

First Amended And Restated By-Laws For



2008

HARBOUR VILLAGE RESORT CONDOMINIUM ASSOCIATION, INC.

BY-LAWS

A. Administration

1. **Administration of Property:** The direction and administration of the Property shall be vested in a Board of Directors. The Board of Directors shall consist of seven (7) to eleven (11) persons who shall be elected by the Voting Unit Owners. The number of Board members shall be determined by the Board and may be changed from time to time based on needs. The Board of Directors members shall be Commercial Unit Owners, Individual Recreational Unit Owners or Block Unit Owners. In the event a Commercial Unit Owner or the Unit Owner of an Individual Recreational Unit is a corporation, partnership, trust or other legal entity, then any officer, director, beneficiary, or other designated agent of such entity shall be eligible to serve as a member of the Board.
2. **Association:** The Association as referred to herein shall be Harbour Village Resort Condominium Association, Inc., a corporation organized under and pursuant to Chapter 181 of the Wisconsin Statutes. The Board shall be deemed to be the "Board of Directors" for the Unit Owners as referred to in this Declaration. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the next Unit Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. The Association may issue certificates evidencing membership therein if deemed advisable by the Board of Directors.
3. **Voting Rights:** There shall be one person, with respect to each Individual Recreational Unit Ownership, Commercial Unit Ownership or Block Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Only "Voting Unit Owners" in good standing are eligible to vote during any election of Board Members. Such voting member may be the Unit Owner, one of the groups composed of all Owners of a Unit, or a person designated in writing by such Unit Owner. The term "majority" or "majority of the Unit Owners" means fifty one percent (51%) of the Unit Owner votes present at a meeting. Each Individual Recreational Unit Owner (Condominium, Condo) shall be entitled to one (1) vote per Individual Recreational Unit Owned and each Commercial Unit Owner shall be entitled to ten (10) votes per Commercial Unit owned, with each vote cast being counted as one (1) vote.

The "Block Unit Owners" (UDI), combined together as a single unit, shall be eligible to a maximum of one (1) vote per Block Unit (campsite). If there are more eligible Block Unit Voters than Block Units, then each "Block Unit Owners" (UDI) vote cast counts as a percentage of one (1) vote based on the total number of "Block Unit Owners" (UDI) in good standing and eligible to vote on the day the vote is cast that will be equal to one (1) vote per "Block Unit" per the following formula.

4. **Block Unit Voting Formula:**
Number of "Eligible Block Unit Owners" (EBUO) divided by the "Number of Block Units" (NBU) will equal the "Ratio" (R). Then the total "Block Unit Votes Cast" (BUVC) divided by the "Ratio" (R) from above will equal "Adjusted Counted Votes" (ACV).

$$\frac{\text{EBUO}}{\text{NBU}} = R \qquad \frac{\text{BUVC}}{R} = \text{ACV}$$

Example: If there are 400 eligible UDI members in good standing and 200 UDI sites, with 100 UDI votes cast, then the 400 (owners), would be divided by the 200 (sites), which would equal 2. The 100 votes cast would then be divided by 2 for a number of fifty (50) adjusted votes officially counted

In the event that there are fewer "Block Unit Owners" (UDI) than "Block Units", each Block Unit vote cast will be one (1) counted vote.

5. **Mailing Address:** The mailing address for the Condominium Association shall be:

Harbour Village Resort Condominium Association, Inc.
5840 Highway 42 North
Sturgeon Bay, WI 54235

6. **Registered Agent:**

PLF Registered Agents
454 Kentucky Street
Sturgeon Bay, WI 54235

The Registered Agent may be changed pursuant to Chapter 181 of the Wisconsin Statutes

7. **Meetings**

- A. **Place and Quorum.** Meetings of the Unit Owners shall be held at the Property or at such other place as may be designated in any notice of a meeting. The presence in person or by proxy of a "majority of the Unit Owners at any meeting of the Unit Owners shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Unit Owners at which a quorum is present upon the vote of the majority of the votes represented at the meeting.
- B. **Annual Meeting.** There shall be a Unit Owner's meeting held at least once every calendar year. The Board of Directors shall determine the date, time and place and at least a ten (10) day notice shall be given to all Owners.
- C. **Special Meetings.** Special meetings of the Unit Owners may be called at any time for any legal purpose, by written notice, authorized by the Board, or by at least twenty-five percent (25%) of the, Voting Unit Owners delivered not less than fourteen (14) days prior to the date fixed for said meeting.
- D. **Notices of Meetings.** Notices of meetings shall specify the date, time and place of the meeting and the matters to be considered. The President or Vice-President of the Board shall preside over said meetings. Written notices of meetings are required to be given personally or by mail to the persons entitled to vote. Notice shall be addressed to each such person at the address given by them to the Board for the purpose of service of such notice, or to the Unit (site) of the Unit Owner with respect to which such voting right appertains if no address has been given to the Board.

8. **Board of Directors**

- A. **The Board.** The board members shall only be Unit Owners and shall be elected by the Voting Unit Owners. The term of office shall be three years. In all elections of the Board, each voting Unit Owner shall be entitled to one (1) vote, per Board seat being elected at that time, on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled, shall be elected. Lot shall determine the election between candidates receiving the same number of votes. All board members will not be elected at one time. The Voting Unit owners shall elect one third (1/3) or as close to one third (1/3) of the board as possible at one time. When adding or deleting Board positions, the Board shall decide how to fairly elect, and what the term shall be served, by the new board positions, keeping in mind that only one third (1/3) shall be elected at one time. Members of the Board shall serve without compensation unless compensation is approved or ratified by vote of the Voting Unit Owners having a majority of the total votes outstanding. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board shall be filled by Board appointment until the next annual meeting or a special meeting of the Voting Unit Owners called for such purpose. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum of the Board exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members on the Board shall constitute a quorum. Each Board member shall have one vote.

- B. **Officers of the Board.** The Board shall elect from among its members a President, who shall preside over both Board meetings and those of the Voting Unit Owners, and who shall be the Chief Executive Officer of the Board and the Association. The Board shall elect from its members a Vice President who shall perform the duties of the President in the absence of the President, as well as functions designated by the Board. The Board shall also elect a Secretary and a Treasurer. The Secretary will keep the minutes of all meetings of the Board and of the Unit Owners and who shall, in general, perform all the duties incident to the office of Secretary including the counting of votes. The Treasurer will keep the financial records and books of account. The Board may also elect such additional officers as the Board shall see fit to elect to effectively govern and operate meetings and the organization.
 - C. **Board Member Malfeasance.** Any Board member may be removed from office due to their neglect of board duties, misconduct or malfeasance by a unanimous affirmative vote of the entire Board minus 1 vote. The Voting Unit Owners may remove a Board member by having at least two-thirds (2/3) of the total votes outstanding, at any special meeting called for this purpose with an attendance of at least one half (1/2) of the Voting Unit Owners. A successor to fill the un-expired term of the Board member, which was removed, may be elected by the Voting Unit Owners at the same meeting or any subsequent meeting called for that purpose.
 - D. **Board Member Conduct.** All meetings shall be conducted in a respectful, logical and objective manor and shall follow all Board meeting procedures, guidelines and rules as may be promulgated from time to time. A Sergeant of Arms may be appointed or hired to assure this conduct. He/She may be asked to escort out of a meeting anyone not conducting themselves in a proper manor according to aforementioned procedures, guidelines, and/or rules.
9. **General Powers of the Board.** The Board, for the benefit of all the Unit Owners, shall provide and shall pay for out of the Maintenance Fund hereinafter provided for, the following:
- A. The Board shall have the full obligation and authority from time to time to take any and all actions necessary to comply with the terms and conditions of the Door County Zoning and Sanitary Ordinances as written, adopted and amended from time to time, as applicable, as well as miscellaneous ordinances and rules and regulations adopted from time to time by the Town of Egg Harbor, as applicable.
 - B. A policy or policies of insurance insuring the Common elements against loss or damage by the perils of fire, lightning and those contained in the extended coverage, vandalism and malicious mischief endorsements, for the full insurable replacement value of the Common elements, written in the name of, and the proceeds thereof payable to the Board, as Trustee for the Unit Owners. Prior to obtaining any such policy or policies of insurance, or any renewal thereof, the Board, at its election, may from time to time obtain an appraisal from a qualified appraiser for the purpose of determining the full replacement value of the Common Elements in order to determine the amount of insurance necessary pursuant hereto. The cost of any and all such appraisals shall be common expenses. All such policies of insurance (1) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Unit Owner, (2) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act, (3) shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board the Trustee, the managing agent, if any, their respective employees and agents, and Unit Owners and Occupants, if any, and (4) shall contain a "Replacement Cost Endorsement" The proceeds of such insurance shall be applied by the Board for the reconstruction of the amenities in the Common Elements, or shall be otherwise disposed of, in accordance with the provisions of this Declaration and the Wisconsin Condominium Ownership Act. Such insurance coverage shall also cover cross-liability claims of one insured against another.
 - C. A policy or policies of comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage in such limits as it shall deem desirable, and other liability insurance as it may be desirable insuring each Unit Owner, the Association, its Officers, members of the Board, Manager and Managing Agent, if any, and their respective employees and Agents, from liability in connection with the Common Elements, streets, sidewalks, and areas adjoining the Property and

insuring the Officers of the Association and Members of the Board from liability for good faith action beyond the scope of their respective authorities. Such insurance coverage shall include cross-liability claims of one or more insured parties against the other insured parties.

- D. Workmen's compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board in its judgment shall elect to effect.
- E. The Board may employ the services of any person or firm to act on behalf of the Unit Owners in connection with real estate taxes and special assessments on the Units. The cost of such services shall be common expenses. The Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with any assessments or charges, and to charge and collect all expenses incurred in connection therewith as common expenses.
- F. Landscaping, gardening, snow removal, painting, cleaning, tuck pointing, general maintenance, decorating, repair and replacement of the Common Elements, including the furnishing of materials, supplies, furniture, labor, services and equipment for the Common Elements as the Board shall deem necessary and proper, the Board having the exclusive right and duty to provide for the Common Elements. The Board shall have the right and duty to maintain, repair, and operate the sewage and septic systems, which are Common Elements, and to provide the necessary sewage disposal apparatus as required. The Board shall also have the right and duty to maintain and repair and operate the water supply system including the wells and pressure tanks, etc. serving the individual Units and the Common Elements wherever said apparatus is located. In addition to the above-enumerated services, the Board shall also undertake the operation of lawn mowing of the Common Elements.
- G. Any amount necessary to discharge any construction lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board, constitute a lien against the entire Property or against only all or part of the Common Elements. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to said Unit Owners.
- H. Maintain and repair any Unit if such maintenance or repair is necessary in the discretion of the Board to protect the Common Elements or the Units, if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner, provided that the Board shall levy a special assessment against said Unit Owner for the cost of said maintenance or repair. Provided, further, that the notice envisioned by this paragraph shall not be necessary in case of an emergency which shall be determined in the sole discretion of the Board.
- I. Maintenance of all streets, sidewalks, outdoor lighting; service buildings, public and private utilities, and all other aspects of the Common Elements. The Board shall assure that all requirements of the Town of Egg Harbor and the County of Door regarding snow removal, accessibility to service driveways, maintenance of roads and sidewalks, are fully complied with.
- J. The Board or its agents upon reasonable notice, or, in the case of an emergency determined at the sole discretion of the Board, without notice, may enter any Unit when necessary in connection with any maintenance, or construction for which the Board is responsible. The Board or its agents, Officials of the Town of Egg Harbour, and/or Officials of the State of Wisconsin may enter any Camping Unit and/or any addition to and any storage shed or building on any unit for the purpose of performing an inspection to determine its meeting all applicable codes, regulations and guidelines, be them either State, Local or Association. Such entry shall be made with as little inconvenience to the Unit Owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the Maintenance Fund.
- K. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the Maintenance Fund any structural alterations, capital additions to, or capital improvements of the Common elements or Units if provided for heretofore requiring an expenditure in excess of Forty Thousand Dollars (\$40,000.00), without, in each case, the prior approval by a majority of the votes of the "Voting Unit Owners". This expenditure limitation shall not apply in the case of an

emergency where it is necessary to make expenditures to protect the Property.

- L. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such Officer or Officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Treasurer of the Board.
- M. The Board may adopt such reasonable rules and regulations consistent with the terms and conditions of this Declaration, as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants of the Property. Written notice of such rules and regulations shall be given to an Owner and copies made available to all guest and public campers. Any objections to these rules by a Voting Unit Owner can be filed with the Board. If strong objections to a rule or regulation occur a vote by the Voting Unit Owners using a majority vote to decide on the rule or regulation may be called.
- N. The Board shall enforce all covenants and restrictions as to use and occupancy set forth in Article V hereof, together with any additional rules and regulations as promulgated by the Board from time to time.
- O. The Board shall have the power on its own motion to borrow money, not to exceed Fifty Thousand Dollars (\$50,000.00) in any one-year or multiple years. In addition thereto, the Board shall have the power to borrow money in excess of, Fifty thousand dollars (\$50,000.00), or acquire and convey property in the Association name only with the prior approval of the voting members having at least 51 percent (51%) of the total votes outstanding except as hereinafter provided in Article VIII of the Harbour Village Resort Condominium Declaration; all deeds, notes, mortgages or any other such document incident to this enumerated power shall be signed by the Treasurer and countersigned by the President of the Association.
- P. The Board shall have full authority, but shall not be required, to lease any Units owned by Harbour Village Resort Condominium Association, Inc. Leasing of Units by the Board shall be pursuant to the terms and conditions set forth in Article VIII of the Declaration. All lessees of Units owned by the Board shall have the same rights and privileges of other Unit Owners as set forth in the Declaration and use and occupancy by such lessee shall be subject to the covenants and restrictions as to use and occupancy as set forth in the Declaration.
- Q. The Board may enter into employment contracts, a management contract for services, or other agreements to facilitate the maintenance, management and upkeep of the property, including the enforcement of any rules, regulations and covenants, and in addition, may engage in the services of a manager or managing agent, and pay compensation from the Assessment-Maintenance Fund therefor. Said contracts and agreements shall be binding and inure to the benefit of the Unit Owners and the Association. The Board may contract with said manager or managing agent for a term that in the sole discretion of the Board best provides continuity of services to the Condominium.

10. **Sewage and Septic System.**

- A. The Association, or any successors and assigns, whether voluntary or involuntary, of all or any part of the Property described herein or any addition thereto, shall, regardless of any requirements herein to the contrary, have the legal and financial obligation to either operate and maintain a lawful private sewage system or to belong to a sui juris association described in Sec. 703.15, Wis. Statutes, which has such responsibility; or to have the services of a municipal sanitary district or private public utility which is charged with the operation of a lawful, private sewage system.

B. Assessment-Maintenance Fund

- 1. Each year on or before December 1, the board shall, by means of a budget, estimate the total amount of cash requirements necessary to pay the costs of wages, materials, insurance, utilities, services and supplies, which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable

amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before December 31, notify each Commercial Unit Owner, each Individual Recreational Unit Owner, and each Block Owner, and/or their designated representative, in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Unit Owners according to the formula set forth in Exhibit "D" as part of the yearly common expense assessment. The Board is granted the right to disproportionately vary the assessment of any Unit or group of Units based on special benefits conferred to said Unit or group of Units. **The Board reserves the right to collect this assessment on a monthly, quarterly or semi-annual basis.** The Board of Harbour Village Resort Condominium Association hereby reserves the right to increase the initial dues as established for base year 1986, for any year thereafter, in an amount not to exceed the percentage increase in the consumer price index for the immediately preceding year as reported by the U.S. Department of Labor, Bureau of Labor Statistics, or other similar price indicators in the event said index is not in existence, or a fifteen percent (15%) increase, whichever is greater on an accumulative basis.

2. Any dues assessment collected in excess of the amount required for actual expenses and reserves for that year shall be credited to the ensuing years general maintenance fund and those moneys used to reduce the amount of the assessment to each Commercial Unit Owner, each Individual Recreational Unit Owner, and each Block Owner, for that ensuing year.
3. Upon written request of any Commercial Unit Owner, Individual Recreational Unit Owner or Block Unit Owner, the Board shall supply, within a reasonable amount of time, to said Commercial Unit Owner, Individual Recreational Unit Owner or Block Unit Owner, an itemized accounting of the maintenance expenses for the proceeding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over and/or short of the actual expenditures plus reserves.
4. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate, which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement" proved inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the Unit Owners according to that portion of the common expenses as calculated in Exhibit "D". The Board shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the periodic maintenance payment which is due not more than thirty (30) days after the delivery or mailing of such notice of further assessment. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted periodic amount.
5. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Unit Owners shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any estimate or adjusted estimate, the Unit Owner shall continue to pay the maintenance charge at the then existing rate established for the previous period until the new annual or adjusted estimate shall have been mailed or delivered.
6. The Board shall keep full and correct books of account, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the voucher authorizing the payments shall be available for inspection by any Commercial Unit Owner, Individual Recreational Unit Owner, or Block Unit Owners, or a representative thereof, duly authorized in writing, at such reasonable time or times during normal business hours, as may be requested by said individual. At any time, and upon ten (10) days notice to the Board and payment of a reasonable fee, any Individual Recreational Unit Owner or Block Unit Owners, shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing.
7. All funds collected hereunder shall be held and expended for the purposes designated herein, and except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be deemed to be held for the benefit, use and account of all the Unit Owners.

8. If a Unit Owner is in default in the payment of all or any portion of the common expense assessment hereinbefore set forth for thirty (30) days, the Board, may bring suit for and on behalf of all the Unit Owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amounts due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent or unpaid charges or assessments and interest, costs and fees as above provided shall become a lien or charge against the Unit Ownership of the Unit Owner involved when payable and may be foreclosed by any action brought in the name of the Board as in the situation of foreclosure of liens against real estate. Said lien shall take effect and be in force when and as provided in the Act; provided, however, that encumbrances (other than those constituting a first mortgage recorded prior to the making of such assessment), owned or held by or on behalf of any person, bank, insurance company or savings and loan association, shall not have priority after written notice is given to said encumbrancer, of the fact that there are unpaid common expenses. This provision applies to the lien of any and all expenses on the encumbered Unit, which becomes due and payable subsequent to the date said encumbrancer either takes possession of the Unit Ownership, accepts a conveyance of any interest therein, or has a receiver appointed in a suit to foreclose such lien. Any encumbrancer may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit Ownership covered by such encumbrance. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate which is determined, and may be adjusted from time to time, by the Board of Directors.
9. **No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or nonuse of the Commercial Unit or abandonment of his Unit.**

C. Amendment.

1. The Bylaws may be amended by the affirmative vote of Owners having 67% or more of the outstanding votes of the Association. A copy of the approved amendment to the Bylaws shall be sent to all unit Owners. Amendments to the Bylaws shall be effective upon the receipt by the Association of the requisite number of votes to approve the amendment.

EXHIBIT “D”

Formula For Assessment of the Common Expenses Allocated to Each Unit

The percentage of the common expenses assessed to each Unit shall be subject to adjustment from time to time in accordance with the number of Units originally subject to the Declaration and in accordance with any additional property subject to this Declaration.

The method of determination of the percentage of the common expenses assessed to each Unit shall be made using the following formula set forth below:

ECR	Estimated Cash Requirement
A/ECR	Adjusted Estimated Cash Requirement
C	Number of Individual Recreational Unit Owners (Condo Owners)
Z	Number of Commercial Units in Condominium
M	Number of Block Unit Owners (UDI Owners)

ASS/I	Assessment per Individual Recreational Unit (Condo Owner)
ASS/B	Assessment per Block Unit Owner (UDI Owner)
ASS/C	Assessment per Commercial Unit
ASS/C/T	Total Assessment for all Commercial Units Combined

UDI/GP	UDI Group Percentage of A/ECR(all UDI Owners combined)	= 55%
C/GP	Condo Group Percentage of A/ECR(all Condo Owners combined)	= 45%

COM/UP	Commercial Unit Percentage of ECR(per each Commercial unit)	= 10%
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ASS/C =	ECR x COM/UP
ASS/C/T =	ECR x COM/UP x Z

A/ECR =	ECR -(minus) ASS/C/T
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$$ASS/B = \frac{A/ECR \times UDI/GP}{M}$$

$$ASS/I = \frac{A/ECR \times C/GP}{C}$$

The Board of Directors is granted the right to disproportionately vary the UDI/GP, C/GP and COM/UP rates once per year by a maximum of 15% on an accumulative basis based upon operating conditions at the time.

Units owned by the Association are exempt from paying assessments and are not included in the calculations of the assessment formulas.