

**THE BY-LAWS OF THE  
SHORES OF DELAVAN LAKE COMMUNITY ASSOCIATION, INC.  
A WISCONSIN NONSTOCK, NONPROFIT CORPORATION**

**ARTICLE I  
NAME OF CORPORATION**

The name of the Corporation is the Shores of Delavan Lake Community Association, Inc. (“Community Association”).

**ARTICLE II  
PURPOSE AND POWERS**

2.01 PURPOSES: The purposes of this Community Association are to act on behalf of its members collectively, as their governing body, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation, and administration of both real and personal property and for the promotion of health, safety and welfare and the common use and enjoyment thereof by members of the Community Association all on a nonprofit basis. These By-Laws are subject to the provisions of the Community Declaration of Covenants, Conditions, Restrictions and Easements for the Shores of Delavan Lake recorded with the Office of the Register of Deeds for Walworth County, Wisconsin on \_\_\_\_\_, 2024, as Document No. \_\_\_\_\_ (“Community Declaration”). All terms used herein shall have the meanings as set forth the Community Declaration.

2.02 POWERS: The Community Association shall have and exercise all powers as are now or may hereafter be granted by Wisconsin Statue 181 – Nonstock Corporations, the Community Declaration and these By-Laws.

**ARTICLE III  
OFFICES**

3.01 REGISTERED OFFICE: The Community Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office and may have other offices within or without the State of Wisconsin as the Board may from time to time determine.

3.02 PRINCIPAL OFFICE: The Community Association’s principal office shall be maintained in Kane County, Illinois, or at the office of the managing agent engaged by the Community Association, if any.

ARTICLE IV  
MEMBERSHIP

4.01 APPLICATION: These By-Laws, together with the Community Declaration, all amendments to the foregoing, and all rules and regulations passed by the Community Association, shall apply to, govern, and control the Shores of Delavan Lake and all present for future owners in the Shores of Delavan Lake. The acquisition of a Residential Lot, Townhouse, Condominium Unit, Apartment Unit, or residential development unit shall be construed as acceptance and ratification of these By-Laws by all such persons.

4.02 MEMBERS: Each Owner shall be a member of the Community Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Residential Lot, Townhouse, Condominium Unit, Apartment Unit, or residential development unit. Ownership of such Residential Lot, Townhouse, Condominium Unit, Apartment Unit, or residential development unit shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude the Declarant or Developer from membership while it, or its successors in interest, if any, owns one or more Residential Lots, Townhouses, Condominium Units, Apartment Units, or residential development units. Membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except together with the title to the property interest, ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest, and except that such membership may be assigned to a First Mortgagee in connection with the financing of a Member's property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void. Voting rights with regard to each Member are set forth in Section 4.03 hereof.

4.03 CLASSES OF MEMBERSHIP. The Association shall have the following five (5) classes of voting membership:

- a) Class A: Class A Members shall be all of the Owners of Residential Lots, including Declarant or Developer. Each Class A Member shall be entitled to one (1) vote per Residential Lot for each Residential Lot in the Property owned by said Class A Members. When more than one person owns any Residential Lot, all such Persons shall be Members, but the vote appurtenant to such Residential Lot shall be exercised as the several Owners among themselves determine and in no event shall more than one (1) vote be cast with respect to any Residential Lot.
- b) Class B: Class B members shall be all of the Owners of Townhouses,

including Declarant or Developer. Each Class B Member shall be entitled to one (1) vote per Townhouse for each Townhouse in the Property owned by said Class B Members. When more than one person owns any Townhouse, all such Persons shall be Members, but the vote appurtenant to such Townhouse shall be exercised as the several Owners among themselves determine and in no event shall more than (1) vote be cast with respect to any Townhouse.

- c) Class C: Class C members shall be all of the Owners of Condominium Units, including Declarant or Developer. Each class C Member shall be entitled to one (1) vote per Condominium Unit for each Condominium Unit in the Property owned by said Class C Members. When more than one person owns any Condominium Unit, all such Persons shall be Members, but the vote appurtenant to such Condominium Unit shall be exercised as the several Owners among themselves determine and in no event shall more than one (1) vote be cast with respect to any Condominium Unit.
- d) Class D: Class D members shall be all of the Owners of Apartment Buildings, including Declarant or Developer. Each Class D Member shall be entitled to one (1) vote for each separate apartment unit within such Apartment Building (referred to herein as “**Apartment Unit**”). When more than one person holds and interest in an Apartment Building, all such Persons shall be Members, but the vote appurtenant to such Apartment Building shall be exercised as the several Owners among themselves determine and in no event shall more than one (1) vote be cast with respect to any Apartment Unit. In the event any Apartment building is converted to Condominium ownership during the term of the Community Declaration, all Class D memberships within such Apartment Building shall be converted to Class C memberships with each Condominium Unit receiving a Class C membership on the effective date of such conversion. In the event all Apartment Buildings within the Property are converted to Condominium Ownership, the Class D membership shall terminate.
- e) Class E: Class E Members shall be all of the Owners of parcels of land within Property not included within classes A through D, including the Declarant or Developer. Each Class E Member shall be entitled to one (1) vote for each residential development unit approved for such property by the Town and County, as set forth in the Unified Site Plan. When more than one Person holds and interest in such property, all such Persons shall be Members, but the vote appurtenant to such property shall be exercised as the several Owners among themselves determine and in no event shall

more than (1) vote be cast with respect to each residential development unit approved for such property. Property included within the Class E membership shall be obligated to pay assessments on the basis of one Assessment Unit for each vote allocated to such property.

4.04 JOINT OR COMMON OWNERSHIP. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one Person, the vote or votes to which such property interest is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner shall have delivered to the Secretary of the Community Association prior to the election a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners, in which even no vote may be cast for such joint or common Owners.

4.05 PROXY VOTING. Any Owner, including Grantor, may give a revocable written proxy to any person authorizing the latter to cast the Owner's votes on any matter. Such written proxy shall be in such form as may be prescribed by the Bylaws of the Community Association.

4.06 CUMULATIVE VOTING. The cumulative system of voting shall not be used for any purpose.

## ARTICLE V MEETINGS OF MEMBERS

5.01 INITIAL AND ANNUAL MEETING. After termination of the Period of Grantor Control, there shall be an annual regular meeting of the Members of the Community Association on the first Tuesday in January of each year at 10:00 a.m. at the principal office of the Community Association. Except as provided in the next sentence, no notice need be given of said annual regular meeting. Said annual regular meeting may be held at such other reasonable place or time (not more than thirty days before or after the aforesaid date) as may be designated by notice of the Board given to the members not less than ten nor more than fifty days prior to the date fixed for said regular meeting. If the date for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour of the first day next succeeding such date which is not a legal holiday. Participation of Members in all meetings of the Community Association shall be through Delegate Districts for voting purposes, but any Member may attend and observe any meeting of the Community Association or the Board.

5.02 QUORUM. The presence at any meeting, in person or by proxy, of Delegates entitled to vote at least a majority of total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Delegates present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than thirty days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be the Delegates entitled to vote twenty-five per cent (25%) of the total votes.

5.03 SPECIAL MEETINGS. Special meetings of the Members may be called at any reasonable time and place by notice by the Board or by Notice by Members having one-fifth of the total votes, delivered not less than ten or mailed not less than fifteen days prior to the date fixed for said special meeting, to all Members if given by the Board and to all other Members if given by said Members.

5.04 NOTICES OF MEETINGS. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Lot of that Owner with respect which such voting right appertains, if no address has been given to the Board. The notices required herein shall state the specific purpose of the nature of the business for which the meeting is called. No business may be transacted at any meeting other than that specified in the notice.

5.05 PROCEDURE. The Chairman of the Board of Directors, or in his absence the Vice Chairman, shall call meetings to order and act as chairman of such meetings. In the absence of both of said officers, any Member entitled to vote thereat or any proxy of any such member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Community Association, or in his absence the Assistant Secretary, shall act as Secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting. Except as provided otherwise in the Community Declaration, any action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Delegates representing a majority of the total votes present at such meeting in person or by proxy.

5.06 DELEGATE DISTRICTS. After termination of the Period of Grantor Control, the Property shall be divided into Delegate Districts, as hereinafter described, and each Delegate District shall elect one (1) Delegate to the Community Association to exercise the voting power of all the Members in such Delegate District. If a Subassociation is created pursuant to a Supplemental Declaration, or otherwise, then all of the Property within the jurisdiction of the Subassociation shall constitute a Delegate District. In the event that no Subassociation is created for any portion of the Property, then the Delegate District(s) for such portion shall be established by a Supplemental Declaration for such Property. Such Supplemental Declarations or other instruments shall contain legal descriptions of the portions of the Property, which shall be or become part of a Delegate District and a statement that such real property described therein shall be or become part of a designated Delegate District for purposes of this Community Declaration.

5.07 VOTING. Each Member shall have the right to cast votes for the election of the Delegate to the Association to exercise the voting power of the Delegate District in which the Member's property is located. The Member shall have the same voting rights for the election of the Delegate from that Delegate District as area provided in paragraph 4.03A above. The Members shall vote on Delegates at the initial annual meeting as described herein. Each Delegate may cast one (1) vote for each vote allocated to all the Members within the Delegate District under paragraph 4.03A above. Each Delegate shall cast the votes which he or she represents in such manner as the Delegate, in his or her sole discretion, deems appropriate, acting on behalf of all the Members in the Delegate District; provided, however, that in the event that at least a majority in interest of the Members in any Delegate District shall determine at any duly constituted meeting of the Members in such Delegate District to instruct their Delegate as to the manner in which he or she is to vote on any issue, then the Delegate representing such Delegate District shall cast all of the voting power in such Delegate District in the same proportion, as nearly as possible without counting fractional votes, as the Members in such Delegate District shall have cast their votes "for" and "against" such issue in person or by proxy. A Delegate shall have the authority, in his or her sole discretion, to call a special meeting of the Members of the Delegate's Delegate District in the manner provided in the Bylaws of the Community Association, for the purpose of obtaining instructions as to the manner in which to vote on any issue to be voted on by the Delegates. When a Delegate is voting without instruction from the Members represented by such Delegate, then all of the votes may be cast as a unit, or the Delegate may apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be presumed for all purposes of Association business that any Delegate casting votes will have acted with the authority and consent of all of the Members of the Delegate District of such Delegate. All agreements and determinations lawfully made by the Community Association in accordance with the voting procedures established herein, and in the Bylaws of the Community Association, shall be binding on all Members and their successors and assigns.

## ARTICLE VI BOARD OF DIRECTORS

6.01 BOARD OF DIRECTORS. The direction and administration of the Property in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided, except for the initial Board of Directors appointed by the Developer which shall be three (3) in number and shall serve until the initial meeting of the Members. The Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and that the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually. Each member of the Board, with the exception of the Board members initially appointed by the Developer shall be one of the Owners (including the Declarant); provided,

however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such legal entity, shall be eligible to serve as a member of the Board.

6.02 DETERMINATION OF BOARD TO BE BINDING. All matters of dispute or disagreement between Owners or with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Owners.

6.03 ELECTION OF BOARD MEMBERS. At the initial meeting of the Members and at all subsequent annual meetings of the Members there shall be elected a Board of Directors. In all elections for members of the Board of Directors, each Member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The initial Board of Directors designated by the Developer pursuant to Section 6.01 hereof shall serve for a period commencing on the date the Declaration is recorded and ending upon the qualification of the directors elected at the initial meeting of Members. Members of the Board elected at the initial meeting shall serve until the first annual meeting. Five (5) Board members shall be elected at the initial meeting. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. In the event of a tie vote, the members of the Board shall determine which members shall have the two (2) year terms and which members shall have the one (1) year terms. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure, the Declarant or its designee or beneficiaries may appoint a Board which shall have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Members is held.

6.04 COMPENSATION. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

6.05 VACANCIES IN THE BOARD. Vacancies in the Board, other than as a result of removal pursuant to Section 6.07 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining members of the Board or by the

Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

6.06 ELECTION OF OFFICERS. The Board shall elect from among its Members a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Members and of the Board and who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

6.07 REMOVAL OF BOARD MEMBERS. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

6.08 MEETING OF BOARD. The initial meeting of the Board shall be held immediately following the initial meeting of the Members at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without other notice and shall be immediately after, and at the same place as, the annual meeting of Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on no less than forty-eight (48) hours notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of the Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

6.09 EXECUTION OF INVESTMENTS. 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 Secretary.

## ARTICLE VII

### POWERS OF THE BOARD

7.01 GENERAL POWERS OF THE BOARD. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

- a) To elect the officers of the Association as hereinabove provided;
- b) To administer the affairs of the Association and the Property and the Common Areas, if any;
- c) Subject to Section 7.02 b). below, to engage the services of a manager or managing agent who shall manage and operate the Property and any Common Areas;
- d) To formulate policies for the Administration, management and operation of the Property and the Common Areas;
- e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and any Common Areas, and to amend such rules and regulations from time to time;
- f) To provide for the maintenance, repair and replacement of landscaped areas, Common Areas and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- g) To provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of any Common Areas and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);
- h) To exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by the Articles of Incorporation, the Declaration or these By-Laws.

7.02 RULES AND REGULATIONS; MANAGEMENT.

a) Rules. The Board may adopt such reasonable rules and regulations 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 Owners and Occupants. Written notice of

such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

b) Management. The Declarant, beneficiaries of the Declarant or the Board shall engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Members is held. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board. Any management fees incurred pursuant to this Section 7.02 b). shall be paid from the assessments collected pursuant to Article IX hereof.

c) Not-For-Profit. Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

7.03 LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistakes of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless each of the members of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

## ARTICLE VIII DUTIES OF COMMUNITY ASSOCIATION

8.01 DUTIES OF COMMUNITY ASSOCIATION. Subject to and in accordance with the Shores of Delavan Lake Restrictions, the Community Association shall have and perform, through the Board, each of the following duties of the benefit of the Members of the Community Association:

A. COMMUNITY ASSOCIATION PROPERTY. To accept, own, operate and maintain all Community Association Property which may be conveyed to it by Grantor or any other person or entity, together with all Improvements of whatever kind and for whatever purposes which may be located in said areas; and to accept, own, operate and maintain all other property, real and personal, conveyed to the Community Association by Grantor or any other person or entity.

B. TITLE TO PROPERTY UPON DISSOLUTION. To pay over or convey, upon dissolution of the Community Association, the assets of the Community Association to one or more exempt organizations of the kind described in Section 501(c) of the Internal Revenue Code of 1954, as amended from time to time.

C. REPAIR AND MAINTENANCE OF ASSOCIATION PROPERTY. To maintain in good repair and condition all the Community Association Property, and any portion of the Property which the Community Association has expressly agreed to maintain.

D. PAYMENT OF TAXES. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Community Association, to the extent that such taxes and assessments are not levied directly upon the Members. The Community Association shall have all rights granted by law to contest the assessments and the amount of such taxes and assessments.

E. INSURANCE. The Community Association shall maintain insurance covering all insurable improvements located or constructed upon the Community Association Property. The Community Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance.

1. A policy of property insurance covering all insurable improvements located on the Community Association Property, and improvements which the Community Association has agreed to insure, with a "Replacement Cost Endorsement" providing that any claim shall be settled on a full replacement cost basis without deduction for depreciation, and including an "Inflation Guard Endorsement" and "Agreed Amount Endorsement." The Community Association may also purchase a "Demolition Endorsement", and "Increased Cost of Construction Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, and/or coverage on personal property owned by the Community Association. Such insurance as maintained by the Community Association pursuant to this subsection shall afford protection against at least the following:
  - i. Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and
  - ii. Such other risks as shall customarily be covered with

respect to projects similar in construction, location and use, including all perils normally covered by the standard all risk endorsement, where such is available.

2. A comprehensive policy of public liability insurance covering all of the Community Association Property, and property for which the Community Association has agreed to maintain liability insurance, insuring the Community Association in an amount not less than One Million Dollars (\$1,000,000) covering bodily injury, including death of persons, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insured for property damage, bodily injuries and death of persons in connection with the operation, maintenance or use of the Community Association Property, legal liability arising out of law suits related to employment contracts of the Community Association, and protection against liability for non-owned and hired automobile; such coverage may also include, if applicable, garage keeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Community Association, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.
3. A policy providing adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Community Association and all others who handle or are responsible for handling funds of the Community Association. Such fidelity coverage or bond shall meet the following requirements:
  - i. all such fidelity coverage or bonds shall name the Community Association as an obligee;
  - ii. such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.
4. If the Community Association Property or any portion thereof is located within an area identified by the Federal Emergency

Management Agency as having special flood hazards, and flood insurance coverage on the Community Association Property has been made available under the National Flood Insurance Program, then such a policy of flood insurance on the Community Association Property in an amount at least equal to the lesser of:

- i. the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
  - ii. one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated floor hazard area.
5. A policy providing coverage from errors and omissions of officers and directors of the Community Association, in such amounts and containing such provisions as may from time to time be deemed necessary or desirable by the Board of Directors of the Community Association. The following provisions shall apply to all insurance policies of the Community Association:
  - i. All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Member of the Community Association and shall provide that the policies may not be cancelled or substantially modified without at least thirty days prior written notice to the insured, as well as to the First Mortgagees of each Lot, Townhouse, Condominium Unit or other parcel of land within the Property. Duplicate originals of all policies and renewals thereof, together with proof of payment of premiums, shall be delivered to any First Mortgagee of a Lot, Condominium Unit, Townhouse or other parcel of land within the Property upon written request. The insurance shall be carried in blanket forms naming the Community Association, as the insured, as trustee and attorney in fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any such Owner's membership in

the Association.

- ii. If at the time of any loss under any policy which is in the name of the Community Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Community Association policy, such Community Association policy shall be primary insurance not contributing with any of such other insurance.
- iii. All insurance policies carried by the Community Association shall be reviewed at least by the Board of Directors of the Community Association to ascertain that the coverage provided by such policies adequately covers those risks insured by the Community Association.

F. **PROPERTY RULES.** To make, establish and promulgate, and in its discretion to amend, repeal and reenact, such property rules, not in contradiction of this Community Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of Association Property (the **"Property Rules"**). Without limiting the generality of the foregoing sentence, such Property Rules may set dues and fees and prescribe the regulations governing the operation of Association Property. Each Member shall be entitled to examine such Property Rules at any time during normal working hours at the principal office of the Association.

G. **COMMUNITY ARCHITECTURAL COMMITTEE.** To appoint and remove members of the Community Architectural Committee as provided in Section 11.02 hereof, and to ensure that at all reasonable times there is available a duly constituted and appointed Community Architectural Committee, except that the Grantor shall have the sole right to appoint and remove members of the Community Architectural Committee until such time as the Grantor doesn't own any Lots, Condominium Unit, Townhouse, Apartment Building or other parcel of land within the Property.

H. **ENFORCEMENT HEREOF.** To enforce by any proceeding at law or in equity, in its own behalf and in behalf of all Owners, all of the covenants, conditions, restrictions, reservations, liens and charges now or hereafter set forth in this Community Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of sold covenants, conditions, restrictions, reservations, liens and charges, and as assignee of Grantor; and to perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of

the Shores of Delavan Lake Restrictions or of the Community Architectural Committee Rules. Additional enforcement provisions are contained in Section 10.05 of this Community Declaration. Any Owner also may enforce any of the covenants, conditions, restrictions, liens and charges now or hereafter set forth in this Community Declaration.

I. LONG-TERM FINANCING. After termination of the Period of Grantor Control, subject to the prior written consent of a majority of all the votes entitled to be cast by the Members, to execute mortgages and deeds of trust, both construction and permanent, for construction of facilities, including Improvements, on Community Association Property. Such financing may be effected through conventional mortgages or deeds of trust, the issuance and sale conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate. The mortgage, deed of trust, or other security interest given to secure repayment of such debt may consist of a first lien or a second or other junior lien, as shall be deemed appropriate, on the Improvement or other facility to be constructed, together with such underlying and surrounding lands within the Association Property as the Community Association deems appropriate. The debt secured by such mortgage, deed of trust or other security instrument may be retired from revenues generated by dues, use fees, assessment of the Members of the Community Association, or otherwise, or any combination thereof as may be deemed appropriate, but subject to the limitations imposed by this Community Declaration.

J. AUDIT. The Community Association may, but shall not be required to by this Community Declaration, provide an annual audit by an independent certified public accountant of the accounts of the Community Association and to and to make a copy of such audit available to each Member during normal business hours at the principal office of the Community Association. Any Member may at any time and at his own expense cause an audit of inspection to be made of the books and records of the Community Association by a certified public accountant provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Community Association.

K. AVAILABILITY OF RECORDS. To make available to any Member at the principal office of the Community Association during normal business hours, copies of the Community Declaration, the Articles of Incorporation and Bylaws of the Community Association, where copies may be purchased at a reasonable cost.

L. OTHER. To carry out all duties of the Community Association set forth in the Shores of Delavan Lake Restrictions, or the Articles or Bylaws of the Community Association.

## ARTICLE IX

POWERS AND AUTHORITY OF THE COMMUNITY ASSOCIATION.

9.01 POWERS AND AUTHORITY OF THE COMMUNITY ASSOCIATION. The Community Association shall have all of the powers of a Wisconsin not-for-profit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Community Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Wisconsin or by this Community Declaration. Without in any way limiting the generality of the two preceding sentences, the Community Association shall have the following power and authority at all times:

A. ASSESSMENTS. To levy Assessments as provided in this Section 9.01A. An Assessment is defined for the purposes of this Section 9.01A as that sum which must be levied in the manner and against the property set forth below in Section 9.01A in order to raise the total amount for which the levy in question is being made, and each individual Assessment shall be equal to each other individual Assessment, except as provided otherwise in this Community Declaration. The following provisions shall govern Assessments of the Community Association:

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, including Declarant or Developer, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Community Association: (a) annual assessments to be established and collected as hereinafter such assessments to be established and collected as hereinafter provided; and (b) special assessments which are assessed and levied to (i) pay for the cost of damage caused by the negligent or willful conduct of any Owner; or (ii) to pay for the cost of extraordinary expenses of the Community Association. The annual and special assessments, together with interest, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, against which each such assessment is made. The lien may be enforced by foreclosure of the defaulting Owner's Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property by the Community Association in like manner as a mortgage on real property. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Board of Directors or managing agent of the Community Association may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land, and a description of

the Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property. Such a notice shall be signed by one of the Directors of the Association or by the managing agent of the Community Association and may be recorded in the office of the Register of Deeds of Walworth County, Wisconsin. The lien for each unpaid assessment shall attach to each Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, at the beginning of each assessment period and shall continue to be a lien against such Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, until paid. The costs and expenses for filing any notice of lien shall be added to the assessment for the Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, against which it is filed or collected as part and parcel thereof. Each assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of each Person who was the Owner of such Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. The Association's lien on each Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, for assessments shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Wisconsin or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

2. **PURPOSE OF ASSESSMENTS.** The assessments levied by the Community Association shall be used exclusively to promote the recreation, health and safety of the residents and tenants of the Property, for the repair, replacement, and maintenance of any landscaped right-of way and medians within or adjacent to public or private streets within or abutting the Property which may be the responsibility of the Community Association to maintain, and for the improvement, repair, replacement and maintenance of the Community Association Property and the appurtenances and improvements thereto and thereon, including without limitation, maintenance of landscaping and other improvements located on the Community Association Property, maintenance of greenbelt areas within the Community Association Property, maintenance of bike paths and trails within the Community Association Property, maintenance of any well site and/or the irrigation system within the Community Association Property, pruning trees and hedges located upon the Community Association Property and maintaining all fences, lighting facilities and masonry entryway signs located within the Community Association Property.

3. MAXIMUM ANNUAL ASSESSMENT. Until commencement of the second annual assessment period, the maximum annual assessment shall be \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per Assessment Unit. The assessment rate on Lots, Condominium Units, Townhouses, Apartment Buildings or other parcels of land within the property, owned by Declarant or Developer, may be reduced as provided in paragraph (5.) of this Section 9.01A or by the Community Association.
4. INCREASES IN ASSESSMENT. The following provisions shall govern increases in the maximum annual assessment:
  - i. Commencing with the second annual assessment period, the maximum annual assessment shall be increased effective each annual assessment year by ten percent (10%), or in an amount equal to the increase, if any, of the Consumer Price Index for the one-year period ending with the preceding month of December, whichever is greater. This annual increase in the maximum annual assessment shall occur automatically upon the commencement of each annual assessment year without the necessity of any action being taken with respect thereto by the Community Association. In the even the aforesaid Consumer Price Index is not published for whatever reason, then the increase in the maximum annual assessment, as provided herein, shall be calculated by using a substantially comparable index designated by the Board of Directors of the Community Association.
  - ii. Effective with commencement of the second and each subsequent annual assessment period, the maximum annual assessment may be increased above the greater of ten percent (10%) of the prior year's assessment or that established by the Consumer Price Index formula, for the next succeeding annual assessment year and at the end of each such annual assessment period, for each succeeding annual assessment year, provided that any such increase shall have the assent of two-thirds (2/3) of each class of Members who are voting by Delegates at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of such meeting setting forth the purpose therefore.
  - iii. Subject to the provisions of paragraph (5) of this Section 9.01A, the Board of Directors of the Community Association may, at any time and from time to time, after consideration of the projected maintenance costs and other financial needs of the Community Association, and upon

written notification to each Owner of the amount of the actual assessment to be levied, fix the actual assessment per each Assessment Unit at an amount less than the maximum assessment, that the rate of assessment then in effect is less than may be necessary to adequately fund all maintenance costs and other financial needs of the Community Association, then the Board of Directors of the Community Association may increase the actual assessment per each Assessment Unit upon written notification thereof to each Owner, provided that the amount of the actual assessment per each Assessment Unit shall not be increased to an amount in excess of the maximum annual assessment for that annual assessment period.

- iv. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as incident to a merged or consolidation in which the Community Association is authorized to participate under its Articles of Incorporation.
- v. The Community Association shall maintain an adequate reserve fund out of the assessments for the maintenance, repair and replacement of those elements or portions of the Community Association Property that must be maintained, repaired or replaced on a periodic basis.

5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER PARAGRAPHS 3. AND 4. OF THIS SECTION. In additional to the Assessments authorized in this Section 9.01A, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of any capital improvement upon Community Association Property, including fixtures and personal property related thereto, or for the funding of any operating deficit incurred by the Community Association. Following termination of the Period of Grantor Control, any such assessment shall have the assent of two-thirds (2/3) of the votes being exercised by Delegates at a meeting duly called for this purpose and shall be levied equally against each Assessment Unit, subject to the reduced assessments permitted under paragraph 6. of this Section 9.01A.

6. UNIFORM RATE OF ASSESSMENT. Annual and special assessments must be fixed at a uniform rate for all Assessment Units sufficient to meet the expected needs of the Community Association, subject to reduced assessments permitted under this paragraph 6. and by the Community Association. Notwithstanding anything to the contrary contained in this Community Declaration, the rate of annual and special assessments set for any Assessment

Unit owned by Grantor which are not leased, rented or otherwise residentially or commercially occupied, and on which a Building exists for which a certificate of occupancy has been issued, shall be fixed at one-quarter (1/4) of the assessment rate for the other comparable Assessment Units not owned by the Grantor. During the Period of Grantor Control, the Grantor shall determine prior to November 30 of each calendar year whether the anticipated annual assessments for the following calendar year will be sufficient to pay the anticipated expenses of the Community Association for the following calendar year, and if the Grantor determines that the anticipated expenses will exceed the anticipated annual assessments, the Grantor shall also determine, in its sole discretion, whether it shall pay all or any portion of such shortfall to the Community Association, and the time and manner in which such payments shall be made. In the event the Grantor does not give written notice to the Association on or before November 30 of any calendar year as to whether the Grantor shall pay all or any portion of such shortfall, then it shall be conclusively presumed that the Grantor has elected not to pay all or any portion of the shortfall. If the Grantor determines to pay all or any portion of the shortfall, then the Grantor shall not be required to pay one-quarter (1/4) of the annual assessments as provided in the second sentence of this paragraph 6. In the event that the Grantor determines, in its sole discretion, that it shall not pay all or any portion of such shortfall, then the Grantor's only obligation shall be to pay one-quarter (1/4) of the annual assessments as provided in the second sentence of this paragraph 6. At the time any property which constitutes or is part of an Assessment Unit which is owned by Grantor is leased, rented or otherwise residentially or commercially occupied, that Assessment Unit shall be assessed at the uniform rate of assessment for other comparable Assessment Units not owned by the Grantor.

7. **DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS.** The initial annual assessment shall commence on the first day of the month following the leasing, renting or other residential occupancy of the first residence within the Property and the second and each subsequent annual assessment period shall correspond with the fiscal year of the Community Association. The Assessments may be made due and payable in monthly or quarterly installments per annum on such dates as determined by the Board of Directors of the Community Association, provided that the first annual assessment shall be adjusted according to the number of months in the first annual assessment year. Any Owner purchasing a Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property between installment due dates shall pay a pro rata share of the last installment due.
8. **EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF**

THE ASSOCIATION. Any assessment of portion thereof which is not paid when due shall be delinquent. Any assessment or portion thereof which is not paid within ten (10) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum and the Community Association may assess a monthly late charge thereon in such reasonable amounts as determined from time to time by the Community Association. The Community Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property, and in the event a judgment is obtained, such judgment shall include interest and late charges on the assessment, as above provided, and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Association Property or abandonment of his Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land within the Property.

9. **WORKING CAPITAL.** The Grantor shall require the first Owner of each Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land (other than Grantor) who purchases that Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land from Grantor, to make a non-refundable working capital contribution to the Community Association in an amount equal to two (2) times the monthly installment of the annual assessment effective at the time of conveyance of the Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land. All such contributions shall be held in a segregated account by the Community Association for its use and benefit as it deems desirable, including but not limited to ensuring that the Board of Directors of the Community Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Such deposit shall not relieve an Owner from making the regular payment of assessments as the same become due.
10. **SUBORDINATION OF THE LIEN TO MORTGAGES.** The lien of the assessments provided for herein, including without limitation, any fees, costs, late charges or interest which may be levied by the Community Association in connection with unpaid assessments, shall be subordinate to the lien of any First Mortgage, sale or transfer of any Lot, Townhouse, Condominium Unit, Apartment Building, or any other parcel of land within the Property shall not affect the liens for said assessment charges except that sale or transfer of any Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land within the Property, pursuant to foreclosure of any such First Mortgage, including any executor land sales contract, or any proceeding in lieu thereof,

including deed in lieu of foreclosure, shall extinguish the lien of assessment charges which became due prior to any such sale, transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure; provided, however, that any such delinquent assessment charges, including interest, late charges, costs and reasonable attorneys' fees which are extinguished as provided herein may be reallocated and assessed to all Assessment Units as a common expense. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall relieve any Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land within the Property from liability for any assessment charges thereafter becoming due, nor from the lien thereof; provided, however, that in the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgagee shall not be liable for unpaid assessments or other charges which accrue prior to the acquisition of title to the particular Lot, Townhouse, Condominium Unit, Apartment Building, or other parcel of land within the Property by such First Mortgagee.

B. RIGHT OF ENTRY AND ENFORCEMENT. To enter, after twenty four (24) hours written notice, without being liable to any Owner, upon any Lot or into any Improvement, including any Condominium Unit, Townhouse, and Apartment Building, or onto any Local Common Area or Community Association Property, for the purpose of enforcing by peaceful means the Shores of Delavan Lake Restrictions or for the purpose of maintaining for repairing any area. Improvement or other facility, if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by the Shores of Delavan Lake Restrictions. The Community Association shall also have the power and authority from time to time in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce by mandatory injunction or otherwise, or to restrain and enjoin any breach or threatened breach of, the Shores of Delavan Lake Restrictions.

C. CONVEYANCES. To grant and convey to any Person real property and interests therein, including fee title, easements, rights of way, mortgages and deeds of trust, out of, in, on, over, or under any Community Association Property for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder:

1. Parks, parkways, campgrounds, or other recreational facilities;
2. Roads, streets, walks, driveways, trails, and paths;
3. Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
4. Sewers, water systems, storm water drainage systems, sprinkler systems,

and pipelines; and

5. Any similar public, quasi-public, or private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any land, Improvements or other facility in a way which would violate applicable zoning or other development ordinances or use and occupancy restrictions imposed thereon by other provisions of this Community Declaration.

D. SECURITY SERVICES. To provide watchmen and security guards at such places and for such other purposes as the Board shall determine from time to time.

E. MANAGER. To retain and pay for the services of a person or firm (the “**Manager**”) to manage and operate the Community Association, including its Property, to the extent deemed advisable by the Board, together with such other personnel as the Board shall determine advisable for the operation of the Community Association, the conduct of its business, and the management of its Property. Such personnel may be employed directly by the Community Association or may be furnished by the Manager. The Owners release the Community Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated. Each and every independent contract with a Manager, for comprehensive management services by or under the direction of said Manager, which is entered into by or otherwise made binding upon the Community Association, shall be terminable by the Community Association with or without cause, in the Board’s sole and absolute discretion, and upon no more than thirty days’ prior written notice, and shall have a term no longer then one year, subject to renewal at the option of the Board. The provisions of this paragraph are not intended to apply to any contract of employment between Community Association and its own employees, nor to any contract between the Community Association and any independent contractor for the provision of legal, accounting, special consulting, or other management-related services which are not comprehensive in nature. During the period of Grantor Control, Grantor may act as Manager for the Community Association.

F. LEGAL AND ACCOUNTING SERVICES. To retain and pay for legal and accounting services necessary or proper in the operation of the Community Association, the operation and management of its Property, the enforcement of the Shores of Delavan Lake Restrictions, or in the performance of any other duty, right, power or authority of the Community Association.

G. ASSOCIATION PROPERTY SERVICE. To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, and all other utilities, services and maintenance for the Community Association Property.

H. OTHER AREAS. To maintain and repair easements, roads, roadways, rights of way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes, entry details, guardhouses, and other areas of Property owned by the Community Association, or which the Community Association has expressly agreed to maintain, and to maintain and repair any Property within Property owned by or leased to the Town or any Special District, provided that a written agreement to perform such maintenance or repair work has been executed between the Community Association Board and with the Town or a Special District, as applicable. The Community Association may also contribute toward the cost of operation and maintenance of private roads and any other Improvements or other facilities owned by Subassociations within Property but used in part by persons who are Members of the Community Association but not members of the Subassociation.

I. RECREATIONAL FACILITIES. It is contemplated that some or all recreational facilities may be owned and operated by either the Town or special districts. However, the Community Association may own and operate any and all types of facilities for both active and passive recreation on Community Association Property. All Members and Permitted Users shall have the right to use any recreational property owned by the Community Association subject to rules and regulations adopted by the Board.

J. OTHER SERVICES AND PROPERTIES. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Community Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of the Shores of Delavan Lake Restrictions, this Community Declaration, or the Articles and Bylaws of the Community Association.

K. CONSTRUCTION ON ASSOCIATION PROPERTY. To construct new Improvements or additions to Community Association properties, or demolish existing Community Association Improvements, subject to the approval of the Community Architectural Committee as required in this Community Declaration.

L. COLLECTION FOR SUBASSOCIATION. To collect on behalf of and for the account of any Subassociation (but not to levy) any assessment made by a Subassociation created pursuant to this Community Declaration, provided that such Subassociation has delegated the right, authority and power to the Community Association to make such collections on its behalf.

M. CONTRACT. To enter into contracts and leases to perform any functions or exercise any rights, duties or responsibilities of the Community Association contained in this Community Declaration on such terms and provisions as the Board shall determine.

N. LICENSES. To obtain and hold any and all types of permits and licenses necessary or expedient for the performance of the Community Association's powers and duties.

O. REAL AND PERSONAL PROPERTY. To acquire and own and to dispose of all manner of real and personal property, whether by grant, gift or otherwise.

P. MERGE, CONSOLIDATE OR DISSOLVE. To merge, consolidate, or dissolve the Community Association, but, during the Period of Grantor Control, only with the consent of the Grantor, and, after the Period of Grantor Control, only with the consent of three- fourths of all votes.

ARTICLE X  
COVENANTS AND RESTRICTIONS  
AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use the Property only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

ARTICLE XI  
COMMITTEES

11.01 BOARD COMMITTEES. The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors. The committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association, but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

11.02 SPECIAL COMMITTEES. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in their judgment the best interests of the Association shall be served by such removal.

11.03 TERM. Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the

committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

11.04 CHAIRMAN. One (1) member of each committee shall be appointed chairman.

11.05 VACANCIES. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

11.06 QUORUM. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

11.07 RULES. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

## ARTICLE XII INTERIM PROCEDURE

Until the initial meeting of the Members, the Developer shall appoint the Board which shall have the same powers and authority as given to the Board generally.

## ARTICLE XIII AMENDMENTS

These By-Laws may be amended or modified from time to time by action or approval of the Members entitled to cast three-fourths (3/4) of the total votes, provided, that any amendment shall require the consent of the Declarant if it owns one (1) or more Lots.

## ARTICLE XIV INTERPRETATIONS

In the case of any conflict between the Articles of Incorporation of the Association and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

## ARTICLE XV DEFINITION OF TERMS

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached unless such terms are otherwise defined herein.