve and maintain the natural beauty of the Subdivision; to insure the most appropriate development and improvement of each Lot; to guard against the erection thereon of poorly designed or proportioned structures; to obtain harmonious improvements and use of material and color schemes; to insure the highest and best residential development of the Subdivision; and to encourage and secure the construction of attractive residential structures thereon.

**1.03 Address.** The business office of the Association shall be located at the residence of the treasurer of the Association. This address shall also be the mailing address of the Association.

**1.04 Binding Effect.** These bylaws (the "Bylaws") shall be binding upon the Owners, their heirs, successors, and assigns, and shall govern the use, occupancy, operation, and administration of the Subdivision.

**1.05 Capitalized Terms.** Capitalized terms not defined in these Bylaws shall have the definitions given to such terms in the Declaration of Protective Covenants dated January 4, 1989, executed by Welton Enterprises, Inc. (the "Developer") and recorded with the Dane County Register of Deeds on January 4, 1989, as Document Number 2121722 in Volume 12373 of Records, Pages 1 through 24, as corrected by a correction affidavit recorded January 9, 1989 as Document Number 2122503 in Volume 12392 of Records, Page 69 (the "Declaration").

**ARTICLE II  
MEMBERSHIP**

**2.01 Membership.** The membership of the Association shall be as set forth in Section 6.01 of the Declaration.

**2.02 Commencement and Termination.** Membership shall immediately commence upon acquisition of an ownership interest in a lot and shall immediately terminate upon conveyance of such ownership interest. If an Owner's ownership interest passes to its personal representative or to a trustee upon the Owner's death, such personal representative or trustee shall be a member of the Association.

**2.03 Withdrawal or Expulsion.** No Owner may voluntarily withdraw or be expelled from membership in the Association.

**2.04 Membership Certificates.** Membership certificates shall not be issued.

**2.05 Membership List and Voter Designation.** The Association shall maintain a current membership list showing the membership pertaining to each Lot, the address to which notice of meetings of the Association shall be sent, and, in the case of multiple owners of a Lot, the person or persons designated to cast the votes pertaining to such Lot. Only the person so

designated shall be entitled to cast votes in person or by proxy. A voting designation may be limited in time or may be changed by notice in writing to the secretary of the Association signed by the persons having a majority ownership interest in the Lot.

**2.06 Transfer of Membership.** Each membership shall be appurtenant to the lot upon which it is based and shall be transferred automatically upon conveyance 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, including the name and address of the new Owner, identification of Lot, date of transfer, and the name of the person or persons designated to vote, and the Association shall make appropriate changes to the membership list described in Section 2.05 effective as of the date of transfer. No Lot Owner may vote at meetings of the Association until the forgoing information is provided.

**2.07 Effect of Maintenance Lien.** No Lot Owner may vote on any matter submitted to a vote of the Lot Owners if the Association has recorded a statement of lien against the Lot as provided in Section 779.70, Wisconsin Statutes, and the amount necessary to release the lien has not been paid at the time of the voting.

**2.08 Quorum.** A majority of the combined votes of the members (as described in Article VI of the Declaration) entitled to be cast, present in person or represented by proxy, shall constitute a quorum at all meetings of the Owners for the transaction of business.

**2.09 Vote Required to Transact Business.** When a quorum is present in person or represented by proxy at any meeting, a majority of the votes entitled to be cast shall decide any question brought before the meeting unless the question requires a different vote by express provision in the Declaration, Articles of Incorporation, Wisconsin Nonstock Corporation Law or these Bylaws, in which case such express provision shall apply.

**2.10 Proxies.** All proxies shall be in writing or electronically sent, signed by the Owner giving such proxy, and shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from its date of execution.

**2.11 Classes of Voting Membership.** There is one class of voting membership, as set forth in Section 6.02 of the Declaration.

### **ARTICLE III MEETINGS OF MEMBERS**

**3.01 Place.** All meetings of the owners shall be held at a place in Dane County, Wisconsin, which shall be stated in the notice of the meeting.

**3.02 Annual Meeting.** Regular annual meetings of the Owners shall be held on the second Monday of January of each year.

**3.03 Special Meetings.** Special meetings of the Owners may be called at any time by the president of the Association and shall be called by the president or secretary upon the written request of Owners holding at least twenty-five percent (25%) of the votes. Business transacted at special meetings shall be limited to the objects stated in the notice of such meeting.

**3.04 Notice of Meeting.** No annual or special meeting of the Owners may be held except upon at least ten (10) days' written notice delivered or mailed by the secretary to each Owner at the address shown on the Association's current roster. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Prior notice of a meeting is not required if all Owners sign waivers of notice of such meeting.

**3.05 Adjourned Meetings.** If a quorum shall not be present in person or represented by proxy at any meeting, the Owners present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting originally called.

**3.06 Duties of Officers at Meetings.** The president shall preside at all meetings of the Owners, and in his or her absence, the vice president shall preside. The secretary shall take the minutes of the meeting and keep such minutes in the Association's minute book. Votes at all meetings shall be counted by the secretary.

**3.07 Order of Business.** The order of business at all meetings of the owners shall be as follows:

- (a) Calling the meeting to order.
- (b) Calling the roll of owners and certifying the proxies by using signup sheet that includes name, lot # and address to certify eligible owners and proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Review and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees (if appropriate).
- (g) Election of directors (if appropriate).
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

**3.08 Action Without a Meeting.** Any action required or permitted by any provision of the Wisconsin Nonstock Corporation Law, the Declaration, the Articles of Incorporation or these Bylaws to be taken by the vote of the Owners may be taken without a meeting if a written or electronic consent, setting forth the action so taken, is signed by all Owners who would have been entitled to vote upon the action at such meeting.

#### **ARTICLE IV BOARD OF DIRECTORS**

**4.01 Number and Membership in Association.** Number and Membership in Association. The affairs of the Association shall be managed by a board of directors composed of five directors specified in the Articles of Incorporation. All directors shall be members of the Association. No more than one member of a household may serve on the board of directors at any one time.

**4.02 Term of Office.** The board of directors shall serve until the Annual Meeting of the Owners described in Section 3.02, at which time the Owners shall elect all five (5) directors on the board of directors. Each director shall take office at the Annual Meeting and shall serve for a term of one (1) year or until his or her successor shall be elected.

**4.03 Election of Directors.** On or before December 1 of each year, the secretary of the Association shall mail all Owners a notice requesting nominations for the board of directors. All nominations shall be mailed to the secretary on or before December 31 of each year. The Owners must obtain the prior consent of any person they nominate and may nominate themselves. If the number of nominees equals the number of directors to be elected, the nominees shall automatically become the new directors to take office at the annual meeting. If the number of nominees is less than the number of directors to be elected, the secretary shall solicit further nominees by mail. If the number of nominees exceeds the number of directors to

be elected, the secretary shall conduct an election at the annual meeting by written ballot. If the incumbent secretary is a nominee, votes at the annual meeting shall be counted by a committee of three (3) members who are not nominees. Each member, or its proxy, shall be entitled to cast one vote per Lot owned for each director on the board of directors. The persons receiving the largest number of votes shall be elected and shall take office at the annual meeting.

**4.04 Vacancy and Replacement.** If the office of any director becomes vacant because of death, resignation, disqualification or removal from office, the remaining directors shall choose a successor who shall hold office for the remainder of the term.

**4.05 Removal.** Any director may be removed from the board of directors, with or without cause, by a majority vote of the Owners.

**4.06 Compensation.** No director shall receive any compensation for his or her services as director of the Association other than reimbursement for out-of-pocket expenses incurred in the performance of the directors' duties.

## **ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS**

**5.01 Regular Meetings.** Regular meetings of the board of directors shall be held annually without notice following the annual meeting of the members of the Association at the same place as the members' meeting or at such place as the board of directors may vote to adjourn the meeting.

**5.02 Special Meetings.** Special meetings of the board of directors may be called at any time by the president and shall be called by the president and secretary at the request of any director on the board of directors. Business transacted at all special meetings shall be limited to the objects stated in the notice of such meeting.

**5.03 Notice of Special Meetings.** No special meeting of the board of directors may be held except upon at least three (3) days' prior written notice delivered, mailed or electronically sent by the secretary to each member of the board of directors. Such notice shall specify the place, day and hour of the meeting of the board of directors and the purpose of the meeting. Attendance by any director at any meeting of the board of directors shall be deemed a waiver of such notice.

**5.04 Quorum.** A majority of the board shall constitute a quorum for the transaction of business. Except as otherwise expressly provided in the Wisconsin Nonstock Corporation Law, the Declaration, the Articles of Incorporation or these Bylaws, every act of a majority present at any meeting at which there is a quorum shall be the act of the board of directors. If a quorum is not present at the meeting, the directors then present may adjourn the meeting until such time a quorum shall be present. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally called.

**5.05 Order of Business.** The order of business at all meetings of the board of directors shall be as follows:

- (a) Calling the meeting to order.
- (b) Calling the roll of owners and certifying the proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.

- (f) Reports of committees (if appropriate).
- (g) Election of directors (if appropriate).
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

**5.06 Action Without a Meeting.** Any action required or permitted by the Articles of Incorporation or these Bylaws to be taken by the board of directors may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all directors then in office.

## **ARTICLE VI POWERS AND DUTIES OF BOARD OF DIRECTORS**

**6.01 Powers and Duties.** All of the powers and duties of the Association under the Declaration, the Articles of Incorporation, these Bylaws, and the Wisconsin Nonstock Corporation Law shall be exercised by the board of directors except those powers and duties specifically given to or required of the Owners. The powers and duties of the board of directors include, without limitation, the power or duty to:

- (a) Adopt budgets for revenues, expenditures and reserves.
- (b) Levy and collect General Assessments and Special Assessments against Owners and disburse funds in payment of the Association's expenses.
- (c) Manage, maintain, repair, replace, improve, operate and regulate the Common Areas.
- (d) Grant easements through or over the Common Areas.
- (e) Hire and supervise any manager, managing agent, agent, employee, attorney, accountant or any other independent contractor whose services the board of directors determines are necessary or appropriate.
- (f) Sue on behalf of all Owners.
- (g) Make contracts and incur liabilities.
- (h) Purchase, take, receive, rent or otherwise acquire and hold any interest in real or personal property, including any Lot.
- (i) Sell, convey, mortgage, encumber, lease, exchange, transfer or otherwise dispose of any interest in real or personal property, including any Lot; provided the board of directors shall not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas without prior written approval of two-thirds (2/3) of the Owners.
- (j) Receive any income derived from payments, fees or charges for the use, rental or operation of the Common Areas.
- (k) Adopt and amend rules and regulations governing the operation, maintenance and use of any portion of the subdivision and the personal conduct of any person upon or with regard to the Subdivision, including the imposition of charges for the use of the Common Areas and penalties for infractions of the rules and regulations of the Association. Such rules and regulations may also be adopted, amended and repealed by the Owners having sixty-seven percent (67%) or more of the votes of the Association. Rules and regulations which are adopted, amended or repealed by the Owners may not thereafter be amended, repealed or readopted by the board of directors.
- (l) Insure the Association and its officers and directors against public liability and purchase such other insurance as the board of directors may deem advisable.
- (m) Keep all of the books and records and prepare accurate reports of all transactions of the Association.
- (n) Appoint committees to carry out any tasks which the board of directors deem necessary or appropriate.

(o) Designate depositories and establish accounts for the funds of the Association and determine which officers or agents shall be authorized to withdraw and transfer funds deposited in such accounts.

(p) Delegate any or part of the powers and duties of the board of directors or Association officers to a manager or managing agent.

**6.02 Manager.** The board of directors may hire a manager or managing agent at a compensation rate established by the board to perform such duties and services as the board shall authorize, including, without limitation, the duties enumerated in Section 6.01.

## **ARTICLE VII OFFICERS AND THEIR DUTIES**

**7.01 Officers.** The principal officers of the Association shall be the president, vice president, secretary, treasurer, and common area administrator all of whom shall be elected by and from the board of directors.

**7.02 Election of Officers.** The first election of officers shall take place at the first meeting of the initial board of directors. Thereafter, the officers shall be elected annually by the board of directors at its regular meeting.

**7.03 Term.** The officers of the Association shall hold office for one (1) year terms.

**7.04 Special Appointments.** The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period (not exceeding three (3) years), have such authority and perform such duties as the board may from time to time determine.

**7.05 Resignation and Removal.** Any officers may be removed from office by the board of directors whenever in its judgment the best interest of the Association will be served thereby. Any officer may at any time resign by giving written notice to the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at the any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to its effectiveness.

**7.06 Vacancies.** A vacancy in any office may be filled by appointment by the board of directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

**7.07 Duties.** Unless otherwise indicated by the board of directors or delegated to a manager or managing agent pursuant to Article VI, the duties of the officers are as follows:

- (a) **President.** The president shall preside at all meetings of the members of the Association and of the board of directors; oversee the implementation of the board's orders and resolutions; sign all leases, mortgages, deeds, contracts, checks, promissory notes and other written instruments on behalf of the Association; generally manage the business of the Association; and supervise and direct all other officers of the Association.
- (b) **Vice President.** The vice president shall act in the place of the president in the event of the president's absence, inability or refusal to act and exercise and discharge such other duties as may be required by the board of directors, and such other duties as assigned by the President.
- (c) **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board of directors and of the Owners; serve notices of the

meetings of the board of directors and Owners; keep all books and records of the Association other than books of account, including all owners and their mortgagees; and perform such other duties incident to the office of secretary as may be required by the board of directors, and such other duties as assigned by the President.

(d) **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disperse such funds as directed by the president or by the board of directors; keep complete and accurate books of accounts; prepare the annual report of the business transacted by the Association each year; and prepare a proposed annual operating budget each year for consideration of the board of directors or owners , and such other duties as assigned by the President.

(e) **Common Area Administrator.** Heads a committee of three (3); solicits bids and reviews all contracts for Association grounds and road work; submits bids to the board of directors or owners for action; makes recommendations to the board and/or at a meeting of the owners on topics pertaining to Association-held grounds and roads; reports at the annual meeting the ongoing conditions o the grounds and roads, and such other duties as assigned by the President.

**7.08 Compensation.** No officer shall receive any compensation for his or her services as officer of the Association, other than reimbursement for out-of-pocket expenses incurred in the performance of officers' duties.

**7.09 Fidelity Bonds.** The board of directors may require that any officers, agents or employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums of such bonds shall be paid by the Association.

## **ARTICLE VIII BOOKS AND RECORDS**

**8.01 Inspection.** The books, records, minutes and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Owner. The Declaration, Articles of Incorporation and Bylaws of the Association shall be available for inspection by any Owner or prospective purchaser of a Lot at the business office of the Association, where copies may be purchased at reasonable cost.

**8.02 Current Roster.** Each Owner shall promptly notify the secretary upon acquisition of an ownership interest in any Lot, together with its current mailing address, and shall promptly notify the secretary of any change in its name or address, and shall notify the secretary of any transfer of its ownership interest. The secretary shall maintain all such information in the current roster of the Association.

## **ARTICLE IX BUDGET, ASSESSMENTS AND ANNUAL REPORT**

**9.01 Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

**9.02 Budget.** The board of directors shall adopt a projected annual operating budget for the Association at or prior to the annual meeting of the board of directors. The budget shall be effective for the period beginning January 1 of the year for which it is adopted through December 31 of the same year.

**9.03 Levying and Payment of General and Special Assessments.** Based on the projected annual operating budget, the board of directors shall levy general annual charges and special charges against the Lots as provided in Sections 9.01 and 9.02 of the Declaration. On or before the last day of February of each year, the secretary shall mail or deliver a copy of the annual

operating budget and a statement of assessment for the current calendar year to each Owner. General charges shall be payable to the Association in a single installment on or before April 1 of each year. The failure of the secretary to mail or deliver said copy and statement prior to the last day of February shall not affect the validity of such assessment, but shall delay the date on which the charges set forth therein are due by the number of days elapsed from the last day of February to the date such copy and statement are mailed or delivered. Such installments shall be mailed or delivered to the treasurer of the Association and shall be deemed paid on the date of mailing or on the date of delivery, as the case may be. Any levy of special charge shall be made by resolution authorizing the special charge, together with a statement of assessment, to each Owner, and each Owner shall pay such special charge within forty-five (45) days of such mailing or delivery.

## **ARTICLE X LIABILITY AND INDEMNITY**

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

**10.02 Indemnity of Officers and Directors.** Every person who is or was a director or officer of the Association shall (together with the heirs, executors and administrators of such person) be indemnified by the Association against all costs, damages and expenses asserted against, incurred by or imposed upon such person in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings to which such person is made or threatened to be made a party by reason of such person being or having been such director or officer, except in relation to matters as to which a recovery shall be had against such person by reason of his having been finally adjudged in such action, suit or proceeding to have been guilty of fraud in the performance of his or her duty as such officer or director. This indemnity shall include reimbursement of amounts and expenses incurred and paid in settling any such claim, action, suit or proceeding. In the case of a criminal action, suit or proceeding, a conviction or judgment (whether based on a plea of guilty or nolo contendere or its equivalent, or after trial) shall not be deemed an adjudication that such director or officer is guilty of fraud in the performance of his or her duties, if such director or officer was acting in good faith in what such person considered to be the best interest of the Association and with no reasonable cause to believe that the action was illegal. The Association, by its board of directors, may indemnify in like manner, or with any limitation, any employee or former employee of the Association with respect to any action taken or not taken in his or her capacity as such employee.



**ARTICLE XI  
GENERAL PROVISIONS**

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

**11.02 Report of Owner Defaults.** At the request of any prospective Lot purchaser, the Association shall within ten (10) days of such request report to such person the amount of any due and unpaid assessment against the Lot being purchased.

**11.03 Interpretation.** These Bylaws are subject to all provisions of the Declaration, the Articles of Incorporation and the Wisconsin Nonstock Corporation Law which shall control in the case of any conflict. In the event any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Any invalid provisions or portion thereof shall be interpreted as having been amended to comply with the provisions of the Wisconsin Nonstock Corporation Law in effect on the date of the adoption of these Articles. Nothing in these Bylaws shall be deemed or construed to authorize the Association to conduct or engage in any active business for profit on behalf of any or all of the owners.

**ARTICLE XII  
AMENDMENT**

These Bylaws may be amended with the assent of seventy-five person (75%) of the Lot owners.

[These Bylaws revised by vote of the Lot Owners 10/22/07.]

PROXY FORM  
For  
FOR VALHALLA VALLEY HOME OWNER'S ASSOCIATION, INC.

I, the undersigned, a member of Valhalla Valley Home Owner's Association, Inc., do hereby appoint \_\_\_\_\_ of \_\_\_\_\_, Wisconsin, as my true and lawful proxy, to attend all meetings of Valhalla Valley Home Owner's Association, Inc. with full power to vote and act for me in the same manner and extent that I would be entitled if I were personally present at meetings of Valhalla Valley Home Owner's Association, Inc. and I herewith revoke any other proxy heretofore given.

Effective period:1 This proxy shall be effective until \_\_\_\_\_, 20\_\_\_\_.

Signed and dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signed:2\_\_\_\_\_

Address:\_\_\_\_\_, Madison, Wisconsin 53719. (Lot # \_\_\_\_)

Return this form to the Association secretary. An appointment of a proxy is effective when received by the secretary.2221

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1 A proxy appointment may be effective for no longer than 11 months from its date of execution. Bylaws, § 2.10, Wis. Stat. § 181.0724(2).

2 All owners may sign on this line. When more than one person owns a lot, the Declarations state that, the vote for such lot shall be exercised "as they themselves determine." Declarations § 6.02.