

**BYLAWS OF
DIAMOND LAKERS, INC.,
a Wisconsin Nonstock Corporation
~~delete: Adopted September 17, 2020~~
(Adopted February, 2022)**

I. Name.

The name of the corporation shall be *Diamond Lakers, Inc.*

II. Purpose.

The corporation shall be organized exclusively for charitable, educational, and scientific purposes, with its main mission to preserve and protect Diamond Lake located in Town of Grandview, Bayfield County, Wisconsin, and the surrounding land for the benefit of present and future generations.

III. Members.

A. Qualification for Membership. A Qualified Landowner or Qualified Resident (each defined below) who is committed to the promotion and furtherance of the purposes of the corporation may become a member of the Corporation upon payment of dues. Any person or entity is entitled to only one membership, regardless of whether such person or entity may qualify for membership in multiple ways, including through ownership of multiple real estate parcels. References to individuals or persons shall mean, and shall be restricted to, natural persons. References to entities includes trusts (whether revocable or irrevocable), associations, limited liability companies, partnerships, and corporations.

- 1. Qualified Landowner.** A “Qualified Landowner” is any person or entity that owns property on or within one mile of the Diamond Lake boundary. For property titled in the name of multiple individuals, each individual may be a member upon payment of separate dues. Alternatively, property titled in the name of multiple individuals may be eligible for a single joint membership (a “Joint Membership”). Property titled to entities shall be entitled to a single membership.
- 2. Qualified Resident.** A “Qualified Resident” is any person who resides for at least one month each year on or within one mile of the Diamond Lake.

B. Term of Membership and Annual Dues. Membership is for one year from July 1 to June 30 of the following year. Annual dues shall be such amount as the members shall determine but shall be at least \$20.00 and shall not exceed \$50.00 per year. Dues shall be due and payable to Diamond Lakers, Inc. and collected by the Treasurer on or before the 1st day of July. There shall be a grace period from July 1 to July 31 of the same year for late payment of dues. A member shall be automatically dropped from the membership rolls upon non-payment of dues.

C. Removal of members. Any member may be expelled by an affirmative vote of two-thirds of the Board of directors or, upon recommendation by a vote of a majority of the Board of directors, by a majority of all members entitled to vote (notwithstanding whether all members are present at a meeting to vote on such removal).

D. Meetings of members.

1. Annual meeting. The annual meeting of the members of the corporation shall be held on the 3rd or 4th Saturday of July of each year, at a time to be determined by the Board of Directors.
2. Special meetings. Special meetings of members may be called by the president, by a majority of the board of directors, or by a written request signed by five percent of the members.
3. Notice of Meetings. The board of directors shall give not more than 60 and not less than ten (10) days' notice of any meeting to each member at the mailing or email address of the member shown in the records of the corporation. It shall be the responsibility of each member to inform the corporation of any change in address.

(a) Place of meetings. Meetings of the members shall be held in Bayfield County, Wisconsin at any such place as may be designated within 12 miles of Diamond Lake. Alternatively, meetings of the members may be conducted by means of remote communication. If participation by remote communication is authorized, the corporation shall: (1) implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a member; (2) implement reasonable measures to provide members a reasonable opportunity to participate in the meeting and to vote on matters submitted for vote at the meeting, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings; and (3) maintain a record of voting or action by any member that votes or takes other action at the meeting by means of remote communication.

4. Quorum. Twenty-five percent (25%) of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter meeting, and

shall be capable of transacting its business, except when otherwise specifically provided by law or by the Articles of Incorporation or by these bylaws. The only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice, unless at least one of the following conditions is met:

- (a) One-third or more of the voting power of the membership is present in person.
- (b) The meeting notice contains a general statement that matters other than those specific.

5. Voting. Voting shall be by members present at a meeting. Proxy voting shall not be allowed. Each member is entitled to one vote on each matter voted on by the members. If a membership stands of record in the names of 2 or more persons, their acts with respect to voting shall have the following effect:

- (i) If only one votes, such act binds all.
- (ii) If more than one votes, the vote shall be divided on a prorated basis.

6. Procedure. Except to the extent it would be inconsistent with these bylaws, meetings shall be conducted pursuant to *Robert's Rules of Order* unless some other procedure is approved by a two-thirds vote of voting members present and voting. Upon motion of any member, the meeting of the members by an affirmative vote of two-thirds of the members present, may convene as an executive session, an off the record discussion with no minutes taken. At a meeting of the members, no member shall be permitted to speak more than twice and no longer than five minutes each on any single subject, except by permission of the President or by a majority vote of the members present. None but a member shall address such a meeting except by an invitation by the Board of directors or by a majority consent of the meeting.

7. Written ballot. Any action that can be taken at an annual, regular or special meeting of members can be taken without a meeting if the corporation delivers a written ballot to every member entitled to vote on the matter. In this section, "written ballot" includes a ballot transmitted or received by electronic means. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

a) Required Number of Votes. Approval by written ballot shall require the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

b) Solicitation Requirements. A solicitation for votes by written ballot shall include all of the following:

- 1) The number of responses needed to meet the quorum requirements.

- 2) The percentage of approvals necessary to approve each matter other than election of directors.
- 3) The time by which a ballot must be received by the corporation in order to be counted.

c) Revocation. Except as otherwise provided in the articles of incorporation or bylaws, a written ballot may not be revoked.

8. Adjournment. Meetings may be adjourned from time to time without further notice.

E. Nonvoting supporters. Nonvoting supporters shall be other interested persons and entities who are interested in furthering the purpose of the corporations. Nonvoting supporters shall be entitled to receive publications and have any other privileges as may be granted by the board of directors, but they shall not be entitled to vote.

IV. Directors.

A. Number. The management of the corporation shall be vested in a board of directors consisting of no more than *nine (9)* persons. At no time shall the number of directors be fewer than five (5).

B. Powers of directors. Directors shall be granted the authority to manage the corporation to the extent provided by Wisconsin law.

C. Term. The term of each director shall be three years. Terms of directors shall be staggered, with the terms of the current directors to be determined by the board.

D. Election. Election of directors shall take place at the annual meeting of members. Each voting member may cast one vote for each director position open for election at such meeting. Election shall be by a majority of the voting members present at the meeting, provided a quorum is present. If no candidate receives a majority of votes in the first round of balloting, the two candidates with the most votes will stand for election in a second round.

E. Vacancies. In the event of a vacancy on the board due to death or resignation, the *[delete: president]* **Board** shall appoint a successor to fill the vacancy for the remainder of the term for that position.

F. Removal. Any director may be removed by an affirmative vote of two-thirds of the Board of directors or, by a majority of all members entitled to vote (notwithstanding whether all members are present at a meeting to vote on such removal).

G. Meetings of directors.

1. Annual meeting. There shall be an annual meeting of directors held ~~[delete: during the month of July during each calendar year]~~ within fourteen (14) days ~~[delete: immediately]~~ following the meeting of members. The board of directors shall give written notice of the annual ~~directors~~ meeting at the same time notice is given of the annual membership meeting.
2. Regular meetings. At its annual meeting, the board shall set a schedule of regular board meetings for the period until the next annual meeting. A single written notice of regular board meetings will be given to all directors within 10 days following the annual directors' meeting. No further notice of regular directors' meetings shall be required.
3. Special meetings. Special meetings of directors may be called by the president or by any two (2) directors. Special meetings shall be on five (5) days' written notice, which shall describe generally the business to be transacted at the meeting.
4. Quorum. Half of the directors present shall constitute a quorum at any meeting, and shall be capable of transacting its business, except when otherwise specifically provided by law or by the Articles of Incorporation or by these bylaws.
5. Voting. Voting shall be by directors present at the meeting. Proxy voting shall not be allowed.
6. Place of meetings. Meetings of the directors shall be held in the State of Wisconsin. Alternatively, meetings of the directors may be conducted by means of remote communication. If participation by remote communication is authorized, the president or chairperson of the meeting shall (1) implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a director; (2) implement reasonable measures to provide directors a reasonable opportunity to participate in the meeting and to vote on matters submitted for vote at the meeting, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings; and (3) maintain a record of voting or other action at the meeting by means of remote communication.
7. Procedure. Meetings shall be conducted pursuant to *Robert's Rules of Order* unless some other procedure is approved by a two-thirds vote of directors present and voting. Upon motion of any director, the meeting of the directors by an affirmative

vote of two-thirds of the directors present, may convene as an executive session, an off the record discussion with no minutes taken.

8. Action without a meeting. Action may be taken by electronic means of communication by unanimous consent of the directors entitled to vote.

H. Compensation. Directors shall receive no compensation but shall be entitled to reimbursement of out-of-pocket expenses as approved by the board of directors.

I. Indemnification. Directors shall be entitled to indemnification for actions as directors to the extent permitted by Wisconsin law.

J. Committees. In addition to the committees authorized in this section, the board of directors may establish any standing or special committees as it deems appropriate, provided that such committees may not exercise the powers of the board.

1. Nominating Committee. The nominating committee shall be appointed by the president and approved by the Board and consist of three or more members, at least one of whom shall not be a current board member or officer. Members whose term is expiring shall not serve on the nominating committee unless they do not seek another term. The committee shall be formed at least 90 days prior to the annual meeting of the members and the members shall be provided with committee contact information. The nominating committee shall:

- a) Compose a slate of candidates, one each for each vacancy, using such selection criteria as provided by the board, if any. Any member in good standing may submit a candidate for consideration to the nominating committee no later than 60 days prior to the annual meeting.
- b) Vet all candidates to ensure that they have the proper competencies, experience, and willingness to fulfill their duties and responsibilities as board directors.
 - 1) Report committee findings, in writing or verbally, to the Board at least 30 days prior to the annual meeting of the members.
 - 2) Board shall approve a slate of candidates at least 14 days prior to the annual meeting of the members.
 - 3) *[Delete: Ensure that the board composition reflects the necessary criteria that meets best practices for independence and diversity.]*
- c) Recommend candidates to fill vacancies as a result of the resignation or removal of a director.

d) Serve a term of one year.

2. **Audit Committee.** The President may at his or her discretion appoint a committee of 3 board or general members to audit the books of the Treasurer. The audit committee shall complete its audit and report its findings to the Board. These findings shall be made available to the general membership.

V. Officers.

A. In General. The officers of the corporation shall consist of a president, vice president, secretary, and treasurer.

B. Election and terms. The officers shall be elected by the board of directors. Each officer shall serve a term of three (3) years, the terms of the current officers to be determined by the board. An officer may be removed by a two-thirds vote of the board at any time.

C. Duties. The duties of each office shall include, but not be limited to, duties prescribed by law and those additional duties set forth below. The president may assign additional duties to any officer as the president deems appropriate.

1. **President.** The president shall generally manage the day-to-day operations of the corporation subject to the direction of the board of directors. The president shall preside at all meetings of the board of directors and members.
2. **Vice president.** The vice president shall exercise the duties of the president in the absence or incapacity of the president. If the president should die, resign, or be removed from office, the vice president shall succeed to the office of the president.
3. **Secretary.** The secretary shall maintain all records of the corporation and shall prepare minutes of all meetings of the board of directors and members.
4. **Treasurer.** The treasurer shall have custody of the funds of the corporation and shall maintain all financial records of the corporation. The treasurer shall report to the president, board of directors, and members on the financial status of the corporation.
5. **General Requirements.** Officers may, but are not required to be, members of the board of directors. One person may hold not more than two of the above offices, except that the offices of president and vice president and president and secretary may not be combined. All officers shall serve without compensation except that they may be

reimbursed for actual out-of-pocket expenses incurred in performance of the duties of their office.

6. **Other Powers.** In addition to any other powers provided herein or by law, the board of directors may authorize one or more officers of the corporation to execute and deliver instruments, open bank accounts, execute checks and drafts in the name of the corporation, make or obtain loans, and sell, assign, or pledge securities.

VI. Miscellaneous.

A. Fiscal year. The fiscal year of the corporation shall end on June 30th.

B. Notice Requirements. Whenever these bylaws require written notice to members, such notice shall be mailed to each member by regular first-class mail to the member's address as shown on the records of the corporation or sent via email to the member's email address as shown on the records of the corporation. Whenever these bylaws require written notice to directors, such notice shall be mailed to each director by certified mail, return receipt requested, to the director's address as shown on the records of the corporation or sent via email to the director's email address as shown on the records of the corporation. Each member and director shall be responsible for advising the corporation of his, her, or its current mailing address. In all cases, notice shall be deemed given on the date of mailing.

C. Conflicts of Interest. The Board shall adopt and keep in force a conflict-of-interest policy to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or officer (each an "Interested Party") or might result in a possible excess benefit transaction under the Internal Revenue Code. Each Interested Party shall sign an acknowledgment of the then current conflict of interest policy at the time he or she is first elected or appointed to his or her position with the corporation and shall thereafter sign an acknowledgment on an annual basis. Whenever the corporation seeks to do business with an Interested Party, or any member of an Interested Party's immediate family or any entity with which the Interested Party or his or her immediate family is affiliated as an owner or employee, the existence and nature of any conflict should be fully disclosed to the Board before any vote or action on the matter. When there is a potential conflict or perception of a conflict, the Board and Interested Parties should err on the side of disclosure rather than risk an inappropriate failure to disclose. To the extent possible, an Interested Party who is subject to a conflict of interest should refrain from participating in the decision-making process and will be willing to leave the room if his or her presence inhibits the Board's discussion. An action will stand regardless of any conflict of interest if the fact of the conflict is disclosed or known to the Board or committee making the decision, and the decision was authorized by a vote or consent sufficient for the purpose without counting the Interested Party's vote or consent. The action will also stand if the facts are disclosed

or known to the persons entitled to vote and they authorize or approve the transaction or contract. Interested Parties may be counted only in determining the presence of a quorum. Any transaction involving an Interested Party conflict of interest should be obviously and inherently fair to the corporation. The corporation should receive fair value for its consideration and should not be charged any more than a third party would be charged in an arm's-length transaction for services or products supplied by an Interested Party. In any event, a contract or transaction will not be void or voidable due to an Interested Party conflict of interest if it is fair and reasonable to the corporation.

VII. Amendment.

1. These bylaws may be amended by a vote of two-thirds of the members of the corporation present and voting at a meeting duly called for such purpose. Written notice of the meeting, including the text of the proposed bylaw amendment, must be given to each voting member at least 20 days before the date of the meeting. Alternatively, these bylaws may be amended by written ballot by a majority of all members of the corporation entitled to vote.
2. These bylaws may also be amended by a vote of two-thirds of the entire board of directors at a duly called regular or special meeting of the board. Written notice of the text of any proposed amendment must be given to each director at least 10 days before the date of the meeting. Alternatively, these bylaws may be amended by written ballot by unanimous consent of all directors of the corporation entitled to vote. *Provided, however,* that the members may, at the time a subsequent amendment is adopted, indicate that it may not be altered or repealed except by the members.