BY-LAWS
OF
EVERGREEN CANYON ESTATES
HOMEOWNERS' ASSOCIATION, INC.
TOWN OF BARTON, WEST BEND, WI

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BY-LAWS
OF
EVERGREEN CANYON ESTATES HOMEOWNER'S ASSOCIATION, INC.

ARTICLE 1
GENERAL PROVISIONS

Section 1.1 -Incorporated Association. The affairs of this Association shall be governed by an incorporated nonstock, non-profit association of its lot owners known as "Evergreen Canyon Estates Homeowners' Association, Inc." (hereinafter referred to as the "Association"), incorporated on January 22, 2004.

Section 1.2 - Mailing Address. The Association's mailing address shall be the home address of its President.

Section 1.3 - Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date these By-Laws are approved.

Section 1.4 - Conflicts. In case of any conflict between the Declarations and Restrictions of Evergreen Canyon (hereinafter referred to as the "Declarations") and these By-Laws, the Declarations shall control.

ARTICLE 2
ASSOCIATION MEMBERSHIP

Section 2.1 - Roster of Lot Owners. The Association shall maintain a current roster of the names and addresses of every lot owner to whom notice of meetings of the Association shall be sent.

Section 2.2 - Representation of Multiple Owners and of Entities. When a lot has multiple owners, or such lot is owned by a partnership, corporation, trust, estate or other entity, then such owner(s) shall have the right to file a written designation with the Secretary specifying the person who shall represent the lot as the voting member in all meetings. Such written designation shall remain in effect and be binding upon such unit owner(s) until a written revocation by the lot owner(s) is filed with the Secretary. If such written designation or a properly signed proxy has not been filed before any meeting, then the presiding officer at such meeting shall have the right to designate any person present representing the lot owner(s) as the voting member to cast the vote for such lot at such meeting and such designation shall be conclusive for that meeting.

ARTICLE 3
ASSOCIATION MEETINGS

Section 3.1 - Initial Meetings. The Association shall hold an initial meeting and lot owners shall approve these By-Laws and elect the Directors.

Section 3.2 - Annual Meetings. The first annual meeting shall be held in the month of November of the year in which the meeting convened in accordance with Section 3.1 of these By-Laws is held. Each subsequent annual meeting shall, as determined by the first annual meeting, be held on the same day of the same month of each year thereafter.

Section 3.3 - Special Meetings. Special meetings of the Association may be called at any time by the President or by the Board of Directors, or upon written request of the lot owners who are entitled to vote ¼ of all of the votes.

Section 3.4 - Place of Meetings. All meetings shall be held at such place in the Town of Barton or the City of West Bend, Washington County, Wisconsin, as the Board of Directors may designate.

Section 3.5 - Notice of Meetings. No regular, annual or special meeting of the Association may be held except on at least 10 days' written notice delivered or mailed to every lot owner at the address shown on the roster or unless waivers are duly executed by all lot owners. 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.

Section 3.6 - Quorum. The presence at an Association meeting of owners and proxies entitled to cast a majority of the Association votes shall constitute a quorum for any action except as otherwise provided in the Declarations or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 3.7 - Suspension of Voting Rights. No lot owner may vote at a meeting of the Association until such owner shall furnish the Association with his or her name and current mailing address for the roster of lot owners.

Section 3.8 - Proxies. At all Association meetings owners may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary not later than the day before the scheduled meeting. Every proxy shall be revocable and shall automatically cease upon conveyance of a lot or upon the termination of an owner's interest therein. In any event, a proxy is effective only for a maximum period of 180 days following its issuance unless it is granted to a mortgagee or lessee.

Section 3.9 - Controlling Vote. Unless otherwise provided in the Declaration or these By-Laws, decisions of the Association shall be made on a majority of votes of the lot owners present and voting. Each lot is entitled to 1 vote, regardless of the number of owners for each individual lot. "Lot owners" vote as referred to in these By-Laws shall mean 1 vote per lot.

ARTICLE 4
BOARD OF DIRECTORS

Section 4.1 - Number The affairs of this Association shall be managed by a Board of 5 Directors.

Section 4.2 - Term of Office. The initial Directors shall take office upon election and shall serve terms on the following basis: two Directors shall serve for a term of 1 year, two Directors shall serve for a term of 2 years and one Director shall serve for a term of 3 years. Thereafter, Directors shall be elected for 3-year terms.

Section 4.3 - Removal. Any Director may be removed from the Board with or without cause, by a majority vote at an Association meeting. In the event of the death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term.

Section 4.4 - Compensation. No Director shall receive compensation for any service rendered to the Association. Any Director may, however, be reimbursed for actual expenses incurred in the performance of duties.

Section 4.5 - Nomination. With the exception of initial Directors elected at the initial meeting, nominations for Directors shall be made by a Nominating Committee of three voting members. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Association, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations for Directors may also be made from the floor at the annual meeting.

Section 4.6 - Election. Election to the Board of Directors shall be by secret written ballot. The person(s) receiving the largest number of votes shall be elected.

Section 4.7 - Limitations. Directors must be lot owners.

ARTICLE 5
MEETING OF DIRECTORS

Section 5.1 - Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2 - Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two Directors after not less than 10-days' notice to each Director.

Section 5.3 - Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4 - Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5.5 - Waiver of Notice of Meeting. Any Director shall have the right to file a written waiver of notice of the meeting of the Board of Directors and consent to the transaction of any business that may come before the meeting. Such waiver can be given before or after any meeting and shall be effective when filed with the Secretary with the minutes of the meeting.

ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 - General. The Board of Directors shall have the authority to exercise, for and on behalf of the Association, all powers, duties and authority vested in or delegated to the Association by the Declarations, except where the Declarations or these By-Laws specifically require a vote of the Association membership.

Section 6.2 - Specified. The Board of Directors shall have the specific power and duty to:

A. Adopt administrative rules and regulations (herein referred to as the "Rules and Regulations") governing the use and maintenance of the outlots; and to establish penalties for the infraction thereof; provided, however, that any portion of such Rules and Regulations may be amended or rescinded by the unit owners representing 51% of the units at any annual or special meeting if written notice thereof is given to all members at least 10 days before the date of such meeting; and further provided that the Rules and Regulations do not conflict with the Declarations.

B. Employ a manager, managing agent, independent contractor or such other employees and personnel as the Board of Directors deems necessary, and to prescribe their compensation and duties.

C. Cause to be kept, using standard bookkeeping procedures, detailed and accurate records of the receipts and expenditures affecting the outlots, specifying and itemizing the maintenance and repair expenses of the outlots and any other expenses incurred, together with a complete record of all proceedings and activities of the Board of Directors and the Association. A summary of such records shall be presented to the Association membership at each annual meeting.

D. Cause all vouchers authorizing the payment of common expenses, and the books and papers of the Association to be available for examination by the lot owners at

convenient times at the principal office of the Association, where copies may be purchased at reasonable cost.

E. Prepare on or before November 1 of each year an annual budget for consideration and adoption by the annual meeting of the Association which budget shall show the estimated income and receipts of the Association, together with the common expenses which will be required to properly maintain the outlots as provided in the Declarations.

F. Fix the amount of the regular annual assessments required to be paid by each lot owner based on such annual budget and a reasonable amount considered by the Board of Directors to be necessary for a reserve for contingencies, replacements and improvements.

G. Furnish to each lot owner at or before the annual meeting each year a summary of the proposed Association budget and a statement of the annual assessment to be made to each lot during the following year, together with a statement of the rate of interest which has been fixed by the Board of Directors to be charged on unpaid assessments.

H. Sue to recover a money judgment for unpaid assessments and charges or attach a lien against any lot for which assessments or charges are not paid.

I. Secure and maintain adequate policies of insurance on the outlots.

J. Cause such officers, directors or employees of the Association having a financial responsibility to be bonded at the expense of the Association as it may deem appropriate.

K. Contract for or otherwise provide for such services as may be necessary to manage, control and maintain the outlots in accordance with the Declarations.

L. Levy special assessments as authorized by the Declarations, provided that:

1. a written report setting forth the reasons for and the estimated amount of the funds required, the proposed assessment against each lot, and the date or dates of payment is provided to the lot owners with the notice of the special Association meeting at which such special assessment will be considered; and

2. such special assessment is approved by the affirmative vote of unit owners representing a majority of the votes.

M. Designate by resolution, from time to time, one or more banks to act as depository for the funds of the Association.

N. Establish procedures for the approval of all disbursements from the Association's funds and for the regular audit of the books and records of the Association.

O. Suspend for not more than 60 days, after notice and hearing before the Board, the voting rights of any lot owner, tenant or occupant who is in default in the payment of any assessment levied by the Association or who is charged with a substantial infraction of the Rules and Regulations.

Section 6.3 - Borrowing Money. The Board of Directors shall not borrow money on behalf of the Association unless authorized to do so by 100% of the lot owners. Funds required for the repayment of borrowed money shall be part of the common expenses of the Association.

ARTICLE 7
OFFICERS AND THEIR DUTIES

Section 7.1 - Enumeration of Officers. The Officers of this Association shall be a President and Vice President, a Secretary, a Treasurer, who shall at all times be members of the Board of Directors and such other officers as the Board may from time to time by resolution create.

Section 7.2 - Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Association.

Section 7.3 - Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one year unless he/she shall sooner resign, be removed or otherwise be disqualified to serve.

Section 7.4 - Special Appointments. The Board of Directors may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 7.5 - Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6 - Vacancies. A vacancy in any office shall 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.

Section 7.7 - Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 7.4 hereof.

Section 7.8 - Duties. The duties of the officers are as follows:

A. **President**. The President shall preside at all meetings of the Board of Directors and Association; shall see that the orders, resolutions, Rules and Regulations of the Board are carried out, and shall co-sign all checks and promissory notes.

B. **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

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 Association; serve notice of meetings of the Board and of the Association; keep the Association roster of lot owners and addresses; certify statements of unpaid assessments for delivery to lot owners; and perform such other duties as required by the Board.

D. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Association at its annual meeting and deliver a copy of each to the lot owners.

ARTICLE 8
COMMITTEES

Section 8.1 - General Committees. The Board of Directors shall appoint such committees for such purposes and terms as it deems appropriate to discharge the duties and responsibilities of the Association and the Board of Directors and to provide for the proper operation of the Association.

Section 8.2 - Nominating. The Board of Directors shall appoint a Nominating Committee having the number of members and the responsibilities as specified in Section 4.5 of these By-Laws.

ARTICLE 9
COMMON EXPENSES

Section 9.1 - Illustrative List. The common expenses set forth in Section 9.2 are intended only to guide lot owners, directors and officers in understanding the nature and purpose of common expenses. The common expenses actually incurred by the Association may include items not listed in Section 9.2 or conversely, may not include items which are listed. The Board of Directors shall have full authority to determine and authorize appropriate common expenses.

Section 9.2 - Typical Expenses. Common expenses may include, but are not limited to, the cost of:

A. maintaining the outlots including cutting of grass, care of shrubs and trees, maintaining pathways and walkways, and maintaining outlots.

B. liability insurance on the outlots and the cost of such other insurance as the Association may obtain.

C. the services of the management and maintenance personnel or independent contractors as the Association shall consider necessary for the maintenance of the outlots.

D. providing such legal and accounting services as may be considered necessary.

E. acquiring equipment for the maintenance of the outlots as the Board of Directors shall determine is necessary and proper.

F. any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the maintenance on the outlots.

ARTICLE 10
AMENDMENTS

Section 10.1 - Presentment. Amendments to these By-Laws may be initiated and presented by the Board of Directors or any lot owner. Amendments must be submitted in writing to all lot owners at least 10 days prior to the annual or special Association meeting at which they will be considered.

Section 10.2 - Vote Required. These By-Laws may be amended by the affirmative vote of lot owners having 51% or more of the votes.