

**THE BY-LAWS OF THE LAKE
WAUBEEKA
ASSOCIATION, INCORPORATED**

The Lake Waubeeka Association
137 Post Road
Danbury, Connecticut 06810

Approved April 30, 2015

ARTICLE I - PURPOSES

Section 1 – The purposes of the Lake Waubeeka Association, Inc. (“the Association”) are to protect the welfare of its members and to own and manage property, community facilities, and a water system, as explained in the Articles of Association and the July 24, 1951 Declaration of its developer Lake Tormid, Inc., and to pursue all other lawful purposes.

Section 2 – The principal office and any other offices of the Association will be at the locations selected by the Board of Directors.

ARTICLE II - MEMBERSHIP

Section 1 – All persons who own homes located in the Lake Waubeeka community and certified for occupancy are automatically members of the Association. This includes everyone owning lots in the development shown in Maps 382a, 1282, 1283, 1284, 1337, and 1589 as revised in the Danbury, Connecticut Town Clerk’s Office for so long as they own a residence on it. Persons who own a lot with no residence on it are not members. Joint owners of one residence are deemed to have a single membership.

Section 2 – Each member is entitled to one vote in the Association regardless of the number of properties owned. A member may designate in writing an adult proxy to vote in the member’s absence. A proxy is valid for eleven months unless a longer or shorter period is designated, but can be revoked by the member at any time in writing or by attendance. There is no cap on the number of directed or undirected proxies which may be voted by one person. The vote of any property owned by the Association shall be cast in the same proportion as the votes cast by the membership.

Section 3 – Each member, and the member’s family and guests, may use and enjoy Lake Waubeeka, its beaches, and the Association’s roads and community facilities in accordance with the Association’s rules and these by-laws.

Section 4 – A member is not in good standing if the Board of Directors determines, after a hearing, that the member either: (A) is more than 30 days delinquent in any debt owed to the Association; or (B) has failed to comply with any of the Association’s rules or by-laws; or (C) has violated any of the covenants or restrictions in the July 24, 1951 Declaration of Lake Tormid, Inc.

Section 5 – The Board of Directors may suspend or terminate any person’s privileges under Section 3 of this Article if, at a special meeting of the Board at which the person has the opportunity to speak, the Board determines that the person either: (A) has failed to pay any Capital Improvement expenses or other debt owed to the Association; or (B) has compromised the security of the Association or its members, facilities, property, or assets. This is in addition to any other rights or remedies the Association may have against the person.

Section 6 – No person may sell, transfer, rent, or lease any property identified in Section 1 of this Article without the approval of the Board of Directors.

ARTICLE III – MEMBERSHIP MEETINGS

Section 1 – The members will hold a regular annual meeting at a place and on a date in July or August selected by the Board of Directors. Special meetings at places and dates selected by the Board of Directors will be held when called by the President or Board of Directors, or upon written request made to the President by at least twenty-five members.

Section 2 – Notice of all regular and special meetings, at least ten days in advance, will be given personally, electronically, by mail to last-known address, or by other reliable means to each member individually. No business will be transacted at a meeting other than its purposes stated in the notice, unless all members agree otherwise.

Section 3 – The presence of a majority of the members or their proxies will constitute a quorum needed for transacting business at any meeting, but a lesser number may adjourn to some future time by giving at least five days’ notice to each absent member. A quorum is present throughout any meeting if a quorum is present in person or by proxy at the beginning of the meeting.

Section 4 – Meetings need not follow Robert’s Rules of Order, but shall instead be conducted according to such reasonable rules for order, procedure, and opportunity for Unit Owners to comment as the President may determine.

Section 5 -- At the discretion of the Board of Directors, the members may vote by electronic or paper ballot without a meeting in the manner provided by state law on any matter for which the Declaration or these by-laws allow for vote by the members at a live meeting.

ARTICLE IV – DIRECTORS

Section 1 – The Association will be managed and controlled by a Board of Directors, composed of eleven members.

Section 2 – The directors convening as a Board and by majority vote of their quorum may regulate the administration of meetings, adopt rules for the Association, collect debts owed to it, retain employees, appoint committees, and otherwise conduct the affairs of the Association consistent with its purposes.

Section 3 – Directors will be elected by ballot at the annual membership meeting. Nominations must either be in writing signed by at least ten members and submitted to the Recording Secretary at least two weeks before the meeting, or be made verbally at the meeting and seconded by at least twenty-five members. Candidates nominated in writing must be listed in the notice of the meeting and also in postings throughout the community as the Corresponding Secretary deems appropriate at least five days in advance.

Section 4 – Only members of the Association are eligible to vote for, run for, or serve as directors. Candidates elected by majority vote of a membership quorum take office on the Saturday immediately before Labor Day, and serve staggered three-year terms. Any director who has served nine years consecutively must wait at least two years before being eligible for re-election. Any vacancy on the Board occurring between annual meetings may be filled until the next annual meeting by a member appointed by the Board of Directors.

Section 5 – A director can be removed at any time, with or without cause, by majority vote of a membership quorum at a special meeting called for that purpose. A director may also be removed by majority vote of the other directors upon their determination that the director either is no longer a member or has been absent from three consecutive meetings of the Board without acceptable excuse.

Section 6 – The Board of Directors will hold regular meetings within one week of each annual membership meeting, and at such other places and dates they may select. Special meetings at places and dates selected by the Board will be held when called by the President, or upon written request to the President by at least four directors who may do so themselves if the President fails to.

Section 7 - Notice of Board meetings at least five days in advance (ten days if the Board will decide whether to adopt, amend, or repeal any rule) will be given

personally, electronically, by mail to last-known address, or by other reliable means to all directors and members. No business will be transacted at a meeting other than as stated in the notice, unless all directors present agree by majority vote. Instead of meeting, the Board may act by unanimous consent as documented in a writing authenticated by all its members. The Secretary promptly shall give notice to all members of any action taken by unanimous consent.

Section 8 – The presence of six directors will constitute a quorum needed for transacting business at any meeting, but a lesser number may adjourn to some future time by giving at least two days’ notice to each absent director. Each director will have one vote, and the act of a majority of the quorum will be the act of the Board.

Section 9 – Directors serve without compensation, but may be reimbursed for their reasonable expenses incurred in connection with their duties upon majority vote of the other directors. Directors are entitled to indemnification as stated in Sections 33-1116 to 33-1124 of the Connecticut General Statutes, as amended.

Section 10 – Any contract or transaction of the Association in which a director has a direct personal interest is invalid unless authorized by majority vote of a membership quorum after full disclosure of the nature and extent of the interest.

ARTICLE V – OFFICERS

Section 1 – The Board of Directors will appoint the following officers at its regular meeting after the annual membership meeting, or promptly upon any vacancy:

(A) President, who will call and preside at all meetings of the directors and members; report on the Association’s condition and activities at each annual meeting; hire, supervise, and discharge its employees; ensure that its books and records are properly made and kept; and sign contracts and instruments on the Association’s behalf.

(B) First Vice President, who will exercise the duties of the President during his or her absence or disability, and sign contracts and instruments on the Association’s behalf.

(C) Second Vice President, who will exercise the duties of the President during the absence or disability of both the President and First Vice President.

(D) Treasurer, who will account for and safeguard the Association’s money and property; keep accurate records of its business and transactions and exhibit them upon

request to any member; report on the Association's finances at each annual meeting of the directors and members; and sign contracts and instruments on the Association's behalf.

(E) Recording Secretary, who will keep all records and documents of the Association; accurately record the proceedings of the Association and the Board of Directors; countersign and affix the Association's seal to documents as appropriate; and sign contracts and instruments on the Association's behalf.

(F) Corresponding Secretary, who will give all notices of the Association and attend to its correspondence; present these notices and correspondence upon request to the Board of Directors at its meetings; and exercise the duties of the Recording Secretary during his or her absence or disability.

Section 2 – The Board of Directors may alter the duties of the officers, delegate their powers, or appoint additional officers with authorities as it deems appropriate. All officers of the Association must enforce these by-laws and perform all other acts incident to their offices under the direction of the Board of Directors and as required by law.

Section 3 – Only members of the Association are eligible to serve as an officer. A director may be an officer, but no person may serve in two different offices at the same time. Officers appointed by the Board of Directors take office immediately, and serve until removed or replaced by the Board. During its first meeting after Labor Day, the newly-elected Board of Directors shall review all officer elections by the previous Board and may reappoint all, some, or none of them in its discretion.

Section 4 – Officers serve without compensation, but may be reimbursed for their reasonable expenses incurred in connection with their duties with Board approval (or by majority vote of the other directors if the officer is also a director). The Board may require officers to give security or bond for the faithful discharge of their duties, any premiums on which will be paid by the Association.

Section 5 – Any officer can be removed by the Board of Directors at any time.

ARTICLE VI – BUDGET AND EXPENDITURES

Section 1 – The fiscal year of the Association shall be from June 1 to May 31 of each year, or as the Board otherwise selects.

Section 2 – The Board of Directors will submit an annual estimated budget at a regular or special meeting of the membership, which must be divided into: (A) operation and maintenance expenses; (B) capital improvement expenses; and (C) anticipated charges, revenue, and surplus. The budget must also dedicate 5% of the budget for a Water System Reserve, and may additionally include reserves for Capital Improvements and reserves for depreciation, the funds from either of which may not be used for other purposes unless approved by a majority of all the members. The budget will include a statement of the basis on which these and any other reserves are calculated and funded.

Section 3 – By majority vote of a membership quorum, the members may approve the Board’s estimated budget in full or with any changes. If two consecutive meetings called for this purpose fail to attract a quorum or fail to pass a budget, the Board’s estimated budget will be effective so long as it does not call for an assessment more than 5% larger than the previous year.

Section 4 – After the budget is approved, the Board of Directors may transfer surplus funds from one budget item to another as it deems necessary. Any revenue from the sale of property or Capital Equalizing Charges will be paid into a reserve fund for Capital Improvements upon receipt and may be disbursed by majority vote of the Board of Directors only up to \$10,000, or beyond \$10,000 when approved by majority vote of a membership quorum.

Section 5 – In the event of an emergency not provided for in the budget, the Board of Directors by an emergency resolution, adopted by a two-thirds vote of the total number of directors and stating the reasons for the emergency and the amount necessary, may contract for or spend up to \$25,000 for any one emergency. Notice of the emergency assessment must be provided promptly to all members. Any resulting deficit will be a mandatory item in the following year’s budget.

Section 6 – Every member must pay one Annual Assessment per residence the member owns in the Lake Waubeeka community. The Board of Directors will determine this amount by dividing the annual budget less other revenues and surplus by the total number of residences.

Section 7 – The Annual Assessment is due in two halves, on June 1 and September 1 of each year, or in such other fractional installments due on such other dates as the Board may designate. If either payment is more than 30 days delinquent, the whole amount plus interest retroactive to June 1 becomes immediately due at the rate of 1.5% for each month or part of a month.

Section 8 – Every owner of a lot in the Lake Waubeeka community on which no residence has been built must, when construction begins, pay a Capital Equalizing Charge. The Board of Directors will determine this amount based on the past contributions made by the existing members of the Association for capital improvements and other community facilities.

Section 9 – Any person who is delinquent in any debt owed to the Association, or who fails to comply with any of the Association’s rules or by-laws, or who violates any of the covenants or restrictions in the July 24, 1951 Declaration of Lake Tormid, Inc. must pay all collection and enforcement expenses the Association incurs, such as reasonable attorney’s fees and court costs.

Section 10 – The Board of Directors may not sell or mortgage any community real estate in the Association’s name, unless approved by majority vote of a membership quorum or the mortgage is part of the consideration for acquiring, constructing, installing, or improving community property.

Section 11 – Except as approved in the budget, the Board of Directors may not enter any service or employment contract exceeding two years, or contract for any capital improvement, unless approved by majority vote of a membership quorum.

Section 12 – Any surplus funds of the Association remaining after payment of or provision for common expenses and any prepayment of reserves shall be paid or credited annually to the members.

Section 13 -- The Board of Directors, and not the owner or owners of any affected property, shall have sole discretion and authority to select, contract with, direct, and pay all contractors and vendors for all repairs, replacements, and restoration of the property for which funds of the Association or the proceeds of any Association insurance policy are to be used, devoted, or claimed.

ARTICLE VII – INSTRUMENTS AND SEAL

Section 1 – All checks and other negotiable instruments of the Association will be made in its name and must be signed by any two of the following officers: President, First Vice President, Treasurer, and Recording Secretary.

Section 2 – No director, officer, agent, or employee of the Association or any other person, either alone or with others, has the power to make or endorse any check or

other negotiable instrument in the Association's name or on its behalf, except as expressly stated in these by-laws.

Section 3 – The Association will have a seal which the Board of Directors will select.

ARTICLE VIII – AMENDMENTS

These by-laws may be amended in whole or part at an annual or special meeting with the approval of two-thirds of the members.