

ARESTATED
BY-LAWS
OF
LAKE ARROWHEAD ASSOCIATION, INC.

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**LAKE ARROWHEAD ASSOCIATION, INC.
CONSENT RESOLUTION – May 2009
BOARD OF DIRECTORS**

The undersigned, being all of the Directors of the LAKE ARROWHEAD ASSOCIATION, INC., a Wisconsin corporation, do hereby consent to and adopt the following Resolution pursuant to the Wisconsin Statutes:


WHEREAS, Article 11.02 of the By-Laws of Lake Arrowhead Association, Inc. ("the By-Laws") provides that the By-Laws may be amended by the Board of Directors by an affirmative vote of the majority of the number of Directors present at any meeting at which a quorum is in attendance,


BE IT RESOLVED, that the following Amendment be made to the By-Laws:


1. Article 2.08 (a) is Amended as written on page 6;
2. Article 2.09 (c; i) is Amended as written on page 7;
3. Article III, Section 3.02 is Amended as written on page 11;
4. Article III, Section 3.09 is Amended as written on page 12;

FURTHER RESOLVED, as stated above this Amendment shall become effective May 27, 2009


Dated: August 27, 2009




Fred Heget


Paul Trick


Lee McGuire



John Halaska


Jerome Betker

**LAKE ARROWHEAD ASSOCIATION, INC.
CONSENT RESOLUTION – October 2002
BOARD OF DIRECTORS**

The undersigned, being all of the Directors of the LAKE ARROWHEAD ASSOCIATION, INC., a Wisconsin corporation, do hereby consent to and adopt the following Resolution pursuant to the Wisconsin Statutes:

WHEREAS, the Lake Arrowhead Association, Inc. Board of Directors have been operating under the guidelines of the Restated By-Laws of 1982, with consent resolutions approved and accepted from that time forward and the sole responsibility of the development lies with Lake Arrowhead Association, Inc. and its wholly owned subsidiary, East Briar, Inc.

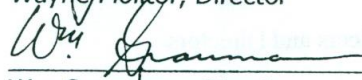
WHEREAS, the Board of Directors deemed the document of 1982 to be outdated and incomplete, thereby be it

RESOLVED, the Board of Directors herein approves the Restated By-Laws contained herein as of the date affixed to this document.

Dated: October 9, 2002


Jerry Becker, Director


Wayne Molitor, Director


Wm Graumann, Director


Rita Michels, Director


Ferdinand Hegel, Jr., Director

ARTICLE I. OFFICES

- 1.01. Principal Office.** The corporation may have such principal and other offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the offices of the corporation may require from time to time.
- 1.02 Registered Office.** The address of the registered agent of the corporation required by law to be maintained in the State of Wisconsin may be, but need not be, identical with the address of the principal office of the corporation in the State of Wisconsin, and the address of the registered office maybe changed from time to time by the Board of Directors.

ARTICLE II. MEMBERS AND MEMBERSHIPS

- 2.01 Annual Meeting.** The annual meeting of the members shall be held on the first Saturday in May at 1:00pm, or at such other time and date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other

business as may come before the meeting. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

- 2.02 Special Meeting.** Special meetings of the members, for any purpose or purposes, unless otherwise prescribe by statute, may be called by the Board of Directors or by the person designated in the written request of the holders of not less than one-tenth of all memberships of the corporation entitled to vote at the meeting.
- 2.03 Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the State of Wisconsin, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal business office of the corporation in the State of Wisconsin or such other suitable place in the county of such principal office as may be designated by the person calling such meeting, but any meeting may be adjourned to reconvene at any place designated by vote of a majority of the members represented thereat.
- 2.04 Notice of Meeting.** Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 20 (twenty) days to be consistent with restated By-Laws, no date, (unless a longer period is required by law or the articles of incorporation) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or other officer or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership books of the corporation, with postage thereon prepaid.
- 2.05 Quorum.** Except as otherwise provided in the articles of incorporation, a quorum for the transaction of business at any meeting of members, regular or special, shall consist of members present, in person or by proxy,

who are entitled to cast not less than ten percent (10%) of all the votes which the members are then entitled to cast if all members were present in person. If a quorum is present, the affirmative vote of the majority of the memberships represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by law or the articles of incorporation. Though less than a quorum of the outstanding memberships are represented at a meeting, a majority of the memberships represented may adjourn the meeting from time to time without further notice. If the required quorum is not forthcoming at such meeting, another meeting may be called, subject to the notice requirements set forth in Section 2.04 above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

For purposes of the election of Directors pursuant to Section 2.08 (b) of the By-Laws, a quorum shall consist of mailed in ballots received by the Association from members who are entitled to cast not less than ten percent (10%) of all the votes, which the members would be entitled to cast if all members were present in person.

2.06 Conduct of Meetings. The President, and in his absence, a Vice-President in the order provided under Section 4.01, and in their absence, any person chosen by the members present shall call the meeting of the members and the Secretary of the corporation shall act as secretary of all meeting of the members, but, in the absence of the Secretary, the presiding officer may; appoint any other person to act as secretary of the meeting.

2.07 Proxies. At all meetings of members, a member entitled to vote may vote in person or by proxy appointed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. Unless otherwise provided in the proxy, a proxy may be revoked at any time before it is voted, either by written notice filed with the Secretary or the acting Secretary of the meeting or by oral notice given by the member to the presiding officer during the meeting. The presence of a member who has filed his proxy shall not of itself constitute a revocation. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. The Board or Directors shall have the power and

authority to make rules establishing presumptions as to the validity and sufficiency of proxies.

2.08 Voting of Memberships.

(a) Membership in Lake Arrowhead Association, Inc. shall be limited to the following persons:

1. Residential parcel owners (one vote for each active parcel).
An owner who is delinquent in the payment of assessments for more than sixty (60) days past the due date shall not be eligible to attend any member meetings, board of director meetings, association committee meetings or to vote upon any matter submitted to the membership for voting until and unless the delinquent assessments are paid in full and a reinstatement period of one hundred eighty (180) days have elapsed following said payment.
2. Certificate holders (one vote for each active certificate).
A certificate holder who is delinquent in the payment of assessments for more than sixty (60) days past the due date shall not be eligible to attend any member meetings, board of director meetings, association committee meetings or to vote upon any matter submitted to the membership for voting until and unless the delinquent assessments are paid in full and a reinstatement period of one hundred eighty (180) days have elapsed following said payment.

(b) **Election of Directors.** Election of directors shall be exclusively by mail-in ballot. At any time when the membership is permitted or required to elect one or more directors, each member shall be provided, by mail, with the requisite number of ballots as set forth herein. Such ballots shall specify a due date by which the ballot must be returned to the Association that is not more than 60 days nor less than 30 days after the date on which the ballot is received by the member. For purposes of this paragraph, a ballot shall be deemed received by the member when deposited in the United States mail, postage paid and

addressed to the member at the last known address of the member as shown in the corporation's Membership Books. Each member shall be provided one ballot for each vote to which such member is entitled pursuant to subsection (a) above. Only ballots received by mail on or before the due date specified on such ballot shall be counted for purposes of election of directors.

2.09 Owner-Members.

(a) Defined. An Owner-Member shall be an individual, or a corporation other than this corporation, that acquires fee simple title to a lot or lots located within the subdivision known as Lake Arrowhead in the Town of Rome, Adams County, Wisconsin.

(b) Membership Runs With Land. An Owner-Member shall be inseparable from, and shall run with the land in the Lake Arrowhead Subdivision to which it attaches. An owner membership shall not be transferable apart from the conveyance of the land in the Lake Arrowhead Subdivision to which it attaches. As used in this Subsection, "conveyance" is restricted to any means by which fee simple title to the land is passed.

(c) Failure to Pay Annual Assessment. If the Owner-Member fails to pay the annual assessment when due, such failure shall have the following consequences:

- (i)** The Owner-Member's privileges shall be suspended immediately and shall remain suspended until such time as all arrearages have been paid in full. These privileges shall include all rights to the use and enjoyment of the common facilities, member discounts, and member golf memberships. Also, the owner-member shall not have the right to submit plans for any proposed associated structure or other construction work to the Architectural and Environmental Control Committee for review and shall be barred from submitting such plans until such arrearages have been paid in full;

- (ii) If the delinquent assessment remains unpaid for more than thirty (30) days from the due date, a penalty shall be assessed, in addition to the assessment, in the amount of twelve percent (12%) of the assessment; or at such lesser amount that is the maximum permitted by law; and,
- (iii) In the event that the delinquent assessment remains unpaid for a period of sixty (60) days from the date of levy, the Association may at its option, perfect and enforce a Maintenance Lien against the Owner-Member's property as provided in Section 779.70, Wisconsin Statutes.

2.10 Certificate-Holder Memberships.

- (a) **Defined.** Certificate-Holder Memberships shall be memberships acquired by individuals, or corporations other than this Association, that do not own a lot or residential unit located in Lake Arrowhead.
- (b) **Method of Acquisition.** Certificate-Holder Memberships may be acquired either by purchase from the Corporation at a price to be determined, from time to time, by the Board of Directors, or by acquisition from another Certificate-Holder Member as provided below.
- (c) **Sale Owner Requirement.** Certificate-Holder Memberships shall not be sold or acquired in the name of more than one individual or one corporation, as the case may be.
- (d) **Methods of Transfer.** Certificate-Holder Memberships may be alienated by a Certificate-Holder Member in one of the following ways:
 - (i) Testamentary bequest to the Certificate-Holder Member's spouse or a lineal descendant;
 - (ii) By operation of law in the event of the Certificate-Holder Member's intestacy; or,
 - (iii) If the Certificate-Holder Member desires to sell or otherwise transfer his Membership, the Association

shall have an irrevocable right of first refusal to purchase the Membership at the Certificate-Holder Member's original cost adjusted under the Federal Consumer Price Index (or similar successor index) published nearest the date the offer is made to the Corporation.

- (iv) In the event the Association takes no action upon the offer within fifteen (15) days from the date thereof, the Association shall be deemed to have waived its right of first refusal, and Certificate-Holder Member may sell his Membership to whomever he pleases.

(e) Effect of Attempted Transfer Contrary to Above Provisions.

Any attempted transfer or conveyance of a Certificate-Holder Membership contrary to the provisions set forth above shall operate to void the Certificate-Holder Membership.

(f) Failure to Pay Annual Assessment. If the Certificate-Holder Member fails to pay the annual assessment when due, such failure shall have the following consequences:

- (i) The Certificate-Holder Member's privileges shall be suspended until such time as all arrearages have been paid;
- (ii) If the assessment remains delinquent for more than thirty (30) days from the due date, a penalty shall be assessed, in addition to the assessment, in the amount of twelve percent (12%) of the assessment;
- (iii) If the assessment remains delinquent for more than ninety (90) days from the due date, the Certificate-Holder's Membership shall be forfeited and returned to the Association. The Association may take action against the Certificate-Holder Member for the amount of the unpaid assessment and penalty.
- (iv) Any Certificate-Holder Membership forfeited as provided above, may be resold by the Corporation at such price as the Board of Directors may, from time to time, establish.

- (g) **Membership Certificates and Membership Books.** The Corporation shall issue to each Certificate-Holder Member a separate acknowledgment, and the Corporation shall enter the Certificate-Holder Member's name and permanent address in the Corporation's Membership Book.

2.11 **Use of Property.**

- (a) **Rights, Privileges and Responsibilities.** Each Owner Membership and each Certificate-Holder Membership shall entitle the respective holder or holders to all the rights and privileges rights and privileges regarding the use and enjoyment of the Association's property and facilities as are set forth in Article VII (Use of Club Owned Property and Facilities) of the Declaration of Restrictions, Covenants and Easements for Lake Arrowhead, subject to the Corporation's right to establish rules, regulations and use fees as authorized by said Article VII.

If a parcel is owned by more than one person, the person whose name first appears on the Warranty Deed or other instrument evidencing ownership of title shall be deemed to be the Member for all purposes, unless in the records of the Club some other person is designated as the Member.

If a membership certificate or special membership certificate is issued in the name of more than one person, then the person whose name first appears on said Certificate shall be deemed to be the certificate holder for all purposes, unless in the records of the Club some other person is designated as the certificate holder.

- (b) **Use by Corporate Owner.** If a corporation other than this Association acquires or obtains an Owner Membership or a Certificate-Holder Membership, such corporate Member shall designate and list with this Corporation not more than two (2) individuals who are officers, directors or employees of such corporate Member, and such persons so designated shall have

the same right of use and enjoyment of the Corporation's property and facilities as does any other Member. This provision shall apply separately to each Membership held by the corporate member.

ARTICLE III. BOARD OF DIRECTORS

3.01 General Powers and Number. The business and affairs of the association shall be managed by its Board of Directors. The number of directors of the Association shall be five (5).

3.02 Tenure and Qualifications. Each director shall hold office for the term to which he or she is elected or appointed and until his or her successor shall have been elected or appointed and qualified or until his or her death, resignation or removal. A director may be removed from office by affirmative vote of a majority of the members entitled to vote for the election of a director, taken at a meeting of members called for that purpose. A director may resign at any time by filing his written resignation with the Secretary of the corporation. Directors shall be adults, but need not be residents of the State of Wisconsin. Directors shall be members of the Association. No parcel owner or certificate holder who is delinquent in the payment of assessments for more than sixty (60) days past the date shall be eligible as a candidate for membership on the Board of Directors nor shall such owner or certificate holder be eligible to continue to serve on the Board of Directors unless and until said assessments have been paid in full and a reinstatement period of one hundred eighty (180) days have elapsed following said payment.

In the event that a membership is held by a corporation other than this Association, then, one or more of agents, officers, directors or employees of such Member-Corporation may serve on the Board of Directors of this Corporation. Any Directorship held by a Director solely under such authority shall terminate immediately upon the termination of such Director as an agent, officer, director or any employee of such Member-Corporation or termination of the Member-Corporation's Membership in this Corporation.

3.03 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this by-law immediately after the annual meeting of members, and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of members which

precedes it, or such other suitable place as may be announced at such meeting of members. The Board of Directors shall provide the time and place for the holding of additional regular meetings.

- 3.04 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The place of meeting shall be the principal business office of the corporation in the State of Wisconsin.
- 3.05 Notice; Waiver.** Notice of each meeting of the Board of Directors (unless otherwise provided in or pursuant to Section 3.03) shall be given by any means of communication to each director at his business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than seventy-two (72) hours if by mail and/or electronic notification nor less than forty-eight (48) hours if by telephone. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by electronic notification, such notice shall be deemed to be delivered when the electronic notification is transmitted by Lake Arrowhead Association, Inc. If by telephone such notice shall be deemed to be delivered at the time of the delivery of the telephone message. Whenever any notice whatever is required to be given to any director of the corporation under the articles of incorporation or by-laws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of the notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting if such meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.
- 3.06 Quorum.** Except as otherwise provided by law or by the articles of incorporation or these by-laws, a majority of the number of directors as provided in Section 3.01 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a majority of the directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.
- 3.07 Manner of Acting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of

Directors, unless the act of a greater number is required by law or by the articles of incorporation or these by-laws.

- 3.08 Conduct of Meetings.** The President, and in his absence, the Vice-President, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any Assistant Secretary or any director or other person present to act as secretary of the meeting.
- 3.09 Vacancies.** In the event of a vacancy occurring in the Board of Directors, such vacancy shall be filled by a majority vote of the Board of Directors. In the event that the vote for such replacement results in a tie, the President of the Association's vote shall be deemed to be the deciding vote. In the event that the vacancy to be filled relates to a Board member who was also the President of the Association, the Vice-President of the Association's vote shall be deemed to be the deciding vote. A person appointed to the Board by this procedure shall serve for the duration of the term of the Board member whom she or he is replacing. This provision notwithstanding, in the event of a vacancy created by the removal of a Director by vote of the members, the members shall have the right to fill such vacancy at the same meeting or at any adjournment thereof.
- 3.10 Presumption of Assent.** A director of the corporation who is present at a meeting of the Board of Directors or a committee thereof of which he is a member at which action on any corporate matter is taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.
- 3.11 Unanimous Consent without Meeting.** Any action required or permitted by the articles of incorporation or by-laws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors then in office.
- 3.12 Annual Budget.** Prior to each assessment period, the Board of Directors shall prepare an annual operating budget for the Association in order to determine the amount of the annual assessment payable by each member to meet the

estimated common expenses of the Association for the ensuing year. The assessment shall be due on April 1, the first day of the fiscal year. If not paid within thirty (30) days of the due date, the assessments shall bear interest at the rate of 12% per annum until paid in full.

- 3.13 Directors fees**, if any, of the Directors shall be fixed from time to time by the Board of Directors, or by a duly authorized committee thereof.

ARTICLE IV. OFFICERS

4.01 Number. The principal officers of the corporation shall be a President, a Vice-President, and a Secretary/Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President.

4.02 Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his successor shall have been duly elected or until his prior death, resignation or removal.

4.03 Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

4.04 Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE V. COMMITTEES

5.01 Committee Membership. Each member of a committee shall continue as such until the next annual meeting of the Members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof. President of

Association shall appoint members to the committee thereof with Board concurrence.

5.02 Committee Chairperson. One member of each committee shall be elected Chairperson by the persons appointed to each committee.

5.03 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

5.04 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

5.05 Manner of Acting. Each committee shall abide by guidelines set forth and approved by the Board of Directors and/or General Manager.

ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

6.01 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Association, and such authorization may be in general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the Association shall be executed in the name of the Association by the President or the Vice-President and by the Secretary, and when so executed, no other party to such instrument or third party shall be required to make any inquiry into the authority of the signing officer or officers.

6.02 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Association and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

6.03 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the

association and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

- 6.04 Deposits.** All funds of the Association, not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

ARTICLE VII. CERTIFICATES FOR CERTIFICATE-HOLDER MEMBERSHIPS AND THEIR TRANSFER

- 7.01 Certificates for Certificate-Holder Memberships.** Certificates representing Certificate-Holder Memberships shall be in the form, consistent with law, as shall be determined by the Board of Directors. Such certificates shall be signed by the President or a Vice-President and by the Secretary or an Assistant Secretary. All certificates shall be consecutively numbered or otherwise identified. The name and address of the person to whom the Certificate-Holder Membership represented thereby is issued, and the date of issue, shall be entered on the Certificate-Holder Membership books of the Association. All certificates surrendered to the Association for transfer shall be cancelled and no new certificate shall be issued until the former certificate shall have been surrendered and cancelled, except as provided in Section 7.06.
- 7.02 Facsimile Signatures and Seal.** The seal of the corporation on any certificates may be a facsimile. The signatures of the President or Vice-President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the Association itself or an employee of the Association,
- 7.03 Signature by Former Officers.** In case any officer, who has signed or whose facsimile signature has been placed upon any certificate, shall have ceased to be such officer before such certificate is issued, it may be issued by the Association with the same effect as if he were such officer at the date of its issue.
- 7.04 Transfer of Certificates.** Prior to due presentment of a certificate for a Certificate-Holder Membership for registration of transfer, the Association may treat the registered owner of such certificate as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. Where a certificate is presented with a request to register for transfer, the Association shall not be liable to the owner

or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The Association may require reasonable assurance that said endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

7.05 Restrictions on Transfer. The face or reverse side of each certificate representing a Certificate-Holder Membership shall bear a conspicuous notation of any restriction imposed by the Association upon the Transfer of such Certificates.

7.06 Lost, Destroyed or Stolen Certificates. Where the owner claims that his certificate for a Certificate-Holder Membership has been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, and (b) files with the corporation a sufficient indemnity bond or agreement, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

ARTICLE VIII. SEAL

8.01 The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words, "Corporate Seal".

ARTICLE IX. DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS FOR LAKE ARROWHEAD

9.01 The Declaration of Restrictions, Covenants and Easements for Lake Arrowhead, dated June 17, 1974, and recorded on August 29, 1974 in the Office of the Register of Deeds for Adams County, Wisconsin in Volume 225 of Records at pages 573-591 as Document Number 239097 ("the Declaration") along with all amendments and supplements thereto are incorporated by reference and made a part of these by-laws. In the event of conflict between the Declaration and these by-laws, the Declaration shall control.

ARTICLE X. LIABILITY OF OFFICERS

- 10.01 Exculpation.** No director or officer of the Association shall be liable for acts or defaults of any other officer or member or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence.
- 10.02 Indemnification.** The corporation shall, to the fullest extent authorized by chapter 181 of the Wisconsin Statutes indemnify any director or officer of the corporation against reasonable expenses and against liability incurred by a director or officer in a proceeding in which he or she was a party because he or she was a director or officer of the corporation. These indemnification rights shall not be deemed to exclude any other rights to which the director or officer may otherwise be entitled. The corporation shall, to the fullest extent authorized by chapter 181 of the Wisconsin Statutes, indemnify any employee or agent of the corporation who is not a director or officer of the corporation, to the extent the employee or agent of the corporation has been successful on the merits or otherwise in defense of a proceeding, for all reasonable expenses incurred in the proceeding if the employee or agent of the corporation was a party because he or she was an employee or agent of the corporation. The corporation may, to the fullest extent authorized by chapter 181 of the Wisconsin Statutes, indemnify, reimburse, or advance expenses of directors or officers.

ARTICLE XI. AMENDMENTS

- 11.01 By Members.** These by-laws may be altered, amended or repealed and new by-laws may be adopted by those members having not less than a majority of the votes entitled to be cast by members.
- 11.02 By Directors.** These by-laws may also be altered, amended or repealed and new by-laws may be adopted by the Board of Directors by affirmative vote of a majority of the number of directors present at any meeting.
- 11.03 Implied Amendments.** Any action taken or authorized by the members or by the Board of Directors, which would be inconsistent with the by-laws then in effect but is taken or authorized by affirmative vote of not less than the number of voting members or the number of voting members or the number of directors required to amend the by-laws so that the by-laws would be consistent with such action, shall be given the same effect as though the by-laws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.