

CWP 6-5-24

**COMMUNITY DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
THE SHORES OF DELAVAN LAKE,
WALWORTH COUNTY, WISCONSIN**

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COMMUNITY DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
THE SHORES OF DELAVAN LAKE, WALWORTH COUNTY, WISCONSIN

THIS COMMUNITY DECLARATION of Covenants, Conditions, Restrictions and Easements for the Shores of Delavan Lake, in Walworth County, Wisconsin (the “**Shores of Delavan Lake**”) is made this ___ day of _____, 2024, by Covington Court Apartments, L.L.C., a Delaware limited liability company (the “**Declarant**”) and Shores of Delavan Phase I, L.L.C., a Wisconsin limited liability company (the “**Developer**”) (collectively “**Grantor**”).

RECITALS:

A. The Shores of Delavan Lake development site is comprised of approximately 295 acres of gently sloping land, generally located at the Southeast corner of County Highway F and Mound Road in the Town of Delavan (the “**Town**”), Walworth County, Wisconsin (the “**County**”), and legally described on Exhibit “A” attached hereto and made a part hereof (the “**Shores Project Tract**”). The Grantor is the owner of all lands within the Shores Project Tract.

B. The Shores Project Tract is intended to be developed in phases, in accordance with a Unified Site Plan which envisions a logical and balanced extension of the Town of Delavan residential neighborhoods.

C. The real property which is legally described on Exhibit “B” attached hereto and made a part hereof (the “**Property**”) represents the first phase of development within the overall Shores Project Tract.

D. The Unified Site Plan for the Shores Project Tract consists of a diversity of residential homes, and an interconnected system of open space that serves multiple functions – recreational use, stormwater management, and natural environment. A copy of the Unified Site Plan for the Shores Project Tract, as currently approved by the Town and County, is attached hereto as Exhibit “C”, and made a part hereof by this reference. The Unified Site Plan incorporates the final plat for Mound Road Estates and The Shores of Delavan Lake, a Conservation Subdivision, as approved by all jurisdictional authorities. The Unified Site Plan also incorporates the land use plans which were approved as part of the zoning approvals for other portions of the Shores Project Tract. Subject to any changes occasioned by final engineering reviews, or otherwise, as may be made during the municipal approval process for any future subdivision plats or condominium plats, the Unified Site Plan attached hereto depicts the layout and number of lots and building sites within the Shores Project Tract.

E. The sanitary sewer system will be a public sanitary sewer collection system provided by the Delavan Lake Sanitary District. The water supply system will consist of private individual wells.

F. The focus of the stormwater management plan is to improve stormwater quality prior to entering Delavan Lake, by managing flow through a system of swales which will convey the water to the detention facilities. The swales will not only convey the onsite and offsite runoff, but treat and filter the water as it travels from the west end of the Shores Project Tract to the east end. It is the intent of the Unified Site Plan to limit the use of storm sewers, and instead convey the flow overland to allow for filtration and recharging the aquifer.

G. A strong or unique sense of “place” within the Shores of Delavan Lake will be fostered by first employing special design features throughout the development, such as building architecture, parks, landscaping, public streetscapes, benches, community signs, bicycle parks, and the like, and then maintaining those standards and features via a “Community” property owners association, to provide for general oversight, as well as several subassociations, to provide for local control of smaller defined areas within the Shores Project Tract.

H. It is the desire and intent of Grantor to develop a planned community in which the residential areas, recreational areas and natural open space areas are all developed, used and preserved in a unified manner, for the mutual enjoyment and convenience of the persons owning, renting, living and working at the Shores of Delavan Lake.

I. It is not intended that the Community Association shall be a “master association” as defined in Section 703.155 of the Condominium Ownership Act.

J. In order to achieve and maintain the goals set forth herein, the Grantor intends to establish covenants, conditions, restrictions and easements for the overall Shores Project Tract, all of which are hereinafter included in the term “**Community Declaration**”, and are intended to secure such objectives for all of the lands within the Shores Project Tract, whether submitted to this Declaration initially, pursuant to the recording of this Community Declaration, or pursuant to a Supplemental Declaration, recorded subsequent to the recording of this Community Declaration.

NOW, THEREFORE, the Grantor hereby declares that the Property shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied, and enjoyed subject to the following uniform covenants, conditions, restrictions and easements in furtherance of, and the same shall constitute, a general plan for the subdivision, ownership, improvement, sale, use and occupancy of the Property, and to enhance the value, desirability and attractiveness of the Property. This Community Declaration shall run with the Property and all parts thereof; shall be binding upon all persons having or acquiring any interest in the Property or any part thereof; shall inure to the benefit of and be binding upon every part of the Property and every

interest therein; and shall inure to the benefit of, be binding upon, and be enforceable by Grantor, its successors in interest, each Owner and his successors in interest, and the Community Association and its successors in interest. It is envisioned that, ultimately this Community Declaration will run with the entire Shores Project Tract, upon the recording of one or more Supplemental Declarations pursuant to Article II, below.

ARTICLE I **DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in this Community Declaration shall have the following meanings:

1. APARTMENT BUILDING shall mean any building (including all improvements and fixtures contained therein) located within the Property within which are located one or more separate apartment units which may be offered for rental or lease by the Owners thereof and which has not been created as a Condominium Unit.

2. ARCHITECTURAL COMMITTEE or COMMUNITY ARCHITECTURAL COMMITTEE (hereinafter sometimes “**Committee**”) shall mean the committee created pursuant to Article VIII hereof.

3. ARCHITECTURAL COMMITTEE RULES (hereinafter sometimes “**Committee Rules**”) shall mean the rules and guidelines adopted by the Community Architectural Committee pursuant to Section 8.03 hereof.

4. ARTICLES shall mean the Articles of Incorporation of The Shores of Delavan Lake Community Association, Inc., which have been or will be filed in the office of the Wisconsin Department of Financial Institutions, as the same, from time to time, may be amended.

5. ASSESSMENTS shall mean assessments of the Community Association and includes both regular and special assessments. An ASSESSMENT shall have the meaning set forth in Section 6.06A hereof.

6. ASSESSMENT UNIT shall mean a Lot, a Condominium Unit, a Townhouse, and an apartment unit within an Apartment Building. With respect to property included in the Class E membership in the Community Association, one Assessment Unit shall be allocated for each vote allocated to such property.

7. ASSOCIATION PROPERTY OR COMMUNITY ASSOCIATION PROPERTY shall mean all real and personal property now or hereafter owned by the Community Association, including the real property described in Exhibit “D” attached hereto, which shall be conveyed to the Community Association from time to time.

8. BOARD shall mean the Board of Directors of the Community Association.

9. BYLAWS shall mean the Bylaws of the Community Association, which may be adopted by the Board, as such Bylaws may be amended from time to time.
10. COMMUNITY ASSOCIATION (hereinafter sometimes "Association") shall mean The Shores of Delavan Lake Community Association, Inc., the Wisconsin not-for-profit corporation described in Article VI hereof, and its successors.
11. COMMUNITY ASSOCIATION PROPERTY shall mean any portion of the Property, including but not limited to additional real estate which becomes part of the Property, which is owned by the Community Association.
12. COMMUNITY DECLARATION (herein sometimes "Declaration") shall mean this instrument, as it may be amended from time to time.
13. CONDOMINIUM shall mean and refer to any parcel of land within the Property which is hereafter subjected to the Revised Condominium Ownership Act of the State of Wisconsin.
14. CONDOMINIUM ASSOCIATION shall mean and refer to a Wisconsin nonprofit corporation formed pursuant to a Condominium Declaration, as hereinafter defined, and, unless the context shall otherwise indicate or require, shall also mean and refer to the Condominium Master Association, as hereinafter defined.
15. CONDOMINIUM DECLARATION shall mean and refer to any instrument, and any amendments thereto, which is recorded in the Office of Register of Deeds of Walworth County, Wisconsin, and which creates a Condominium for any part of the Property. All covenants, conditions, restrictions, easements, and other provisions of each such Condominium Declaration shall be independent of and subject and subordinate to all covenants, conditions, restrictions, easements and other provisions of this Declaration, unless otherwise expressly provided in this Declaration or in any amendment to this Declaration.
16. CONDOMINIUM MASTER ASSOCIATION shall mean and refer to a Wisconsin nonprofit corporation formed for the purpose of exercising those duties and responsibilities as may be delegated to it from time to time pursuant to the respective Condominium Declarations.
17. CONDOMINIUM BUILDING shall mean a building containing Condominium Units.
18. CONDOMINIUM UNIT shall mean only a residential condominium unit as defined in the Revised Condominium Ownership Act of the State of Wisconsin.

19. CONSUMER PRICE INDEX shall mean the Consumer Price Index for All Urban Consumers for Milwaukee-Racine. All Items, 1982-1984 = 100, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or if said index should ever cease being published, such reasonably similar index as may be designated by the Board.

20. COUNTY shall mean the County of Walworth, a Wisconsin municipal corporation.

21. DECLARANT shall mean Covington Court Apartments, L.L.C., a Delaware limited liability company, and its successors and assignees designated by recorded instrument.

22. DEVELOPER shall mean Shores of Delavan Phase I, L.L.C., a Wisconsin limited liability company, and its successors and assignees designated by recorded instrument.

23. FIRST MORTGAGE shall mean any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Recorder of Deeds of Walworth County, Wisconsin having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

24. FIRST MORTGAGEE shall mean any person named as a mortgagee or beneficiary under any First Mortgage and any successor to the interest of any such person under such First Mortgage.

25. GRANTOR shall mean Covington Court Apartments, L.L.C., a Delaware limited liability company, and its successors and assignees designated by recorded instrument.

26. IMPROVEMENT shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, patios, tennis courts, swimming pools, garages, mailboxes, aerials, antennas, flag poles, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioners, water softener fixtures or equipment, and poles, pumps, walls, tanks, reservoirs, pipes, lines, meters, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

27. LOCAL COMMON AREA shall mean any portion of the Property, other than Community Association Property designated by the Owner thereof as a common area for the primary benefit of the Owners and occupants of a particular area. It may be owned by such Owners, or by a Subassociation.

28. LOT shall mean any parcel of land which is designated on any recorded Subdivision plat, whether or not improved, as a separate parcel of land, whether for residential or recreational use.

29. MANAGER shall mean the person, firm or corporation employed by the Community Association pursuant to Section 6.06E (if any), and delegated the duties, powers or functions of the Association pursuant to said Section.

30. MEMBER shall mean any person who is a member of the Community Association pursuant to Section 6.02 hereof.

31. MORTGAGE shall mean any mortgage or deed of trust given to secure the payment of a debt and encumbering any Lot, portion of a Multi-Family Site, Condominium Unit, Townhouse, Apartment Building or, or any Improvements located on any of the above.

32. MORTGAGEE shall mean any person named as a mortgagee or beneficiary under any Mortgage, under which the interest of any Owner is encumbered, or any successor to the interest of any such Mortgagee or beneficiary under such Mortgage.

33. MULTI-FAMILY SITE shall mean any parcel of land, including a Lot, whether or not shown on a recorded subdivision plat or condominium plat and whether or not improved, which is designated for Apartment Buildings, Condominiums or Townhouses.

34. NONDEVELOPER VOTES shall mean those votes, as determined pursuant to Section 6.03A, which are not owned or controlled by the Declarant or Developer.

35. NOTICE AND HEARING shall mean ten days written notice given as in Section 10.03 provided and a public hearing at which the person to whom the notice is directed shall have the opportunity to be heard in person or by counsel at his expense.

36. OWNER shall mean the person or persons, including Declarant and Developer, holding an aggregate fee simple interest in a Lot, Townhouse, Apartment Building, other parcel of land within the Property, or a Condominium Unit, as the case may be.

37. PERIOD OF GRANTOR CONTROL shall mean the period of time as described in Section 6.03F.

38. PERMITTED USERS shall mean any Member and any Member's lessee, guest, invitee and member of the family of any Member.

39. PERSON shall mean a natural individual or any entity with the legal right to hold title to real property.

40. PLANS AND SPECIFICATIONS shall mean any and all documents designed to guide or control an Improvement or other use of property, including but not limited to those indicating size, shape, configuration or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the Improvement or proposed use of property.

41. PROPERTY shall mean all of the real property described on Exhibit "B", together with such additional lands as may be subjected to this Community Declaration by Declarant or Developer, or by other Persons with Declarant or Developer's written consent pursuant to Section 2.02.

42. PROPERTY RULES shall have the meaning contained in Section 6.05F.

43. RECORD, RECORDED, and RECORDATION shall mean, with respect to any document, the recordation of such document in the office of the Register of Deeds of Walworth County, Wisconsin.

44. RESIDENTIAL AREA shall mean any part of the Property zoned or otherwise designated or limited by the Declarant or Developer for development and use for residential purposes, including single-family detached houses, apartments, townhouses and residential condominiums.

45. RESIDENTIAL LOT shall mean a Lot which is designated for single-family, detached residence use.

46. SHORES PROJECT TRACT shall mean all that real property described on Exhibit "A" to this Community Declaration.

47. SHORES OF DELAVAN LAKE PROPERTY MAINTENANCE FUND shall mean the fund created for the receipts and disbursements of the Community Association, pursuant to Section 9.01 hereof.

48. SHORES OF DELAVAN LAKE RESTRICTIONS shall mean this Community Declaration together with any and all Supplemental Declarations which may be recorded pursuant to Article II hereof, as this Community Declaration or said Supplemental Declaration may be amended from time to time, together with the Shores of Delavan Lake Rules from time to time in effect, and the Articles and Bylaws of the Community Association from time to time in effect.

49. SHORES OF DELAVAN LAKE PROPERTY RULES shall mean the rules

adopted by the Board pursuant to Section 6.05F hereof, as they may be amended from time to time.

50. STORMWATER OPERATION AND MAINTENANCE PLAN shall mean the plan for maintenance of the stormwater drainage system, attached hereto as Exhibit "E".

51. SUBASSOCIATION shall mean any Wisconsin not-for-profit corporation or unincorporated association and its successors, organized and established by Grantor as provided in Sections 2.01 and 6.01.

52. SUBDIVISION shall mean a parcel of land, which has been shown, on a recorded final subdivision plat approved pursuant to all applicable state and local laws and ordinances of the Town, and of the County.

53. SUPPLEMENTAL DECLARATION shall mean any declaration of covenants, conditions and restrictions, which may be hereafter recorded by Grantor.

54. TOWNHOUSE shall mean an attached dwelling unit for single-family use which is designated as a townhouse on any recorded final subdivision plat or condominium plat approved pursuant to all applicable state and local laws and ordinances of the Town, and of the County.

55. TOWN shall mean the Town of Delavan, a Wisconsin municipal corporation.

56. UNIFIED SITE PLAN shall mean the integrated land use plan attached hereto as Exhibit "C", as it may be amended from time to time.

ARTICLE II

DEVELOPMENT OF THE

PROPERTY; ANNEXATION

SECTION 2.01. SUBDIVISION AND DEVELOPMENT. As set forth in the above RECITALS, the Shores Project Tract will be developed in phases, via the use of several plats of subdivision or condominium plats, the first phase is described herein as the Property. At Grantor's option, some of said platted areas will be dedicated as Local Common Areas, Association Property, or designated for other purposes for the benefit of the developed areas. It is contemplated that the Property will be developed by Developer, or its assigns, pursuant to the Unified Site Plan for the Shores Project Tract, as it may, from time to time, be designed, amended, or modified, as a unified planned development in which the development of, and restrictions upon, each portion thereof will benefit each other portion and the whole thereof, as determined by Developer, in Developer's sole discretion. As each area within the Shores Project Tract is platted, developed or dedicated, as the case may be, Declarant or Developer may record one or more Supplemental Declarations with respect thereto which will refer to this Community Declaration and designate the use classification for such area, and which may supplement the Community Declaration with such additional covenants,

conditions, restrictions and easements as Declarant or Developer may deem appropriate for that area. Such Supplemental Declaration shall provide for the establishment of a Subassociation to be comprised of Owners within the area subject thereto. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, subject to Declarant or Developer consent. All lands, Improvements and uses in each area so developed shall be subject to both this Community Declaration and the Supplemental Declaration, if any, for that area. In the event of any conflict between any such Supplemental Declaration and this Community Declaration, the terms and provisions of this Community Declaration shall govern.

SECTION 2.02. ANNEXATION. Declarant or Developer, and other Persons with Declarant or Developer's written consent, may at any time, and from time to time, add to the lands which are subject to this Community Declaration by Notice of Addition of Land, as provided in this section (which Notice may be contained within any Supplemental Declaration affecting such land); provided, however, that no land may be added which is not located within two (2) miles of the current boundaries of the Shores Project Tract (see Exhibit "A"). Except as may be provided otherwise in Paragraph D of this Section 2.02, the covenants, conditions, and restrictions contained in this Community Declaration shall apply to the added land in the same manner as if it had been originally subject to this Community Declaration; and thereafter the rights, privileges, duties and liabilities of the Persons subject to this Community Declaration shall be the same with respect to the added land as to the lands originally covered by this Community Declaration.

Improvements installed within areas to be added to this Community Declaration shall be consistent in quality with the overall development plan for the Shores of Delavan Lake and shall be of such quality and character as will serve the purposes and objectives for which this Community Declaration has been established, as determined by Grantor in its sole discretion. Any lien arising from ownership or construction upon land added to this Community Declaration shall appertain only to such land and improvements located thereon and shall not affect the rights of existing Owners or the priority of Mortgages on Lots, Condominium Units, Townhouses, Apartment Buildings, Community Association Property or Local Common Areas within the Property theretofore subject to this Community Declaration.

The Notice of Addition of Land referred to hereinabove shall contain the following provisions:

A. A reference to this Community Declaration, which reference shall state the date of Recordation hereof and the book and page numbers wherein this Community Declaration is recorded;

B. A statement that the provisions of this Community Declaration shall apply to the added land as set forth herein;

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C. An adequate legal description of the added land;

D. Declarant or Developer's written consent if the added land is not then owned by Declarant or Developer;

E. Written consent of the Owner or Owners of the added land.

No consent of other Owners or Mortgagees shall be required.

ARTICLE III

GENERAL RESTRICTIONS

All real property within the Property shall be owned, held, conveyed, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

SECTION 3.01. ANTENNAS. Except for any which may, at Developer's option, be erected by Developer or Developer's designated representative, no exterior antenna or aerial for reception of radio, television or other electronic signal, or satellite dishes shall be erected or maintained in the Property without the prior written approval of the Community Architectural Committee, except that this prohibition shall not apply to those antennas specifically covered by 37 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time.

SECTION 3.02. INSURANCE RATES. Nothing shall be done or kept in the Property which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in the Property which would result in the

cancellation of insurance on any Association Property or which would be in violation of any law.

SECTION 3.03. NO FURTHER SUBDIVIDING. No part of the Property shall be further divided or subdivided, nor may any easement or other interest herein less than the whole be conveyed by the Owner thereof (including any Subassociation) without the prior written approval of the Declarant, Developer, or the Community Architectural Committee, provided, however, that when Declarant or Developer is the Owner thereof, it may further divide and subdivide any part of the Property and convey any easement or other interest less than the whole, provided all applicable statutes and ordinances are complied with.

SECTION 3.04. SIGNS; DOGHOUSES.

A. No sign of any kind shall be displayed to the public view without the approval of the Developer, or the Community Architectural Committee, provided, however, that signs not more than three feet by two feet may be displayed in a Residential Area advertising a single family residence, or Townhouse for sale or lease. For sale or lease signs for Condominium Units shall only be placed in the window of the applicable Condominium Unit. No flashing or moving signs shall be permitted in the Property.

B. No doghouses shall be constructed on any portion of the Property except in accordance with the Architectural Committee Rules (if any), provided that any doghouse constructed in accordance with the Architectural Committee Rules in effect at the time of construction shall not be required to comply with future Architectural Committee Rules unless the doghouse has been substantially repaired, rebuilt or relocated. At anytime in which no rules have been established by the Architectural Committee for doghouse construction, all doghouses shall be subject to prior review and approval by the Architectural Committee, which approval shall not be unreasonably withheld or denied.

SECTION 3.05. NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within the Property, and no odors shall be permitted to rise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the forgoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Board.

SECTION 3.06. REPAIR OF BUILDING; MAINTENANCE OF LAWNS.

A. No Improvement hereafter constructed upon any land within the Property shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner (including the Community Association and any Subassociation) thereof.

B. An Owner shall be responsible for maintenance of all landscaping upon the Owner's Lot, and upon completion of construction of a residence upon the Lot, the Owner shall maintain a lawn and other landscaping upon the Owner's Lot. Any grass shall not be allowed to grow in excess of six inches (6") measured from the surface of the ground, and no weeds or other noxious plants shall be permitted. In the event an Owner fails to maintain the grass and landscaping upon the Owner's Lot, or permits weeds and/or other noxious plants, including, but not limited to, dandelions, then the Association shall have the right to maintain the grass and other landscaping on such Lot, and the cost thereof, together with interest at the rate of ten per cent (10%) per annum, shall be due from such Owner, and shall be a lien upon the Owner's Lot until paid.

SECTION 3.07. IMPROVEMENTS AND ALTERATIONS. There shall be no construction, other than repairs pursuant to Section 3.06 above, excavation or alteration which in any way alters the exterior appearance of any Improvement or results in the removal of any Improvement without the prior approval of the Community Architectural Committee.

SECTION 3.08. VIOLATION OF PROPERTY RULES. There shall be no violation of the Property Rules once adopted by the Board and made available to the Persons affected thereby. If any Owner or his family or any guest, licensee, lessee or invitee of such Owner or his family violates the Property Rules, the Board may invoke any one or more of the following remedies: (a) impose a special charge upon such owner of not more than One Hundred Dollars for each violation; (b) suspend the right of such Owner and his family, guests, licensees, lessees and invitees to use Association Property under such conditions as the Board may specify, for a period not to exceed thirty days for each violation; (c) cause the violation to be cured and charge the cost thereof to such Owner; and (d) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the Board shall give such Owner Notice and Hearing except that the Board may suspend the right of any Owner and his family, guests, licensees, lessees and invitees without Notice and Hearing for any period during which any Assessment owed by such Owner is past due and unpaid. Any assessment or charge imposed under this Section 3.08 which remains unpaid for a period of ten days or more, shall become a lien upon the Owner's land or Condominium Unit upon its inclusion in a recorded notice thereof and may be collected as proved in Article IX below for the collection of other Assessments. The duties and powers of the Board pursuant to this section may be delegated to a committee of Members, Directors, or both. ¹²

SECTION 3.09. DRAINAGE; MAINTENANCE OF THE STORMWATER DRAINAGE SYSTEM. There shall be no interference with the established drainage patterns over any portion of the Property, except by Declarant or Developer, unless adequate provision is made for proper drainage and approved by the Community Architectural Committee. The Community Association, and/or its assigns, shall be responsible for the operation and maintenance of the stormwater drainage system serving the Property, including the wet detention and water quality ponds, in accordance with the Stormwater Operation and Maintenance Plan attached hereto as Exhibit E.

SECTION 3.10. NO HAZARDOUS ACTIVITIES. No activities shall be conducted on any portion of the Property and no Improvements constructed on any portion of the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of the Property. No open fires shall be lighted or permitted on any portion of the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace, or an outdoor firepit.

SECTION 3.11. NO TEMPORARY STRUCTURES. No tent, shack, barn, carport, metal awnings, shed or other temporary building, improvement or structure shall be placed on any portion of the Property, except that temporary structures, including but not limited to construction trailers, necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior approval of Declarant or Developer, such approval to include the nature, size and location of such structure.

SECTION 3.12. NO MINING AND DRILLING. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that (a) Declarant, Developer, or the Community Association may, by appropriate written permit, grant, license or easement, allow the drilling of wells and the installation of infiltration basins and other improvements for the extraction of waste water; and (b) the Community Association, with the prior written consent of all the votes entitled to be cast and, during the Period of Grantor Control, with the prior written consent of Declarant or Developer, may, by appropriate written permit, grant, license or easement, allow any of the foregoing activities not referred to in (a) above to the extent permitted by applicable zoning and other ordinances, regulations and statutes, local, state or federal. Any of the activities permitted under paragraphs (a) and (b) of this Section 3.12 shall not be conducted in such a manner as to cause subsidence on adjacent portions of the Property, or so as to interfere with any Improvements previously constructed on portions of the Property adjacent to such activities.

SECTION 3.13. VEHICLES. The use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, graders, boats, tractors, pickups, mobile homes,

trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles, shall be subject to the Property Rules, which may prohibit or limit the use thereof within specified parts of the Property, and which may also provide parking regulations and adopt other rules regulating the same. No motorized vehicles (i.e. snowmobiles, motorcycles, ATV's and golf carts) with the exception of Community Association or Subassociation maintenance vehicles, shall be used in the Common Areas outside of designated parking lots; provided however motorized wheelchairs shall be permitted if the use is required by the medical condition of the user.

SECTION 3.14. CONSTRUCTION ACTIVITIES. This Community Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by any Owner (including Declarant and Developer) within the Property, provided that when completed such Improvements shall in all ways conform to this Community Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Community Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Community Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form. No construction activities shall be carried on in such a way as to create a health hazard or unreasonably interfere with the use and enjoyment by any Owner or his family of any Residential Lot, Condominium Unit, Townhouse or apartment unit. No construction activities shall be carried on earlier than 7 A.M. nor later than dusk. No portion of the Property may be stripped of natural vegetation unless in connection with construction of Improvements or installation of landscaping within such portion of the Property. If such construction or installation has not commenced within a reasonable time after the natural vegetation has been stripped, the Owner of such portion of the Property shall take appropriate steps to prevent the erosion or blowing of soil from the Property.

SECTION 3.15. EASEMENTS GRANTED BY GRANTOR. Notwithstanding anything in this Community Declaration to the contrary, Declarant or Developer may grant easements over, under, in and across any part of the Property for electric, transmission lines, telephone lines, gas lines, water and sewer lines and facilities, cable television lines and facilities, drainage and all other utilities, provided that such easements which are granted after construction of permanent Improvements upon any Lot, Condominium Unit, Apartment Building, or Townhouse shall not unreasonably interfere with the use of such Improvements. If such easements are granted by Declarant or Developer, the costs of installing and maintaining any improvements pursuant to such easement shall be paid by either the Declarant, Developer or the grantee under the easement, as Declarant or Developer may determine, and the party responsible for such costs shall restore the ground disturbed by such improvements to its conditions immediately prior to such construction or installation and shall

be responsible for any other damages caused by such construction or installation.

SECTION 3.16. EASEMENTS RETAINED BY GRANTOR. The Declarant or Developer, and its agents, employees, contractors, guests, invitees, licensees, and assignees shall have the right and easement at all times to use the Property (i) to perform any construction, maintenance, repair, renovation, restoration or rehabilitation of, in or under all or any part of the Property which the Declarant or Developer desires to perform; (ii) for the purpose of selling, displaying and having ingress to and egress from one or more of the Residential Areas; and (iii) for the purpose of erecting, maintaining and displaying one or more of the signs desired by the Declarant or Developer. Nothing in this Declaration shall in any way affect, alter, modify, amend or terminate any easements signed by the Declarant or Developer and recorded prior to the recording of this Declaration. The rights reserved by the Declarant or Developer under this Section 3.16 shall expire when the Declarant or Developer no longer holds or controls title to any of the Property.

SECTION 3.17. EASEMENTS TO RUN WITH THE PROPERTY. All easements and rights described in this Article III are easements and rights appurtenant running with the land, and in perpetuity shall remain in full force and effect and inure to the benefit of each person and entity specified in this Article III in whose favor such easement is granted, and be binding on the Property and each Owner, purchaser, Mortgagee and other Person having an interest in the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the provisions of this Community Declaration shall be sufficient to create and reserve the easements and rights described in the respective grantees, as fully and completely as though such easements and rights were recited fully and set forth in their entirety in any such document.

SECTION 3.18. ASSIGNMENT BY GRANTOR. Any other provision of this Community Declaration to the contrary notwithstanding, Declarant or Developer may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Community Declaration to any other Person (including any Subassociation) and may permit the participation in whole or in part by any other Person (including any Subassociation) in any of its privileges, exemptions, rights and duties hereunder. Without in any way limiting and generality of the preceding sentence, Declarant or Developer may permit any assignee or successor in interest of all or substantially all of Declarant or Developer's interests, rights, and responsibilities in and to the Property, to exercise any or all powers and duties of the Community Architectural Committee.

ARTICLE IV

PERMITTED USES AND RESTRICTIONS

RESIDENTIAL AREAS

SECTION 4.01. RESIDENTIAL AREAS AND LOCAL COMMON AREAS. All property within any Residential Area (excluding any Community Association Property or Local Common Area in such residential area) shall be improved and used solely for residential use. Any Community Association Property or Local Common Areas in such Residential Area

may be improved and used for active and passive recreational purposes for the primary benefit of the Owners and occupants of Lots and Multi-Family sites in such Residential Area. The Supplemental Declaration recorded for a Residential Area shall designate such area to be either a single-family residential area or a multi-family residential area, and may further designate such residential use for that area to be attached or detached single-family residences or any combination thereof in the case of a single-family residential area, or one or more Apartment Buildings, Condominium Buildings or Townhouses or any combination thereof in the case of a multi-family residential area. The Supplemental Declaration may designate an area as a planned unit development combining both single-family and multi-family residences where permitted by the applicable zoning and other development ordinances and the Property Restrictions.

SECTION 4.02. IMPROVEMENTS AND USE.

A. No Residential Lot shall be improved or used except by a dwelling or structure designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, and such other Improvements as are necessary or customarily incident to a single-family residence; provided, however, that separate guest houses, servants' quarters, and barns, stables and corrals may be erected on any Lot if permitted by the appropriate Supplemental Declaration and the applicable zoning and other development ordinances.

B. No Multi-Family Site shall be improved or used except by an Apartment Building, Condominium Building, or Townhouse, or any combination thereof, except that a Multi-Family Site may also be used for single-family residential purposes to the extent permitted by applicable zoning and other development ordinances and the Shores of Delavan Lake Restrictions.

C. Seasonal and holiday decorations shall be removed within a reasonable time after the holiday or applicable season. The Community Association shall have the right, from time to time, to adopt rules and regulations regarding height, location and duration of seasonal decorations.

D. No swing sets, playground equipment, or similar items can be located in the front yard of the Residential Lot or Multi-family site.

SECTION 4.03. RESIDENTIAL USE: RENTALS. No residence on any Lot or Multi-Family Site shall be used for any purpose other than residential purposes. However, nothing in this Declaration shall prevent the rental of property within a residential area by the Owner thereof for residential purposes, on either a short or long-term basis subject to all the provisions of the Shores of Delavan Lake Restrictions; provided, however, that at no time shall any property be used for transient rental purposes (less than 30-day stays). No commune or similar type living arrangement shall be permitted anywhere within the Property.

SECTION 4.04. ANIMALS. No kennel or other facility for raising or boarding dogs

or other animals for commercial purposes shall be kept in any portion of the Property. No animals of any kind shall be raised, bred or kept on any Lot or Multi-Family Site or within any Condominium Unit, Townhouse or Apartment Building except dogs, cats or other ordinary household pets; provided, however, that no dog runs shall be permitted in any Residential Area. No horses, cattle, goats, poultry, or other animals other than household pets may be kept on any part of the Property.

SECTION 4.05. UNSIGHTLY ARTICLES. No unsightly article shall be permitted to remain on any part of the Property so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing trailers, mobile homes, recreation vehicles, graders, trucks (other than pickups), boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment and garden and maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile or pickup truck other than minor emergency repairs, except in an enclosed garage or other structure; refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view; service areas, storage areas, shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap, refuse or trash shall be kept, stored or allowed to accumulate on any part of the Property except within an enclosed structure or appropriately screened from view; and liquid propane gas, oil and other exterior tanks shall be kept within an enclosed structure or permanently screened from view.

SECTION 4.06 FENCES AND SWIMMING POOLS. No fence or swimming pool shall be erected or constructed upon the Property without the prior written consent of the Community Architectural Committee. Under no circumstances shall any permanent or temporary above ground swimming pools, or chain link fences, be permitted to be constructed on any portion of the Property.

ARTICLE V
PERMITTED USES AND RESTRICTIONS
OTHER AREAS

SECTION 5.01. COMMUNITY ASSOCIATION PROPERTY. Any other provision of this Community Declaration to the contrary notwithstanding, no land within any part of the Property, including Community Association Property shall be improved by any Improvement, used or occupied except in such manner as shall have been approved by either the Declarant, Developer or the Community Architectural Committee. Such required approval shall extend to the nature and type of use, occupancy, and Improvement. The Community Architectural Committee may delegate its right to grant such approvals to the Board or any Architectural Committee established under a Supplemental Declaration. No approval shall be granted which would be in contravention of the zoning or other development ordinances, or permits, then in effect for the area in question.

ARTICLE VI
COMMUNITY ASSOCIATION; SUBASSOCIATIONS

SECTION 6.01. ORGANIZATION.

A. COMMUNITY ASSOCIATION. The Community Association is a Wisconsin not-for-profit corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Community Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Community Declaration. In case of conflict between the Community Declaration and the Articles of Incorporation and Bylaws, the Community Declaration shall control, and in case of conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control.

B. SUBASSOCIATIONS.

1. Nothing in this Community Declaration shall prevent the creation, by provision therefore in Supplemental Declarations executed and recorded by Grantor, of Subassociations to own, assess, regulate, operate, maintain or manage the portions of Property subject to such Supplemental Declarations, or to own or control portions thereof for the common benefit of Owners and occupants of any portions of the Property, or Condominium Units in the portion of Property subject to such Supplemental Declarations.

2. By virtue of the recording of a Supplemental Declaration calling for the creation of a Subassociation, such Subassociation shall be deemed to have delegated to the Community Association such authority as is necessary to carry out, upon and as to the area of the Shores Project Tract subject to such Supplemental Declaration, all of the Community Association's duties and powers arising under this Community Declaration, the Articles of Incorporation, the Bylaws, or otherwise under any law, except any of such duties and powers that are specifically reserved to the Subassociation in the Supplemental Declaration.

3. A Subassociation called The Shores Phase I Subassociation, Inc., shall be formed as a Wisconsin not-for-profit corporation, for the purpose of acting as a Subassociation for the common benefit of Owners and occupants of the Property.

4. So long as Town and County approval is secured, Grantor may elect to eliminate one or more Subassociations, in favor of having the Community Association exercise control over those areas of the Shores Project Tract.

C. CONDOMINIUM ASSOCIATIONS. In the event the Developer or Declarant causes one or more Condominium Declaration(s) to be recorded to subdivide ownership of the Property, then Condominium Associations or a Master Condominium

Association shall be established for the purposes of maintenance and administration of the Condominium. The respective Condominium Declaration, Condominium Associations, and condominium plat shall adhere to the Revised Condominium Ownership Act of the State of Wisconsin. However, this Community Declaration, which affects the Condominiums, shall not be subject to or shall not be read to contravene the Revised Condominium Ownership Act of the State of Wisconsin.

D. CONFLICT BETWEEN DOCUMENTS. In case of conflict between the Community Declaration and Articles of Incorporation of the Community Association on the one hand, and the Supplemental Declaration and other organizational documents of any Subassociation on the other hand, the Community Declaration and Articles of Incorporation of the Community Association shall control.

SECTION 6.02. MEMBERSHIP. Only the Owners defined in Section 6.03A below and Declarant or Developer shall be Members of the Community Association; provided, however, that no Person shall be a Member by reason of ownership of lands used for public school or governmental or quasi-governmental purposes, or by reason of ownership of any park, public land, road, easement, right of way, mineral interest or Mortgage. Each Owner as defined in the preceding sentence shall automatically be a Member of the Community Association without the necessity of any further action on his part, and Community Association membership shall be appurtenant to and shall run with the property interest, ownership of which qualifies the Owner thereof to membership. 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.

SECTION 6.03. VOTING RIGHTS.

A. CLASSES: The Association shall have the following five classes of voting membership:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

B. 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.

C. 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.

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

E. APPOINTMENT OF DIRECTORS DURING PERIOD OF GRANTOR CONTROL. During the Period of Grantor Control there shall be three (3) directors of the Community Association. Thereafter the number of directors shall initially be five (5), and thereafter set by the By-Laws. Notwithstanding the provisions of Section 6.03A of this Community Declaration, Grantor shall have the right, at Grantor's option, to appoint all the officers and directors of the Community Association prior to termination of the Period of Grantor Control. The Board of Directors shall appoint the officers of the Community Association and direct the business of the Community Association in accordance with Articles of Incorporation and By-Laws of the Community Association and the Shores of Delavan Lake Restrictions. After termination of the Period of Grantor Control, the Board of Directors shall be elected by Delegates representing Delegate Districts within the Property, as described below. Delegates shall be elected by the Owners within each Delegate District, acting in their capacity as members of the Community Association.

F. TERMINATION OF PERIOD OF GRANTOR CONTROL. The Period of Grantor Control shall terminate upon the first to occur of the following events:

1. Forty (40) years from the date upon which this Community Declaration is recorded in the office of the Register of Deeds of Walworth County, Wisconsin; or
2. On a date certain set forth in a written notice from the Grantor to the Secretary of the Community Association stating Grantor's intent to terminate the Period of Grantor Control as of such date.

SECTION 6.04. MEETINGS OF MEMBERS.

A. 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. 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. All notices of meetings shall be addressed to each Member as his address appears on the books of the Community Association. 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.

B. 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.

C. 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.

D. Except as provided otherwise in this 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.

E. After termination of the Period²² 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.

F. 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 6.03A above. The Bylaws of the Community Association shall provide for the manner, time, place, conduct, and voting procedures for Member meetings for the purpose of electing a Delegate. Each Delegate may cast one (1) vote for each vote allocated to all the Members within the Delegate District under paragraph 6.03A 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.

SECTION 6.05. DUTIES OF THE 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 an²⁵ 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 flood 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, such²⁶ 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 8.02 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.

SECTION 6.06. 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 6.06A. An Assessment is defined for the purposes of this Section 6.06A as that sum which must be levied in the manner and against the property set forth below in this Section 6.06A 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 6.06A 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 6.06A, 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 addition to the Assessments authorized in this Section 6.06A, 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 under³paragraph 5. of this Section 6.06A and under Section 6.08.

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 or 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, ³⁴pipelines 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 than 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.

SECTION 6.07. INDEMNIFICATION

A. THIRD PARTY ACTIONS. The Community Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Community Association) by reason of the fact that he is or was a director, officer, employee, servant or agent of the Community Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Community Association, and , with respect to any criminal action or proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that he person did not act in good faith or in a manner which he reasonably believe to be in or not opposed to the best interests of the Community Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. DERIVATIVE ACTIONS. The Community Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by or in the right of the Community Association to procure a judgment in its favor by reason of the facts that he is or was a director, officer, employee, servant or agent of the Community Association, against expenses (including attorneys' fees), actually and reasonably incurred by him in connection with the defense of such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed₃ to be in or not opposed to the best interests of the Community Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable

for negligence or misconduct in the performance of his duty to the Community Association unless and only to the extent that the court in which such action, proceeding or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonable entitled to indemnity for such expenses which such court shall deem proper.

C. DETERMINATION. Any indemnification which the Community Association has elected to provide under paragraph A or B of this Section 6.07 (unless ordered by a court) shall be made by the Community Association only as authorized in the specific case upon a determination that indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph A or B of this Section 6.07. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the Community Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph A or B of this Section 6.07, or in defense of any claim, issue or matter therein, then, to the extent that the Community Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in paragraph A or B of this section 6.07.

D. PAYMENT IN ADVANCE. Expenses incurred in defending a civil action, suit or proceeding may, in the discretion of the Board, be paid by the Community Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board as provided in paragraph C of this Section 6.07 upon receipt of an undertaking by or on behalf of the director, officer, employee, servant or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Community Association as authorized in this Section 6.07.

E. INSURANCE. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, servant, or agent of the Community Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Community Association would have the power to indemnify him against such liability hereunder or otherwise; provided, however, that the Board shall purchase and maintain such insurance as provided in Section 6.05E(5).

F. OTHER COVERAGE. The indemnification provided by this Section 6.07 shall not be deemed exclusive of any other ³⁸rights to which anyone seeking indemnification may be entitled under this Community Declaration, any agreement, vote of the Members, vote of disinterested directors, Wisconsin law, or otherwise, both as to action

in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such person.

SECTION 6.08. DISEASED TREES. The Community Association may enter upon any part of Property at any time to inspect for, prevent and control diseased trees and other plant life and insect infestation of trees and other plant life. If any diseased or insect infested trees or other plant life are found, the Community Association may spray or remove diseased trees and other plant life, and take such other remedial measures as it deems expedient. The cost thereof applicable to privately owned property may be levied by the Community Association as a special assessment against such property pursuant to Section 6.06 hereof.

SECTION 6.09. SPECIAL DISTRICTS. The construction of various public improvements, facilities and areas within Property may be accomplished by one or more special districts. The improvements constructed by the special districts will be paid by the Owners through property tax assessments collected from the Owners as tax payments and through various rates, fees, tolls and charges set by districts. Any assessments paid by Owners to the Association will not be levied for the construction costs of improvements, facilities or other areas for which a special district has levied tax assessments, even if a special district has conveyed such improvements, facilities or areas to the Association for operation and/or maintenance. Any such assessment by the Association would be only for operation and/or maintenance expenses incurred by the Association. It is contemplated that the facilities, improvements and areas constructed by special districts will be conveyed to the Town for ownership, operation and maintenance. Notwithstanding the foregoing, however, the Association is hereby authorized to accept, own, operate and maintain real and personal property conveyed or transferred to the Association by a special district.

ARTICLE VII

ASSOCIATION PROPERTY

SECTION 7.01. USE. Except as provided in Section 6.08, each Member of the Community Association who resides in the Property and each Permitted User, and each lessee of a Lot, a Condominium Unit, a Townhouse or a dwelling unit in an Apartment Building who, in each of these instances, resides in the Property and the members of his family who reside with him, shall be entitled to use the Property of the Community Association, subject to the following:

A. The provisions of the Shores of Delavan Lake Restrictions, and each person who uses Property of the Association, in using the same, shall be deemed to have agreed to comply therewith;

B. The right of the Association to charge reasonable dues and use and other fees;

C. The right of the Association to suspend the rights to the use of any Property of the Association by any Member or Permitted User for any period during which any

Assessment against the Member's property remains past due and unpaid; and, after Notice and Hearing by the Board, the right of the Association to invoke any remedy set forth above in Section 3.08 for any other infraction of the Shores of Delavan Lake Restrictions.

D. The right of the Association to require that security deposits be made and kept with the Association to secure all sums, and to guarantee performance of all duties, due and owing or to become due and owing to the Association; and

E. Such covenants, conditions, and restrictions as may have been imposed by the Association or prior owners on Property of the Association.

SECTION 7.02. DAMAGE. Each Member and lessee described above in Section 7.01 shall be liable to the Community Association for any damage to Property of the Association which may be sustained by reason of the negligent or intentional misconduct of such person or his family, guest or invitees. If the property, the ownership or leasing of which entitles the Owner or lessee thereof to use Association Property, is owned or leased jointly or in common, the liability of all such joint or common Owners or lessees shall be joint and several. The amount of such damage may be assessed against such person's real and personal property on or within the Property as provided in Section 6.06, including the Leasehold estate of any lessee, and may be collected as provided in Article IX below for the collection of Assessments.

SECTION 7.03. DAMAGE AND DESTRUCTION. In the case of destruction of or damage to Association Property by fire or other casualty:

A. RECONSTRUCTION – MINOR. If the destruction of or damage to Association Property is not more than seventy-five percent (75%) of the replacement value of the Association Property so damaged or destroyed, such insurance proceeds shall be paid to the Association, which thereupon shall contract to repair or rebuild the Association Property so damaged; and if the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding the damage, the Community Association may levy a special Assessment to make good any deficiency.

B. RECONSTRUCTION – MAJOR. If the destruction of or damage to Association Property is more than seventy-five percent (75%) of the replacement value of the Association Property so damaged or destroyed, then:

1. The insurance proceeds shall be paid to such bank or trust company as may be designated by the Board, to be held in separate trust for the benefit of the Members, as their respective interests shall appear. The Association is authorized to enter, on behalf of the Members, into an agreement with such

insurance trustee relating to its powers, duties and compensation, on such terms as the Board may approve consistent herewith.

2. The Association shall obtain firm bids from two or more responsible contractors to repair and rebuild any or all portions of the Association Property and shall call a special meeting of the Members to consider such bids. At such special meeting, the Members may, by three-fourths of the votes cast at such meeting, elect to reject such bids and, thus, elect not to rebuild. Failure to so reject such bids shall be deemed acceptance of such bid or bids as may be selected by the Board. If a bid is accepted, the Association may levy special Assessments on the Members to make up the deficiency between the total insurance proceeds and the contract price of repairing or rebuilding the Association Property and such Assessments and all insurance proceeds shall be paid to said insurance trustee to be used for such rebuilding. Such Assessments may be made due on such dates as the Association may designate, and the Association may borrow money to pay the aforesaid deficiency and may secure Assessments, by a pledge of or mortgage on any personal property owned by the Association or held by it in trust for the Members or by a mortgage or deed of trust on the facility to be rebuilt or on any other real property owned by the Association. If the Members elect not to rebuild, the proceeds, after payment for demolition of damaged structures and clean-up of the premises, shall be retained by the Community Association for use in performing its functions under this Declaration.

C. DECISION NOT TO RECONSTRUCT. If the Board determines not to rebuild any Association Property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged, it shall call a special meeting of the Delegates to consider such decision. If the Delegates, by three-fourths of the votes represented at such meeting, elect to ratify such decision, the Board shall act accordingly; but if the Delegates do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to paragraph A or B, as the case may be, of this Section 7.03.

SECTION 7.04. CONVEYANCE TO COMMUNITY ASSOCIATION. Where any real or personal property, improved or otherwise, is conveyed to the Community Association by Grantor or any other Person, it shall be conveyed in fee simple with marketable title, free and clear of all liens, encumbrances, and prior grants, reservations or exceptions, except those contained in any deed conveying the property so conveyed to any Person owning any portion of the Property on the date this Community Declaration is first recorded, this Declaration and any other conditions, covenants, restrictions, easements or rights-of-way, if any, as are not inconsistent with and will not materially interfere with the intended use of such Property. No land or improvements located thereon may be⁴ leased by Grantor to the Community Association.

SECTION 7.05. EASEMENTS FOR ENCROACHMENTS. If any building or other Improvement located on Association Property encroaches or shall hereafter encroach upon a Lot or other parcel of land within Property, an easement for such encroachment and for the maintenance of the same shall and does exist. If any building or other Improvement located on a Lot or other parcel of land within the Property encroaches or shall hereafter encroach upon any Association Property, or upon an adjacent Lot or parcel of land, the Owner of that Lot or parcel shall and does have an easement for such encroachment and for the maintenance of the same. Such encroachment shall not be considered to be an encumbrance either on the Association Property, the Lot or other parcel of land. Encroachments referred herein include, but are not limited to, encroachments caused by error in the original construction of the building or other Improvement, by error in the recorded plat of the Property, by overhangs as designed, or by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Property or any part thereof.

SECTION 7.06. EASEMENTS DEEMED CREATED. All conveyances of Lots, Condominium Units, Townhouses, Apartment Buildings, or other parcels of land hereafter made, shall be construed to grant and reserve such reciprocal easements, uses and rights as are provided in this Community Declaration, even though no specific reference to such easements, uses or rights appears in such conveyance.

ARTICLE VIII

ARCHITECTURAL COMMITTEE

SECTION 8.01. MEMBERS OF COMMITTEE. The Community Architectural Committee shall consist always of not less than three members nor more than nine members. The Board may reduce the number of members of the Committee to three and increase it up to nine as often as it wishes, provided that the Committee shall have an odd number of members at all times. Each member of the Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee may be removed at any time without cause.

SECTION 8.02. APPOINTMENT AND REMOVAL OF COMMITTEE MEMBERS. The Board shall have the right to appoint and remove all members of the Committee, except that Grantor shall appoint and remove all members of the Committee as provided in Section 6.05G.

SECTION 8.03. REVIEW OF PROPOSED CONSTRUCTION. Whenever in this Community Declaration or in any Supplemental Declaration the approval of the Community Architectural Committee is required, the Committee shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which the Committee, in its sole discretion deems relevant. Committee approval shall be obtained for all Improvements on Property, including, but not limited to general site design and layout; interior road systems; location of driveways and other points of access to public and private roads, streets, ways and highways; street lights; perimeter fencing; mailbox design and location; and the location, size and design of all structures. Except as provided in Section 3.06

above, prior to commencement of any construction or installation of any Improvement on Property, the Plans and Specifications thereof shall be submitted to the Community Architectural Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications in writing and shall give its approval or disapproval within thirty (30) days after the Plans and Specifications have been submitted to the Committee. If the Committee fails to approve or disapprove the Plans and Specifications in writing within such thirty (30) day period, then the Committee shall be deemed to have approved the Plans and Specifications being reviewed. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Community Declaration, and perform such other duties assigned to it by this Community Declaration, and perform such other duties assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area of Property as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and area. The Committee may require its prior approval of individual structures and improvements, or may approve Plans and Specifications for building types, as it may determine in its sole discretion. The Committee may condition its approval of Plans and Specifications on such changes therein as it deems appropriate, and may require submission of additional Plans and Specifications or other information prior to approving or disapproving the material submitted. The Committee may also issue rules or guidelines regarding anything relevant to its functions, including by not limited to minimum standards and procedures for the submission of Plans and Specifications for approval. The Committee may require a fee to accompany each application for approval not to exceed \$250.00 per applications. The committee may require such detail in Plans and Specifications submitted for its review and such other information as its deems proper, including without limitation, environmental impact statements and engineering certifications, reports or studies. Until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval. The Committee may record additional restrictions on some or all of the Property subject to this Community Declaration consistent with the Committee's authority under this Community Declaration.

Notwithstanding the foregoing, any construction shall be in compliance with the applicable ordinances of the Town as hereinafter provided in Section 8.10.

SECTION 8.04. MEETINGS OF THE COMMITTEE. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8.09. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of a majority of all of the members of the Committee taken without a meeting, shall constitute an act of the Committee.

SECTION 8.05. NO WAIVER OF FUTURE APPROVALS. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Person.

SECTION 8.06. COMPENSATION OF MEMBERS. The members of the Committee shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by Grantor while it has the right to approve or disapprove the members of the Committee pursuant to Section 8.02 above and thereafter by the Board.

SECTION 8.07. INSPECTION OF WORK.

A. COMPLETED WORK. Inspection of completed work and correction of defects therein shall proceed as follows:

1. Upon the completion of any Improvement for which approved Plans or Specifications are required under this Community Declaration, the Owner shall give written notice of completion to the Committee.
2. Within such reasonable time as the Committee may set in its Rules but not to exceed fifteen days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved Plant and specifications submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.
3. If upon the expiration of thirty days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Committee shall

notify the Board in writing of such failure. Upon Notice and Hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five days from the date of announcement of the Board ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Community Association upon demand for all expenses incurred in connection therewith. If such expenses are not repaid by the Owner to the Community Association within thirty (30) days after demand, the Board shall levy an assessment against such Owner and the Improvement in question and the land upon which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as provided in this Community Declaration.

4. If for any reason after receipt of said written notice of completion from the Owner, the Committee fails to notify the Owner of any noncompliance within the period provided above in subparagraph (2) of Section 8.07A, the Improvement shall be deemed to be in accordance with said approved Plans and Specifications, unless such noncompliance constitutes a threat to public health or safety, in which event, the Committee's failure to provide a notice of noncompliance within such period shall not prevent the Committee from taking all steps necessary to require the correction of such noncompliance. The authority of the Committee to require corrections of work which constitute a threat to public health and safety shall not be construed as imposing upon the Committee any obligation or duty to review, approve and inspect Improvements for health and safety or for any reason not specified in Section 8.08.

B. WORK IN PROGRESS. The Committee may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (2) and (3) of Section 8.07A. If the Owner denies that such noncompliance exists, the procedures set out in subparagraph 3. of Section 8.07A shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board shall find that such noncompliance exists.

SECTION 8.08. NON-LIABILITY OF VARIOUS PARTIES. Neither the Committee nor any member thereof, nor the Board or any member thereof, nor the Grantor or any member thereof shall be liable to the Association or to any Owner or any other Person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's, Board's or Grantor's respective duties under this Community Declaration unless due to the willful misconduct or bad faith of the Committee or its members, the Board or its members, or the Grantor or its members;⁴⁵ as the case may be. Except insofar as its duties may

be extended with respect to a particular area by a Supplemental Declaration filed by Grantor, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed Improvement, including the construction, alteration or addition thereof or thereto, on the bases of aesthetic considerations, the overall benefit or detriment which would result to the surrounding area and Property generally, and other factors which the Committee deems relative to assuring compliance with the terms and purposes of this Declaration and any Supplemental Declaration which encumbers said property. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building codes or other codes, ordinances, regulations or statutes.

SECTION 8.09. VARIANCES. The Committee may authorize variances from compliance with any of the architectural provisions of this Community Declaration or any Supplemental Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, set-backs, building envelopes, colors, materials, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations may, in the Committee's sole discretion, warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the Community Architectural Committee. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Community Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Community Declaration, or of any Supplemental Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

SECTION 8.10. OBLIGATIONS WITH RESPECT TO ZONING AND SUBDIVISIONS. The Community Architectural Committee shall require all Persons to comply fully with applicable development approvals given by the Town Board of the Town, and the County Zoning Agency of the County, as the same may be amended from time to time. Prior to the submission to the Town of any matter governed or meant to be governed by the zoning or other development ordinances of the Town and of Walworth County, such matters shall first be reviewed and approved by the Community Architectural Committee. Such approval shall be set forth upon any submission to the Town, or County, as the case may be. Failure to obtain such prior approval shall constitute a violation of this Community Declaration. The Committee may file of record a document specifying development approvals, such as building permits, for specifically described property, with respect upon which the written approval of the Committee need not be set forth.

SECTION 8.11. RELINQUISHMENT OF ARCHITECTURAL CONTROL TO SUB-ASSOCIATION. During the Period of Grantor Control, Declarant or Developer may relinquish to any Subassociation or Architectural Committee established pursuant to a Supplemental Declaration under Section 2.01 and 6.01 above the right to appoint its own Architectural Committee for the area which is subject to such Supplemental Declaration. After termination of the Period of Grantor Control, the Board of the Community Association may make such relinquishment. No such relinquishment shall be effective, however, without the written acceptance of such relinquishment by the Subassociation or by the other Architectural Committee if no Subassociation has been created. If such relinquishment is made and accepted, then the Architectural Committee of such Subassociation shall have all rights, powers, functions, duties and obligations with respect to the area subject to the Supplemental Declaration as are granted to the Community Architectural Committee by Sections 8.01 through

8.11 of this Article VIII or by any other sections of this Community Declaration and which have not been reserved by the Grantor or Board of the Community Association, and the Subassociation shall have all rights, powers, functions, duties and obligations with respect to such Subassociation architectural committee as are granted to the Community Association with respect to the Community Architectural Committee by said Section 8.01 through 8.11 or by any other sections of this Community Declaration which have not been reserved by the Grantor or Board of the Community Association. Notwithstanding the foregoing provision, the Grantor or the Board of the Community Association may reserve certain rights, powers, functions, duties or obligations to the Community Architectural Committee, in which event, the Community Architectural Committee shall continue to exercise such reserved rights, powers, duties or obligations.

SECTION 8.12. ALL ACTIONS IN WRITING. All approvals, denials, variances and other actions which the Community Architectural Committee is obligated or authorized to take pursuant to this Community Declaration or any Supplemental Declaration shall be in writing signed by at least one duly authorized member of the Community Architectural Committee. Any approval, denial, variance or other actions of the Community Architectural Committee not so taken in writing shall be null and void and of no force or effect.

ARTICLE IX

FUNDS AND ASSESSMENTS

SECTION 9.01. PROPERTY MAINTENANCE FUND. The Board shall establish a fund (the “**Property Maintenance Fund**”) into which shall be deposited all money paid to the Community Association and from which disbursements shall be made in performing the functions of the Community Association under this Declaration. The Property Maintenance Fund shall be divided into separate funds for current expenses, reserves and working capital and the accounting for the Fund shall reflect such separate funds. The funds of the Community Association must be used solely for purposes related to the Community Association Property owned by the Community Association, or property for which the Community Association is responsible, or property which is subject to the provisions of this

Declaration for which the Community Association is responsible for its maintenance and operation, or otherwise for purposes authorized by this Declaration, as it may from time to time be amended. No funds of the Community Association may be used to maintain or improve any lands or Improvements owned by Declarant or Developer, unless the Declarant or Developer is obligated to convey such land or Improvements to the Community Association. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by any Subassociation pursuant to any Supplemental Declarations.

SECTION 9.02. REGULAR ANNUAL ASSESSMENTS. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Community Association during such year in performing its functions under the Shores of Delavan Lake Restrictions, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal Assessment sufficient to pay such estimated net charges shall then be levied as provided in Section 6.06A. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Community Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other reasonable and uniform manner as the Board may determine; subject, however, to the limitations of Section 6.06A.

SECTION 9.03. SPECIAL ASSESSMENTS. In addition to the regular annual Assessments provided for above in Section 9.02, the Board shall levy special Assessments, upon the property and in the manner set forth in Section 6.06A.

SECTION 9.04. LATE CHARGES. If any Assessment, whether regular or special, is not paid within fifteen (15) days after it is due, or within such longer period of time after due as the Board may determine, the Owner may be required by the Board to pay a late charge of ten percent of the unpaid Assessment.

SECTION 9.05. UNPAID ASSESSMENTS AS PERSONAL LIABILITIES AND LIENS. The amount of any delinquent Assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such Assessment and charge at a rate of eighteen percent (18%) per annum simple interest, and the costs of collecting the same, including reasonable attorneys' fees, shall be both a personal liability of the Owner, enforceable in any court of competent jurisdiction, and a lien upon the property of the defaulting Member and the Improvements thereon. Such lien shall be prior to any homestead exemption. Such lien may be foreclosed in the same manner as it provided in the laws of Wisconsin for the foreclosure of mortgages on real property. A certificate executed and acknowledged by any two members of the Board stating the indebtedness secured by such lien shall be conclusive upon the Community Association as to the amount of such indebtedness as of the date of the certificate, ~~in~~ favor of all Persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

SECTION 9.06. MORTGAGE PROTECTION. Notwithstanding any other provision of the Shores of Delavan Lake Restrictions, any lien created under this Article IX or under any other Article of this Community Declaration or under any provisions of the Articles of Incorporation of the Community Association, or under any of the organizational documents for any Subassociation, shall be subordinate to any First Mortgage of record, or first Deed of Trust of record, upon a Lot, Condominium Unit, Townhouse, Apartment Building, or other parcel of land made in good faith and for value. However, after the foreclosure of any such Deed of Trust or executory land sales contract, or after cancellation of any such land sales contract, or after any conveyance in lieu of foreclosure, such Lot, Condominium Unit, Townhouse, Apartment Building, or parcel of land shall remain subject to the Shores of Delavan Lake Restrictions and shall be liable for all regular Assessments and all special Assessments levied subsequent to completion of such foreclosure, or cancellation or forfeiture, or delivery of such conveyance in lieu of foreclosure, but falling due after such completion, cancellation, forfeiture, or delivery. Nothing contained herein shall extinguish, toll, or otherwise affect the personal obligation of an Owner to pay all Assessments.

SECTION 9.07. EFFECT OF AMENDMENTS ON MORTGAGES. No amendment of any provision of this Community Declaration nor of any other instrument of the Community Association shall in any way affect the priority of any lender or holder of any recorded First Mortgage or recorded first Deed of Trust, except upon the express written consent of such lender or holder; provided, however, that after the foreclosure of any such First Mortgage, first Deed of Trust, or executory land sales contract, or after cancellation or forfeiture of any such executory land sales contract, or after any conveyance in lieu of foreclosure, the property which was subject to such Mortgage or Deed of Trust, or executory land sales contract shall be fully subject to such amendment.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. TERM. This Community Declaration, including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2086. This Community Declaration, including all such covenants, conditions and restrictions shall be automatically extended for successive periods of ten years each, unless amended or extinguished by a written instrument executed by at least three-fourths of the Owners of the Property and recorded in the office of the Recorder of Deeds in Walworth County, Wisconsin.

SECTION 10.02. AMENDMENTS. This Community Declaration may be amended as hereinafter indicated. During the Period of Grantor Control, any amendment shall require only the signature of the Grantor, and such amendment shall be effected by recordation of an instrument setting forth the amendment, together with a certification of the Grantor that the Period of Grantor Control has not been terminated. Following termination of the Period of Grantor Control, the amendment shall be effected by recordation of an instrument setting forth the amendment, executed and acknowledged by the president and secretary of

the Community Association certifying that such amendment has been approved in writing by at least two-thirds of the total votes of the Members (including Declarant or Developer's) to be cast, and any amendment shall also require the written consent of the Declarant or Developer as long as the Declarant or Developer owns any portion of the Property.

Evidence sufficient to establish the truth of the Community Association certification on any recorded amendatory instrument shall be retained by the Community Association in its permanent files. Notwithstanding any other provisions of this Community Declaration, amendments of this Community Declaration to conform to the requirements of the Veterans Administration, Federal Housing Administration, Federal National Mortgage Corporation, Federal Home Loan Mortgage Corporation, Government National Mortgage Association or any other governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by such entities and/or to induce any of such agencies or entities to make, purchase, sell, insure or guarantee Deeds of Trust or Mortgages encumbering Lots, Townhouses, Condominium Units, Apartment Buildings, or other parts of Property, may be made by the Grantor without the consent of any of the Owners, Members or Mortgagees. Any restriction placed of record by the Community Architectural Committee pursuant to its authority under this Community Declaration shall not be considered an amendment to this Community Declaration and shall not require any additional consents. Grantor hereby reserves and is granted the right and power to record, without any other consents, technical amendments to this Community Declaration at any time prior to termination of the Period of Grantor Control for the purposes of correcting spelling, grammar, dates or as is otherwise necessary to clarify the meaning of the provisions of this Community Declaration.

SECTION 10.03. NOTICES. Any notice permitted or required to be given by the Community Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Community Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Community Association. Such address may be changed from time to time by notice in writing given by such Person to the Community Association.

SECTION 10.04. INTERPRETATION. The provisions of this Community Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of Property and of promoting and effectuating the fundamental concepts of Property as set forth in the RECITALS and DECLARATION of this Community Declaration. This Declaration shall be construed and governed under the laws of the State of Wisconsin.

SECTION 10.05. ENFORCEMENT ~~AND~~ WAIVER.

A. RIGHT OF ENFORCEMENT. Except as otherwise provided herein, any

Owner, at his own expense, Grantor, and the Board shall have the right to enforce all of the provisions of the Shores of Delavan Lake Restrictions against any property within the Property and the Owners thereof. Such rights of enforcement shall include both damages for an injunctive relief against the breach of any such provision. The right of any Owner to so enforce such provisions shall be equally applicable without regard to whether the land (or other interest) of the Owner seeking such enforcement or the land (or other interest) whereon or with respect to which a violation of such provisions is alleged is initially set forth in Exhibit "B" or is hereafter subjected to this Declaration pursuant to Section 2.02 above.

B. VIOLATION A NUISANCE. Every act or omission whereby any provision of the Shores of Delavan Lake Restrictions is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner at his own expense, by the Grantor or the Board, whether or not the relief sought is for negative or affirmative action. However, only Grantor, the Board and the duly authorized agents of either of them may enforce by self- help any of the provisions of the Shores of Delavan Lake Restrictions, and then only if such self-help is preceded by reasonable notice to the Owner in question.

C. VIOLATION OF LAW. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within Property is hereby declared to be a violation of Shores of Delavan Lake Restrictions and subject to all of the enforcement procedures set forth in said Restrictions.

D. REMEDIES CUMULATIVE. Each remedy provided by the Restrictions is cumulative and not exclusive.

E. NONWAIVER. The failure to enforce any provision of the Shores of Delavan Lake Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

F. MUNICIPAL ENFORCEMENT. The Town of Delavan shall have the right, but not the obligation, to enforce any provision of the SHORES OF DELAVAN LAKE RESTRICTIONS at any time.

SECTION 10.06. CONSTRUCTION.

A. RESTRICTIONS SEVERABLE. Notwithstanding the provisions of the foregoing Section 10.04, each of the provisions of the Shores of Delavan Lake Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provisions.

B. SINGULAR INCLUDES PLURAL. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each induce the masculine, feminine and neuter.

C. CAPTIONS. All captions and titles used in this Community Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, Sections or Articles hereof.

ARTICLE XI **SPECIAL GRANTOR RIGHTS**

In addition to each and every right of Grantor as set forth in this Declaration, Grantor, its successors and assigns, specifically reserves all Special Grantor Rights hereinafter set forth.

SECTION 11.01 SPECIAL GRANTOR RIGHTS RESERVED BY GRANTOR.

A. The right to use any portion or all of the Property which is owned, or leased by, Grantor, and the Association Property for the purpose of aiding in the sale or rental of the Property. The foregoing right shall include the right to display and erect any signs, billboards, and placards and to store, keep and exhibit same and to distribute audio and visual promotional materials upon any portion of the Property which is owned, or leased by, Grantor and the Association Property.

B. The right to maintain sales offices, management offices and models in any and/or all of the Property owned, or leased, by Grantor, on the Association Property, or any other portion of the Property with the consent of the Owner thereof. Any portion of the Property leased or owned by Grantor may be used by Grantor for such purposes, and such offices and models may be relocated as portions of the Property are sold or leases expire.

C. The right to use easements through the Property for utility services, drainage and vehicular and pedestrian traffic, or otherwise, across, under or through the Property as may be considered by Grantor desirable for the purpose of making improvements within the Property.

D. The right to perform construction work, and to store materials in secure areas, on those portions of the Property owned, or leased by, Grantor, and in Association Property, and the further right to control all such work and repairs, and the right of access thereto, until its completion. All work may be performed by Grantor without the consent or approval of the Board. Grantor has such an easement through the Association Property as may be reasonably necessary for the purpose of discharging Grantor's obligations or exercising Special Grantor Rights. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, and other entities to fulfill the plan of development.

E. The right to review and, in the sole and absolute discretion of the Declarant or Developer, approve any Declaration of Condominium(s), Articles of Incorporation, Declaration of Covenants, Conditions, and Restrictions, Bylaws, and rules and regulations of any Condominium and any Condominium Association created for any portion of the Property, and any Declaration creating covenants, conditions, restrictions or easements to any portion of the Property, and to also so review and approve all amendments to all such documents in its sole and absolute discretion, and no such documents or amendments shall be effective unless and until approved in writing by Declarant or Developer. Such documents must be in furtherance of the intents and purposes of this Community Declaration and must be consistent with the rights, duties, responsibilities, obligations, and procedures of the Community Association. No articles of incorporation shall be filed with the Secretary of State of Wisconsin, no Condominium Declaration and no declaration of covenants, conditions, and restrictions shall be effective or filed, and no Bylaws, no Community Regulations shall be effective, nor shall any amendments to any such documents be effective, unless and until the Declarant or Developer approves said documents in writing, which approval shall be at the sole and absolute discretion of Declarant. There shall be no other community association and no homeowner's association formed within the Property unless and until Declarant or Developer approves in writing any such formation.

SECTION 11.02 LIMITATION ON SPECIAL GRANTOR RIGHTS. The Special Grantor Rights reserved by Declarant and Developer shall terminate when the Declarant and Developer no longer owns any portion of the Property. Any Special Grantor Rights may be terminated by Declarant or Developer by recording an instrument evidencing said termination with the Register of Deeds of Walworth County, Wisconsin.

SECTION 11.03 GRANTOR'S PERSONAL PROPERTY. Declarant and Developer reserve the right to retain all personal property and equipment used in the sales, management, construction, and maintenance of the improvements within the Property that has not been represented as property of the Association. Declarant and Developer reserve the right to remove from the Property any and all goods and improvements used in development, marketing, and construction, regardless of whether they have become fixtures.

SECTION 11.04 INTERFERENCE WITH SPECIAL GRANTOR RIGHTS.

A. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Special Grantor Right without the prior written consent of Declarant or Developer.

B. In relation to Declarant or Developer's exercise of any Special Grantor Right, the provisions of the Declaration which prohibit or require approval of construction of or additions or alterations to any Improvements shall not be applicable.

SECTION 11.05 ASSIGNMENT OF GRANTOR'S RIGHTS AND DUTIES. Any and/or all of the rights, powers and reservations of Declarant or Developer contained in this Declaration, including but not limited to those set forth in this Article, may be assigned by Declarant or Developer to any Person (including a Subassociation) which will assume any and/or all of the duties of Declarant or Developer hereunder, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant or Developer's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant or Developer herein. Upon such assignment, and to the extent thereof, Declarant or Developer shall be relieved from all liabilities, obligations, and duties hereunder. Declarant or Developer may limit and restrict the rights and powers which are assigned to any person, corporation, or association in the instrument which assigns such rights. The terms "Grantor," "Declarant," and "Developer," as used herein includes all such assignees and their successors and assigns, subject to such restrictions or limitations as may be imposed in the instrument assigning such rights.

ARTICLE XII

LIMITATION ON ACTION AGAINST GRANTOR

SECTION 12.01 OWNER CONSENT FOR ASSOCIATION ACTION AGAINST GRANTOR. The Association shall not (a) file a complaint or grievance or initiate or participate in any other proceedings on account of an act or omission of Declarant or Developer with any governmental agency which has regulatory or judicial authority over the Property or any part thereof, or (b) assert and prosecute a claim against or in any manner sue Declarant or Developer without first having obtained the affirmative written consent of Owners to which at last seventy-five percent (75%) of the votes in the Association are allocated.

SECTION 12.02 OPPORTUNITY TO CURE. Prior to the Association or any Owner commencing any proceeding to which Declarant or Developer is a party, including, without limitation, a proceeding based on an alleged defect in any improvement, Declarant or Developer shall have the right to be heard by the Owners, or the particular Owner, and to have access to inspect and correct the condition of or redesign any portion of any improvement as to which a defect is alleged or to otherwise correct or resolve the dispute.

SECTION 12.03 AMENDMENT OF SUBSECTION. Notwithstanding any other provision of this Declaration, this Article XII may not be amended prior to the expiration of the Period of Grantor Control without the prior written consent of the Declarant or Developer.

IN WITNESS WHEREOF, the Declarant or Developer have executed this Community Declaration the day and year first above written.

[Signature Pages Follow]

DECLARANT:

Covington Court Apartments, L.L.C.,
a Delaware limited liability company
By: SHODEEN MANAGEMENT COMPANY,
its manager

By: _____
Title: President

STATE OF ILLINOIS)
)
COUNTY OF KANE) SS:

I, _____, a Notary Public in and for and residing
in said County, in the state aforesaid, DO HEREBY CERTIFY that
_____, _____, President of SHODEEN MANAGEMENT
COMPANY, the sole manager of Covington Court Apartments, L.L.C., a Delaware limited
liability company, who is personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such _____, appeared before me
this day in person and acknowledged that ___he signed and delivered the said instrument as h
own free and voluntary act and as the free and voluntary act of said Company, for the uses
and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2024.

Notary Public

DEVELOPER:

Shores of Delavan Phase I, L.L.C., a
Wisconsin limited liability company
By: SHODEEN MANAGEMENT COMPANY,
its manager

By: _____
Title: President

STATE OF ILLINOIS)
)
COUNTY OF KANE) SS:

I, _____, a Notary Public in and for and residing
in said County, in the state aforesaid, DO HEREBY CERTIFY that
_____, _____, President of SHODEEN MANAGEMENT
COMPANY, the sole manager of Shores of Delavan Phase I, L.L.C., a Wisconsin limited
liability company, who is personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such _____, appeared before me
this day in person and acknowledged that ___he signed and delivered the said instrument as h
own free and voluntary act and as the free and voluntary act of said Company, for the uses
and purposes therein set forth.

Given under my hand and Notarial Seal this _____day of _____, 2024.

Notary Public

COSENT OF MORTGAGEE

DEVELOPER: Shores of Delavan Phase I, L.L.C., a
Wisconsin limited liability company
By: SHODEEN MANAGEMENT COMPANY,
its manager

By: _____
Title: President

STATE OF ILLINOIS)
) SS:
COUNTY OF KANE)

I, _____, a Notary Public in and for and residing
in said County, in the state aforesaid, DO HEREBY CERTIFY that _____
_____, _____, President of SHODEEN MANAGEMENT
COMPANY, the sole manager of Shores of Delavan Phase I, L.L.C., a Wisconsin limited
liability company, who is personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such _____, appeared before me
this day in person and acknowledged that ___he signed and delivered the said instrument as h
own free and voluntary act and as the free and voluntary act of said Company, for the uses
and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2024.

Notary Public

EXHIBIT LIST

EXHIBIT A	Legal Description of Shores Project Tract
EXHIBIT B	Boundary Description of First Phase
EXHIBIT C	Unified Site Plan
EXHIBIT D	Association Property or Community Association Property
EXHIBIT E	Stormwater Operation and Maintenance Plan

EXHIBIT "A"
LEGAL DESCRIPTION OF
THE SHORES PROJECT TRACT

Need Legal Description from Title Company for the following:

Shores of Delavan Lake Plat
Mound Rd Estates Plat
[Other Parcels?]

We need legal description to cover this...

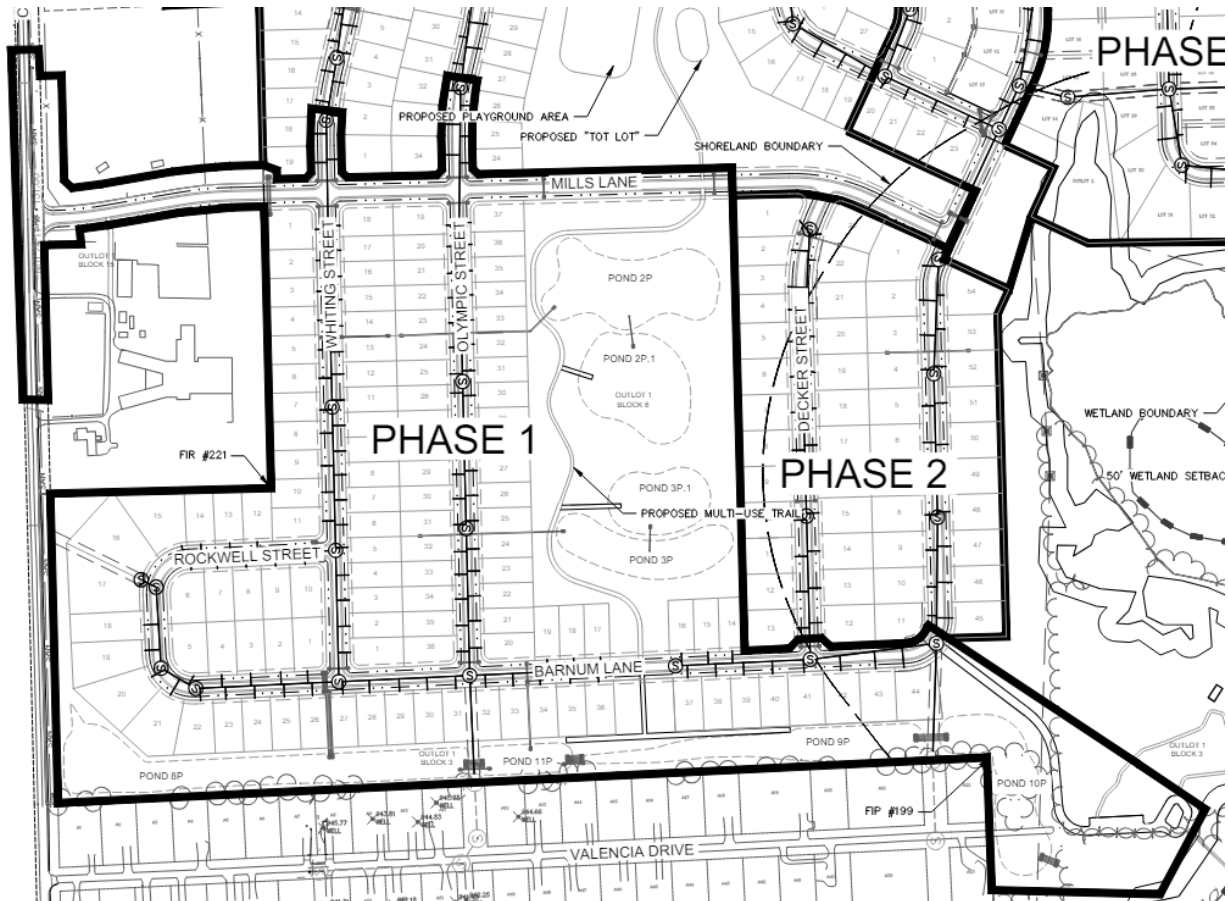


EXHIBIT “C”
UNIFIED SITE PLAN

[To Be Inserted. Approved Plan with the County?]

EXHIBIT “D”
ASSOCIATION PROPERTY OR
COMMUNITY ASSOCIATION PROPERTY

EXHIBIT “E”

TO BE REPLACED WITH COUNTY APPROVED PLAN

STORMWATER OPERATION & MAINTENANCE PLAN

*The Shores of Delavan Lake,
Walworth County, Wisconsin*

The Community Association will become responsible for the operation and maintenance of the stormwater system upon completion of construction.

The following maintenance and inspection recommendations (taken from WDNR’s Technical Standards) shall become part of the operation and maintenance plan for the stormwater management system on the Property.

WET DETENTION AND WATER QUALITY PONDS LONG

TERM MAINTENANCE

ROUTINE

1. Mowing

- A. Side slopes, embankments, and emergency spillways that are not rock lined which have been planted with turf fescue grasses should be high mowed at least twice a year to prevent woody growth and control noxious weeds (if required). The pond edge shall be allowed to grow and establish a natural buffer along the safety shelf.*
- A. Native fescue grasses should be mowed to a height of 6” during the first year to establish density. After they are densely grown in, no further mowing in subsequent growing seasons will be required.*

2. Inspections

- A. Inspections of the pond shall be completed on an annual basis or after significant rainfall events.*
- B. The inspections should be completed during wet weather conditions to determine if the pond is functioning properly.*
- C. Inspection priorities shall be as follows:*
 - 1. Inspect the embankments for subsidence, erosion, cracking and tree growth.*
 - 2. Inspect the condition of the emergency spillway and overland flow path.*

3. *Inspect the pond for accumulation of sediment.*
4. *Inspect the outlet control structure for clogs, debris and material failures.*

5. *Inspect upstream and downstream channels from an erosion perspective.*
6. *Inspect any modifications that may have been done to the pond following its initial construction.*
7. *Inspect the side slopes of the pond for erosion, slumping, cracking or woody plant materials.*
- D. *As-built plans shall accompany the person responsible for the pond inspections.*
- E. *Documentation of the inspections should be completed and filed.*
Documentation should include as a minimum:
 1. *Inspectors name, affiliation and professional credentials if applicable.*
 2. *Date, time and weather conditions.*
 3. *Approximate rainfall total over a 24 hour period if applicable.*
 4. *Existing embankment, outlet and inlet conveyance systems and vegetation condition.*
 5. *Sediment depth at the outlet pipe and at a minimum one other location.*
 6. *Identification of potential structural failures and repair needs.*
 7. *Other pond conditions such as vegetation growth, algae growth and emergency spillway conditions.*
 8. *Repair recommendations.*
3. *Debris and Litter Removal*
 - A. *Debris and litter removal from the pond surface shall be completed at least once every three months.*
 - B. *Particular attention should be paid to debris accumulating around the riser pipe to prevent potential clogging.*
4. *Erosion Control*
 - A. *The pond side slopes, embankments and emergency spillways may suffer from periodic slumpage and erosion.*
 - B. *Corrective measures shall include regrading, filling and revegetation of the eroded or slumping areas.*
 - C. *Rip rap at the pond outlet and emergency spillways should be inspected for displacement or undermining. Repairs shall be made upon discovery.*
5. *Nuisance Control*

- A. *Biological control of algae and mosquitoes is preferred over chemical control. Consultations with WDNR officials is recommended prior to the introduction of any biological control.*
- B. *Maintaining the native grass perimeter will aide in the control of geese.*
- C. *Mechanical controls should be used when feasible.*

NON-ROUTING MAINTENANCE

1. Structural Repairs and Replacement

- A. *The outlet of the pond has been constructed utilizing ADS N-12 HPDE pipe. The estimate life of the concrete is over 50 years. Annual inspection of the outlet structure will disclose any potential structural problems. If structural problems appear, repair or replace the outlet structure.*
- B. *Excessive or chronic drawdowns of the pond may cause leaks or seepage through the embankments. Excessive drawdowns should be avoided and thus corrective measures for leakage and seepage can be avoided.*

2. Sediment Removal

- A. *A sediment clean out cycle of 10 to 15 years is recommended. Sediment removal may be necessary prior to 10 years if there is a substantial amount of land disturbance occurring within the contributory watershed. Annual inspections shall be made to insure that the design depth of the permanent water pool is maintained.*
- B. *Sediment removed from the pond shall be hauled to an upland area, spread and stabilized with vegetative material.*
- C. *It is recommended that the sediment be tested to determine if land filling is necessary. Contact the local DNR prior to sediment sampling and testing to insure compliance with State standards and regulations.*
- D. *Surveyed depths of the permanent pool elevations shall be made immediately following the construction of the pond and recorded on the as-built plans. Annual inspections shall include measure downs to determine sediment elevations in relation to the permanent pool elevations.*

RESPONSIBLE PARTY & FINANCIAL FUNDING

- 1. *The responsible party for the operation, inspection and maintenance of the wet pond shall be the Home Owner's Association.*
- 2. *It is recommended that the Association establish a perpetual maintenance fund to insure that the pond are properly inspected, maintained and repaired.*

ADDITIONAL CONSIDERATIONS TO IMPROVE POND WATER QUALITY AND REDUCE MAINTENANCE COSTS

1. General

- A. *Improper disposal of yard wastes will affect the water quality of the wet pond and may cause clogging of the outlet structure.*
- B. *Improper fertilizer and pesticide application will affect the water quality of the wet pond and add to algae growth.*
- C. *Excess lawn watering will affect the water quality of the pond due to increased water runoff that may contain fertilizers and pesticides.*

2. Yard Care

- A. *It is recommended to consider routine yard care maintenance that is practical and environmentally sound.*
- B. *It is recommended that leaves and yard trimmings be properly disposed of.*
- C. *It is recommended to control fertilizer applications on lawn and gardens so as not to be detrimental to the water quality of the pond.*
- D. *Lawn and garden pesticides may pollute surface and ground water.*
- E. *Excess lawn watering will wash pollutants into the wet pond.*
- F. *Proper turf management will lower the amount of the chemicals that may runoff into the wet pond during rain events.*

VEGETATED SWALES

No off-street parking or other activities that may cause rutting or soil compaction in the swale will be allowed.

Pesticides and fertilizer shall be used in moderation, and only if needed to establish or maintain dense vegetation.

Seeding shall be protected from concentrated flow until vegetation is established.

If during construction or maintenance erosion becomes severe enough to prevent establishment of vegetation, additional erosion control measures shall be taken.

Inspect grassed waterways regularly, especially following heavy rains. Damaged areas will be filled, compacted, and seeded immediately. When maintenance is required the infiltration capacity of the swale shall be restored. Vegetation shall be reestablished following compaction mitigation.

Sediment shall be removed when infiltration rates are impeded or sediment reaches a height of 2-inches. Minimize serious disturbance of the vegetation and avoid compaction of the soil in the

swale during the sediment removal process. After sediment removal, repair any damaged or eroded areas. Fill any eroded areas with topsoil and reseed.

Vegetation shall be mowed or cut such that the proper design height is maintained; mowed/cut vegetation must be removed as part of routine maintenance. Mow vegetation to maintain design capacity and reduce sediment deposition.

Annual inspections shall be made to detect and remedy nuisance conditions such as mosquitoes, weeds, woody growth and trash dumping.