

Articles of Incorporation

ARTICLES OF INCORPORATION of the INDIAN HILLS ASSOCIATION
WITNESSETH:

FIRST: Indian Hills Association is a corporation under and by virtue of the provisions of Chapter 181 of Wisconsin Statutes.

SECOND: That the purpose for which the corporation is organized shall be to own, manage, maintain, operate and preserve, control and police all properties and equipment in anywise pertaining to the common use and enjoyment of property owners owning lots in Indian Hills Subdivision in the Village of Fontana, County of Walworth, State of Wisconsin, their heirs, executors, administrators and assigns.

THIRD: That the corporation is organized without capital stock and no dividends or pecuniary profits shall be declared or paid to the members thereof.

FOURTH: That the property affairs and business of the corporation shall be under the care and management of a Board of Directors, the number of directors never to be less than three, as shall be as prescribed in the by-laws of the Association; the members of such board shall be elected by the members of the corporation from among their number for a term of one or more years as may be prescribed from time to time by the by-laws and until their respective successors have been elected to replace them; directors may be divided into classes and the terms of office of the several classes need not be uniform, as may be prescribed from time to time by the by-laws

FIFTH: That the general officers of the corporation shall be President, Vice-President, Secretary and Treasurer. That the officers shall be elected by the Board of Directors and shall hold office for such period as may be prescribed in the by-laws; and whenever the Board of Directors so orders, the offices of Secretary and Treasurer may be held by the same person. That the Board of Directors may provide for the appointment of such additional officers as they deem for the best interest of the corporation and provide for such additional or different duties as from time to time be imposed or approved as may be prescribed from time to time by the by-laws.

SIXTH: That the methods and conditions upon which members shall be accepted, discharged or expelled shall be in the manner provided by the by-laws of this corporation

SEVENTH: Meetings of the members of the corporation shall be held at such

time and places and upon such notice as shall be prescribed or provided for in the by-laws of the corporation.

EIGHTH: That these articles may be amended by resolution setting forth such amendment or amendments at any meeting of the members by a vote of the majority of the members of said corporation.

May 15, 2021

IHA By-Laws

BY-LAWS

As approved July 18, 2020

ARTICLE I ORGANIZATION

Section 1. The name of this corporation shall be Indian Hills Association.

Section 2. The location of the principal office of the Association, in the State of Wisconsin, shall be in the Village of Fontana and County of Walworth. The Association may, in addition to its principal office in said State of Wisconsin, establish and maintain an office or offices in such other state and places as the Board of Directors may from time to time determine.

Section 3. The corporation seal shall have inscribed upon it the name of Indian Hills Association, the words "Corporate Seal" and the word "Wisconsin" and such other legend as may be required by law.

Section 4. This Association shall have no capital stock nor shall any interest, dividends or pecuniary profits be declared, paid or divided among its Members (as that term is defined in Article II, Section 1).

ARTICLE II MEMBERS

Section 1. Any person purchasing or acquiring ownership of the title to one or more of the lots in Indian Hills Subdivision, whether by deed, descent, operation of law or by contract to purchase, whether his contract is paid up on installments, shall ipso facto become a "Member" of this Association. The spouse of any owner shall also be a Member. If the lot is owned indirectly, including but not limited to a trust, partnership or corporation, any beneficial owner of that indirect entity so designated by the trustee, managing partner or president (and the beneficial owner's spouse) shall be a Member.

Section 2. Any Member conveying, alienating or disposing of his lot or lots in the Indian Hills Subdivision either by operation of law or otherwise and any

Member who obtained membership as a result of the disposing Member's interest, shall ipso facto cease to be a Member of the Association. Any Member who conveys or is deprived of the title of ownership to his property by operation of law or otherwise shall ipso facto forfeit his membership and all rights and benefits of this Association and he - and any Member whose membership derived from his ownership - shall ipso facto cease to be a member of this Association and shall forfeit all rights and benefits of this Association. The personal representative of a deceased Member or the trustee in bankruptcy of a bankrupt Member or any receiver, appointed by the court of competent jurisdiction, for any Member shall, during the term of his office or authority, exercise the privileges and be liable for the obligations and duties of such Member.

ARTICLE III DIRECTORS

Section 1. The property business and affairs of this Association shall be managed and controlled by a Board of Directors (each, a "Director").

Section 2. The Board of Directors shall consist of 9 Members. To be a Director of this Association, the Director must be a Member as defined in Article II, Section 1, or be the spouse of a Member, or the child or grandchild of a Member, which child or grandchild resides full-time with that Member and is at least twenty-one (21) years old. The directors shall be divided into three classes with 3 members in each class. At each annual meeting of the Association, three directors shall be chosen for a full term of three years, which will begin at the time the organizational meeting referred to in Section 6 is called to order, and will end at the end of said meeting three years later. Each Director may serve two consecutive 3-year terms, after which the Director must leave the Board for at least one year before he or she may seek another 2 consecutive terms. Notwithstanding the foregoing, if no other Member seeks to serve as a Director, this term limit will not prevent a Director who has served 2 consecutive terms from seeking another term. If a Director is appointed or elected to fill a vacancy, and such appointment or election occurs within the first 18 months of a 3-year term, that Director will be deemed to have served his or her first term. If he or she is appointed more than 18 months after the beginning of a 3-year term, the completion of the term will not be deemed that Director's first term.

Section 3. Directors shall be elected at the annual meeting of the Members by a majority vote of the Members present at said meeting either in person or by proxy provided as specified in *Article VI, Section 5*.

Section 4. The Board of Directors shall meet as often as they, in their opinion and discretion, deem necessary, and the business of the Association shall require. A majority of qualified Directors shall constitute a quorum for the

transaction of business. Special meetings of the Board of Directors may be called at any time by the President, Secretary or Treasurer of the Association and shall be so called upon written request of two Directors. The officer of the Board calling the meeting, or either of the Directors requesting a meeting, may designate the place where meetings of the Board shall be held. Board meetings may be held by teleconference or similar technology so long as all Directors participating in such meeting can communicate with one another simultaneously at the time of such meeting. Participation in such meeting constitutes presence in person at that meeting.

Section 5. Notice of the time and place of holding all of the Directors' meetings shall be given to each Director by (1) mailing such notice prepaid to his or her post office address as the same appears upon the records of this Association, (2) providing such notice by electronic mail at the e-mail address provided by that Director to the Secretary of the Association, or (3) delivering such notice in person, in any case at least five days before the date of such meeting unless such notice is waived. All Members of the Association shall be notified of all Directors' meetings via electronic mail and by posting of the time and place of the meeting on the Association website. If a Directors' meeting is being held telephonically, Members of the Association must be able to listen to the meeting if such attendance is requested of the Secretary in writing at least 24 hours in advance of the meeting, and instructions for joining will be provided either with the meeting notice or individually to any Member who so requests.

Section 6. The organizational meeting of the Board of Directors shall be held no earlier than 8:30 a.m. the Saturday preceding the Labor Day following the annual meeting of Members, and no later than that Labor day at 5:00 p.m., at such time and place as shall be designated by the Director serving as President on the date of the annual meeting, unless the President was not elected for another term, in which case the meeting time and place will be designated by the Vice President, the Secretary, or the Treasurer, in that order. The Officer designating the time and place of the meeting will call the meeting to order. The first order of business at the organizational meeting shall be the election of Officers. Following the election of Officers, the newly-elected President will preside over the remainder of the meeting.

Section 7. *The Board of Directors shall have the right, power and authority to exercise all such powers as may be exercised or done by the Association subject to the laws of the State of Wisconsin and to the provisions of the Articles of Association and to these By-Laws, and without limiting the generality of the foregoing by specific enumeration, the Board of Directors shall have the following special powers and rights, to-wit: (a) To manage, maintain, operate, preserve, control and police all properties and equipment*

in anywise pertaining to the common use and enjoyment of the property owners owning lots in Indian Hills Subdivision in the Village of Fontana, State of Wisconsin, their heirs, executors, administrators and assigns including the ownership and management, operation and policing of the parks, roads, paths, alley ways, passage ways, highways, piers, docks, beaches, playgrounds, water pumping plant and connecting pipes and reservoir, subject to such rules, regulations and by-laws as may be lawfully adopted by the members hereof. (b) To estimate and prepare the annual budget and expenses of the operation of the Association in advance, including the expenses of maintaining the necessary organization of the Association, salaries to Officers and employees, fees paid for auditing the books of the Association and for necessary legal services and counsel fees to the governing Board thereof and to submit such annual budget for approval to the membership thereof at its regular annual meeting or its adjournment thereof. (c) Upon the adoption and approval of the annual budget by a majority of the membership at a regular meeting or adjournment thereof, and as of the date approved by the membership at that meeting for a levy to be assessed, the Board shall be empowered to levy an assessment to be known as a maintenance assessment and to be levied against any Member owning a non-contiguous parcel or contiguous parcel on which at least one house exists (each, an "Assessed Parcel") in the Indian Hills Subdivision. If a Member owns more than one Assessed Parcel, that Member may be assessed for each such parcel. Said assessments so levied shall be in equal amounts against all Assessed Parcels and shall be levied at the same time once in each year upon all Members, although the Board may, in its discretion, permit the payment of such assessments in up to two installments, in which case the due dates for those installments must both be due no more than three (3) months after the date of the levy. The governing Board shall apportion the costs of operating water or sewer plants and facilities thereof and separate such costs from the other expenses of the budget and shall include the expenses of water and sewer plant maintenance only in the levy against those lots which may be improved with a dwelling house on the date when the levy is ordered, and no portion of such costs shall be assessed against the vacant lots or owners thereof. The said assessments so levied shall be due and payable at any time after thirty days from the date of such levy and the Secretary or other officer of the Board shall notify the Member so assessed of the action taken by the Board, the amount of the assessment of each Member and the date or dates that such assessment becomes due and payable, said notice to be sent by U.S. mail, postage prepaid, to each Member affected thereby at his or her post office address, as the same appears on the records of the Association; to collect all assessments so levied and in the event that the assessment levied upon any Member remains unpaid for a period of sixty days from the date of the levy, the Board of Directors may, in its discretion, file a claim for a maintenance lien

against such lot or lots owned by said Member within six months from the date of levy. Such claim to be filed in the office of the Clerk of the Circuit Court of Walworth County, Wisconsin; to foreclose such claim for maintenance lien in accordance with the statutes of the State of Wisconsin so made and provided, and generally do all matters pertaining to the levy, enforcement and collection of maintenance assessments as provided in the statutes of the State of Wisconsin. Any Member who shall fail to pay any dues, assessments or combination thereof against his lot or lots, within thirty days after the levy thereof and after the notice thereof has been given by mailing the same to him at his address, as the same is shown on the records of the Association, shall be deemed delinquent. The Board of Directors shall have power to discontinue any and all privileges, services and benefits of the Association to any delinquent Member and to forbid the use by the delinquent Member of any of the property owned by the Association for the common benefit of the Members and owners. The Board shall have the power to institute and prosecute any legal proceedings they deem proper for the enforcement of any of the obligations of Members to pay dues, assessments, and abide by the restrictions and covenants affecting the use of the land of the subdivision, or any obligation which arises by virtue of the Articles of Association and By-Laws of this Association or by any amendment to either or both of the same and generally for enforcing any rights which the Association has or may have to preserve the Indian Hills Subdivision as a first class residential subdivision. (d) To sell, dispose of, purchase or otherwise acquire for the Association, any property except for real property, which the Association is authorized to acquire at such prices and on such terms and conditions and for such consideration as it may see fit. (e) To make, alter, rescind and amend rules for the conduct of the Members of this Association and to fix and enforce penalties for the violation of the By-Laws and rules. (f) To prescribe rules for the admission of visitors and guests to the privileges of the Association. (g) To appoint delegates to different Associations with which this Association may be affiliated, or for the purpose of conferring with other Associations or clubs respecting any matter in which this Association may be concerned. (h) To make application and join or become a member of any club or Association of similar nature or purpose as this Association in order to further the ideal and usefulness of this Association. (i) To fill any vacancies among the Officers or Directors by vote of the majority of those present in a regular or special meeting of the Board, called for that purpose, and for which notice was given in the call. The person so appointed shall hold office until a new Director is elected at the next annual meeting of the Association, which new director's term will begin at the conclusion of the annual meeting at which he was elected, and will end at the time the term of the Director being replaced would have ended (i.e., the replacement Director(s) will finish the 3-year term of the Director they are replacing). (j) To pay for any property or rights acquired by the Association either wholly or partially, in money or in

bonds, debentures or other securities of the Association. (k) To determine who shall be authorized to sign, on the Association's behalf, bills, notes, receipts, acceptances, indorsements, checks, releases, contracts, mortgages, trust deeds and other documents. (l) To appoint any and all committees with such powers and duties as they may see fit and may delegate. (m) Any Director who is absent from four consecutive meetings of the Board of Directors, of which he or she has received notice, shall, as of the conclusion of the fourth missed meeting, be removed from office as a Director of this Association, and he or she will be ineligible to seek another term for at least one year after the date of his or her removal. (n) To do all things deemed by it necessary or expedient for the benefit and welfare of this Association. (o) Any Director of the Association may be removed for fraud, gross mismanagement or legal incompetence at any time at any general or special meeting of the Members of the Association, by a vote of not less than two-thirds of the Members personally present and by proxy. Notice of such proceeding shall be given by registered mail to the Director whose removal is contemplated, as well as to the Members, at least three weeks before the meeting, at which the removal will be voted upon. Vote by proxy shall be permissible only if such proxy specifies the reason for which the Director's removal is sought, and if the proxy specifically authorizes such vote.

Section 8. No Officer, Director or member of any committee appointed by this Association shall be personally or individually liable for any error, mistake or omission for and on behalf of his acts or failure to act for and in behalf of this Association occurring within the scope of his official authority or in the line of his duty as such Officer, Director or committee member excepting only for his willful misconduct or violation of law.

Section 9. The order of business to be followed by this Association and by the Board of Directors shall be as follows: (1) Roll Call (2) Approval of the minutes of the preceding meeting, and action thereon. (3) Election of Officers, if necessary (4) Reports of Officers. (5) Reports of other Directors (6) Reports of committees. (7) Old business. (8) New business.

ARTICLE IV MEMBERSHIP – ANNUAL MEETINGS

Section 1. The annual meeting of the Members of the Association shall be held on the third Saturday in July of each year at the Village of Fontana, Walworth County, Wisconsin. The meeting shall be held at the principal office of the Association, or at such other hour and place as the Board of Directors shall provide. The number of Members representing 30 Assessed Parcels (as defined below) shall constitute a quorum at a meeting of the Association and a vote of Members representing the majority of those Assessed Parcels represented at any meeting thereof shall control all matters submitted to the members for a vote, except as otherwise provided by these By-Laws. If no

quorum be present in person and/or by proxy, the presiding officer shall then adjourn the meeting to another day and hour and shall instruct the Secretary to send notice by mail of the failure to secure a quorum and call for a further attendance in person or by proxy on such other meeting day. If no quorum be present on such other day, the meeting shall be adjourned by the presiding officer until the next annual meeting and the budget and all matters concerning the operation of the Association, including the adoption of the budget for the ensuing year, shall then be left to the discretion of the Board of Directors. Only Members shall be entitled to the privilege of voting as a Member, provided that no more than one vote may be cast on any matter for each non-contiguous parcel or each contiguous parcel on which at least one house exists (each, an "Assessed Parcel") which that Member represents in the Indian Hills Subdivision. (For example, if the Member is assessed twice, he shall be entitled to one vote for each assessment.) Members may be represented at all of the meetings by written proxy if that proxy complies substantially with the requirements in Article VI, below. All proxies must be signed by the Member representing an Assessed Parcel and filed with the Treasurer and Secretary before the annual meeting is called to order. Proxies shall be good for that annual meeting unless a longer term is specified in the proxy, but no proxy will be valid for more than six months from the date thereof.

Section 2. Special meetings of the Members may be called at any time by the Board of Directors and shall be so called upon the petition of twenty Members representing twenty Assessed Parcels requesting a meeting, the same to be submitted to the Secretary.

Section 3. Notice of the time and place of all meetings of the Members of the Association shall be communicated electronically to each Member at least fourteen (14) days prior to the meeting date, at the email address provided to the Secretary of the Association for that purpose; and *may* be mailed to the post address as the same appears in the records of the Association only upon election by the Member, conveyed to the Secretary in writing.

ARTICLE V OFFICERS

Section 1. The general officers (each, an "Officer") of the Association shall be President, Vice-President, Secretary and Treasurer, and shall be represented by four separate Directors (i.e., no one Director may serve as two officers).

Section 2. The Officers of the Association shall be chosen from among the members of the Board of Directors of the Association and shall be appointed by a majority vote of the Board of Directors. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of the Board of Directors held on Labor Day weekend following the

annual meeting of the Members. Vacancies may be filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death, resignation or removal. Any Officer may be removed by 2/3 vote of the Board of Directors whenever the Board in its judgment deems such removal to be for the best interest of the Association.

Section 3. The Officers and Directors of this Association shall receive such compensation as the Board of Directors may deem proper, but no compensation shall be paid to any Officer or Director unless authorized by resolution of the Directors and included in the minutes of the meeting. Directors may be paid for other services rendered to the Association if such payment is authorized by resolution of the Directors and included in the minutes of the meeting.

Section 4. The Board of Directors may provide for the appointment of such additional Officers as they deem for the best interests of the Association and shall have the power to fix the compensation of such Officers

Section 5. The principal duties of the President shall be to preside at all meetings of the Board of Directors, regular and special meetings of the Members and to have general supervision of the affairs of the Association and generally to perform all such duties as usually devolve upon such office.

Section 6. The principal duties of the Vice-President shall be to discharge the duties of the President in case of the latter's absence or disability and generally to perform all such duties as usually devolve upon this office.

Section 7. The principal duties of the Secretary shall be to countersign all deeds, leases and conveyances executed by the corporation, to keep a record of the proceedings of the Board of Directors and all meetings of the Members of the Association, to keep all books, papers, records and documents belonging to the Association or in anywise pertaining to the business thereof. The Secretary shall maintain all mailing and e-mail addresses of Members of the Association and generally shall perform all duties as usually devolve upon this office.

Section 8. The principal duties of the Treasurer shall be to keep an account for all money, credits and property of any and every nature and kind belonging to the corporation which come into his hands and keep an accurate account of all moneys received and disbursed and proper vouchers for moneys disbursed and render such accounts, statements, inventories of moneys received and disbursed and all moneys and property on hand and generally to perform all such duties as usually devolve upon such office.

Section 9. All Officers of this Association shall perform such additional and different duties as shall from time to time be imposed or required by the Board of Directors, the President or as may be prescribed from time to time by the By-Laws.

ARTICLE VI RULES GOVERNING BUSINESS, NOMINATION AND ELECTION OF DIRECTORS

Section 1. The Board of Directors shall at any of their meetings held previous to the next annual meeting of the Association appoint a nominating committee composed of three Members of the Association, who do not reside in the same household as any sitting member of the Board, which shall select candidates for Directors to be voted for at the ensuing annual meeting or any adjournment thereof. The Members nominated by the nominating committee shall be named no later than 21 days preceding the annual meeting at which those candidates will be voted on.

Section 2. Any Member may place in nomination the name of one other Member for the election as a Director by notifying the Secretary of such nomination twenty-one (21) days preceding the annual meeting. All nominations shall be submitted, in writing, to the Secretary, and the Secretary shall notify the Association in the notice of the annual meeting of the names of all Members nominated by the nominating committee or by another Member.

Section 3. The manner of counting votes at annual meetings, whether by ballot or rising vote, shall be in the discretion of the presiding officer of the meeting but in no event will require a public vote if there are more nominees than there are open seats on the Board.

Section 4. The presiding officer at the annual meeting may, at his discretion, appoint a chairman whose duties it shall be to preside over said meeting while the President is temporarily relinquishing the chair.

Section 5 Any Assessed Parcel may be represented by a proxy designated in writing by a Member who provides that proxy to the Secretary or Treasurer in accordance with these By-Laws. To be valid, such proxy must: (a) Be signed by a Member representative of an Assessed Parcel. If more than one proxy is submitted on behalf of any Assessed Parcel, none of the proxies will be valid unless the extra proxy (or proxies) are withdrawn in writing (e-mail to the Secretary acceptable); (b) List all matter on the agenda for which a vote will be called at the annual meeting, along with a designation of how the Member executing the proxy would like to cast a vote on such matter, or that the proxy-holder may vote in his or her discretion on such items; (c) Not

designate any specific Directors to be proxies, but contain a blank line, to be filled in by the Member signing the proxy, for the designation of any other Member to be named as a proxy.

ARTICLE VII BY-LAWS AND ARTICLES OF ORGANIZATION

Section 1. The By-Laws of the Association may be altered, rescinded in part, amended or repealed in the following manner: (a) The Board of Directors shall adopt a resolution setting forth a proposed amendment and direct that it be submitted to a vote at a meeting of the Members, which may be either their annual meeting or a special meeting. (b) Written notice setting forth the proposed amendment or a summary of the changes to be effected shall be given to each Member entitled to vote at such meeting no less than fourteen (14) days prior to said meeting. (c) The proposed amendment shall be adopted upon receiving an affirmative vote of at least two-thirds of the Members present at the meeting in person or by proxy, provided that a quorum is present and shall thereafter stand as the By-Laws of the Association.

Section 2. The By-Laws and any amendments thereto legally adopted shall be binding upon the Association and all Members thereof. Any Member shall be entitled to receive a copy of the By-Laws and all amendments thereto by making a written request for the same to the Secretary of the Association.

Section 3. The Articles of Organization of this Association may be amended at any annual or special meeting of the Members of this Association by resolution setting forth the amendment or amendments and after the same has been adopted at said special or annual meeting by a vote of at least one-half of the Members of said Association.

ARTICLE VIII CONTRACTS OF ASSOCIATION

Section 1. All contracts shall be binding upon the Association only after they have been authorized or ratified by a written resolution of the Board of Directors at a regular or special meeting of that body.

ARTICLE IX RENTAL OF IHA PROPERTY

Section 1. IHA properties may be rented only in their entirety; no fraction or portion may be rented. All leases shall be in writing and shall be for an initial term of no less than 30 consecutive days. Properties must be in compliance with Village of Fontana and State of Wisconsin regulations. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten days of execution of the lease. The Board may adopt reasonable rules regulating leasing and subleasing.

The preceding was reaffirmed and adopted the 15th day of May, 2021. (Note: Article IX was adopted at the 2022 Annual Meeting of the IHA membership.) Indian Hills Association Fontana, Wisconsin

Governance Ad Hoc Committee Report to IHA

WHEREAS, the undersigned members of the AD HOC Committee, appointed pursuant to a Resolution adopted at the annual meeting of the Indian Hills Association, Inc. held on July 16, 1977, were directed to evaluate the existing boat facilities of the parkway of the Indian Hills Subdivision to the end of determining whether there are changes which can be made legally allocating the boat facilities used in conjunction with the parkway to the end of effectuating a fairer and better balance of the uses of the said boating facilities by the Property Owners of the Association; and

WHEREAS, it has been determined by the AD HOC Committee that the legal title to the parkway is vested in the Association and as a consequence the ownership of the riparian rights are likewise vested in the Association and the Property Owners owning lots in Blocks 1 through 6, inclusive, in Indian Hills Subdivision are vested with perpetual easements to use the parkway in common with the other Property Owners of the Association; and

WHEREAS, the AD HOC Committee has determined that there are changes that can be legally made in the manner and means of allocating the uses of the boat facilities to establish a fairer and better balance of use of these boating facilities by the members of the Association and to that end recommend to the Association the following:

DEFINITIONS OF TERMS USED IN THIS REPORT

The term "Property Owner" as used in this report shall refer to Property Owners owning lots in Block 1 through Block 6, inclusive, and as shown in the plat of Indian Hills and also as shown in the plat of Block 6 of Indian Hills Subdivision.

The term "Association" as used in this report shall apply to the Indian Hills Association, Inc.

The term "Boating Facilities" as used in this report shall refer to the rights of Property Owners to use boat slips on the existing piers located in Indian Hills Parkway, buoys located on Geneva Lake in the frontage water of the Indian Hills Parkway, ramps and lockers located in the said Parkway.

The term "Seniority List" as used in this report shall refer to such list to be established by the Board of Directors of the Association on the basis of the date that the Property Owner first purchased his property in Indian Hills Subdivision by either Land Contract or Deed and shall apply to said present owner even though not claimed as a grantee in the instruments referred to, but instead claimed by the present owner as a gift or an inheritance transfer, to a parent, spouse or descendant or transfers made to a surviving joint tenant. The seniority status shall be unaffected by the Property Owner's failure to have executed a Membership Agreement if the said Property Owner now executes a Membership Agreement in the form to be recorded in the Office of the Register of Deeds of Walworth County.

The term "Example" as used in this report and the description of the example in the report is given for the purpose of adding clarity to the meaning of the provisions of the report and - 2 - is not intended to limit or restrict the meaning of the provisions of this report to the facts stated in the example.

The term "Material Cost" as used in this report, shall refer to the list of replacement cost of the boating facility at the time of the termination of the interest and shall be determined by the Board of Directors of the Indian Hills Association, Inc., provided always that in the event there is a dispute between the Property Owner whose interest in the boating facility is terminated and the Board of Directors as to the amount allowed for the material cost, this dispute shall be resolved by information procured from two (2) reputable contractors engaged in construction and maintaining such facilities on Lake Geneva. The figure so determined shall be the median figure as determined by said contractors. The determination made in this manner shall be binding upon both parties.

The term "Member" as used in this report, shall refer to Property Owners who have duly executed a Membership Agreement and who have executed said Agreement in a manner to qualify it for recording in the Office of the Register of Deeds and which Agreement shall apply to the lots owned or being purchased by said Property Owners.

TRANSFER OF BOATING FACILITIES

Any Property Owner in good standing who has a present right to use a boating facility shall have the further right to transferring this boating facility to the purchaser of the property which this owner owns in Indian Hills Subdivision. The first purchaser of this property referred to above, shall have the use of this boating facility until the property acquired by him in this first purchase is sold. After the termination of this right, acquired by the first

purchaser, the use of this boating facility thereafter shall be in the control of the Board of Directors of the Association. The Board shall transfer this boating facility to such person whose status is established at the top of the seniority list.

The person whose interest in the boating facility has been terminated shall be compensated by the Association for the material cost of this boating facility as determined in the manner provided herein.

No Property Owner of the Association shall have the right to use of a boat slip and also a buoy or two boat slips or two buoys, unless all property owners desiring the use of a boat slip or buoy have obtained such use, and as to any facilities surrendered under these circumstances shall thereafter be transferred by the Board of Directors of the Association in accordance with the procedure applicable to the use of the seniority list. For example, if a Property Owner now has the use of a boat slip and also the use of a buoy, this Property Owner must give up one (1) of the two (2) facilities and this Property Owner shall be paid the material cost of the facility surrendered.

If a Property Owner desires to permanently discontinue his right of use of a boating facility, this boating facility, except as hereinafter provided, shall revert to the Association and thereafter the use of this facility shall be in the control of the Board of Directors and transferred by the Board of Directors to a Property Owner in accordance with the procedure of use of the seniority list. (The purpose of this provision is to avoid a senior Property Owner from selling this right separate from the right of transfer through the sale of his property.)

RIGHTS OF PROPERTY OWNERS TO USE BOATING FACILITIES WHICH WERE ACQUIRED AFTER JANUARY 1, 1977

Any Property Owner Member acquiring a boating facility under these circumstances shall acquire the same for his own personal use and the use of the members of his household. **If the member so acquiring this right fails to use the facility by July 1st of the year of acquisition of the right, the right to the use of this facility shall be automatically revoked except as to the action taken by the Board upon a determination of a special hardship applying to the use by the said Property Owner.** The special hardship situation, for example, shall be the failure of an owner to get delivery of a boat he has ordered at a reasonable time prior to July 1st. This revoked right for the use of the boating facility, under the foregoing circumstances, shall not affect the Property Owner's position established in the seniority list.

A Property Owner who has once established the use of a boating facility

through the first year shall have the right to temporarily suspend his use of the boating facility but during the period of suspension of this right the use of this right shall be in control of the Board of Directors of the Association, and this use by the Board of Directors shall be transferred to a Property Owner whose status is established on the top of the seniority list. This use, under the circumstances, shall continue only during the suspension period. The Property Owner Member of the Association after the first year shall have the further right to rent the facility to another member of the Association but the matter of handling the rental under these circumstances shall be determined by the Board of Directors of the Association and the rental right shall pass to a Property Owner Member whose status is established by the seniority list.

A Property Owner Member of the Association who once obtains a right to rent boating facilities shall have the personal right to continue renting without reversion of that right to the Association during the period that this rental agreement is in full force and effect and it shall go without saying that this rental right shall be terminated if the owner of the right for the use of the boating facility is terminated for any reason. However, those property owners who used by rental agreement a boating facility during the 1976 season will be considered most senior on the first seniority list for rental only. All terms referring to the rental of the facilities shall be determined by the Board of Directors of the Association on or before June 1st of each year.

Any Property Owner acquiring a right to use a newly created boating facility after January 1, 1977, shall not have the right to transfer this ownership or transfer his possessory right of the boating facility except through the Board of Directors to a new Property Owner shall be determined on a basis of the status established in the seniority list. The property owner acquiring said newly created facility will be required to pay all material costs involved.

TERMS RELATING TO ASSESSMENT OF BOATING FACILITIES

Property Owners having a right of use of a boating facility shall be responsible to the Indian Hills Association, Inc. for the payment of all costs relating to said facility. The costs relating to each separate facility, as determined by the Board of Directors of the Association shall be equal and assessed annually to the Property Owner holding rights to said facility.

SPECIAL PROVISIONS WITH RESPECT TO RIGHTS OF USE OF A BOATING FACILITY

Any Property Owner who is delinquent in payment of his Association dues or delinquent - 4 - upon his annual assessment levied for use of a boating facility will not be eligible to purchase, rent or in any way use said facilities until this

delinquency is removed, provided always that in the event the delinquency extends beyond the 30th date of June of any year the right for the use of the facility shall revert to the Board of Directors until said delinquency is paid; that a delinquency of an assessment over a period of two years shall permanently revoke the Property Owner's right of purchase, rent or use or transfer of the boating facility. Also, any Property Owner who is delinquent in payment of his maintenance assessment to the Indian Hills Association, Inc. shall lose his right of status established by the seniority list if this delinquency extends over a period of 12 months beyond June 30th of any year. The Board of Directors in any case provided herein relating to the delinquency of dues or assessments shall as of July 1 of any year transfer said right which shall either be temporarily suspended or permanently revoked depending on the foregoing circumstances to any Property Owner whose status is established at the top of the seniority list.

GENERAL PROVISIONS

If this report is adopted by the vote of the members of the Association, the rights of the Property Owner using a boating facility by lease or right established by use or any other claim of right shall as to that right be superceded by the provisions contained in this report. However, the rights of Property Owners to boat slip ownership created by the Pier Slip Lease dated the 28th date of December, 1957 and by subsequent actions of the Association in expanding the boat slip facilities in 1970 and 1971 shall only be superceded by the provisions of this report if the said provisions of this report are not substantially altered and remain effective and enforced by the Association.

If the report is adopted by the vote of the members of the Association, the Board of Directors of the Association shall then adopt a procedure of effectuating the terms of this Agreement in accordance with the recommendations of the attorneys of the Association. Notwithstanding anything said herein, the provisions of this resolution shall become effective upon the date said resolution is adopted by the Indian Hills Association, Inc.

Date this 5th day of September, 1977.