

COACH LIGHT TRAIL HOMEOWNERS' ASSOCIATION

BY-LAWS

SECTION 1

GENERAL

The following are the By-Laws of Coach Light Trail Homeowners' Association, a Wisconsin nonstock corporation (the "Association"). The Association is organized pursuant to Wisconsin Statutes Chapter 181 for the purpose of operating and managing Coach Light Trail, a residential neighborhood located within the plat of The Lighthouse at Hudson Pier, City of Hudson, St. Croix County, Wisconsin. The terms used in these By-Laws shall have the same meaning as they have in the Declaration of Easements, Covenants, Restrictions and Reservations for Coach Light Trail (the "Declaration").

SECTION 2

MEMBERSHIP

2.1 Members Defined. All Persons described as Owners of a Lot in Section 4 of the Declaration shall be members of the Association. No Person shall be a member solely by virtue of holding a security interest in a Lot. A Person shall cease to be a member at such time as that Person is no longer a Lot Owner.

2.2 Registration of Lot Owners and Occupants. Each Owner of a Lot shall register with the Secretary of the Association, in writing, within thirty (30) days after taking title to a Lot, (i) the name and address of the Lot Owner and any Occupants of the Lot, (ii) the nature of such Lot Owner's interest or estate in each Lot owned; and (iii) the address at which the Lot Owner desires to receive notice of any meeting of the Lot Owners, if other than the Lot address. Each Lot Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information. No Owner may vote at meetings of the Members until the information required by this Section is furnished to the Association.

2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Lot or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3

VOTING

3.1 Entitlement. Votes shall be allocated to each Lot as provided in the Declaration. However, no vote shall be exercised as to a Lot while the Lot is owned by the Association.

3.2 Authority to Cast Vote. At any meeting of the Members, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Member's proxy, shall be entitled to cast the vote which is allocated to the Lot owned by the Owner. If there is more than one (1) Owner of a Lot, only one (1) of the Owners may cast the vote. If the Owners of a Lot fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Lot and be counted as present at any meeting of the Members by executing a written proxy naming another Person entitled to act on that Member's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by a Member shall be effective until the earliest of the following events: (i) revocation by the granting Member by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) the date specified in the proxy, if any, (iii) the time at which the granting Member is no longer a Lot Owner, or (iv) one hundred eighty (180) days following the issuance of the proxy (unless the proxy is granted to a Mortgagee or lessee).

3.4 Voting for Directors by Mail Ballot. The election of directors may be determined by mailed ballots subject to the following requirements.

- a. The notice of the vote shall: (i) clearly state the purpose for the vote (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve the matter other than election of directors, and (iv) specify the time by which a ballot must be received by the Association in order to be counted.
- b. The ballot shall: (i) set forth each open director seat and (ii) provide an opportunity to vote for or against each candidate.
- c. The Board shall set the time for the return of ballots, which shall not be less than fifteen (15) nor more than thirty (30) days after the date of mailing of the ballots to the Members. The Board shall provide notice of the results of the vote to the Members within ten (10) days after the expiration of the voting period.

- d. Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the vote, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to elect each director.

3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Members, or cast by mail in accordance with Section 3.4, shall decide all matters properly brought before the Members, except where a different vote or voting procedure is required by the Governing Documents or the Act. Without limiting the foregoing, the Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Members and thereafter by an instrument signed by not less than sixty-seven percent (67%) of the Members, provided nevertheless that any amendment to the Declaration altering the Association's obligations of maintenance in Section 6.1 of the Declaration shall require the written approval of the City of Hudson. The term "majority" as used herein shall mean in excess of fifty percent (50%) of the votes cast at a meeting, in person or by proxy, or voting by mail in accordance with Section 3.4, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4

MEETINGS OF MEMBERS

4.1 Place. All meetings of the Members shall be held at the office of the Association or at such other place in the state of Wisconsin reasonably accessible to the Members as may be designated by the Board in any notice of a meeting of the Members.

4.2 Annual Meetings. An annual meeting of the Members shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Members, (i) the Persons who are to constitute the Board shall be elected pursuant to Section 6, (ii) a report shall be made to the Members on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Members, shall be considered and acted upon at the meeting.

4.3 Special Meetings. Special meetings of the Members may be called by the President as a matter of discretion. Special meetings of the Members shall be called by the President or Secretary within thirty (30) days following receipt of the written request of a majority of the members of the Board or of Members entitled to cast at least twenty-

five percent (25%) of all the votes in the Association. The meeting shall be held within ninety (90) days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

4.4 Notice of Meetings. Not less than twenty-one (21) nor more than thirty (30) days in advance of any annual meeting of the Members, and at least seven (7), but no more than thirty (30), days in advance of any special meeting of the Members, the Secretary shall send, to all persons who are Members as of the date of sending the notice, notice of the time, place and agenda of the meeting, by United States mail, or by hand delivery, at the Member's Lot address or to such other address as the Member may have designated in writing to the Secretary. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and director of the Association.

4.5 Quorum/Adjournment. The presence of Members in person or by proxy, who have the authority to cast in excess of fifty percent (50%) of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Members for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting may be adjourned from time to time, but until no longer than fifteen (15) days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Member previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any Lot owned by the Association.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Lot numbers, the names of the Lot Owners, the vote attributable to each Lot and the name of the Person (in the case of multiple Lot Owners) authorized to cast the vote.

4.7 Agenda. The agenda for meetings of the Members shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Members along with the notice of the meeting.

SECTION 5

ANNUAL REPORT

The Board shall prepare an annual report, a copy of which shall be provided to each Member at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent (2%) of the current budget or five thousand dollars (\$5,000), whichever is greater, approved by the Association for the current year or succeeding two (2) fiscal years.

5.2 Reserve Funds. A statement of the balance in any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.

5.3 Financial Statements. A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.

5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 Insurance. A statement of the insurance coverage provided by the Association.

5.6 Status of Assessments. A statement of the total past due Assessments on all Lots, current as of not more than sixty (60) days prior to the date of the meeting.

SECTION 6

BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by a Board. The first Board shall consist of the persons designated by Declarant as directors in the Articles of Incorporation of the Association or appointed by Declarant to replace them, subject to the rights of Members to elect directors as set forth in Section 6.2. Upon the expiration of the terms of the members of the first Board, the Board shall be composed of three (3) directors, a majority of whom shall be Members, or a duly authorized representative of the Lot Owner if the Member is an entity which has the capacity to hold title to real estate.

6.2 Term of Office. The terms of office of the members of the Board shall be as follows:

- a. Subject to Subsection b., the terms of all directors appointed by Declarant as authorized by the Declaration shall terminate upon the earliest of (i) voluntary surrender of control by Declarant, (ii) sixty (60) days after conveyance to Owners other than Declarant of seventy-five percent (75%) of the total number of Lots included in the Property or (iii) the date five (5) years following the date of the first conveyance of a Lot to an Owner other than Declarant.
- b. The first terms of office of the directors elected by the Members immediately following the termination of the terms provided for in Section 6.2a. shall be one (1) year for one (1) of the directors and two (2) years for two (2) of the directors. Each term of office thereafter shall be two (2) years and shall expire upon the election of a successor at the appropriate annual meeting of the Members; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. At the first election, the nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these By-Laws. There shall be no cumulative voting for directors.

6.3 Nominations. Except for directors appointed by Declarant, nominations for election to the Board at the annual meetings shall be made by a nominating committee appointed by the Board and shall be based upon nominations submitted by the Members (including nominations submitted by the Board). The nominating committee shall consist of Members who are representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations.

6.4 Powers. The Board shall have and be delegated all powers necessary for the administration of the affairs of the Association, and may exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the owners) by law or by the Governing Documents. The powers of the Board shall include, without limitation, the power to:

- a. perform or hire others to perform the maintenance obligations of the Association as set forth in Section 6 of the Declaration;

- b. adopt, amend and revoke Rules and Regulations not inconsistent with the Governing Documents, as follows: (i) regulating the use of the Lots, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the other Lots; (ii) regulating or prohibiting animals; (iii) regulating conduct which may damage the Property, (iv) regulating the exterior appearance of the Property after expiration of the ARC as provided in the Declaration; (v) implementing the Governing Documents, and exercising the powers granted by this Section; and (vi) otherwise facilitating the operation of the Property;
- c. adopt and amend budgets for revenues, expenditures and reserves, levy and collect Assessments for Common Expenses, and foreclose Assessment liens incidental to its collection efforts;
- d. hire and discharge managing agents and other employees, agents, and independent contractors;
- e. institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two (2) or more Lot Owners on matters affecting the Property or the Association, or, (ii) with the consent of the Lot Owners of the affected Lots on matters affecting only those Lots;
- f. make contracts and incur liabilities;
- g. regulate the use, maintenance, repair, replacement and modification of the Lots;
- h. acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property;
- i. impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations;
- j. borrow money, and encumber or pledge the assets of the Association as security therefor; provided that any borrowings in any twelve (12) month period which exceed, in aggregate, ten percent (10%) of the Association's current annual budget, shall require approval by the Members at an Association meeting duly called and constituted.

- k. impose reasonable charges for the review, preparation and recording of amendments to the Declaration or By-Laws, statements of unpaid Assessments, or furnishing copies of Association records;
- l. provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;
- m. obtain and provide insurance as required by the Declaration;
- n. provide for reasonable procedures governing the conduct of meetings and the election of directors;
- o. appoint, regulate and dissolve committees pursuant to Wisconsin Statutes Section 181.23;
- p. prohibit any Member from voting at a meeting of the Members if the Association has recorded a lien against the Member's Lot and the amount necessary to release lien has not been paid at the time of the meeting;
- q. exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 Meetings and Notices. An annual meeting of the Board shall be held promptly following each annual meeting of the Members. At each annual meeting, the officers of the Association shall be elected.

- a. Regular meetings of the Board shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the members of the Board. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and posted or published for the information of Members, as provided in Section 6.5.e.
- b. Special meetings of the Board shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten (10) days following the written request of a majority of the directors. Notice of any special meeting shall be given to each director not less than three (3) days in advance thereof, subject to Subsection c. Notice to a director shall be deemed to be given when deposited in the United States mail postage prepaid to the Lot address of such director, or when personally delivered, orally or in writing, by a representative of the Board.
- c. Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are

present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

- d. A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting.
- e. Except as otherwise provided in this Section and upon the sole discretion of the Board, meetings of the Board shall be open to the Members. To the extent practicable, the Board shall give reasonable notice to the Members of the date, time, and place of an open Board meeting. If the date, time and place of meetings intended to be open are provided for in the Declaration, Articles, By-Laws, announced at a previous meeting of the Board, posted in a location accessible to the Members and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Section 11.1. Notwithstanding the foregoing, meetings may be closed to discuss the following:
 - (1) personnel matters;
 - (2) pending or potential litigation, arbitration or other potentially adversarial proceedings between Lot Owners, between the Board or Association and Lot Owners, or other matters in which any Lot Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of a Lot Owner or Occupant of a Lot; or
 - (3) criminal activity arising within the Property if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

The minutes of, and the documentation discussed or submitted at, such closed meeting shall not be made available for review or copying pursuant to Section 8.5.

Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting.

6.6 Quorum and Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one (1) vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies shall not be permitted.

6.7 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting that it could take at a meeting when authorized in a writing signed by all the directors.

6.8 Vacancies. A vacancy in the Board, other than those under Sections 6.2 and 6.9, shall be filled by a person elected within thirty (30) days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.

6.9 Removal. A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Members; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose, (ii) that the director to be removed has a right to be heard at the meeting and (iii) that a new director is elected at the meeting by the owners to fill the vacant position caused by the removal. A director may also be removed by the Board if such director (i) has more than two (2) unexcused absences from Board meetings and/or Members meetings during any twelve (12) month period or (ii) is more than sixty (60) days past due with respect to Assessments or installments thereof on the director's Lot. Such vacancies shall be filled by the vote of the Members as previously provided in this Section.

6.10 Compensation. Except as authorized by a vote of the Members at a meeting thereof, the directors of the Association shall receive no compensation for their services in such capacity. A director may, upon approval by the Board, be reasonably compensated for goods and services furnished to the Association in an individual capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

6.11 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7

OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President, and President and Secretary. Only the President and Vice President must be members of the Board.

7.2 Election. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

7.3 Removal. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, 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 that purpose, whenever in the judgment of the Board the best interests of the Association will be served thereby.

7.4 President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.

7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board.

7.6 Secretary. The Secretary shall be responsible for recording the minutes of all meetings of the Board and the Association and responsible for counting votes at meetings of the Association. The Secretary shall be responsible for keeping the books and records of the Association, and shall give all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 Treasurer. The Treasurer shall have responsibility for all financial assets of the Association, and shall be covered by a bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, Assessment rolls and accounts; (ii) prepare an annual financial report, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 Compensation. Except as authorized by a vote of the Members at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. An officer may, upon approval by the Board, be reasonably compensated for goods and services furnished to the Association in an individual capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

SECTION 8

OPERATION OF THE PROPERTY

8.1 Assessment Procedures. The first Board shall annually prepare a budget of Common Expenses for the Association, but may elect to defer the levying of a Common Expense Assessment, in which case Declarant shall pay all Common Expenses until the first Assessment is levied. Following the expiration of the terms of the members of the first Board, the Board shall annually prepare a budget of Common Expenses for the Association and assess such Common Expenses against the Lots according to their respective Common Expense obligations as set forth in the Declaration.

- a. Subject to the limitations contained in Section 7 of the Declaration, the Board shall fix the amount of the annual Assessment against each Lot, levy the Assessment and advise the Owners in writing of the Assessment at least thirty (30) days prior to the beginning of the Association's fiscal year when the first Assessment installment shall be due. The failure of the Board to timely levy an annual Assessment shall not relieve the Owners of their obligation to continue paying Assessment installments in the amount currently levied, as well as any increases subsequently levied.

- b. Subject to the limitations contained in Section 7 of the Declaration, the Board may amend the budget and Assessments, or levy a special Assessment, at any time. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.
- c. Assessments levied against only certain Lots under Section 7.4 of the Declaration may be included in the annual Assessments levied against the affected Lots or may be levied separately during the year.
- d. The annual budget shall include a general operating reserve, and an adequate reserve fund for maintenance, repair and replacement of those parts of the Property that must be maintained, repaired or replaced by the Association on a periodic basis.
- e. The Association shall furnish copies of each budget on which the Assessment is based to a Lot Owner upon request of such persons.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in annual installments in advance on the 15th day of January each year for which the Assessments are made, and special Assessments shall be due when designated by the Board. All Lot Owners shall be absolutely and unconditionally obligated to pay the Assessments. No Lot Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any Assessments, or late charges or costs of collection, regardless of any claims alleged against the Association or its officers or directors. Any rights or claims alleged by a Lot Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If any Lot Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Board may assess, and such Lot Owner shall be obligated to pay, interest (at the highest rate allowed by law), a late charge as provided in the Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorneys' fees, incurred by the Board in collecting any such unpaid Assessment, all of which shall be deemed to be Assessments.

- a. If there is a default of more than thirty (30) days in payment of any Assessment, the Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Lot Owner, and the entire unpaid balance of the Assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts, including late charges, costs of collection and fines, are paid prior to said date.

- b. The Board shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with any charges, attorneys' fees or expenses relating to the collection thereof.
- c. Upon written request of a Lot Owner, notice of a default of more than thirty (30) days in payment of any Assessment or installment of an Assessment for Common Expenses or any other default in the performance of obligations by the Lot Owner shall be given in writing to such Lot Owner.
- d. The rights and remedies referred to herein shall in no way limit the remedies available to the Association under the Declaration or by law.

8.4 Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a lien against a Lot for Assessments imposed by the Association, as more fully described in the Declaration.

8.5 Records. The Board shall cause to be kept at the principal office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board and of meetings of committees having any of the authority of the Board, and minutes of the meetings of the Members of the Association. The Board shall cause to be kept at the principal office of the Association or at the office of the Secretary of the Association a record of the names and addresses of all Lot Owners entitled to vote and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by any Lot Owner, or a Lot Owner's agent or attorney for any proper purpose upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Lot setting forth the amount of the Assessments against the Lot, the date when due, the amount paid thereon and the balance remaining unpaid.

8.6 Enforcement of Obligations. All Lot Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents and the Rules and Regulations. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents, the Rules and Regulations or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9

AMENDMENTS

These By-Laws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

9.1 Approval. The amendment must be approved by Members who have authority to cast in excess of sixty-seven percent (67%) of the total votes in the Association, in writing or at a duly held meeting of the Members, subject to any approval rights of the Declarant as provided in the Declaration; and

9.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U.S. mail, or hand delivered, to all Members authorized to cast votes; and

9.3 Requirements; Effective Date; Recording. The amendment shall be effective on the date of approval by the required vote of the Members and need not be recorded. If recorded, the amendment shall be recorded in the office of the recording officer for the county in which the Property is located.

SECTION 10

INDEMNIFICATION

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of Wisconsin Statutes Sections 181.041 to 181.051.

SECTION 11

MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Act, Wisconsin Statutes Chapter 181, the Declaration or these By-Laws, all notices required to be given by or to the Association, the Board, the Association officers, Members or the Lot Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these By-Laws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict among the provisions of the Act, the Declaration, the By-Laws or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, By-Laws and Rules and Regulations, the Declaration shall control, and as between the By-Laws and the Rules and Regulations, the By-Laws shall control.

11.5 Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.6 No Corporate Seal. The Association shall have no corporate seal.

11.7 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

11.8 Mailing Address. The mailing address of the Association, as of the date of these By-Laws, is c/o of Lighthouse Development Corporation, 12415 – 55th Street North, Lake Elmo, Minnesota 55042. The mailing address for the Association may be changed by the Board from time to time, without the necessity of amending these By-Laws.

The undersigned certifies that these were By-Laws were adopted by the first Board of Coach Light Trail Homeowners' Association, a Wisconsin nonstock corporation, effective as of the date hereof.

Dated: _____

Secretary
Coach Light Trail Homeowners' Association

**COACH LIGHT TRAIL HOMEOWNERS' ASSOCIATION
BY-LAWS
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**BY-LAWS
OF
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