

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

SECTION 34 – RULES AND REGULATIONS.

A. Association Management.

- A-1. Rules and regulations specified are intended to clarify, not contradict the association bylaws. Changes to the bylaws need to follow an amendment process. Changes to the rules and regulations can be presented by the Board of Directors, or any voting member at the annual meeting. Changes are passed with a majority vote of all members (present or not present).
- A-2. *Annual meetings* will be scheduled every year to occur during the month of May or June. The date of the meeting will be established and communicated before April 1st of each year. Access to the meeting via conference call is available on request.
- A-3. *Attendance and Voting Methods.* Meeting and vote proxies may be submitted by US. Mail, Email, or Fax to any member of the Board of Directors. Should a member request remote access to the annual meeting, a conference call number will be provided.
- A-4. *Board of Directors.* The Board of Directors shall consist of a President, Treasurer and Secretary. Formal elections are held at the annual meeting of every even year. Retention votes are cast on odd years.

B. Assessment Collection Policy. The scope and designation of annual and special assessments are defined in sections 4, 5 and 6 of the Whispering Highlands II Condominium Bylaws. The association will pursue collection of all assessments, late fees, and all related costs of collection, including but not limited to lien fees, collection costs, and attorney's fees. Fines will be collected in the manner as authorized by law, the Whispering Highlands II Condominium Bylaws, and the Whispering Highlands II Condominium Rules and Regulations.

- B-1. **Designation of Assessment Amount** – The amount of the annual assessment will be confirmed at each annual meeting held in May or June each year. Special assessment amounts will be confirmed at the annual meeting or a special meeting of owners as defined in the bylaws.
- B-2. **Assessment Notification** – Owners will be notified of their required assessment payment no later than **October 15th** of each year by U.S. Post to the owner's address or via electronic notification if authorized by the owner. Owners are responsible for informing the association of any change in address.
- B-3. **Assessment Due Dates** – The due date for a given assessment shall be as prescribed in the applicable assessment billing notice and is referred to in this Assessment Collection Policy as the "**due date.**" In normal practice, the due date for annual assessments is set as **December 1st** of the year.
- B-4. For imposition of late fees, assessments are delinquent if not paid within 15 days beyond the due date (the "**delinquency date**"). The association reserves the right to impose fines and interest on delinquent amounts in accordance with the terms of the Bylaws, Section 6.
- B-5. **Handling Charges and Returned Checks** – To recoup expenses incurred associated with collecting delinquent assessments, the following fees and charges are set forth, secured by the assessment lien and are the personal obligation of the delinquent unit owner:

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

- a. Any handling charges, administrative fees, postage, or other collection costs or expenses incurred by the association related to the collection of any assessment or other outstanding amount owing beyond the delinquency date.
- b. A ***Returned Check Fee***, as determined by the board in the Rules and Regulations, will become due and payable for any check tendered to the association that is dishonored by the drawee of such check, the charge being in addition to any other fee or charge passed on by a financial institution.
- c. Any other costs of collection including Attorney fees and Lien fees, if a notice of lien is prepared and/or recorded.
- d. Any fee or charge becoming due and payable pursuant to this paragraph will be added to the amount outstanding and is collectible to the same extent and in the same manner as the delinquent assessment.

B-6. Application of Funds Received - Unless otherwise directed in writing by the payee and unless otherwise subsequently changed by state statute, all moneys received by the association will be applied to amounts outstanding to the extent of and in the following order:

- a. First, to assessments;
- b. Next, to late fees and interest on those late assessments;
- c. Then to collection fees and attorneys' fees and costs the association has incurred and related to the unpaid assessments;
- d. Next, to other unpaid fees, charges and fines or interest and late charges on any of those amounts

C. Violation Determination & Appeals Procedure

- C-1. Establishment of a Violation.** Any activity or ongoing condition on any unit that is in direct opposition to the plat, declaration, articles of incorporation, bylaws, covenants, rules and regulations and/or guidelines (referred to as "association's governing documents"), which is not expressly authorized by the board, is deemed a "violation" under this enforcement policy for all purposes.
- C-2. Complaint Notice.** Noncompliance with the governing documents may be noted by any resident, owner, or board member by initially submitting a written notice to the Association Board. The notice shall specify the time, date, place, and nature of the violation. A complaint notice form is available on the association website.
- C-3. Complaint Investigation.** Upon receipt of such a notice, a board member shall investigate the alleged violation. If a violation is substantiated, the board member shall attempt to secure compliance by sending a written first notice to the owner stating the time, date, place, and nature of the violation. The notice will provide a time period for compliance, will enclose a copy of this policy, and will enclose copies of applicable section(s) of the governing documents that govern such violation. The board member will offer a chance to meet with the owner directly or by phone to further clarify the situation.

All complaints will be tracked by the board, along with a record and copy of all notices sent by the board and any related correspondence.

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

C-4. Complaint Hearing & Determination - If an owner fails to comply with the first notice, the Board shall send to the owner a *Notice of Hearing* before the board of directors. The owner shall have the opportunity to be heard and represented by counsel before the board. Notice of hearing shall be hand-delivered or mailed by certified mail, return receipt requested to the owner and, if applicable, to the resident at the address of record at least fourteen (14) days prior to the hearing. The notice shall specify the date, time, and location of the hearing. The notice shall additionally identify the specific provisions of the governing documents the owner or resident is alleged to have violated or to be in violation of, and shall contain allegations of fact sufficient to support a finding of such violations.

Hearings can be attended in person or by conference call by any participant. The hearing shall take place whether or not the owner chooses to attend.

If, after the hearing, the board determines that a violation of the governing documents has occurred, the board shall have the power to assess charges against any owner for any violation for which the owner or the owner's family members, tenants, guests, or other invitees are responsible. Charges and actions will follow the [Remedy Schedule](#) defined in the Rules and Regulations.

D. Remedies and Fees

D-1. Remedies. Gross Negligence of Bylaws, Covenants and Rules and Regulations may result in fines imposed by the board. These penalties can be imposed with unanimous agreement of the board. Appeals may be made to the full membership and overturned on a majority vote of members. Penalties include but are not limited to:

- a. **Late Fees** – Members that have not paid annual assessments or special assessments in accordance with the Assessment Collection Policy.
- b. **Fines** – penalties defined for violations of specific covenants. Fines are added to the amount due by an owner and are collected in the same manner as assessments.
- c. **Incurred Costs** – Any member violation that results in damage and repair costs to the association, attorney fees, or other administrative costs will be liable for 110% of the cost of all related repairs.
- d. **Towing Fees** – Violations of covenants related to unauthorized vehicles other objects will be removed by the association using a towing and/or storage service at the expense of the owner.
- e. **Removal Fees** – Violations of covenants related debris and other objects will be disposed of by the association at the expense of the owner.
- f. **Suspension of Services** – as designated by the Remedy schedule, some violations will result in suspension of any services provided by the association to the owner, and/or limitations on use for common areas.
- g. **Other violations** – Violations related to offensive activity must be documented with the Board using a formal complaint form. A formal meeting will be held to attempt to resolve or address the complaint. Upon finding of a legitimate violation by the board, fines will be imposed. The owner may appeal to a meeting of the membership.

D-2. Remedy Schedule. The chart that follows identifies classes of fines and fees applicable to violations. The board may adjust this schedule upon 2/3 approval of members at the annual meeting. Fees are designed to increase with subsequent notices as shown in the chart. After a

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

third notice, lien proceedings will begin. In all situations, the owner may use the complaint and appeal process to contest a finding of violation.

Violation Type	Description / Reference	First Notice	Second Notice	Third Notice
		<i>Upon finding of violation or delinquency</i>	<i>30 days after first notice via registered letter</i>	<i>30 days after second notice via registered letter</i>
Assessment Late Fee	<i>Assessments not paid by Due Date</i>	**Courtesy Notice	\$25	\$50 charged for each month the assessment remains unpaid, effective immediately.
Returned Check Fee	<i>Applies to any payments to the Association that are rejected by a financial institution</i>	\$25	\$50	\$100
Collection Costs	<i>Handling, Postage, Registered Letters, and other Collection Costs</i>	Costs Incurred	Costs Incurred	Costs Incurred
Damage to Common Area	<i>Damage to roadways, common nature area, or other items in common.</i>	**Courtesy Notice requesting owner to repair within 10 days	\$100 fine plus costs incurred by association to repair (damages amount)	\$100 fine <i>for each month</i> the damages amount is unpaid
Covenant O – Camper Violations	<i>Fees related to violating the unattended camper Covenant O</i>	**Courtesy Notice requesting owner to remove within 10 days	15 days after first notice via registered letter \$100 fine and notice of towing within next 15 days	15 days after second notice via registered letter \$200 fine, item is towed. Instructions are provided for retrieval of property. Subsequent violations receive NO grace period and proceed straight to towing.
Towing or Removal Fees	<i>Fees related to removal of items in violation of covenants b, c, g, h, j, n, p</i>	**Courtesy Notice requesting owner to remove within 10 days	\$100 fine and demand to remove	\$200 fine, plus costs incurred by association to remove/store.
Offensive Activity Complaints	<i>Covenant violations that hinder the quality of living for other owners. Covenants e, f, l, k, q, and Rental Policy rules.</i>	**Courtesy Notice	\$100 for second instance of violation	\$200 for each subsequent violation

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

Violation Type	Description / Reference	First Notice	Second Notice	Third Notice
		<i>Upon finding of violation or delinquency</i>	<i>30 days after first notice via registered letter</i>	<i>30 days after second notice via registered letter</i>
Construction Violations	<i>Violations of dwelling size, construction, and repairs. Covenants q, r, s, t, and Construction Policy rules.</i>	**Courtesy Notice plus inspection costs incurred	\$100 plus costs incurred	\$100 fine for each month unremedied, plus costs incurred
All other violations	<i>Violations of any covenant or bylaw not specifically noted above.</i>	**Courtesy Notice identifying pending fines and costs as determined by the board.	Fine plus costs previously warned by the board and notice of additional.	Fine plus costs as previously warned by the board.

D-3. Notification to Owner of Delinquency or Violation

- a. **Late Notice.** A payment by a member is deemed delinquent if it is unpaid fifteen (15) or more days after the due date. A late notice may be sent, and fees will be imposed based on the [Remedy Schedule](#) defined in the Association’s Rules and Regulations.
- b. **Violation Notice.** Upon finding of a violation of covenants, the board, via registered letter, will notify the owner of the violation, finding and imposed fines based on the [Remedy Schedule](#) defined in the Association’s Rules and Regulations.
- c. **Pre-Lien Demand.** No sooner than thirty (30) days beyond the due date, the association may, but is not required to, send a demand letter to the delinquent owner making formal demand for immediate payment for all outstanding amounts (“Demand Lien Letter”). This action is taken when the Remedy Schedule has been exhausted. All fees and collection costs associated with the demand lien letter will be charged to the delinquent owner’s account. Fees for this letter are a cost of collection and per the terms of the declaration, not only the personal obligation of the owner, but also secured by the assessment lien.
- d. **Notice of Lien.** No sooner than thirty (30) days after the Pre-Lien Demand, where an owner has failed to pay in full the delinquency, the association may prepare and record a written notice of lien (“Notice of Lien”) with the Grant County Recorder’s Office against title to the owner’s property. All assessments and charges, including fines and late charges and interest thereon, constitute a lien on the lot automatically under the Declaration and Wisconsin law. Any fees imposed for the recordation of the notice of lien are not only the personal obligation of the owner, but also secured by the assessment lien and will be charged to the delinquent owner’s account.
- e. **Other Notifications.** The association’s legal counsel may, at the direction of the board, pursue other legal remedies available to collect delinquent assessments, including, without limitation, personal judgment suits and/or an action to foreclose the assessment lien. Prior to instituting litigation related to the delinquency, the association’s legal counsel will send a letter to the delinquent owner’s address of record with the association. A fee can be charged to the owners account for transferring the collection file to the association’s legal counsel, said fee

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

not only the personal obligation of the owner, but also secured by the assessment lien and will be charged to the delinquent owner's account.

E – Appeals. Violations are determined via a first notice from the Board, or the filing of a complaint by a property owner. In the case of an owner complaint, a is held to confirm a violation has occurred. Once a violation is determined in either case, the Board will proceed applying fees and remedies defined in [Section D – Remedies & Fees](#).

- E-1. ***Appeal Request.*** Once an first notice of violation has been issued, the owner cited has the opportunity to appeal. The appeal should be submitted to a board member, in writing, within 14 days of a first notice of violation or a complaint hearing. The owner must submit an Appeal Form which states why the determination should be overturned.
- E-2. The appeal form, along with the records of the hearing will be distributed electronically to all members. A meeting and/or conference call will be held within 10 days of the appeal receipt to allow the owner to state their case to the other owners. An online poll will be used to collect votes from members over the following 48 hour period. The board's determination is overturned only if 2/3 of the member units ***both participate and vote to overturn.***
- E-3. Any fines or fine escalations will be suspended during the period from the receipt of the Appeal form through the completion of the vote. This period will not be counted against any notice periods. If the appeal is rejected, fees and escalation days will start to count again without including the appeal period.
- E-4. This appeal process can occur only ONCE for any specific violation instance. There is no appeal of an appeal decision.

F – Bylaw Covenant Clarifications. Whispering Highlands was developed under the Condominium Ownership Act of the State of Wisconsin, Condominium Ownership Act: 703.10 Bylaws (<https://docs.legis.wisconsin.gov/document/statutes/703>). The Covenants have the force of the law behind them. *"Every unit owner shall comply strictly with the bylaws and with the rules adopted under the bylaws, as the bylaws or rules are amended from time to time, and with the covenants, conditions and restrictions set forth in the declaration or in the deed to the unit."*

This section refers to covenants defined in **Section 31, Covenants and Restrictions As To Use and Occupancy**, of the Declaration of Whispering Highlands II Condominium. Clarifications here further refine the details of specific covenants, without altering the covenant itself.

- F-1. *Covenant F – Noxious and Offensive Activity.*** *"No noxious or offensive activity shall be carried on within the boundaries of the Condominium, nor shall anything be done therein either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants."* Noxious/offensive activities are further defined as (but not limited to):
- a. Excessive noise that can be heard *inside* neighboring residences.
 - b. Excessive noise that can be heard outdoors between the hours of 11pm and 7am.
 - c. Noxious fumes from chemicals, outdoor fires, or other sources that can be smelled *inside* neighboring residences.

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

- F-2. *Covenant O – Campers.*** *“Campers, fifth-wheelers, motor coaches, motor homes and similar recreational vehicles are not permitted on any Unit, Common Element or Limited Common Element unless attended within a 48-hour period.”* This covenant refers to various types of campers, trailers, and containers when parked outside. It does not apply to vehicles stored within enclosed garages.
- F-3. *Covenant S – Square Footage.*** *“The main residential structure(s) erected must have a minimum of 1,800 square feet of living space.”* The term ‘Living Space’ is defined as habitable, heated, non-vehicular space. Unfinished basements that can be finished in the future (not crawl spaces) are considered living space. There is no timeframe designated for completion of *interior* spaces of the residence.
- F-4. *Covenant U – For Sale Signs.*** *“Until such time that Declarant has sold at least sixteen (16) Units in this condominium no advertising signs of any nature, including "For Sale" signs may be placed on the property except by the Declarant.”* Declarant control has ceased. Real estate For-Sale signs therefore are allowed. All other advertising is restricted. Exceptions may be granted by the Board on a case by case basis (garage sale, community picnic, etc).

G. Other Rules, Regulations and Policies

- G-1. *Rental Unit Policy.*** The declarations state *“No Unit(s) may be leased to any non-Unit Owner without prior written permission of the Condominium Association.”* The association recognizes property rights of owners and the need to occasionally lease a property. The following policy, approved at the 2016 Annual Meeting, is applied to ensure that no undue burden is placed on other owners related to illegal commercial or frequent rental use.
- a. Leases for durations of 3 months or longer will be approved as long as a copy of the lease is provided to the association, and the tenant signs an acknowledgement of, and agrees to follow, the covenants and rules and regulations.
 - b. The property owner remains liable for any violations, fines, and/or damage to common elements caused by their tenant.
 - c. Short term commercial rentals for weeks, weekends or single nights will not be approved by the board.
- G-2. *Construction Equipment Policy.*** Special activity is expected within the community as residences are built. This policy regulates the practices during such periods to respect existing residences and the condition of common areas. Violations are subject to fines and other remedies as defined in the Remedy Schedule.
- a. Prior to any construction activity, a copy of the approved Grant County Zoning Permit must be submitted to the Board Secretary. The related site plan and contact information for the general contractor must also be provided.
 - b. Construction equipment, containers, trailers, and campers may not be left on the site overnight until the zoning permit has been provided. All such equipment should be removed from the site upon expiration of the permit. Equipment left onsite outside of the permit dates may be removed by the association at the owner’s expense.
 - c. Construction noise should be limited to the hours of 7am – 6pm.

Whispering Highlands II Condominium Association
Rules and Regulations – Adopted May 2018, Amendment V

- d. Damage to common roads as a result of construction traffic will be assessed to the owner as costs are incurred. If multiple projects are in process when damage occurs, all owners under construction on that roadway will equally share the cost of repairs.
- e. The Unit Owner is responsible for construction debris and removal. No construction debris should extend beyond the property lines of the construction lot. Dumpster debris should not be allowed to overflow.