

BY-LAWS OF BAY ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

The name of the Association of Homeowners, lot owners and condominium owners in "Bay Villas" of the Golden Bay development, Waterford, Wisconsin is Bay Association, Inc., hereinafter referred to as "Association". The mailing address of the Association shall be P. O. Box 9, Waterford, Wisconsin 53185 or as otherwise changed to. Meetings of the members and directors shall be held in a convenient place in either the "Bay Club" or in the Golden Bay Subdivision.

ARTICLE II. DEFINITIONS

"**ASSOCIATION**" shall mean and refer to Bay Association, Inc., which is incorporated as a Wisconsin non-stock, non-profit corporation.

"**BAY CLUB**" shall mean the clubhouse at Golden Bay owned by the Bay Association, Inc. All eligible members in good standing may use the clubhouse facilities.

"**MEMBER**" shall mean any person or voting unit entitled to membership in the Association in accordance with the current Restated Golden Bay Deed Restrictions and Articles of Incorporation. Each homeowner, lot owner, and condominium owner is entitled to only one vote for each lot or condominium owned, no matter how many owners said lot or condominium may have.

"**MEMBER IN GOOD STANDING**" shall mean any member whose monthly maintenance fees or special assessments are current and paid as prescribed by the Association or the current Restated Golden Bay Deed Restrictions and has not otherwise violated any applicable rule or regulation of the Association.

ARTICLE III. CONFLICTS

These By-Laws are set forth to comply with the requirements of the Wisconsin Corporation law. In case there is any conflict between the provisions of these By-Laws; the Articles of Incorporation and the current Restated Golden Bay Deed Restrictions, the Articles of Incorporation shall apply; then the Restated Golden Bay Deed Restrictions and then these By-Laws. The Articles of Incorporation and the Restated Deed Restrictions are incorporated by reference into these By-Laws.

ARTICLE IV. MEETINGS OF MEMBERS

REGULAR MEETINGS: There shall be not less than two meetings of the members each year, one being during the fiscal fourth quarter. The Board of Directors shall choose the said day for the meeting. The purpose of each meeting of the members shall be the transaction of such other business as may be properly brought before the meeting and the fourth quarter meeting additionally shall be for the election of Directors and the approval of the budget for the next fiscal year.

SPECIAL MEETINGS: Special meetings of the members may be called at any time by the Board of Directors or by the President of the Association.

PLACE OF MEETINGS: Meetings of the members shall be held in the Bay Club, except as otherwise noticed.

NOTICE OF MEETINGS: Written notice of each meeting of the members shall be given by, or at the direction of the Recording Secretary, by delivery, either personally or by mail, at least ten (10) days prior to such meeting to those members as noted and as located as stated in the official member directory of the Association.

QUORUM: The presence of twenty percent (20%) of the total number of members entitled to cast a vote, (i.e., husband and wife owning one property shall constitute *one* member) shall constitute a quorum for any action except as otherwise provided in these Bylaws. In the event a quorum is not reached at any meeting, the members present, who are entitled to vote, shall have the power to adjourn the meeting, until such time as a quorum is present.

PROXIES: At any meeting of the members, each member may vote in person or by proxy. All proxies must be in writing and filed with the Recording Secretary of the Association prior to the start of the meeting. Each proxy must be dated and signed and shall be valid for a period not exceeding ten (10) days.

MAJORITY: The term Majority of Members as used in these By-Laws, shall mean those Members comprising more than fifty percent (50%) of the total authorized votes of all Members present in person or by proxy and voting at any meeting.

ARTICLE V. BOARD OF DIRECTORS

A Board of Directors consisting of (7) Directors shall manage the affairs of the Association. The members of the Board of Directors shall be members in good standing of the Association and will be elected at the fourth quarter members meeting.

ELECTION AND TERM OF OFFICE: The terms of office of two (2) members of the Board of Directors shall be set at three (3) years. The terms of office of two (2) other members of the Board of Directors shall be set at two (2) years and the terms of office of the remaining members of the Board of Directors shall be set at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years. Except in the event of resignation, removal or death, each Director shall hold office until the Members have elected his/her respective successor.

REMOVAL OF DIRECTORS: Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members, or by a majority vote of the other Directors. In the event of resignation, removal or death of a Director, his/her successor shall be selected by the remaining members of the Board of Directors and shall serve for the un-expired term of his/her predecessor.

COMPENSATION: No Director shall receive compensation for any service he/she may render to the Association as a member of the Board of Directors. In the event a Director is requested by the Board of Directors to provide services other than that required of a Director, then payment for such extraordinary services shall be permitted.

FIDELITY BONDS: The Board of Directors may require that some or all officers and/or employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium for such bonds shall be paid by the Association.

LIABILITY OF DIRECTORS AND OFFICERS: No person shall be liable to the Association or to any member thereof for any loss or damage suffered by it/him/her on account of any action taken or omitted to be taken by him/her as a Director or officer of the Association, 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 their own affairs, or (b) took or omitted to take such action in reasonable reliance upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which he/she had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he/she may be entitled as a matter of law.

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 loss, costs, damages, and expenses (including reasonable attorney's fees) asserted against, incurred by, or imposed upon him/her in connection with or resulting from any claim, action suit or proceeding, including criminal proceeding, in which he/she is made or threatened to be made a party by reason of his/her being or having been a such Director or officer, except as to matters as to which he/she shall be finally adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct.

ARTICLE VI. MEETING OF THE DIRECTORS

REGULAR MEETINGS: Regular meetings of the Board of Directors shall be held at least quarterly, at such times and places as may be set from time to time by resolution of the Board of Directors.

SPECIAL MEETINGS: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, by giving at least forty-eight (48) hours advance notice of said meetings to each Director.

QUORUM/ADJOURNMENT: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of

the Directors present at the meeting shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than quorum present, the majority of those present may adjourn the meeting from time to time without further notice. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called, may be transacted.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

POWERS: In addition to other authority granted them by law or by the current Deed Restrictions, the Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the management and functions of the Association and the use of the common area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the violations of the rules and regulations;
- b. Suspend the voting rights of a member during any period in which said member is not in good standing;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the general membership by other provisions of these Bylaws and the current Restated Golden Bay Deed Restrictions or the Articles of Incorporation;
- d. Remove a member from the Board of Directors with or without cause;
- e. Employ a manager, an independent contractor, accountant, attorney, agent or employees as they may deem necessary and to prescribe the duties of any the same, if necessary.
- f. Impose and/or Foreclose a lien from which monthly maintenance fees or assessments are unpaid, or to bring an action at law against the unit owner and/or the respective real estate to accomplish the payment of same;
- g. Adopt and amend rules and regulations covering the details of the operation of the common properties;
- h. Opening and maintaining banking accounts on behalf of the Association and to designate the signatories required therefore.

DUTIES: It shall be the duty of the Board of Directors to:

- a. Keep a complete record of all acts and corporate affairs and to present a statement thereof at the fourth quarter meeting of the members;
- b. Supervise all officers, agents, employees and independent contractors of the Association;
- c. As provided in the current Deed Restrictions, set the amount of monthly maintenance fee;
- d. To issue upon demand a certificate setting forth whether or not any assessments are outstanding against any unit and to charge a reasonable fee for processing the same;
- e. Procure and maintain adequate hazard and public liability insurance. May also obtain a Fidelity Bond on all individuals who might be in possession of monies or other assets of the Association;
- f. Cause the common areas to be maintained;

- g. Suggest to the membership reasonable fees for the use of any recreational facilities constructed upon the common areas;
- h. Make contracts or incur liabilities in connection with the operation of the Association; i. Maintain a current roster of names and addresses of all Members and periodically distribute this list to the full membership; j. Any other responsibilities not listed above but defined in Section 26 of the current Restated Golden Bay Deed Restrictions; the Articles of Incorporation or general applicable law.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

OFFICERS: The officers of this Association shall be the President, Vice President, Recording Secretary and Secretary/Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors from time to time may establish.

ELECTION OF OFFICERS: The election of officers shall take place at the first meeting of the Board of Directors following each fourth quarter meeting of the Members of the Association. An independent audit of the books may be requested at that time.

TERM: The officers of this Association shall be elected annually and shall hold office until their successors is elected, unless they shall sooner be removed, resign, be deceased or otherwise be disqualified to serve.

SPECIAL APPOINTMENTS: The Board of Directors may elect such other officers as they may deem beneficial to the Association and create such duties and authorities as may be beneficial to the Association.

RESIGNATION OR REMOVAL: The Board of Directors may remove any officer from office, with cause. Any officer may resign at any time, by giving written notice to the Board of Directors, the President or the Secretary/Treasurer. Such resignation shall take effect on the date of receipt of such notice by any of the aforementioned, or at the time specified in such notice. A formal acceptance by the Board of Directors shall not be necessary to make such resignation effective.

VACANCIES: A vacancy in any office may be filled by an appointment of the Board of Directors and shall be for the remaining, un-expired term of the officer being replaced.

DUTIES: The duties of the officers shall be as follows:

- a. **President:** The President shall preside at all meetings of the Board of Directors and meetings of the members and shall see that the orders and resolutions of the Board are carried out; shall sign all legal instruments and generally see to it that the affairs of the Association are properly conducted.
- b. **Vice President:** The Vice President shall act in the place and instead of the President in the event of his/her absence or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board of Directors.
- c. **Recording Secretary:** The Recording Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the general

members; serve notice of meetings of the Board of Directors and of the members upon the appropriate individuals, if applicable, and shall perform such other duties as may be required by the Board of Directors.

- d. **Secretary/Treasurer:** The Secretary/Treasurer shall receive and deposit in authorized banking accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks of the Association; he/she shall keep the books of account; may cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular fourth quarter membership meeting, and shall **deliver a** copy of same to each member at that time.

ARTICLE IX. COMMITTEES

The Members shall elect an **Architectural Control Committee** in accordance with the current version of the Restated Golden Bay Deed Restrictions. Each member of the committee will be elected for a term of two (2) years.

The Board of Directors shall provide for such other committees as deemed appropriate by the Board of Directors, or as may be directed to be created by the members.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall be at all times, available for inspection by any Member by appointment.

ARTICLE XI. ASSESSMENTS

MONTHLY MAINTENANCE FEE: As described in Section 26 of the current Revised Deed Restrictions, each Member is obligated to pay to the Association, a monthly maintenance fee. This fee, which is established yearly, as recommended by the Board of Directors and approved by the Members, is assessed and payable from the first day of ownership of the lot or condominium unit.

SPECIAL ASSESSMENTS: The Board of Directors may determine the need for special assessments, which, under Section 26 of the current Revised Deed Restrictions, will become due and payable by each Member.

ENFORCEMENT: In accordance with Section 32 of the current Revised Deed Restrictions, any assessments which are not paid when due, are delinquent., and the Association may bring such legal action against an owner and/or the subject property as deemed necessary or as may be required to collect same, including placing and foreclosing a lien against such a property, and

imposing such costs and reasonable attorney s fees for that which is incurred therein. Such fees dues and costs are not only an obligation of the real estate but also a personal liability of the applicable member(s).

ARTICLE XII. AMENDMENTS

These By-Laws may be amended by an affirmative vote of at least sixty-seven percent (67%) of the members at a regular or special meeting of the members called for such purpose.

ARTICLE XIII. FISCAL YEAR

The fiscal year of the Association shall be the calendar year period beginning January 1st and ending December 31st.

ARTICLE XIV. CORPORATE SEAL

The Association shall not have a corporate seal, and where a seal is required, there shall be a notation thereon to the effect that the Association has no corporate seal.

Drafted by Jon Dossett June 7, 2000

Draft Copy in accordance with revisions adopted at Directors Meeting, June 12, 2000.

Reviewed and Revised by Mike Dubis, Attorney June 15, 2000.

Reviewed by Board of Directors, June 26, 2000.