~~Bylaws of~~

Tanner Ridge Homeowners Association, Inc.

Article 1. Application and Organization

1.1 Name. The name of the corporation shall be Tanner Ridge Homeowners Association, inc. (the "Association").

1.2 Application. These bylaws are adopted pursuant to the Protective Covenants for Tanner Ridge Subdivision, Village of Johnson Creek, Jefferson County, Wisconsin (the "Covenants"), and the Articles of Incorporation for this Association ("Articles"). Capitalized terms not defined herein shall have the meaning as set forth in the Covenants.

1.3 Initial Organization. Notwithstanding any provisions set forth in these bylaws to the contrary, and because the Developer has sold all of the lots, the majority of land owners present at the initial landowners meeting shall elect an Association President, Vice-President, Secretary and Treasurer, and one additional director who shall have all of the rights and powers reserved to the Board under these bylaws.

1.4 Location. The principal office of the Association shall be at 313 Coventry Circle, Johnson Creek, Wisconsin, 53038. The Association may have offices at such other places as the Board of Directors may from time to time determine or the Association may from time to time require.

Article 2. Voting, Majority of Owners, Quorum, Proxies

2.1 Voting.

a. Each Lot is vested with one (1) vote. A lot will be defined as each separate tax parcel. If a member owns more than one Lot, such member shall have one (1) vote for each lot owned. No member shall be permitted to vote if such member is more than thirty (30) days delinquent in the payment of any amount due to the Association.

b. If a lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the recorded owners of the Lot and filed with the Secretary of the Association. It the owners of a Lot cannot agree on how to vote, such Lot shall lose its vote for the particular item to be voted upon. If a Lot is owned by a legal entity, the person entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by a duly authorized officer of such entity and filed with the Secretary of the Association. Certificates of appointment shall be valid until revoked or suspended by a subsequent certificate or a change in ownership to the Lot occurs.

c. There shall be no cumulative voting.

2.2 Majority of Members

a. The term "Majority of Members" shall mean those Members holding more than fifty percent (50%) of the votes to be cast on the particular matter to be voted upon.

b. A matter shall be deemed approved if approved by a majority of Members.

2.3 Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of a majority of Members shall constitute a quorum.

2.4 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Article 3. Meetings

3.1 Roster of Members. The Association shall maintain a current roster of names and addresses of every member. Each Member shall be given notice of all meetings Members of the Association. Every Member shall furnish the Association with his or her name and current mailing address. No Member may vote at meetings of the Association until the foregoing information is furnished.

3.2 Place of Meetings. Meetings of the Association shall be held at such place as is designated by the Board.

3.3 Annual Meeting. The annual meeting of the Association shall be held the third Monday in May of each year. At the annual meeting, one or more members of the Board may be elected by the Members in accordance with the requirements of Section 4.2 of these bylaws. The Members may also transact such other business of the Association as may properly come before them.

3.4 Special Meetings. The President shall call a special meeting of the Members if directed by resolution of the Board or upon petition signed by a majority of Members and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless consent of four-fifths (4/5) of the Members present, either in person or by proxy.

3.5 Notice of Meetings. The Secretary shall deliver or mail a notice of each meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at the address shown on the roster, at least ten (10) days but no more than thirty (30) days prior to such a meeting, unless waivers are duly executed by all Members. The delivery or mailing of such notice in a manner provided in this section shall be considered notice served, and such notice shall be effective upon date of delivery or mailing.

3.6 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called and no additional notice shall be required.

3.7 Order of Business. The order of business at all meetings of the Members shall be as follows:

- Roll Call
- Proof of notice of meeting or waiver
- Reading of minutes of preceding meeting
- Report of Officers
- Committee Reports
- Election of Directors (when applicable)
- Unfinished Business
- New Business

3.8 Parliamentary Procedure. Except where inconsistent with these bylaws, meetings of the Association shall be conducted in accordance with the latest revised edition of Robert's Rules of Order.

Article 4. Board of Directors

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of at least five (5) persons. Subject to the provisions of Section 1.4, the Directors shall be Members or designees of entity Members in a certificate filed with the Association under Section 2.1(b).

4.2 Election and Terms of office. The term of office of the Directors elected by the Members shall be fixed for 3 years each from the date of the annual meeting first following the meeting at which such Director is first elected by the Members. Each Director shall hold office until a successor is elected and the successor has attended his or her first meeting of the Board. When more than one Director is to be elected at any meeting, each Member shall cast votes for candidates equal in number to the Directors to be elected; provided, however, that a Member may not cast more than one (1) vote for each Lot owned by the Member for any single candidate. The candidates who are elected shall be those receiving the greater number of votes, in decreasing order, until the number of the directors to be elected have been so elected.

4.3 Powers and Duties. The Board shall have the powers necessary to administer the Subdivision and Common Areas in accordance with the Covenants, including the power to do the following:

4.3.1 Make and enforce (including enforcement through the establishment of a system of fines), rules and regulations, and amendments thereto from time to time, respecting the operation, use and occupancy of the Subdivision and Common Areas.

4.3.2 Make and collect assessments from the Members in accordance with the provisions of the Covenants, and expend said assessments for insurance, taxes, utility services for maintenance, repair, and operation of the Common Area as required under the Covenants or for such other purposes as fall within the responsibility of the Association and general powers of the Board.

4.3.3 Approve all building, fences, walls, driveways, light posts, landscaping, or other structures or improvements to be constructed or erected. The Board shall act as the Architectural Control Committee as required under the Covenants and the approval process outlined in the Covenants shall be followed by the Board.

4.3.4 Execute contracts on behalf of the Association, employ necessary personnel, and carry out all functions and purposes necessary for the operation of the Association.

4.3.5 Satisfy all liens against the Association and pay the necessary expenses connected therewith

4.3.6 Perform such other functions as are required by law.

4.4 Fees. No fee or other compensation shall be paid to any member of the Board at any time except by specific resolution of the Members.

4.5 Reimbursement of Expenses. Directors shall be entitled to reimbursement of all expenses relating to their activities as Directors.

4.6 Vacancies. A vacancy on the Board created by any reason other than the removal by a vote of Members shall be filled by a vote of the majority of the remaining Directors, even though they constitute less than a quorum. Each person elected shall be a Director until a successor is elected at the next annual meeting of the Association.

4.7 Removal of the Directors. At any regular or special meeting of the Members duly called, any one or more of the Directors elected by the Members may be removed with or without cause by a majority of the Members and a successor elected by the Members to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

4.8 Organizational Meeting. The first Meeting of the Board, after one or more Directors is newly elected, shall be held within ten (10) days of such election at such a place as determined by the Board at the meeting at which such Directors were newly elected. No notice shall be necessary in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

4.9 Regular Meeting. Regular Meetings of the Board may be held at such time and place as designated by the majority of the Directors, but at least one such meeting shall be held each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone, or e-mail at least three days prior to the day named for each meeting.

4.10 Special Meetings. A special meeting of the Board may be called by the President on three (3) day notice to each Director, given personally, or by mail, telephone, or e-mail which shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner on the written request of at least two (2) or more Directors.

4.11 Waiver of Notice. Before or at any meeting of the Board, any Director may waive notice of such meeting in writing and such waiver shall be deemed the equivalent of notice given. Attendance by a Director at any meeting of the Board shall also be deemed a waiver of notice. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.12 Board Quorum. A majority of the Directors shall constitute a quorum for the transaction of business at all Board meetings. If at any meeting of the Board, less than a quorum is present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the original meeting may be transacted without further notice.

4.13 Fidelity Bonds. The Board may require that all officers and employees of the Association responsible for the Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

4.14 Liability of Directors and Officers. No person shall be liable to the Association or Members for any loss or damage suffered by it or them on account of any action taken or omitted to be taken as a Director or officer of the Association if such person executed and used the same degree of care and skill as a prudent individual would exercise under the circumstances in the conduct of such individual's own affairs, or for any action or non-action based upon advice of counsel for the Association or upon statements made or information furnished by officers or employees of the Association which was reasonably believed to be true. The foregoing shall not be exclusive of any other right or defense.

4.15. Indemnity of Directors and Officers.

4.15.1 Every person who is or was a Director or Officer of the Association (together with the personal representatives and heirs of such person) shall be indemnified by the Association against all loss, costs, damages, and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed 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 service as a Director or officer except as to matters resulting in a final determination of negligence or willful misconduct on the part of such Director or Officer. In the event of settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of negligence or willful misconduct in the performance of such person as a Director or officer in relation to the matter involved. The Association, by its Board, may indemnify in like manner, or with limitations, any employee or former employee of the Association, with respect to any action taken or not taken as an employee. This right to indemnification shall be in addition to all other rights and defenses.

4.15.2 All liability, loss, damage, costs and expense incurred or suffered by the association in connection with the foregoing indemnification shall be a common expense; provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify and Member who is or has been an employee, Director or officer of the Association with respect to duties or obligations imposed by Covenants, Articles, or these bylaws due to status as a Member of the Association.

Article 5. Officers

5.1 Designation. The principal officers of the Association shall be President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board and serve one year terms. The Directors may appoint an assistant treasurer and an assistant secretary and such other officers as in their best judgment may be necessary.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Board at its organizational meeting following the annual meeting. Officers shall hold office at the pleasure of the Board.

5.3 Removal of Officers. Upon affirmative vote of the majority of the Board, any officer may be removed, either with or without cause, and a successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

5.4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Board. The President shall have all of the general powers and duties which usually vested in the office of president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the Members from time to time as appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice President The Vice President shall take the place of the President whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint a Director to serve in such capacity on an interim basis. The Vice President shall also perform such other duties imposed by the Board from time to time.

5.6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the Association. The Secretary shall have charge of such books and papers as the Board directs and in general, perform all duties incident to the office of Secretary. The Secretary shall count votes cast at any annual or special meeting of the Association or the Board of Directors.

5.7 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all Association receipts and disbursements. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to credit of the association, in such depositories as designated by the Board.

5.8 Compensation. No officer shall receive compensation for services rendered the Association unless authorized by a resolution of the Members.

Article 6. Fiscal Matters

6.1 Budget. The Board shall adopt a budget for the operation of the Association at least annually. The budget will contain estimates of the costs of operating the Association and shall include all common expense items and may include a reserve for capital replacements.

6.2 Assessments. The estimate of common expenses of the Association, in accordance with the provisions of the Covenants, shall be assessed against each lot in the Subdivision, on an annual basis, and paid semi annually in May and October. Assessments shall be levied uniformly among lots except for special assessments, fines fees, or charges levied on the Lots. If the annual assessment proves to be inadequate or special circumstances arise, the Board at any time may levy a special assessment for any purpose for which a general assessment may be levied. Such special assessment shall be payable in such a manner as the Board Directs. Assessments and installments of assessments shall be paid within thirty (30) days of when they are due. Any assessment not paid within thirty (30) days if its due date shall be delinquent and the Member shall be charged interest at the rate of fourteen (14%) percent per annum on the unpaid assessment or installment of such assessment. No member who is more than thirty (30) days delinquent in the payment of an assessment or installment on an assessment shall be entitled to vote at any regular or special meeting of the Members. If a Member fails to timely pay an assessment or installment such Member shall be in default and the Board shall take appropriate measures as allowed by the Covenants or at law, including, but not limited to, the filing of a statement of lien in accordance with the Covenants. Such statement shall be signed and verified by the Secretary of the Association or any other officer authorized by the Board.

6.3 Depositories. The funds of the Association shall be deposited in such bank(s) or other depositories designated by the Board and shall be withdrawn therefrom only upon check or order signed by the officers who shall from time to time be designated by the Board for the purpose. Checks of less than $500.00 for payment of Association obligations are required to bear only one (1) signature of a designated officer and checks for a greater amount must bear a signature and counter signature of designated officers.

6.4 Fiscal Year The fiscal year of the corporation shall begin on January 1 and end on December 31 of each year.

Article 7. Obligations of the Members

7.1 Maintenance and Repair. A Member shall be responsible to the Association and each other Member for any claim, damages or liabilities arising from the Member's failure to discharge its obligations under the Covenants. A Member shall reimburse the Association or another Owner on demand for any expenditures incurred in repairing or replacing any part of such owner's improvements of the Common Areas damaged by the reimbursing Member, and member of such Member's family, or a tenant, employee or other user or occupant of the reimbursing Member's Lot.

Article 8. Amendments

8.1 Amendments. These bylaws may be amended by the Members in a duly constituted meeting for such purpose. No amendment shall take effect unless approved by the Owners of at least 60% of the Lots in the Subdivision.

Article 9. Mortgages, Statement of Unpaid Assets

9.1 Notice to Association. Any Member who mortgages a Lot shall notify the Secretary of the Association of such mortgage or mortgages and the name and address of the mortgage or mortgagee(s). The Secretary of the Association shall maintain a record of the names and addresses of all mortgagees of which the Secretary is given notice.

9.2 Notice of Unpaid Assessments. Upon twenty (20) days request by a mortgagee, proposed mortgagee or purchaser who has a contractual right to purchase a Lot, the Association shall furnish a statement setting forth the amount of the then unpaid assessments pertaining to such Lot. If any mortgagee, proposed mortgagee or purchaser of such Lot, in reliance upon such statement disburses mortgage loan proceeds or expends the purchase price, such mortgagee, proposed mortgagee or purchaser shall not be liable for, nor shall such Lot be subject to a lien which is not properly filed in accordance with law prior to the date of statement, for any unpaid assessments in excess of the amount set forth in the statement. If the Association does not provide such a statement within twenty (20) business days after such request, then the Association is barred from making claim for any delinquent assessments other than against any such mortgagee, proposed mortgagee or purchaser under a lien properly filed in accordance with law prior to the request of the statement.

9.3 Notice to Mortgagee. Any notice required or permitted to be given to any mortgagee pursuant to these bylaws shall be deemed given if mailed or delivered to such mortgagee at the address shown in such record and shall be deemed effective as of the date of mailing or delivery.

Article 10. Conflicts

10.1 Conflicts If any provision of these bylaws conflicts with the Covenants, the Covenants will Control.