

BYLAWS
OF
GARMISCH USA PROPERTY OWNER'S ASSOCIATION

ARTICLE I
NAME AND PURPOSE

Section 1. Form of Property Owner's Association: The Association of Property Owner's shall be administered as a non-profit unincorporated association.

Section 2. Name: The name of the Association is the GARMISCH USA PROPERTY OWNER'S ASSOCIATION. (hereinafter "Association").

Section 3. Address: The principal office of the Association shall be located at 23040 Garmisch Road, Cable, WI 54821 This address shall also be the mailing address of the Association.

Section 4. Definitions: The Association has been organized to govern the Garmisch USA Condominium established in compliance with Chapter 703 of the Wisconsin Statutes (the "Condominium Ownership Act"). The condominium instruments were recorded in the Office of the Bayfield County Register of Deeds, Washburn, Wisconsin on the October 15, 2003. The words "Property", "Unit", "Unit Owner", "Common Expenses", "Common Surpluses", "Common Elements", "Limited Common Elements", and others are used in these Bylaws as they are defined in the Condominium Ownership Act.

The term "Executive Board" as used herein shall mean the Board of Directors and the Officers of the Association.

ARTICLE II
MEMBERSHIP

Section 1. Definition: Each Unit Owner shall be a member of the Association, and membership in the Association shall be limited to Unit Owners.

Section 2. Transfer of Membership and Ownership: Membership in the Association may be transferred only as an incident to the transfer of the transferor's Unit and his undivided interest in the Common Elements of the Condominium. Such transfer shall be subject to the procedures set forth in the Declaration.

ARTICLE III
MEETINGS OF MEMBERSHIP

Section 1. Place: All meetings of the Association membership shall be held at such time and place in Bayfield County, Wisconsin, as may be stated in the notice of the meeting or at any place and time agreeable to a majority of the members.

Section 2. Right to Vote. Each unit of the condominium through its owners, shall be entitled to cast one (1) vote to appoint not less than five (5) and not more than seven (7) directors. The owner(s) of each Unit shall file a certificate with the Secretary naming the person authorized to cast said Unit's vote. If same is not on file, the vote of such Unit shall not be considered, nor shall the presence of said owner(s) at a meeting be considered in determining whether the quorum requirement has been met.

Section 3. Membership List: At least ten (10) days before every annual meeting a complete list of Members entitled to vote and to appoint Directors, arranged

numerically by Units, with the residence of each member, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days and throughout the meeting at the office of the Association, and shall be open to examination by any Member throughout such time.

Section 4. Quorum: Seventy-five (75%) percent of the total number of voting members of the Association, present in person or represented by proxy, shall be requisite to and shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by statute, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 5. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one which, by express provision of the Wisconsin Statutes, the Declaration, or these Bylaws requires a different vote, in which case such express provision shall govern and control the decision of such question.

Section 6. Waiver and Consent: Whenever the vote of Members at a meeting is required or permitted by any provision of the Wisconsin Statutes, the Declaration, or these Bylaws in connection with any action of the Association, the meeting and vote of Members may be dispensed with if all Members who would have been entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action being taken.

Section 7. Annual Meeting:

A) The first annual meeting of Members shall be held at such time as the first appointment of Directors is held. In addition to the appointment of Directors at said first meeting, such other business as may properly come before the meeting may be transacted.

B) Regular annual meetings subsequent to the first meeting shall be on any date agreed to by the majority of the Members.

C) Meetings shall be held at a time agreeable to the majority of Members.

D) At the annual meeting, the Members, shall appoint a Board of Directors and transact such other business as may properly come before the meeting.

E) Written notice of the annual meeting shall be served upon or mailed to each Member entitled to vote at their address as appears on the books of the Association, at least ten (10) days prior to the meeting.

Section 8. Special Meetings:

A) Special meetings of the Members, for any purpose(s) unless otherwise prescribed by statute or by the Articles, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of one (1) of the Members. Such request shall state the purpose or purposes of the proposed meeting.

B) Written Notice of a special meeting of Members stating the time, place and object thereof, shall be served upon or mailed to each Member entitled to vote thereon, at their address as appears on the books of the Corporation, at least ten (10) days before such meeting.

C) Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 9. Order of Business: The order of business at annual Member's meetings and as far as practical at other members' meetings, will be:

- A) Roll call;
- B) Reading of Minutes of the last meeting;
- C) Consideration of Communications;
- D) Resignations and elections;
- E) Reports of officers and employees;
- F) Reports of committees;
- G) Unfinished business;
- H) Original resolutions and new business;
- I) Adjournment.

ARTICLE IV DIRECTORS

Section 1. Number and Term. The number of directors which shall constitute the whole board shall be not less than five (5) nor more than seven (7). All directors shall be Members of the Association. Each Director so appointed shall serve for a term of two (2) years.

Section 2. Vacancy and Replacement. If the office of any director or directors becomes vacant by reason of death, resignation, or sale of his unit, the unit which holds appointment rights shall be required to appoint a successor or successors within thirty (30) days.

Section 3. Removal: Directors may be removed by an affirmative vote of a majority of the qualified votes of members.

Section 4. Powers: The property and business of the Association shall be managed by the Board of Directors, which may exercise all powers not specifically prohibited by statute or the Declaration. No restrictions or regulations may be placed upon the property and business of the Association by any first mortgage lender without the written approval of each Unit Owner of the Association and each member of the Board of Directors. The Powers of the Board of Directors shall specifically include, but not be limited to the following:

A) To levy and collect according to the provisions of the Condominium Ownership Act, the Declaration, and these Bylaws regular and special Assessments for Common Expenses.

B) To use and expend the Assessments collected, to maintain, repair, replace, care for and preserve the Units, Limited Common Elements and Common Elements, except those portions thereof which are required to be maintained, cared for and preserved by the Unit Owners, and for other Common Expenses.

C) To purchase the necessary equipment required in the maintenance, care and preservation referred to above.

D) To enter into and upon the Units when necessary, with as little inconvenience to the Owners as possible, and then only after a reasonable effort to give notice to the Unit Owner, in connection with said maintenance, care and preservation.

E) To insure and keep insured said Property in the manner set forth in the Declaration and the Unit Owners against public liability, and to purchase such other insurance as the Board of Directors may deem advisable.

F) To collect delinquent Assessments by suit or otherwise, abate nuisances; and enjoin or seek damages from the Unit Owners for violations of these Bylaws and the Declaration.

G) To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

H) To make reasonable Rules and Regulations for the occupancy of the Units and use of the Common Elements.

I) To carry out the obligations of the Association under any easements, restrictions or covenants running with any land submitted to Condominium ownership.

J) To maintain legal actions, on behalf of the Unit Owners or the Association with respect to any cause of action relating to the common areas and facilities of more than one unit.

K) To adopt budgets for revenues, expenditures and reserves.

L) To cause additional improvements to be made as a part of the Common Elements.

M) To grant easements through or over the Common Elements.

N) Expansion Authorization. Any expansion shall be as outlined in the Declaration of Garmisch USA Condominium.

Section 5. Compensation: The Directors and Officers of the Association shall receive no compensation for their services, except by specific resolution of the membership.

Section 6. Meetings:

A) The first meeting of each Board newly appointed by the Members shall be held immediately upon adjournment of the meeting at which they were appointed provided a quorum of a majority of the Board shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the Members' meeting, and immediately after the adjournment of same.

B) Special meetings shall be held whenever called by the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram or telephone, at least ten (10) days before the date of such meeting, but the directors may waive notice of the calling of the meeting. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him. 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.

C) A majority of the Board shall be necessary at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board, unless otherwise provided for by express provisions of the Wisconsin Statutes, the Declaration, or Bylaws. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting until a quorum shall be present.

Section 7. Order of Business: The order of business at all meetings of the Board shall be the same as for member's meetings, Article III, Section 9, page 3, above.

Section 8. Annual Statement: The Board shall present, no less often than at each annual meeting a full and clear statement of the business and condition of the Association including a report of the operating expenses of the Association and the assessments paid by each member.

ARTICLE V

OFFICERS

Section 1. Executive Officers: The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, all of whom shall be elected annually from the membership by a majority vote of said Board at the annual meeting of the Board as established by these Bylaws. Any two of said offices may be united in one person, except that the President shall not also be the Vice President.

Section 2. Subordinate Officers: The Board of Directors may appoint such other officers and agents as they may deem necessary who shall hold office at the pleasure of the Board of Directors and who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers; Removal: All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Directors, which may delegate such powers to an officer.

Section 4. The President.

A) The President shall be Chairman of and shall preside at all meetings of the Members and Directors, shall have general and active management authority over the business of the Association except that which is delegated, and shall see that all orders and resolutions of the Board are carried into effect.

B) The President shall supervise and direct all other officers of the Association and shall see their duties are performed properly.

C) The President shall submit a report of the operations of the Association for the fiscal year to the Directors (whenever called for by them) or at their annual meeting, and from time to time shall report to the Board all matters within his knowledge which the best interests of the Association may require be brought to their notice.

D) The President shall be an exofficio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of the President of an association.

Section 5. The Vice President.

The Vice President shall assist the President, and if necessary, serve in his absence.

Section 6. The Secretary.

A) The Secretary shall keep the minutes of meetings of the Members and of the Board of Directors in one or more books provided for that purpose. These minutes shall include all resolutions adopted at such meetings.

B) The secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as otherwise required by Law.

C) The Secretary shall be custodian of the corporate records and any seal of the Association and shall see that any seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws.

D) The Secretary shall keep a current roster of the names and addresses of each Member, which shall be furnished to the Secretary by such Member.

E) The Secretary shall also count and record the votes at all meetings of the Members.

F) In General, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. The Treasurer:

A) The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

B) The Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the association.

C) The Treasurer shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements and Facilities, specifying and itemizing the maintenance and repair expenses of the Common Elements and Facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Members at convenient hours.

D) The Treasurer may be required to give the Association a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

Section 8. Vacancies: If the office of the President, Vice President, Secretary or Treasurer becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors Shall request the owner of the Unit which appointed that Board member to choose a successor who shall hold office for the unexpired portion of the term of the vacated office.

Section 9. Resignations: Any Director or other officer may resign his office at any time, in writing, which resignation shall take effect from the time of its receipt by the Association, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

ARTICLE VI
NOTICES

Section 1. Definitions: Whenever under the provisions of the Wisconsin Statutes, the Declaration, or these Bylaws, notice is required to be given to any Director or Member, it shall not be construed to mean personal notice, but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the corporation.

Section 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Wisconsin Statutes, the Declaration, or these Bylaws, a waiver thereof, in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Address: The address for notice to the Association is 23040 Garmisch Road, Cable, WI 54821.

ARTICLE VII
FINANCES

Section 1. Fiscal Year: The fiscal year shall be the calendar year.

Section 2: Checks: All checks or demands for money of the Association shall be signed by either the President or Treasurer. The Board of Directors by resolution may require more than one (1) signature.

Section 3: Determination of Assessments:

In furtherance of the provisions as set forth in the Declaration, the Board of Directors shall fix Assessments adequate to meet the Common Expenses of the Condominium. Common Expenses shall include, but not be limited to:

1) The cost of operating, maintaining, repairing or replacing all common elements, Limited Common Elements and equipment, including all walls, sidewalks, driveways and all areas or facilities, including parking areas, actually used and available for use in common by Unit Owners and tenants, and the employees, agents, servants, customers and other invitees of Unit Owners and tenants.

2) The cost of maintaining adequate insurance coverage as required by the Declaration or as directed by the Board of Directors.

3) Trash, Rubbish, Garbage and other refuse removal from the Common Elements.

4) Any compensation to be paid to members or others for work done for the benefit of the Association and all other expenses of the Association approved by the Board of Directors or membership.

5) Maintenance of a working capital fund, at least during the initial months of the condominium.

The Board of Directors is specifically empowered on behalf of the Association to make and collect assessments. Funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing Common Expenses provided in the Declaration. Said assessments shall be payable as provided in the Declaration. Special assessments, which may be required by the Board of Directors, shall be levied and paid in the same manner as hereinbefore provided for regular assessments.

B) When the Board of Directors has determined the amount of any assessment, the Secretary or Treasurer shall mail or present a statement of the Assessment to each of the Unit Owners. All assessments shall be payable to the Association as provided in the Declaration, and upon request, the Secretary or Treasurer shall give a receipt for each payment made.

C) Notwithstanding anything in these Bylaws, or the Declaration which authorize expenditures after the first election of Directors, no expenditure for the improvement of the Common Elements exceeding \$1,000.00 per annum shall be made without the approval of seventy-five (75%) percent of the Membership.

Section 4. Books of Receipts and Expenditures; Availability for Examination: The Association shall keep detailed, accurate records using standard bookkeeping procedures of the receipts and expenditures affecting the Common Elements, specifying the itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. The records and the vouchers authorizing the payments shall be available for examination by the Unit Owners at convenient hours.

ARTICLE VIII RULES AND REGULATIONS

In addition to the other provisions of the Declaration and Bylaws, the following Rules and Regulations, together with such additional Rules and Regulations as may hereafter be adopted by the Board of Directors, shall govern the use of Units and the conduct of all residents thereof.

A) Units shall be used for residential/residential rental purposes EXCEPT Lodge which shall be operated as a commercial establishment. All rentals to be handled by Garmisch Inn Management.

B) Unit Owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance to other owners, or in such way as to be injurious to the reputation of the condominium.

C) The use of the Unit and the undivided interest in the Common Elements appurtenant to such Unit in the percentage specified and established in the Declaration shall be consistent with existing law and the Declaration to which these Bylaws become a part.

D) Common Elements shall not be obstructed, littered, defaced, or misused in any manner and shall be kept free from rubbish, debris, and other unsightly materials.

E) Unit owners shall keep the limited common elements surrounding their unit free of debris and neat in appearance.

F) Unit Owners shall not do any work which would jeopardize the soundness safety of the Property, reduce the value thereof or impair any easement.

G) Games from yard (such as croquet, lawn furniture, etc.) must be removed by lawn mowing day.

H) No garbage disposal other than normal household garbage and recyclables (disposing of couches, appliances, etc. must be contracted for private removal).

I) Any tree removal on a unit's limited common elements shall be done at owners expense upon approval from the Architectural Control Committee.

ARTICLE IX DEFAULT

In the event a Unit Owner does not pay any sum, charge, or Assessment required to be paid to the Association within thirty (30) days from the due date, the same shall constitute a lien on the interest of such Unit Owner as provided under the Wisconsin Condominium Ownership Act. Such lien may be asserted as provided in Section 703.16 of Condominium Ownership Act. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without the assertion of the lien securing the same.

In the event a statement of condominium lien has been filed pursuant to the above-referred-to statute section, the Owners of that Unit may not vote at any subsequent regular or special meetings of the Association until the amount due and owing has been paid.

In the event of a violation of the provisions of the Declaration or Bylaws, which violation is not corrected within thirty (30) days after notice from the Association to the Unit Owner to correct said violation, the Association may take such action as it may deem appropriate, including the institution of legal action, to correct the violation.

In the event such legal action is brought against a Unit Owner and results in a judgment for the Plaintiff, the Defendant shall pay the Plaintiff's reasonable attorney's fees and court costs.

Each Unit Owner, for himself, his heirs, successors, and assigns, agrees to the foregoing provisions regardless of the harshness of the remedy available to the association and regardless of the availability of the other equally adequate procedures. It is the intent of all Unit Owners to give the Association such powers and authority which will enable it to operate on a businesslike basis to collect those monies due and owing it from Unit Owners, and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint and nuisance.

ARTICLE X
AMENDMENT

These Bylaws may be amended at any duly called meeting of the Members. The notice of the meeting shall contain a full statement of the proposed amendment. It shall be necessary that there be an affirmative vote of seventy-five (75%) percent of all the Members to amend these Bylaws. No amendment to these Bylaws shall be passed which would operate to impair or prejudice the rights or liabilities of any mortgagee unless that mortgagee expressly consents.


ARTICLE XI
CONSTRUCTION

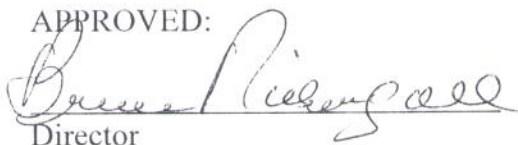
Wherever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to include the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

If there is any conflict between any provisions of these Bylaws and any provisions of the Declaration or the Condominium Ownership Act, the latter two shall control.

The foregoing was adopted as the Bylaws of Garmisch USA Condominium Association, at the first meeting of its Board of Directors.


Secretary

APPROVED:

Director

PROPOSED ANNUAL OPERATING BUDGET FOR GARMISCH USA CONDOMINIUM

12 units assessed @ \$200/mo

Garmisch Inn (equiv to 3 units) @ 600.00/mo (as long as it is operated as business)

. *** As lots sell, the budget will be modified to include their assessments.

TOTAL ASSESSMENT\$36,000.00

EXPENSES

Dumpster - Waste Management/Recycling	\$3,600.00
Yearly Septic Pumping (see#1 below)	3,600.00
Garmisch Resort Road Street Lights (five lights)	900.00
Maintenance staff & equipment rental (see #2) (lawn mowers, trimmer, blowers, leaf vacuum rakes, shovels, snowplow, snow blower, etc. (see#3)	22,000.00
Dues, Memberships, Licenses (such as yearly water sample testing)	250.00
General Road Maintenance (gravel, blacktop patch, etc)	750.00
General & Consumable Supplies (e.g. salt for water softeners)	1,200.00
Bookkeeping & general management	1,200.00
Office Supplies, Postage, etc.	500.00
Insurance, general liability	1,000.00
Equipment Rental (garbage truck, snowplow, lawn mowers, etc.	8,000.00
Annual meeting expense	150.00
Professional: legal, accountant, computer	500.00
Contingency Fund	<u>350.00</u>

TOTAL EXPENSES \$36,000.00

(#1) Bid process to pump all systems. Does not include pumping of the Restaurant grease trap which is an expense solely to be paid by Garmisch Inn.

(#2)Activities include daily garbage pickup, raking, mowing, trimming, cleaning of the fish cleaning house and guest laundry house, snow removal from sidewalks, parking and roadways, beach cleanup, dock removal and installation and general exterior security. Owners must purchase their own dock according to specs set forth by the association.

(#3) Snow removal from building roofs will be billed directly to homeowner if and when such service would be needed.

Note: Owners of vacant lots for building purposes would have a yearly assessment of \$800.00
Owners wishing to arrange for snow removal, lawn care, security services, etc. will need to contract those services separately.