

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations also may be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the board of Directors, and two or more members of the Association. The nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each 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. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of Association shall be governed by a Board of Directors composed of five (5) persons (except for the first Board of Directors, which shall be composed of three (3) persons). Directors need not be members of the Association.

Section 2. First Board of Directors. The first Board of Directors named in the Articles of Incorporation shall maintain, manage and administer the affairs, the real estate and other property of the Association, until the first annual meeting of the members and until their successors have been duly elected and qualified, unless said Directors sooner resign, be removed or are otherwise disqualified to serve.

Section 3. Powers. The Board of Directors shall have the following powers:

A. To adopt and publish rules and regulations governing the use of the facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof:

B. To suspend the voting rights and right to use of recreational facilities of a member, but not rights of access and easements necessary for the use of his Lot, during any

period in which such member shall be in default for a period of thirty (30) days in the payment of any assessment levied by the Association, or the payment of any other amount or the performance or any other term of the Declaration or these By-Laws. Such rights also may be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

C. To assess reasonable service charges for tardy payment of assessments and for returned checks.

D. To exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, or the Articles;

E. To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meeting of the Board of Directors; and

F. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to the subject to the limitations set forth in the Declaration.

G. To delegate some or all of its duties under the Declaration to Red Cedar Canyon Overall Association, Inc., a Wisconsin nonstock corporation.

Section 4. Duties. The Board of Directors shall have the following duties:

A. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the membership entitled to vote;

B. To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

C. To establish the annual assessment period and fix the amount of the annual assessment against each member for each Lot owned and against the Declarant, if any, for the following fiscal year preceding the start of such fiscal year, all in accordance with the terms of the Declaration and these By-Laws;

D. To fix the amount of any special assessment against each member for each Lot owned and against the Declarant all in accordance with the terms of the Declaration and these By-Laws;

E. To send written notice to all members of any meeting of the members called for the purpose of voting upon increases in annual assessments above the maximum set by the Declaration or voting upon a proposed special assessment;

F. To send written notice of each assessment for the following fiscal year to every Owner and, where appropriate, to the Declarant, not later than 30 days preceding the start of such fiscal year, and levy all such assessments as liens;

G. To foreclose by action in the manner provided by Wisconsin Statutes Section 779.70 the lien against any Lot for which assessments are not paid within sixty (60) days after due date and to bring an action at law against the Owner or other person personally obligated to pay the same;

H. To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

I. To procure and maintain, as directed by the Board of Directors, liability and fire and other hazard insurance on property owned by the Association which shall include fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement only); and to use proceeds of such hazard insurance solely for the repair, replacement or reconstruction of such insurable common property including insured improvements and to procure and maintain other insurance as required or authorized by the Declaration;

J. To cause all officers or employees having fiscal responsibilities to be covered by fidelity insurance, as it may deem appropriate, and at least as required by the Declaration;

K. To cause all of the Common Area and Community Facilities to be maintained;
and

L. To perform the other functions of the Association as set forth in the Declaration.

Section 5. Term of Office. At the first annual meeting the members shall elect two (2) Directors for a term of one year, two (2) Directors for a term of two years, and one (1) Director for a term of three years; and at each annual meeting thereafter the members shall elect Directors for a term of three years to fill the vacancies created by expiring terms. There shall be no limit on the number of times a Director may serve.

Section 6. Vacancies. Any vacancy in the Board of Directors shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum.

Each person so elected shall be a Director for the unexpired term of his predecessor, or until his successor is elected.

Section 7. Compensation. No Director shall receive compensation for service as a Director. However, any Director may be reimbursed for actual expenses incurred in the performance of duties.

Section 8. Removal of Directors. At any regular or special meeting of the Association duly called, any Director may be removed with or without cause by a majority of the Directors and a successor may then and there be elected to fill the vacancy thus created.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elevated, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting provided a majority of the whole Board of Directors shall be present.

Section 10. Regular Meetings. Regular meeting of the Board of Directors shall be held monthly without notice, at such place and hour as may be determined from time to time by resolution of the Board of Directors. 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 legal holiday.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 12. Telephone Conference. A meeting of the Directors or any committee of the Board may be conducted by a telephone conference or any means of communication through which the participants may simultaneously hear each other during the meeting, if notice of the meeting has been given and if the number of persons participating in the conference is sufficient to constitute a quorum. Participating in a conference constitutes personal presence at the meeting.

Section 13. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 14. Quorum. At all meetings of the Board of Directors, a majority of the Director shall constitute a quorum for the transaction of business, and the acts of the majority of

the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors except as otherwise provided in the Declaration, Articles or these By-Laws. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 15. 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 16. No Proxies. Directors shall not vote by proxy.

ARTICLE VI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officer as the Board may from time to time by resolution create.

Section 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 members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors, and each shall hold office for one (1) year unless he shall sooner resign, be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect 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 of Directors may, from time to time, determine.

Section 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 Board of Directors, the president or 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 6. Vacancies. A vacancy in any office may 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 he replaces.

Section 7. Multiple Offices. The offices of a secretary treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

The president shall preside at all meetings of the Board of Directors; he shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgage deeds and other written instruments (except to the extent that the Board of Directors authorizes or mandates the delegation of such authority). He shall have the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in conducting the affairs of the Association.

Vice President

The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association (if any be adopted) and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the members; shall keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board of Directors.

Treasurer

The treasurer shall receive and deposit in appropriate bank accounts all monies as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association (except to the extent that the Board of Directors authorizes or mandates the delegation of such authority); shall keep proper books of account, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.