

Bylaw 1.01

Tim Kelly requests the following revisions to by-law 1.01. Words with lines through are stricken from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

1.01 Name. The name of the Corporation shall be Lake Como Beach Property Owners Association, Inc. (hereinafter “Corporation”, “LCBPOA” or “Association”). The Lake Como Beach Property Owners Association is organized as nonprofit, non-stock corporation under Chapter 181 of the Wisconsin statutes. ~~The Corporation shall not participate in partisan political activity.~~

Effect on the Association

Mr. Kelly struck the last sentence from by-law 1.01 and incorporated it into his revision of by-law 1.02. This will not negatively effect the Association as long as the revised by-law 1.02 is adopted by the Membership. If by-law 1.02 is not adopted by the Membership, the sentence needs to remain in by-law 1.01.

“The Corporation shall not participate in partisan political activity.” This sentence has to in either By-law 1.01 or By-law 1.02.

Bylaw 1.02

Tim Kelly requests the following revisions to by-law 1.02. Words in bold are additions to the text in the current by-law. Words with lines through are stricken from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

1.02 Compliance. The Corporation shall have a seal which shall be in the form of circle with the following words thereon: “Lake Como Beach Property Owners Association, Incorporated 1926”. The Corporation shall be (1) operated in a manner to be compliant with all applicable federal, state and county laws; **(2) shall not participate in partisan political activity; (3) shall not hold itself out as providing goods or services to the general public, or otherwise operate any business that in any manner could jeopardize the non-profit status of the Association;** (4) and shall further conduct business of the Corporation consistent with the provisions of these Bylaws and directed by parliamentary procedures as set in the then current edition of “Roberts Rules of Order” and as prescribed in Wis. 181.”

Effect on the Association

Items 1 & 2 are not a problem. Item 3, “shall not hold itself out as providing goods or services to the general public,” as written would restrict renting the clubhouse to Association Members only. Currently the Clubhouse is available for non-member rental subject to 501.c regulations.

Bylaw 3.06

Tim Kelly requests the following revisions to by-law 3.06. Words in bold are additions to the text in the current by-law. Words with lines through are stricken from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revised

3.06 Term of Office, Disclosure. The Executive Officers and Directors of the Corporation shall be elected for a term of not less than four (4) years **unless terminated for cause or pursuant to these Bylaws.** An Executive Officer or Director may be elected to consecutive terms. Any Officer or Director of the Corporation shall be required **annually** to disclose any compensated business, personal, or financial relationship with the Corporation or its officers that may be construed to be a conflict of interest, ~~under a test of reasonability, including survival under normal public scrutiny.~~ Such disclosures are subject to review by the Finance Committee and Board of Directors **and must be presented to the next Annual or Special Members Meeting where a quorum is present for the ratification by a majority vote of the Members present. If the Members fail to ratify the disclosed conflict, the Officer or Director must resign his/her position effective immediately.**

Effect on the Association

Item 1, adding “unless terminated for cause or pursuant to these Bylaws” does not seem necessary. Officers and Directors resignation, termination, or in any other way abandoning their position is covered by other by-laws.

Item 2, striking “under a test of reasonability, including survival under normal public scrutiny” is fine. The phrase is ambiguous.

Item 3, adding “and must be presented to the next Annual or Special Members Meeting where a quorum is present for the ratification by a majority vote of the Members present. If the Members fail to ratify the disclosed conflict, the Officer or Director must resign his/her position effective immediately”, is rife for abuse. By-law 3.07 addresses the removal of Officers and Directors.

Bylaw 4.01

Tim Kelly requests the following revisions to by-law 4.01. Words in bold are additions to the text in the current by-law. Words with lines through are stricken from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

4.01 Assessment, Dues, Fees. The Corporation shall have the power to required payment of regular assessments, special assessments, parking fees, pier fees and dues for the general benefit of the Corporation. ~~All~~ **Any changes to assessments, fees, or dues, or a determination that a special assessment is needed, before any such charges can be levied** will require an affirmative majority vote~~;~~ of the eligible voting members~~;~~ at ~~an~~ **the Annual, Fall Membership or Special** meeting of the Corporation at which a quorum is present **prior to levying such charges.** All assessments, **special assessments, fees or dues** shall be paid by members owning real estate within the Lake Como Beach Subdivision within sixty (60) days of the postmark date of the written

notice. All unpaid assessments **or special assessments, fees, or dues** shall accumulate interest at a rate of one and three-quarter percent (1.75%) simple interest per month. The Corporation shall be entitled to file a property lien to recover any and all unpaid assessments, **or special** in arrears for more than 180 days. Upon the transfer to another party, of any membership qualifying parcel, the purchaser of the parcel may not become a member in good standing, of the Corporation, until all unpaid assessments, **special assessments, fees, or dues** of the previous owner of the parcel are paid in full. The Corporation shall be entitled to attorneys' fees and costs to enforce payment of the assessments, **special assessments, fees, or dues**. ~~The annual~~ **All** assessments, special assessments, ~~parking fees, pier fees~~ and dues collected by the Corporation shall be deposited in its general fund for the purpose of operating the community grounds, buildings, and functions of the Corporation or for the purpose of making whatever improvements the Board of Directors or members of the Corporation, at a general or special meeting may, by majority vote, decide.

Effect on the Association

The By-law Committee would suggest the reference to "Annual" be changed to "Bi-Annual" as there are two Membership meeting per year. All else is fine.

Bylaw 5.02

Tim Kelly requests the following revisions to by-law 5.02. Words in bold are additions to the text in the current by-law. Words with lines through are redacted from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

5.02 Annual Meetings. An Annual Meeting of the regular members of the Corporation shall be held on the third (3rd) Sunday in May of every year. The Annual Meeting shall be open to all members in good standing and shall be for the purpose of considering any business of the Corporation including, but not limited to, all matters of old business of the Corporation including matters from the most recent prior meeting of the membership, current **fiscal year-to-date financial statements reports, proposed Budget for the upcoming fiscal year**, reports of all standing and active committees, **discussion and detail required by 3.06**, and any new business as brought by members in attendance. Members shall be allowed to present, debate and vote on any matter of interest **contained on the agenda** to the Corporation.

Effect on the Association

The proposed revision would specify items that would be included on the agenda for the Bi-Annual May Membership meeting.

Bylaw 5.07

Tim Kelly requests the following revisions to by-law 5.07. Words in bold are additions to the text in the current by-law. Words with lines through are stricken from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

5.07 Special Membership meetings. Special Meetings of the membership:

1. May be held at any time on call of the Secretary ~~in~~ **upon** receipt of a written request of twenty-five (25) or more regular members of the Corporation.
2. **Shall be called by the Secretary:**
 - a. **Within ninety (90) days following written notification to any member of the Board of Directors of an alleged material violation of the Association Bylaws that relates to the financial management or reporting standards imposed by 8.02 of these Bylaws or otherwise by state or federal law;**
 - b. **Within sixty (60) days following a Defective Financial Reporting as defined in 8.02; and**
 - c. **Within thirty (30) days following written notification to any member of the Board of Directors of any alleged misappropriation or material misuse of Corporation assets by a Board Member or third party.**

At least ten (10) business days notice of each Membership or Special Meeting of the regular members of the Corporation shall be given to the members by mail **with such ten (10) day period beginning on the first business day immediately following the postmarked date of such Notice mailings.** Further, notice will be made by publication in the Lake Geneva Regional News at least ten (10) business days prior to the date of the meeting. The purpose(s) and **objective(s)** of the meetings shall be **clearly and fully** stated in the notice. No business other than that stated in the notice shall be transacted at a Special meeting.

Effect on the Association

Bullet point 2) a, b, and c, allowing any one member to call for Special Meeting is rife for abuse. Calling for a Special Board Meeting or a Special Membership Meeting are addressed in by-laws 5.05 and 5.07 respectively.

The words “clearly and fully” as referring to publicized notices could present legal issues especially if identifying an accused by name.

Bylaw 5.08

Tim Kelly requests the following revisions to by-law 5.08. Words in bold are additions to the text in the current by-law. Words with lines through are redacted from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

5.08 Quorum, Membership. No business shall be transacted an Annual, ~~Fall Membership~~ or Special meeting unless a quorum is present. Twenty-five (25) regular members shall constitute a quorum at any Annual, ~~Fall Membership~~ or Special meeting of the Corporation. In the absence of

a quorum, the meeting ~~may~~ **shall** be adjourned to a time and place to be fixed by the presiding officer of the adjourned meeting. The Secretary shall, **in addition to requirements of Wisconsin's Open Meeting Laws**, provide written notice **by US Mail, and as otherwise required in 12.02** to all regular members specifying the date, time, ~~and~~ location of the rescheduled meeting, **and including a copy of the Agenda for such meeting**. The regular members shall be entitled to ten (10) business day's prior notice of any rescheduled **Annual membership** or Special meeting.

Effect on the Association

Other than specifying adherence to Wisconsin Open Meeting Laws, the only significant change is the addition of the meeting agenda in the written notice mailed to the members.

As the Association now has two Membership Meeting per year, Annual should be changed to Bi-Annual.

Bylaw 8.01

Tim Kelly requests the following revisions to by-law 8.01. Words in bold are additions to the text in the current by-law. Words with lines through are redacted from the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

Revision

8.01 Financial Management, Reporting, Required Audits and Public Record Status of All Association Information

1) The books, records, vouchers, funds and complete financial information of the Corporation shall be compiled, maintained and presented using Generally Accepted Accounting Principals (and not Cash Basis of Accounting standards), and submitted to an independent Certified Public Accountant for the completion of a: Full Financial Audit, including, without limitation, tests, samplings and assessments of internal procedures and disbursements; of the Corporation within 60 days of the close of every fiscal year ending in an even number.

2) The results of each Audit, including footnotes and any memorandum attached thereto, shall be completed and made available no later than 120 days following the close of each fiscal year on the Association's website pursuant to 12.02, and otherwise made available for Member review or copying as provided below.

3) In the event the above ~~Audit requirements~~ ~~reviews and audits~~ are not (i) performed as defined herein, or (ii) are not delivered within the time periods indicated above, or (iii) are completed as required above but are issued with anything less than a fully Unqualified Opinion ("Defective Financial Reporting"):

a. Compensation will immediately be withheld from the President and entire Board of Directors until such time that the Defective Financial Reporting violations are cured and an Unqualified Opinion is obtained;

b. The Finance Committee shall assume responsibility for performance of the ~~financial review~~ ~~of~~ ~~Audit(s)~~ as defined above and as soon as possible call a Special Board Meeting or Meetings at which Members can become informed of all aspects underlying the Defective Financial Reporting and steps taken to cure same; and

c. A Special Meeting ~~may~~ **shall** be called pursuant to 5.07 with the stated purpose of (i) hearing from the independent Certified Public Accountant that conducted the Audit giving rise to the Defective Financial Reporting or independent Member in Good Standing having knowledge of the details giving rise to the Defective Financial Reporting by having attended all Special Board Meetings held pursuant to (b) immediately above (as approved at the inception of such Special Membership Meeting by a majority in attendance with a quorum present), (i) fully disclose the details giving rise to the Defective Financial Reporting, (ii) disclose any possible misappropriations of funds that may be involved, (iii) and to propose a recommended course of action in his/her opinion for curing the Defective Financial Reporting which could include, without limitation, requiring the Board of Directors to retain the services of an independent and properly insured/bonded Management Company to manage the financial affairs of the Corporation beginning as soon as possible.

4) The books, membership roles, records and vouchers of the Corporation, including minutes of all Board and regular membership meetings, including elections, are a matter of public record and will be available to any member in good standing at any reasonable time by written request. Any expense for copying, duplication and mailing such requested records and documents, **unless same can be copied to an electronic storage device provided by the requesting Member or emailed to said requesting Member (which will be done at no expense to the requesting Member)**, will be billed at actual cost by the Corporation (**not to exceed \$0.05 (5 cents) per page**) and paid by the member making the request. Response to a request for such records must be provided by the Clerk within 30 days to the member(s) making the request.

Effect on the Association

Under section 1) the required time to complete the Full Financial Audit is reduced from 90 days to 60 days from the close of the fiscal year. The 60 day limit for completion may be difficult for the Certified Public Accountant to meet.

Also under section 1) the Full Financial Audit would be changed from every 4 years to every two years. This would be an added expense for the Association.

Section 2) would require a complete audit including footnotes and any other memorandum be posted on the Association website within 120 days following the close of the fiscal year. This would require the person responsible for the Association website to upload the entire report, including footnotes and other memorandum, to the website. This could become an issue depending the format of the document as presented to the Association.

Section 3) a. withholding compensation to Board members if the Audit is not completed with anything less than a fully Unqualified Opinion (Defective Financial Report) starts 60 days following the closing of the fiscal year rather than 90 days. As stated above, this time limit may be difficult for the Certified Public Accountant to meet.

Section 3) b. requires the Financial Committee to assume responsibility for the Audit after the 60 day time limit is not met. As stated above, this time limit may be difficult for the Certified Public Accountant to meet.

Section 3) b. also requires a Special Membership meeting be called to inform the members of all the aspects underlying the Defective Financial Report. Calling a Special Membership meeting is costly. The same may be accomplished by placing the issue on the next Board of Directors meeting agenda. The agenda is properly posted per Wisconsin Open Meetings Law and on the Association's website.

Section 3) c. can all be accomplished at the Board of Directors Meeting with the issue on the agenda.

Section 4) added language allowing Members to request a copy of Association public records at no cost if the request is for an e-mail copy or to be copied on a storage device supplied by the requesting Member. The issue to the Association would be introducing a corrupted storage device into the Association computer. Also, the current by-law bills members at actual cost to the corporation.

Section 4) also restricts copies to 5 cents per page. Current by-law bills members at actual cost to the corporation.

Bylaw 12.02

Tim Kelly requests the following revisions to by-law 12.02. Words in bold are additions to the text in the current by-law. To compare with the original by-law, go to the current by-laws on the LCBPOA website.

NOTE: The original By-Law was rewritten in entirety.

Revised

12.02 Membership communication. The Corporation will conduct all meetings and otherwise comply with all aspects of the Wisconsin Open Meeting Law (Wis. Stat. 19.81) at a minimum, and with more stringent or restrictive requirements set-forth in these Bylaws. The Corporation acknowledges that not all of its Members reside year-round in the community and, therefore, posted Public Notices on or in local properties or Association displays boxes is not sufficient to properly inform all its Members. Therefore, the Corporation will maintain a website, or will contract with a third-party service or provider (e.g. the Town of Geneva) to maintain a website under the name "Lake Como Beach Property Owners Association (LCBPOA)," whereon the Corporation will post notices (in addition to any additional Public Notice requirements of the Wisconsin Open Meetings Law (Wis. Stat. 19.84) of any upcoming meeting Agendas, and otherwise keep updated no less than monthly by archiving the following communications for Member retrieval:

- 1. Agendas and approved Minutes of Regular and Special Board of Director Meetings.**
- 2. Agendas and approved Minutes of Annual and Special Members Meetings.**
- 3. Annual Budgets.**
- 4. Annual Audited Financial Reports.**
- 5. Currently filed Association Bylaws.**
- 6. Notification of any alleged violations to the Association Bylaws brought to the attention of any member of the Board of Directors.**

- 7. Any other information of the Corporation that is reasonable to assume would be of interest to or would in fact directly affect the interests of the Members; and,**
- 8. Any materials containing rules or regulations applicable to Members as properly adopted under the Bylaws.**

Effect on the Association

Based on the premise that all Association Members are not full time residents, the revision mandates the Association maintain or contract for a website.

Listed #6 could raise legal issues, especially if an allegation identifies an alleged violator prior to a concluded investigation.

Listed #8 appears to be redundant; addressed by listed #7.