

Preface

These sets of documents are the governing rules of the Delavan Club Condominium Association. The Bylaws and Declaration are filed with the State of Wisconsin and define Association and Homeowner rights and responsibilities. The Rules and Regulations are determined by your Board of Directors and set policy for daily activities at the Delavan Club.

Condominium living is not the same as living in a single-family structure. Homeowners share in the ownership of buildings and common areas. Homeowners also share the responsibility to maintain the appearance and value of their individual units as well as the common areas, such as the clubhouse and swimming pool.

Your Board of Directors urges you to become familiar with all the governing documents. They can answer many of your questions: How can I get a boat slip and boat lift? Can I have pets? And a thorough understanding of these documents will make your ownership at the Delavan Club a more enjoyable experience.

DEHAVAN CLUB
CONDOMINIUM ASSOCIATION
DOCUMENTATION

COPY NUMBER 1

PLEASE DO NOT REMOVE

DELAVAN CLUB CONDOMINIUM ASSOCIATION

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DISCLOSURE MATERIALS FOR
DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION, INC.

Located at 1400 North Shore Drive in Delavan, Walworth County, Wisconsin, this is a newly constructed condominium developed by Twin Lakes Development Corporation.

1. THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISION CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.
2. THIS DISCLOSURE MATERIAL IS GIVEN TO YOU AS REQUIRED BY LAW MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.
3. YOU MAY ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING, THE CONTRACT OF SALES AND RECEIVE A FULL REFUND OF ANY DEPOSIT MADE.

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The disclosure materials the Declarant is required by law to provide to each prospective condominium purchaser contains the following documents and exhibits:

1. Declaration. The Declaration establishes and describes the condominium, the units and the common areas. The Declaration is in Section 1 and begins on page 1 of Section 1.
2. By-Laws. The By-Laws contain rules which govern the condominium and affect the rights and responsibilities of unit owners. The By-Laws are in Section 2 and begin on page 1 of Section 2.
3. Articles of Incorporation. The operation of a condominium is governed by the Association, of which each unit owner is a member. Powers, duties and operation of an association are specified in its Articles of Incorporation. The Articles of Incorporation are in Section 3 and begin on page 1 of Section 3.
4. Management or Employment Contracts. Certain services are provided to the condominium through contracts with individuals or private firms. These contracts are in Section 4 and begin on page 1 of Section 4.
5. Annual Operating Budget. The Association incurs expenses for the operation of the condominium which are assessed to the unit owners. The operating budget is an estimate of those charges, which are in addition to mortgage, taxes and utility payments. The budget is in Section 5 and begins on page 1 of Section 5.
6. Leases. There are no units sold subject to any leases. Therefore, there are no leases included in the "Disclosure Materials."
7. Expansion Plans. The Declarant has reserved the right to expand the condominium in the future. A description of the plans for expansion and its effect on unit owners begins at Section 1 Exhibit A.
8. Floor Plan and Map. The Declarant has provided a floor plan of the units being offered for sale and a map of the condominium which shows the location of the unit you are considering and all facilities and common areas which are part of the condominium. The floor plan and the map are described in Exhibit "A" of the Declaration of Condominium Ownership, at Section 1 on pages labeled Exhibit "A" inclusive of Section 1.

DECLARATION

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DECLARATION OF CONDOMINIUM OWNERSHIP AND OF
EASEMENTS, RESTRICTIONS AND COVENANTS FOR

DELAVAN CLUB CONDOMINIUM

THIS DECLARATION is made and entered into by Twin Lakes Development Corp., a Wisconsin Corporation organized under the Laws of Wisconsin, hereinafter referred to as the "DECLARANT";

WITNESSETH, THAT:

WHEREAS, the Declarant is the owner in fee simple of certain real estate, hereinafter described, located in the Town of Delavan, Walworth County, Wisconsin, and

WHEREAS, the Declarant desires and intends by this Declaration to submit and subject said real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto, to the provisions of the Condominium Ownership Act of the State of Wisconsin, as amended from time to time (hereinafter referred to as the "ACT"); and

WHEREAS, the Declarant desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and the benefit of all future owners or occupants of the said real estate or any part thereof (which shall be known as The Delavan Club Condominium, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial and proper use and conduct of the property and all units, together with mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, the Declarant desires and intends that the several unit owners, mortgagees, occupants and other persons hereinafter acquiring any interest in the property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote, enhance and protect the common amenities and the cooperation aspect of ownership and to facilitate the proper administration of said property, and are established for the purpose of enhancing and protecting the value, desirability, appearance and aesthetics of the property; and

NOW, THEREFORE, the Declarant, as the holder of title of said real estate hereinafter described, and for the purpose hereinabove set forth, DECLARES AS FOLLOWS:

ARTICLE I

LEGAL DESCRIPTION

1.01 The real estate which is hereby submitted and subjected to the provisions of the Condominium Ownership Act of the State of Wisconsin, as phase I is legally described on Exhibit "A" attached hereto and made a part hereof by reference.

Declarant reserves the right to develop within ten (10) years from the date hereof on the lands described on Exhibit "A" as part of Delavan Club Condominium additional building or buildings contained a combined maximum of two hundred sixty-four (264) units. Declarant shall be under no obligation to expand the condominium, said expansion to be at Declarant's option. If Declarant elects to expand this condominium, Declarant shall amend this Declaration by filing an addendum thereto and an amended Condominium Plat as provided under the Condominium Ownership Act of Wisconsin. The condominium units may consist of single family detached single family residences as well as units in multiple family buildings. The units to be added by the amendment shall be substantially in similar general appearance and quality to those included in the Declaration and shall be located on the expansion land in a manner which will not materially adversely affect any previously declared unit as determined by Declarant. The percentage interest of common element of each unit after such amendments shall be adjusted based upon square footage of all units. If any units so added would receive disproportionately greater or lesser maintenance or repair (e.g. four exterior walls), the amendment adding such units shall make an appropriate provision as determined by Declarant. The lands subject to this right of expansion are described on Exhibit "A" attached hereto and made a part hereof by reference. Included in the described expansion area are lands owned by others adjacent to the lands owned by Declarant. In the event Declarant acquires title to said lands, this right of expansion shall apply subject to compliance with all of the laws of Wisconsin and ordinances of the County of Walworth and Town of Delavan.

Said real estate is also described and delineated on a Plat of Survey attached hereto as Exhibit "A" which, by reference thereto, is made a part here.

This condominium is a newly constructed condominium, which will be subject to the condominium form of ownership wherein the ownership of the individual units is vested in separate owners subject to the Condominium Ownership Act of the State of Wisconsin, this Declaration of Condominium and the By-Laws of the Association. Each owner shall have the exclusive rights of ownership, use and enjoyment of the common elements.

The initial phase of the condominium shall consist of eight (8) units located in one (1) building. Further expansion shall be at Declarant's option as hereinbefore provided. The purchase of a Unit subject to this Declaration shall constitute acceptance of all of the terms and conditions herein contained. The condominium shall include in its common elements a pier or piers, constructed by Declarant, with the unit owners having rights in same as initially set forth by Declarant and thereafter same shall be controlled by the Association.

No boat slip or boat mooring may be used by anyone other than a unit owner. No boat slip or boat mooring shall be sublet. The rules and regulations governing same shall be established by the Declarant prior to the formation of the Association and the Association thereafter.

The obligation for refuse removal and snow removal shall be the responsibility of the unit owners, and not the Town of Delavan. The Declarant, prior to the formation of the Association, and the Association thereafter shall provide dumpsters for use by the unit owners and to assist in refuse removal.

The Association shall regulate the use and maintenance of the Common Elements. All tree removal and planting shall be done by the Declarant or the Association at their respective expense. No unit owner may plant or remove any trees or shrubs without prior approval of the Association.

The Association shall maintain the well or wells or city water

supply on the premises as a Common Element and at common expense. The Declarant reserves the right to add units for service on any well or to any city water main.

The premises are served by a municipal sanitary sewer system. Easements will be granted to the Town of Delavan for the system. Charges for the use of same will be made by the municipality and will be billed to the individual units in accord with policies of the municipality.

No unit owner may construct or maintain any exterior facilities without Declarant's prior approval or after formation of the Association, the Board's approval. Failure to maintain same in good condition shall be the basis for revocation of approval and immediate removal of same by the Board at unit owner's expense. The Association shall be responsible for exterior maintenance of the unit.

The drive and parking areas shall be maintained by the Association as a common element and expense.

All approvals required under this Declaration and the By-Laws of the Association shall be in writing.

Each unit shall be individually metered for utilities. The expense of these utilities shall be the responsibility of the individual unit owner. Utility services furnished the Common Elements shall be a common expense.

The Declarant and, after formation of the Association, the Board, may assign garages, if any, parking and storage areas on the premises independent of the units and the limited common areas assigned to the units for the use, benefit and enjoyment of the unit owners either individually or as a group of all or less than all unit owners.

The percentage interest of the unit owners may be adjusted from time to time as herein provided in accord with the formula set forth in Exhibit "B" hereof, in the event of expansion of the Condominium by Declarant.

Said real estate and all improvements thereon and appurtenances thereto shall be known as DELAVAN CLUB CONDOMINIUM. The address shall be 1400 North Shore Drive, Delavan, Wisconsin.

The condominium and units therein shall be used for residential purposes only.

The acceptance of a conveyance of a unit in this condominium shall be deemed to grant to and vest in Declarant the power of attorney on the part of the unit owner to amend this declaration and the Association By-Laws to correct errors or omissions and/or to comply with any applicable Federal, State, County or local laws, ordinances or agency regulations.

ARTICLE II

Definitions

For the purpose of clarity and brevity, certain words and terms used in this Declaration are defined as follows:

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2.01 Declaration: This instrument, by which the Property, as hereinafter defined, is submitted to the provisions of the Act, and shall include such amendments, if any, to this instrument as from time to time may be adopted pursuant to the terms hereof.

2.02 Property: The air space, land, buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which has been or are intended to be subject to the provisions of the ACT.

2.03 Unit: A part of the property subject to this ACT intended for independent use as a single family residence including one or more cubicles of air at one or more levels of space, or one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in any of the buildings.

2.04 Unit Owner: The person, combination of persons, partnership or corporation who owns a unit and an undivided interest in the common areas and facilities appurtenant to such unit in the percentage specified and established in the declaration.

2.05 Unit Number: The number, letter, or combination thereof, designating the unit in the declaration.

2.06 Association: All of the unit owners acting as a group in accordance with the By-Laws and Declaration.

2.07 Building: A structure containing 2 or more units, or 2 or more structures each containing 1 or more units and comprising a part of the property.

2.08 Common Elements: All of the condominium except the units and including but not limiting thereto:

- (a) The land on which the buildings are located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, and entrances and exits of the buildings;
- (c) The grounds, basements, yards, gardens, parking areas, storage spaces, play areas, parks and recreational facilities; except individual Unit basements;
- (d) The premises for the storage of property utilized in the maintenance of the property and for the storage of property owned by the unit owners;
- (e) Installation of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating, as applicable;
- (f) The tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
- (g) Such community and commercial facilities as may be provided for in the declaration; and

- (h) All other parts of the property necessary or convenient to

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its existence, maintenance and safety, or normally in common use.

2.09 Common Expenses:

- (a) All sums lawfully assessed against the unit owners by the association of unit owners; and
(b) Expenses declared common expenses by this act or by the declaration or by-laws.

2.10 Common Surpluses: The balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

2.11 Limited Common Elements: Those common elements designated in the declaration as reserved for exclusive use of one or more but less than all unit owners.

2.12 Majority or Majority of Unit Owners: The unit owners with more than 50% of the votes in accordance with the votes assigned in the declaration to the units for voting purposes.

2.13 Person: Individual, corporation, partnership, association, trustee or other legal entity.

2.14 Unit Ownership: A part of the Property consisting of one Unit and the undivided interest in the Common Elements appurtenant thereto.

2.15 Parking Area: Area provided for parking automobiles as shown on Exhibit A attached hereto, and hereinafter described.

2.16 Occupant: Person or persons, other than Owner or Unit Owner in possession.

2.17 Plat: The Plat of Survey of the Property, Buildings and all Units in the Property submitted to the provisions of the Act, which Plat is attached hereto as Exhibit "A" and by reference expressly incorporated herein and made a part hereof and registered and filed concurrently with the registration of this Declaration with the Walworth County Register of Deeds.

2.18 Streets and Roads: The surfaced portions of the property set aside for use for travel by foot, animal or vehicle to and from the buildings to the public streets or highways.

2.19 Master Association: A profit or non-profit corporation or unincorporated association which exercises the powers under the Wisconsin Condominium Ownership Act on behalf of one or more condominiums or for the benefit of the unit owners of one or more condominiums.

ARTICLE III

PROPERTY AND UNITS: SUBMISSION TO ACT

3.01 Submission of Property to the Act: The Declaration hereby submits the Property to the provisions of the Act.

3.02 Units: Description and Ownership: The legal Description of each Unit shall consist of

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the identifying number or symbol of such Unit as shown on the Plat, attached hereto as Exhibit "A". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereon as shown on the Plat. Except as otherwise provided by the Condominium Ownership Act, no Unit Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

Each unit in the condominium shall consist of the designated area shown on the plat, attached hereto as Exhibit "A", and shall be constructed as provided on the plans and specifications incorporated in Exhibit "A" attached.

3.03 Certain Structures Not Constituting Part of a Unit: No Unit Owner shall own any pipes, wires, conduits, public utility lines or other structural components running through his Unit and serving more than his Unit, whether or not such items shall be located in the floors, ceilings, or perimeter or interior walls of the Unit, except as a tenant-in-common with all other Unit Owners.

ARTICLE IV

COMMON ELEMENTS: LIMITED COMMON ELEMENTS

4.01 Ownership of Common Elements: Each Unit Owner shall be entitled to and own a undivided interest in the Common Elements as a tenant-in-common with all other Unit Owners of the Property, and except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of such Owner's Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. The extent or amount of such ownership shall be expressed by a percentage amount. The percentage ownership may be changed upon unanimous written approval of all the Unit Owners in the form of an Amended Declaration duly recorded. In the event of condemnation by public authority as hereinafter provided in Article IX 9.01 (a) or of loss as provided in Article X, the percentage ownership may be changed to conform with the provisions set forth therein. The DECLARANT has so determined each Unit's corresponding percentage of ownership in the Common Elements as set forth in the schedule attached hereto as Exhibit "B" and incorporated herein by reference, as though fully set forth herein. The undivided interest in the common elements shall not be separated from the Unit to which it appertains and shall be deemed to be leased, conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

4.02 Partition of Common Elements: There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership.

4.03 Common Elements: Description: The Common Elements shall be designated and set forth on Exhibit "A", attached hereto, and shall consist of all of the condominium except the units.

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4.04 Limited Common Elements: Description: The Limited Common Elements shall be as designated and set forth on Exhibit "A", attached hereto, and shall be identified thereon as to type, extent and unit or units to which the Limited Common Element is assigned. Fixtures designed to serve a single unit and located contiguous to the boundary of the unit shall be deemed to be a Limited Common Element appertaining to that unit exclusively and need not be shown on Exhibit "A".

ARTICLE V

GENREAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

5.01 No Severance of Ownership: No Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit Ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, in being the intention hereof to prevent any severance of such combined ownership. Whenever a unit is conveyed, the corresponding percentage of ownership in the Common Elements shall be automatically included whether same is specifically set forth in the documents of conveyance or not.

5.02 Use of the Common Elements: Subject to the provisions of Section 5.04, each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners, as may be required for the purposes of ingress and egress to, and use, occupancy and enjoyment of, the respective Unit owned by each Unit Owner, and to the use and enjoyment of Common facilities. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Unit Owner. The use of the Common Elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Act, the Declaration and the By-Laws and rules and regulations of the Board of Directors (hereinafter described and for convenience hereinafter sometimes referred to as the "Board"). The Board of Directors shall have the authority to lease or rent or grant licenses or concessions with respect to the storage areas, laundry or other parts of the Common Elements, subject to the provisions of this Declaration and the By-Laws and rules and regulations of the Board.

5.03 Maintenance of Common Elements: Common Expenses: Except as otherwise provided herein, management, repair, alteration and improvement of the Common Elements shall be the responsibility of the Board. Each Unit Owner shall pay his proportionate share of the expenses of Maintenance, repair, replacement, administration and operation of the Common Elements, which expenses are hereinafter referred to collectively as "Common Expenses". Such "Common Expenses" shall be allocated and divided equally amongst all units regardless of size. Payment thereof shall be in such amount and at such times as may be provided by the By-Laws and/or rules and regulations of the Board. In the event of the failure of a Unit Owner to pay such proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act.

5.04 Easements:

(a) Encroachments: In the event that, by reason of the construction, settlement or shifting

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of any Building, or the design or construction of any Unit, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of the Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or if by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the Building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the Owner of any Unit or in favor of the Owners of the Common Elements is such encroachment occurred due to the willful conduct of said Owner or Owners.

(b) Easements for Utilities: Wisconsin Bell, Wisconsin Electric, The Gas Company, Cable TV, if any and all other public utilities serving the property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the property with the utility services, together with the reasonable right of ingress to and egress from the property for said purpose. The DECLARANT prior to the creation of the Board and the Board thereafter may hereafter grant other or additional temporary or permanent easements for utility or other purposes over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the DECLARANT prior to the creation of the Board and the Board thereafter in irrevocable power of attorney to execute, acknowledge and record or register for and in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a Unit whether or not such walls lie in whole or in part within the Unit boundaries.

(c) Easements to Run with the Land: All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having any interest in the Property or any part or portion thereof. Reference in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

(d) Easements for Police and Fire Protection: A perpetual easement is hereby granted for the free and uninterrupted access to the grounds hereinbefore described for any and all legally designated law enforcement agencies and fire departments for the performance of their duties.

(e) Easements for Post Office: A perpetual easement is hereby granted for the free and uninterrupted access to the grounds hereinbefore described for any and all legally designated representatives of the United States Postal Service for the performance of their duties.

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5.05 Limited Common Elements:

(a) Balconies and Patios: All balconies and patios, if any, shall be a part of the Common Elements and not a part of any individual Unit; however, each Unit Owner shall be entitled to the exclusive use and possession of that balcony and patio or those balconies and patios, if any, direct access to which is provided from his respective Unit and which is or are located outside of and adjoining his respective Unit; unless and until such time as the Board as hereinafter provided determines to the contrary, each Unit Owner shall be responsible for repair, maintenance and appearance of the balconies and patios, the exclusive use and possession whereof is extended hereby, at his own expense, including (without limitation) responsibility for breakage, damage, malfunction and ordinary wear and tear. A Unit Owner shall not paint, or otherwise decorate or adorn or change the appearance of any such balcony and patio, in any manner to such rules and regulations as may be established by the said Board of Association (hereinafter referred to). In the event any such balcony and patio shall be appurtenant to more than one Unit, then all rights and obligations of the Owners of each such Unit with respect to the use, maintenance and repair of such balcony and patio shall be joint, common and indivisible, and shall not be subject to partition through judicial proceedings or otherwise.

(b) Parking Areas and Garages: Any parking area or other portion of the property allocated to parking purposes shall be part of the Common Elements and not part of any individual Unit, except any space of garage assigned to and made a part of any Unit; provided, however, the DECLARANT hereby reserves the right, until sale and conveyance of all Unit Ownership, to well and grant to any Unit Owner and to no other person the perpetual and exclusive use of a designated parking space, which exclusive use shall be deemed to be appurtenant to and pass with the title to the Unit to which appurtenant even though not expressly mentioned in the document passing title to the Unit. The DECLARANT shall, in the event of exercise of such reserved right, give the Board notice thereof and the name of the Unit Owner to whom the DECLARANT has granted the exclusive use, which notice shall be conclusive upon the Board and all Unit Owners as to the rights of the Unit Owner designated in such notice. Subject to the foregoing, the Board may determine to grant exclusive use and possession to designated parking stalls in any portion of the Property allocated to parking purposes to Unit Owners, and the Board may in any event prescribe such rules and regulations with respect to such Parking Areas as the Board may deem fit and may, in addition, operate any Parking Areas itself or lease any Parking Areas for operation by others upon such terms as it may deem fit. All revenue received by the Board from any said Parking Areas, less operation expenses thereof, if any, shall be applied in accordance with the By-Laws. Such exclusive use and possession given a Unit Owner or Owners shall be subject to such rules and regulations as the Board may deem fit, including the requirement that such exclusive use and possession encompass the obligation to clean and maintain that portion of the Common Elements subject thereto as an expense of a Unit Owner rather than a Common Expense. The ownership of a garage shall be limited to unit owners only.

(c) Storage Areas: Storage areas in any Building outside of the respective Units shall be part of the Common Elements and the use thereof shall be allocated among the Unit Owners as the Board may by its rules and regulations prescribe.

5.06 Separation Mortgages of Units: Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Property or any part thereof, except his own Unit and his own respective ownership interest in the Common Elements as aforesaid.

5.07 Separate Real Estate Taxes: It is intended and understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that, for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

5.08 Utilities: Each Unit Owner shall pay for his own natural gas, cable TV, telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

5.09 Insurance: Unit Owners: Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit, and his additions and improvements thereto and decorating and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability, all to the extent not covered by the fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses as provided below in Section 6.08 hereof.

The Board shall not be responsible for obtaining insurance on any additions, alterations or improvements made by any Unit Owner to his Unit unless and until such Unit Owner shall request the Board in writing so to do, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

Each Unit Owner hereby waives and releases any and all claims which the Unit Owner may have against any other Unit Owner, the Board, its officers, members of the Board, the DECLARANT, the manager and managing agent of the Building, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire and other forms of casualty insurance.

5.10 Maintenance, Repairs and Replacements of Units:

(a) By the Board: The Board, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of any

building, excluding, however, interior wall, ceiling and floor surfaces. In addition, the Board shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the Unit boundaries as specified in Sections 3.02 and 3.03, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of any individual Owner under any other provision of this Declaration.

(b) By the Owner: Except as otherwise provided in Paragraph (a) above, each Unit Owner shall furnish, at his own expense, and be responsible for the following:

(1) All of the maintenance, repairs and replacements within his own Unit and all of the doors and windows appurtenant thereto, and all internal installations of such Unit such as refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical fixtures, appliances, and heating, plumbing and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the Unit boundaries as specified in Sections 3.02 and 3.03, provided, however, such maintenance, repairs and replacements as may be required for the bringing of water, gas and sewer service or electricity to the Unit, shall be furnished by the Board as part of the Common Expenses. The Board may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by personnel as a Common Expense.

(2) All of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board. The interior and exterior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner.

The use of the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Board. Decorating of the Common Elements (other than interior surfaces within the Units as above provided), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the Common Expenses. Exterior roofing and painting shall be the expense of the Board as a Common Expense as hereinbefore provided. Nothing herein contained shall be construed to impose a contractual liability upon the Board for maintenance, repair and replacement, but the Board's liability shall be limited to damages resulting from negligence. The respective obligations of the Board and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement required to cure a latent or patent defect in material or workmanship in the construction or location of a structure

on the property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

5.11 Negligence of Owner: If, due to the negligent act or omission of a Unit Owner, or of a member of his family or household pet, or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, subject to the rules, regulations and By-Laws of the Board.

5.12 Joint Facilities: To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance repairs, or replacements or fixtures affecting or serving other Units or the Common Elements.

ARTICLE VI

ADMINISTRATION

6.01 Board of Directors: Association: The direction and administration of the Property shall be vested in a Board of Directors (hereinbefore and hereinafter sometimes referred to as the "Board"), consisting initially of three (3) persons who shall be elected in the manner hereinafter provided. The Unit Owners, as described in this Declaration and in the By-Laws, acting collectively through the Board, shall be known as the Delavan Club Condominium Owners Association, as unincorporated association, subject to any subsequent incorporation as provided in Article XIII below (hereinabove and hereinafter called the "Association"). Notwithstanding any other provision herein contained to the contrary, all duties, functions and obligations herein imposed upon the Board is the governing body and agent of the Unit Owners and the Association. The provisions of this Article VI, Articles VII and VIII below shall be included in the initial and basic By-Laws of the Board and/or Association, as referred to in the Act. Each member of the Board shall be one of the Unit Owners, provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. The Association shall have the right to increase the number of Directors by affirmative vote of 67% of the Unit Owners.

The Declarant, prior to the expiration of the Declarant control and the association thereafter by majority vote of the Unit Owners, may affiliate with a master association for the purpose of carrying out the duties and powers provided under Wisconsin Condominium Ownership Act for Master Associations.

6.02 Determination of the Board to be Binding: Notwithstanding that the words "Board" and

and "Association" may in some instance be used interchangeably in various sections of this Declaration, matters of dispute or disagreement between Unit Owners relating to the Property or with respect to interpretation or application of the provisions of this Declaration or the By-Laws, shall be determined by the Board, which determination shall be final and binding on the Association and on all Unit Owners.

6.03 Voting Rights: There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "Voting Member". Such Voting Member may be the Owner or one of the group composed of all the Owners of a Unit Ownership, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Board before the scheduled time of the meeting. Any or all of such Owners may be present at any meeting of the Voting Members and (those constituting a group acting unanimously) may vote or take any other action as a Voting Member, either in person or by proxy. There shall be one (1) vote per unit with the total vote available being equal to the total number of units in the condominium. The DECLARANT (or its nominee) may exercise the voting rights with respect to any Unit owned by the DECLARANT.

6.04 Meetings:

(a) Quorum: Procedure: The presence in person or by proxy of the Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting. Any voting member in writing may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Association without a meeting.

(b) Annual Meeting: The first Annual Meeting of the Voting Members shall be held upon fifteen (15) days written notice given by the DECLARANT prior to the conveyance of twenty-five percent (25%) of the common element interest to Unit Owners at which meeting the unit owners other than DECLARANT shall elect at least twenty-five percent (25%) of the directors of the Board. Prior to conveyance of fifty percent (50%) of the common element interest to Unit Owners a meeting shall be held at which the Unit Owners other than DECLARANT shall elect at least thirty-three and one-third percent (33-1/3%) of the Directors of the Board. Directors who have been elected by Declarant shall cease to serve as directors at the earliest of (i) submission of their resignation, (ii) thirty (30) days after notice to the Unit Owners of their intent to resign or (iii) as provided by law. Not later than thirty (30) days after the expiration of DECLARANT control, a meeting shall be held by the Association at which the directors and officers shall be elected and take office after the election. Thereafter, there shall be an Annual Meeting of the Voting Members on each succeeding year, at 2:00 o'clock P.M., on the last Sunday in May of each year, on the Property, or at such other reasonable place or time (not more than thirty days

before or after such date), as may be designated by written notice of the Board, delivered to the Voting Members not less than fifteen (15) days prior to the date fixed for said meeting. DECLARANT control shall cease at the earlier of the following events: 10 years from the date of filing the Declaration or 30 days after the conveyance of 75% of the Common Elements to unit purchasers (sale of units owning a total of 75% of the condominium as set forth on Exhibit "B" of the Declaration and Amendments thereto).

(c) Special Meetings: Special Meetings of the Voting Members may be called at any time for the purpose of considering matters which by the terms of this Declaration require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said Meeting shall be called by written notice, authorized by a majority of the Board, or by the Voting Members having one-third (1/3) of the total votes, and delivered not less than fifteen (15) days prior to the date fixed for said Meeting. The notices shall specify the date, time and place of the Meeting and the matters to be considered.

6.05 Notices of Meetings: Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Unit Owner with respect to which such voting right appertains, if no address has been given to the Board.

6.06 Board of Directors: Elections: Meetings:

(a) At each Annual Meeting, the Voting Members shall, by a majority of the total votes present at such meeting, elect sufficient members to the Board of Directors for the forthcoming year, to provide for a Board consisting of three (3) members, all of whom must own a unit, except for Board members nominated or designated by the DECLARANT. Two (2) members shall constitute a quorum. Members of the Board shall serve, without compensation, for a term of three (3) years or until their successors are elected and qualify, provided, however, that the terms of at least one-third of the Directors shall expire annually. If a member of the Board of Directors shall cease to meet any qualification herein required for a Member of the Board, such Member shall thereupon cease to be a member of the Board and his place on the Board shall be deemed vacant. Vacancies in the Board may be filled by unanimous vote of the remaining Members thereof. Except as otherwise provided in the Declaration, the Property shall be managed by the Board, and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

(b) The Board shall elect from among its members a President who shall preside over both its meetings and those of the Voting Members (Association), a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the office of secretary, including counting votes at any meeting, and a Treasurer to keep the financial records and books of account.

(c) Any Board Member may be removed from office, by the affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes, at any Special Meeting called for the purpose. A successor to fill the unexpired term of a Board Member removed may be elected by majority vote of the

Voting Members at the same meeting or any subsequent meetings called for that purpose.

(d) An Annual Meeting of the Board shall be held immediately following the Annual Meeting of the Unit Owners and at the same place. Special Meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each member, delivered personally or by mail or telegram. Any Board Member may in writing waive notice or consent to any action of the Board without a meeting.

(e) Board Members shall receive no compensation for their services, unless expressly provided for in resolutions duly adopted by the Unit Owners.

6.07 General Powers of the Board: Without limiting the general powers which may be provided by law, this Declaration and the Act, the Board shall have the following general powers and duties:

(a) To elect the officers of the Association as hereinabove provided;

(b) To administer the affairs of the Association and the Property;

(c) To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve (subject to Section 5.10 (b) above);

(d) To formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) To provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(g) To provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be employees of the managing agent);

(h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(i) To comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any Annual or Special Meeting of the Unit Owners; and

(j) To exercise all other powers and duties of the Board of Directors or Unit Owners as a group referred to in the Act and all powers and duties of a Board of Directors referred to in the Declaration or these By-Laws.

6.08 Specified Powers of the Board: The Board, for the benefit of the Board, the Association and all Unit Owners, shall provide and shall pay for out of the maintenance fund hereinafter provided, the following:

(a) Utility Service for Common Elements: Water, sewer, waste removal, electricity, gas and telephone, heat, power and other necessary utility service for the Common Elements (and, if not separately metered or charged, for the Units);

(b) Casualty Insurance: Insurance for the Property against loss or damage by fire and such other hazards as the Board may deem desirable, for the full insurable replacement cost of the Common Elements and the Units. Premiums for such insurance shall be common expenses. Such insurance coverage shall be written in the name of, losses under shall be adjusted by, and the proceeds of such insurance shall be payable to, the members of the Association as Trustees for each of the Unit Owners in their respective percentages of ownership interest in the Common Elements as established in Exhibit "B". The Association may engage the services of any bank or trust company authorized to do trust business in Wisconsin to act as trustee, agent or depositary on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Association shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$10,000.00 in the aggregate, the Association shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Association insured Units, the Association shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or Owner of any Unit so destroyed.

In the event of the total destruction of a unit or units and thereafter the Board determining that the unit or units may not be reconstructed under the ordinances of the Town of Delavan or Walworth County or the laws of the State of Wisconsin or in the alternative the Board determines that the cost of reconstruction shall exceed the insurance proceeds, the Board may direct that the insurance proceeds applicable to each destroyed unit be paid to the Unit Owner together with a sum equal to the Unit Owner's interest in the common elements, exclusive of the individual units, as determined by three appraisers, one selected by the Board, one selected by the Unit Owner and the third select by the two other appraisers. This added sum shall be a common expense of the remaining units and assessed accordingly. Upon payment of this sum to the Unit Owner of the destroyed unit, the Unit Owner shall cease to be an owner and the percentage interest of the remaining owners shall be adjusted in accord with the formula set forth on Exhibit "B". In the event the cost of replacement exceeds the insurance proceeds and the unit may be constructed under the ordinances and laws aforesaid, the unit owner may request the Board to authorize the reconstruction of the unit subject to the unit owner tendering to the Board a sum equal to the costs of reconstruction less the sum available from the insurance proceeds. The Board, upon

receipt of the sum, may authorize the reconstruction of the unit and direct that same be done. Any unit reconstructed under this provision or under the provisions of Article IX shall be constructed in a manner complying with the ordinances of laws aforesaid and in a manner compatible to the remaining units.

The proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board for the reconstruction of the Building or Buildings or shall be otherwise disposed of in accordance with the provisions of this Declaration and the Act; and the rights of the mortgagee of any unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the Building. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of release from the Board of the company's liability under such policy shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which such proceeds may be held pursuant thereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or to see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

Each unit owner may, at said unit owner's personal expense carry additional casualty insurance on the unit and may provide for said insurance to be paid direct to the unit owner. Each unit owner shall be responsible for all insurance coverage on the contents of the unit and the personal property of the unit owner located on the common elements of the condominium.

(c) Liability Insurance: Comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring each Unit Owner, the Association, its officers, members of the Board, the DECLARANT, the manager and managing agent of the Buildings, if any, and their respective employees and agents, from liability in connection with the Common Elements and the streets, sidewalks and areas adjoining the Property and insuring the officers of the Association and members of the Board from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be Common Expenses.

(d) Workmen's Compensation: Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(e) Wages and Fees for Services: The Services of any person or firm employed by the Board, including, without limitation, the services of a person or firm to act as manager or as managing agent for the Property, the services of any person or persons required for maintenance or operation of the Property, and legal and /or accounting services necessary or proper in the operation of the Property or the enforcement of this Declaration and for the organization, operation and enforcement of the rights of the Association;

(f) Care of Common Elements: Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units, which the Owner shall paint, clean, decorate, maintain and repair, and subject to the provisions of subsection (I) of this Section 6.08, not including any portion of the Common Elements which are the responsibility of any Owner) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire or provide the same for the Common Elements;

(g) Additional Expenses: Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Board is required to secure or pay for pursuant to the terms of these restrictions or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as first class buildings or for the enforcement of this Declaration;

(h) Discharge of Mechanic's Liens: Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the property or against the Common Elements, rather than merely against the interest therein of any particular Unit Owner; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owners;

(i) Certain Maintenance of Units: Maintenance and repair of any Unit as provided in this Declaration, and maintenance and repair of any Unit if such maintenance or repair is necessary in the discretion of the Board to protect the Common Elements, or any portion of the Buildings and the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair shall have been delivered by the Board to said Owner or Owners, provided that the Board shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair. The Board or its agents may enter any Unit when necessary in connection with any maintenance or construction for which the Board of Association is responsible. It may likewise enter any balcony or patio for maintenance, repairs, construction or painting. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, at the expense of the maintenance fund. In the event of any emergency originating in, or threatening, any Unit, or in the event of the Owner's absence from the Unit at a time when required alterations or repairs are scheduled, the management agent or his representative or any other person designated by the Board may enter the Unit immediately, whether the Owner is present or not. The Board reserves the right to retain a pass key to each Unit, and no locks or other devices shall be placed on the doors to the Units to obstruct entry through the use of such pass key.

(j) Capital Additions and Improvements: The Board's powers hereinabove

enumerated shall be limited to the extent that the Board shall have no authority to acquire or provide or pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Elements subject to all the provisions of this Declaration) having a total cost in excess of five thousand dollars (\$5,000.00), nor shall the Board authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of five thousand dollars (\$5,000.00), without in each case the prior approval of the Voting Members holding two-thirds (2/3) of the total votes.

(k) Certain Utility Services to Units: The Board may pay from the maintenance fund for water and sewer taxes, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners. However, the Board may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as determined by the Board. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund.

6.09 Vouchers: All vouchers for payment of expenditures by the Board shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board, such vouchers shall be signed by the Treasurer and countersigned by the President of the Board.

6.10 Rules and Regulations:

(a) Rules: The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants of said Property. Written notice of such rules and regulations shall be given to all Owners and Occupants and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) Management: Notwithstanding any other provision herein, the Board may engage the services of an agent to manage the property to the extent deemed advisable by the Board.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Owners or any of them.

ARTICLE VII

BUDGET-ASSESSMENTS-MAINTENANCE FUND

7.01 Preparation of Estimated Budget: Each year on or before December 1, the Board shall estimate the total amount necessary to pay the costs of wages, payroll taxes, materials, insurance, services, management fees, supplies, maintenance, repairs, landscaping, fuel, power and other common utilities and Common expenses, which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements and shall on or before December 15, notify each Owner in writing as to

the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Owners according to the By-Laws. Said assessments shall be payable as provided in the By-Laws. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all the Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's payment obligations to the next monthly installments due from Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Owner's payment obligations to the installments due in the succeeding months after rendering of the accounting as provided in the By-Laws.

7.02 Reserve for Contingencies and Replacements: The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate, which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may, at any time, levy a further assessment, which shall be assessed to the Owners according to the By-Laws. The Board shall serve notice of such further assessment on all Owners as provided in the By-Laws and such further assessment shall become effective as provided in the By-Laws. All Owners shall be obligated to pay the adjusted amount. At the time each Unit is first occupied, the Unit Owner shall pay (in addition to the first monthly assessment) to the manager or managing agent or as otherwise directed by the Board, the sum of Three Hundred and 00/100 Dollars (\$300.00), which amount shall be used and applied as a operating reserve for common expenses in the manner herein provided.

7.03 Budget for First Year: When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement" as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31, of the calendar year in which said election occurs. Assessments shall be levied against the Owners during said period as provided in the By-Laws.

7.04 Failure to Prepare Annual Budget: The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner or such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered. Said payment shall be as provided in the By-Laws.

7.05 Books and Records: The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred.

Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representatives of an Owner duly authorized in writing, at such reasonable time or times during normal business hours of week days as maybe requested by the Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee as fixed by the Board not to exceed twenty-five (\$25.00), any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

7.06 Status of Collected Funds: All funds collected shall be held and expended for the purposes designated and (except for such special assessments as may be levied against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners as provided in the By-Laws.

7.07 Remedies for Failure to Pay Assessments: If any Unit Owner shall default in the payment of any charge or assessment imposed by the Board, the Board shall have the authority for and on behalf of itself and said Association and as the representative of all Unit Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, the By-Laws, this Declaration or otherwise available at law or in equity, for the collection of all such unpaid charges or assessments.

7.08 Rental during Foreclosure: In the event of the foreclosure of a lien for unpaid common expenses, the Unit Owner who is the defendant in such proceeding shall be required to pay a reasonable rental for such Unit.

7.09 Amendments: Except for such amendments as may be required to conform any provision of the Declaration to the requirements of law, all amendments to this Article VII shall only be effective upon unanimous written consent of the Owners and their mortgagees. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use of enjoyment of any of the common areas and facilities or by abandonment of his Unit.

ARTICLE VIII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

8.01 The Units an Common Elements shall be occupied and used as follows:

(a) Purpose: No part of the Property shall be used for other than housing and related common purposes for which the Property was designed,. Each Unit of any two or more adjoining Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units in such manner and upon such conditions as shall be determined by the Board in writing.

(b) Obstruction of Common Elements: There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Board,

except as hereinafter expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Unit.

(c) Hazardous Uses and Waste: Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property, or contents thereof, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Property, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Elements.

(d) Exterior Exposure of Buildings: Owners shall not cause nor permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, radio or televisions antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board. Owners shall not cause nor permit any sign, poster or other display to be located inside of or adjacent to any door or window in such manner or fashion as to be visible to the exterior of the building, including "For Sale", "For Rent" or any other type of sign.

(e) Impairment or Structural Integrity of Building: Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of any Building or which would structurally change any Building except as is otherwise provided herein. No Unit Owner shall overload the electric wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgement of the Board, an unreasonable disturbance to others.

(f) Use: The real estate covered by this Declaration includes therein present and possible future recreational areas and facilities. Unit Owners, members of their immediate families, guests and invitees may use these Common Elements designated for nature trails, walkways, playgrounds, parks allied recreational area and facilities may be used for intended purposes, including where allowed, the playing, placement of benches of chairs, and allied reasonable use thereof provided said use does not interfere with the use and enjoyment of the Common Elements by the other Unit Owners.

(g) Signs: Sales: The right is reserved exclusively by the DECLARANT, or its agent to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and to place such other signs on the Property as may be required to facilitate the sale of unsold Units, or the management and/or construction of the condominium. The Association or its agents shall have the right to enter a unit to remove any signs located therein contrary to the provisions of the Declaration or By-Laws. Any unit who violates this provision shall be assessed One Hundred and no/100 Dollars (\$100.00) per day which shall be due and payable within fifteen (15) days after notice by the Association. Any sum that remains unpaid after the fifteen (15) days may be placed of record as a lien against the unit as provided by law.

(h) Alterations of Common Elements: Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Board.

(i) Parking Area: That part of the Common Elements identified in Exhibit "A" as Parking Area shall be used by the Owners for parking purposes, subject to the exclusive rights of the respective Unit Owners. Motor homes and mobile homes shall not be parked, stored or utilized on the premises without prior Board approval. Approval shall be limited to a maximum of seventy-two (72) hours. No use shall be in violation of local ordinances of state law.

(j) Display of Model Units by DECLARANT: Declarant reserves the right, at Declarant's option, for a period of not more than 120 months from the recording or filing of this Declaration, to occupy or grant permission to any person or entity to occupy, with or without rental, as determined by the DECLARANT one or more Units for business, construction management, general management or promotional purposes, including clerical activities, sales offices, model Units for display and the like; provided that the activities in the Units so occupied do not interfere with the quiet enjoyment of any other Owner or Occupant.

8.02 The By-Laws shall govern the management and operation of the Condominium, except as otherwise provided in this Declaration, including any restrictions on or requirement respecting the use and maintenance of the units and the Common Elements.

ARTICLE IX

CONDEMNATION AND UNPAID ASSESSMENTS

9.01 Condemnation:

(a) In the event of condemnation under the Laws of Wisconsin of a portion of the premises including therein a residential building or buildings whereby construction of a like building or buildings cannot be reasonably effected on the remaining premises, the proceeds of said condemnation and rights of action arising thereunder shall be disturbed as follows:

(1) To the Owners of the individual units condemned, that portion of the condemnation award attributable to each Owner's Unit and the right of action, if any, arising thereunder and attributable to said Unit, together with said Owner's interest in the condemnation award for the common elements condemned plus a sum equal to said Owner's interest in the remaining common elements to be paid by the remaining owners.

(2) To the Owners of the common elements whose residential Units were not condemned, as their interests may appear. The Board shall determine whether legal action shall be brought on any right of action arising under the condemnation. Any award obtained by legal action, shall be disbursed to the Owners as their common interests may appear, including the Owners of those units condemned as though they were voting members.

(3) The decision as to whether a like building, or buildings may be constructed elsewhere on the premises, shall be determined by the voting members. A favorable vote for construction shall be by the voting members. A favorable vote for construction shall be by fifty-one percent (51%) of the voting members. Any proposed construction shall be subject to the Laws of the State of Wisconsin and the Ordinances of the Town of Delavan and the County of Walworth.

(4) The condemnation of an Owner's unit and its non-replacement with a like unit shall terminate said Owner's membership. The remaining members shall constitute the Owners of all common elements and their interests therein shall be recomputed according to the ratio their unit bears to the total of the remaining units as set forth in this Declaration.

9.02 Responsibility of Transferees for Unpaid Assessments: In a voluntary transfer of a Unit, the transferee of the Unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer, without prejudice to the transferee's right to recover from the transferor the amount paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board or President; or managing agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the transferor due to the Association and such transferee shall not be liable for, nor shall the Unit conveyed by subject to a lien for, any unpaid assessments made by the Association against the transferor in excess of the amount therein set forth. In the event the association or the Board does not provide a statement setting forth any sums due within five (5) business days after transferee's request for same, the association or the Board shall be barred from claiming a lien against the transferee.

ARTICLE X

DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDINGS

10.01 Insurance:

(a) Sufficient Insurance: In the event that improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss, or damage, and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event, within sixty (60) days after said damage, or destruction, shall occur, the Unit Owners elect either to sell the Property as hereinafter provided in Article XI or to withdraw the Property from the provisions of the Act, as therein provided, then such repair, restoration or reconstruction shall not be undertaken. In the event of damage or destruction to any single building or the buildings aggregating less than fifty percent (50%) of the total buildings, said building or buildings shall be promptly repaired or restored, subject to the provisions of Article VI Section 6.08 hereinbefore set forth.

(b) Insufficient Insurance: In the event the Property or the improvements thereon so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provisions for reconstruction of the improvements within ninety (90) days after said damage or destruction shall occur then the provisions of the Act in such event shall apply.

(c) Additional Insurance: Any Owner may, at said Owner's option, carry additional insurance on his unit including coverage for any substantial improvements made therein.

(d) Any vote of the Owners required under this section shall require the affirmative vote of the Owners having 75% or more of the votes.

10.02 Substantial Restoration: Repair, restoration or reconstruction of the improvements, as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

ARTICLE XI

SALE OF THE PROPERTY: REMOVAL FROM CONDOMINIUM OWNERSHIP

11.01 Voluntary Sale of the Property: The Owners by affirmative vote of 75% of the total vote, at a meeting of Unit Owners called for such purpose, may elect to sell the property as a whole. Such action shall be binding upon all Unit Owners, and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments, and to perform all acts as in manner and form may be necessary to effect such sale, provided, however, that any Unit Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which said sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on an appraiser, such Unit Owner and the Board may each select an appraiser, and the two so selected shall select a third, and the fair market value as determined by a majority of the three appraisers so selected shall control. If either party shall fail to select an appraiser, then the one designate by the other party shall make the appraisal.

11.02 All of the Owners may remove the property from the provisions of this Declaration by executing and recording an instrument to that effect. All holders of liens affecting any of the units must consent in writing, said consent to be duly recorded, to the transfer of their lien to the percentage of undivided interest of the unit Owner in the property.

In the event of the removal of the property from the provisions of this Declaration, the property shall be deemed to be owned in common by the unit owners. The percentage of undivided interest in the condominium shall be the percentage interest of the unit as a tenant in common.

ARTICLE XIII

REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

12.01 Abatement and Enjoyment: The violation of any rule, restriction, condition or regulation adopted by the Board, or the breach or default of any covenant, By-Law or provision contained herein or contained in the Act, shall give the Board the right, in addition to the rights set forth in Section 12.02 next succeeding:

(a) To enter upon the Property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of provisions hereof, and the DECLARANT, or its successors or assigns the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; and

(b) To prohibit the use of all of the amenities of the condominium and the common elements thereof, except for the right of ingress and egress over the roadways and walkways located on the common elements and the use of the individual unit by the defaulting owner.

(c) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

(d) To seek damage by appropriate legal proceedings.

12.02 Involuntary Sale: If any owner (either by his own conduct or by the conduct of any other occupant of his unit) shall violate or breach any covenants, By-Laws, restrictions or provisions of this Declaration or of the Act, or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall occur or shall reoccur more than once thereafter, then the Board shall have the power to issue the defaulting Owner a thirty day notice in writing to terminate the rights of the said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Unit and thereupon an action on equity may be filed by the members of the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or occupant or in the alternative a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenant, and ordering that all the right, title and interest of the Owner in the Property shall be sold at a judicial sale upon such notice and terms as the court shall establish, except that the Court shall enjoin and restrain the defaulting Owner from re-acquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge the lien of any then existing mortgage, court costs, court reporter charges, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration, and the purchaser shall become a member of the Association in the place and stead of the defaulting Owner.

ARTICLE XIII

FORMATION OF ASSOCIATION

13.01 Formation of Association: The DECLARANT, prior to conveyance of the first unit, shall establish an association to govern the condominium. The association shall be organized as a profit or non-profit corporation or as an unincorporated association. The Association shall be known as

DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION, INC., if incorporated, and as DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION, if unincorporated. Upon the formation of such Association, every Owner shall be a member therein, which membership shall terminate upon the sale or other disposition by such member of his Unit Ownership, at which time the new Owner shall automatically become a member therein. Each Unit Owner agrees to be bound by and observe the terms and provisions of the Association's Charter, its By-Laws, and the rules and regulations promulgated from time to time by said Association, its Board of Directors and officers.

ARTICLE XIV

GENERAL PROVISIONS

14.01 DECLARANT'S Initial Rights: Until such time as the Board of Directors provided for in this Declaration is formed, and until thirty (30) days after DECLARANT shall have consummated the sale of Units aggregating seventy-five percent (75%) of all Unit Ownership's computed as set forth in Exhibit "B" attached hereto. The DECLARANT, or its successor, or assigns, shall exercise the powers, rights, duties and functions of the Board or Directors and Association; provided, however, that the DECLARANT may relinquish such said powers, rights, duties and functions at any time after consummating the sale of Units aggregating fifty-one percent (51%) of all Unit Ownership's computed as set forth in Exhibit "B" attached hereto. The number of units for purposes of this provision may be less than the maximum hereinbefore provided. DECLARANT shall interpret the foregoing.

14.02 Notice to Mortgage Lenders: Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit Ownership is subject to such mortgage or trust deed.

14.03 Service of Notices on Devises and Personal Representatives: Notices required or desired to be given to any devisee or personal representatives of a deceased Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the Court wherein the estate of such deceased Owner is being administered.

14.04 Covenants to Run With Land: Each grantee of the DECLARANT by the acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for Warranty Deed or Land Contract or any Contract for any deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, benefits and privilege of every character hereby granted, created reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such owner in like manner as though the provisions to the Declaration were recited and stipulated at length in each and every deed of conveyance.

14.05 Non-Waiver of Covenants: No covenants, restrictions, conditions, obligations or provisions contained in this Declarations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur or any time lapse.

14.06 Waiver of Damage: Neither the DECLARANT, nor its representatives or designees, shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities, reserved, granted or delegated to it by, or pursuant to, this Declaration, or in the DECLARANT'S capacity as developer, contractor, Owner, manager, or seller of the Property, whether or not such claim (a) shall be asserted by any Owner, Occupant, the Board or the Association, or by any person or entity claiming through any of them; or (b) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (c) shall arise ex contractu or (except in case of gross negligence ex delictu). Without limitation to the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Property or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any Owner, occupant, the Board, the Association, and their respective agents, employees, guests and invitees, or by reason of any neighboring property of personal property located on or about the Property, or by reason of the failure to function, or disrepair of, any utility services (heat, air conditioning, electricity, gas, water, sewerage, etc.) In the event of any dispute, its successors or assigns, the DECLARANT, its successors or assigns, shall have the option to settle same in full by repurchasing the Unit from Unit Owner for a sum equal to Unit Owner's original purchase price plus an amount equal to two (2%) percent of said purchase price.

14.07 Amendments to Declaration: The provisions of Article III, Article IV, Article VIII, and Section 14.07 of this Declaration may be changed, modified, or rescinded by instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the Board, all of the Owners and all mortgagees having bona fide liens of record against Unit Ownerships. Other provisions of this Declaration (except Section 14.06, which may never be changed without written consent of the DECLARANT), may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledge by the Board, the Owners having at least three-fourths (3/4ths) of the total vote and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all mortgagees having bona fide liens of records against any Unit Ownership, not less than ten (10) days prior to the date of such affidavit. Such change, modification or rescission shall be effective upon recording of such instrument in the office of the Register of Deeds of Walworth County, Wisconsin, provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

14.08 Severability: The invalidity of any covenant, restriction, condition, limitation, or any other provision of this Declaration of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

14.09 Perpetuities and Restraints on Alienation: If any of the option, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (b) the rule restricting restraints and alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only

until twenty-one (21) years after the death of the now living lawful descendant of Tommy Thompson and George Bush.

14.10 Interpretation of Declaration: The provisions of this Declaration shall be liberally construed to effectuate its propose of creating a uniform plan for the development and operation of a first class condominium residential development. In the event of any controversy arising under this Declaration, same shall be submitted to arbitration under the laws of the State of Wisconsin, as a pre-requisite to the commencement of any legal proceeding. Such arbitration shall be before one disinterested arbitrator if one can be agreed upon, otherwise before three disinterested arbitrators, one named by the party or parties submitting the matter at issue, one named by the party or parties contesting the matter at issue, and one by the two this chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the State of Wisconsin as applied to the facts found by him or them. The expense of arbitration proceeding conducted hereunder shall be borne equally by the parties. All arbitration proceedings hereunder shall be conducted in Walworth County, Wisconsin.

14.11 Indemnity to Board Members: The members of the Board and the officers thereof or of the Association shall not be liable to the Unit Owners for any mistake of judgement or any acts or omissions made in good faith as such members of officers. The Unit Owners shall indemnify and hold harmless each of such members or officers against all contractual liability to others arising out of contacts made by members or officers on behalf of the Unit Owners of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. Such members or officers shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners of the Association. The liability of any Unit Owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest of all the Unit Owners in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Each agreement made by such members or officers or by the managing agent on behalf of the Unit Owners or the Association shall be executed by such members or officers or the managing agent, as the case may be, as agents for the Unit Owners or the Board or Association.

14.12 Service of Process: All legal notices and service of process which may be made or given to the Unit Owners, Board of Directors or to the development parcel shall be served upon Lowell E. Sweet, 114 Church Street, Elkhorn, Wisconsin 53121. The Unit Owners shall designate such successors as may be required to the aforementioned party at an annual meeting or a special meeting called in accordance with the provisions of Section 6.04 herein.

IN WITNESS WHEREOF, Twin Lakes Development Corporation, has by its Officers, cause its name to be signed to these presents, this 12th day of _____, 1990.

WITNESS

Twin Lakes Development Corp.

See hard copy for signature

See hard copy for signature

J.D. Bergman, President

See hard copy for signature

BY: See hard copy for signature

Jay Harriman, Asst. Secretary

STATE OF ILLINIOS)

) ss.

COUNTY OF KANE)

Personally came before me this 12th day of June, A.D., 1990, J.D. Bergman, President, and Jay Harriman, Assistant Secretary of the above named Corporation, to me known to be the persons who executed the foregoing instrument, and to me known to be such _____, President and Assistant Secretary of said Corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Corporation, by its authority.

See hard copy for signature

Notary Public,
State of Illinois, Kane County
My Commission: See hard copy

THIS INSTRUMENT DRAFTED BY:

Lowell E. Sweet
Attorney at Law
Sweet, Leece & Phillips, S.C.
114 North Church Street
Elkhorn, Wisconsin 53121-0318
And Twin Lakes Development Corporation
108 East Ogden Avenue
Hinsdale, Illinois 60521-3517
708/654-1740

EXHIBIT B

The method of determination of the percentage of vested ownership in the common areas and facilities and obligation for a common expenses is as follows:

$$\text{Percentage of Ownership} = \frac{\text{Ownership Points} \times 100}{\text{Total Ownership Points}}$$

THE INITIAL PERCENTAGE OF OWNERSHIP IN COMMON AREAS AND FACILITIES, AND UPON COMPLETION OF THE CONDOMINIUM, PRO-RATA SHARE OF COMMON EXPENSES OF THE UNIT IN DELAVAN CLUB CONDOMINIUMS,* A CONDOMINIUM IS AS FOLLOWS:

<u>ESSEX HOUSE</u>		
<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE OF OWNERSHIP</u>

1	835	1.72
2	1128	2.32
3	1085	2.23
4	1458	3.00
5	1085	2.23
6	1458	3.00
7	835	1.72
8	1128	2.32

<u>FOXWORTH HOUSE</u>		
<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE OF OWNERSHIP</u>

1	835	1.72
2	1128	2.32
3	1085	2.23
4	1458	3.00
5	1085	2.23
6	1458	3.00
7	835	1.72
8	1128	2.32
9	835	1.72
10	1128	2.32
11	1085	2.23
12	1458	3.00
13	1085	2.23
14	1458	3.00
15	835	1.72
16	1128	2.32

EXHIBIT B CONTINUEDGREENWICH HOUSE
UNIT NUMBEROWNERSHIP POINTSPERCENTAGE OF OWNERSHIP

1	835	1.72
2	1128	2.32
3	1085	2.23
4	1458	3.00
5	1085	2.23
6	1458	3.00
7	835	1.72
8	1128	2.32

OXFORD HOUSE
UNIT NUMBEROWNERSHIP POINTSPERCENTAGE OF OWNERSHIP
INCLUDING BASEMENT

1	1576	3.24
2	1576	3.24
3	1576	3.24
4	1576	3.24

NOTTINGHAM HOUSE
UNIT NUMBEROWNERSHIP POINTSPERCENTAGE OF OWNERSHIP
INCLUDING BASMENT

1	1576	3.24
2	1576	3.24
3	1576	3.24
4	1576	3.24

The total ownership points in the initial phase is: 48656.

* The assessment of common expenses, except fire and extended coverage insurance shall be divided equally among all of the units. The assessment of the cost of fire and extended coverage insurance shall be divided pro-rata among all of the units based on their percentage of ownership.

Voting rights shall be one vote for each unit.

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LOIS M. KETTERHAGEN
REG. OF DEEDS
WALWORTH COUNTY, WI

ADDENDUM I

TO THE DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR DELAVAN CLUB CONDOMINIUM, A CONDOMINIUM

WHEREAS, the Declarant has reserved the right to add additional real estate to the real estate previously submitted to this Declaration as Phase I, and

WHEREAS, additional real estate must be from the real estate described by reference in Article I, Section 1.01 of the Declaration, and Exhibit "A" of the Declaration, and

WHEREAS, Declarant has advised all purchasers that the percentage of ownership of each Unit shall be adjusted as provided in Exhibit B,

NOW, THEREFORE, the Declarant, as holder of title of said real estate hereinafter described, and for the purposes hereinabove set forth and hereinbefore set forth in the Declaration recorded August 10, 1990, in Volume 495 of Records, at pages 931 to 976 inclusive, as Document Number 198778, Walworth County Records.

The real estate known as Phase II, which is hereby submitted and subject to the provisions of the Condominium Ownership Act of the State of Wisconsin is legally described as set forth on the description rider as part of Exhibit "A" hereof.

Said real estate is also described and delineated on the Plat of Survey attached as Exhibit "A" of this Addendum I which, by reference hereto, is made a part hereof.

Exhibit "A" hereof consists of the pages designated Exhibit "A" page 1 through 2 together with the Certificate of the Surveyor designated Exhibit "A", page 3.

All provisions of the Declaration hereinbefore described are continued in full force and effect, except as hereinafter provided. Declarant reserves the option and right to add additional real estate as added phases and to adjust the percentage ownership as provided in the Declaration. All units in Phases I

and II shall be subject to use, occupancy, and regulation as provided in the Declaration and the By-Laws of the Association of Unit Owners.

The percentage of ownership of the units in Phase I of the condominium are hereby amended as follows pursuant to the Declaration of Condominium of Delavan Club Condominium, a Condominium, as filed; same being according to the formula shown thereon. The ownership points are determined by Declarant for the units as constructed. As units are added the percentage ownership is adjusted according to the formula with each unit's percentage interest being the ratio that its' ownership points bears to the total ownership points developed to date.

<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE INTEREST</u>
Greenwich 1	835	.76
Greenwich 2	1128	1.03
Greenwich 3	1085	.99
Greenwich 4	1458	1.33
Greenwich 5	1085	.99
Greenwich 6	1458	1.33
Greenwich 7	835	.76
Greenwich 8	1128	1.03
Foxworth 1	835	.76
Foxworth 2	1128	1.03
Foxworth 3	1085	.99
Foxworth 4	1458	1.33
Foxworth 5	1085	.99
Foxworth 6	1458	1.33
Foxworth 7	835	.76

Foxworth 8	1128	1.03
Foxworth 9	835	.76
Foxworth 10	1128	1.03
Foxworth 11	1085	.99
Foxworth 12	1458	1.33
Foxworth 13	1085	.99
Foxworth 14	1458	1.33
Foxworth 15	835	.76
Foxworth 16	1128	1.03
Essex 1	835	.76
Essex 2	1128	1.03
Essex 3	1085	.99
Essex 4	1458	1.33
Essex 5	1085	.99
Essex 6	1458	1.33
Essex 7	835	.76
Essex 8	1128	1.03
Oxford 1	1576	1.43
Oxford 2	1576	1.43
Oxford 3	1576	1.43
Oxford 4	1576	1.43
Nottingham 1	1576	1.43
Nottingham 2	1576	1.43

Nottingham 3	1576	1.43
Nottingham 4	1576	1.43

The percentage of ownership of the units in Phase II of the condominium is hereby initially established as follows pursuant to the Declaration of Condominium of Delavan Club Condominium, a Condominium.

<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE INTEREST</u>
Jefferson 1	835	.76
Jefferson 2	1128	1.03
Jefferson 3	1085	.99
Jefferson 4	1458	1.33
Jefferson 5	1085	.99
Jefferson 6	1485	1.33
Jefferson 7	835	.76
Jefferson 8	1128	1.03
Inverness 1	835	.76
Inverness 2	1128	1.03
Inverness 3	1085	.99
Inverness 4	1458	1.33
Inverness 5	1085	.99
Inverness 6	1458	1.33
Inverness 7	835	.76
Inverness 8	1128	1.03
Hampton 1	835	.76

Hampton 2	1128	1.03
Hampton 3	1085	.99
Hampton 4	1458	1.33
Hampton 5	1085	.99
Hampton 6	1458	1.33
Hampton 7	835	.76
Hampton 8	1128	1.03
Hampton 9	835	.76
Hampton 10	1128	1.03
Hampton 11	1085	.99
Hampton 12	1458	1.33
Hampton 13	1085	.99
Hampton 14	1458	1.33
Hampton 15	835	.76
Hampton 16	1128	1.03
Sherwood 1	1576	1.43
Sherwood 2	1576	1.43
Sherwood 3	1576	1.43
Sherwood 4	1576	1.43
Rutherford 1	1576	1.43
Rutherford 2	1576	1.43
Rutherford 3	1576	1.43
Rutherford 4	1576	1.43
Quincy 1	1576	1.43
Quincy 2	1576	1.43

Quincy 3	1576	1.43
Quincy 4	1576	1.43
Princeton 1	1576	1.43
Princeton 2	1576	1.43
Princeton 3	1576	1.43
Princeton 4	1576	1.43

The total number of Ownership Points in the condominium as hereby amended is 109920.

The foregoing percentage will be subject to amendment by the addition of additional phases if any, from the land described in the Declaration.

IN WITNESS WHEREOF, Twin Lakes Development Corporation, a Wisconsin Corporation by its President and Secretary, caused its name to be signed to these presents this 17th day of September, 1990.

TWIN LAKES DEVELOPMENT CORPORATION,
A Wisconsin Corporation

BY: See hard copy for signature
President

See hard copy for signature
Asst. Secretary

STATE OF ILLINOIS)
) ss
COUNTY OF KANE)

Personally came before me this 17th day of September, 1990, J.B. Bergman, President and _____, Secretary of the above named Corporation, to me known to be the persons who executed the foregoing instrument and to me known to be such President and Secretary of said Corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Corporation, by its authority.

See hard copy for signature
Notary Public, State of Illinois
My Commission: See hard copy for signature

This document was drafted by Lowell E. Sweet, Attorney, Elkhorn, Wisconsin.

ADDENDUM II
TO THE DECLARATION OF CONDOMINIUM OWNERSHIP AND
OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR
DELAVAN CLUB CONDOMINIUM, A CONDOMINIUM

WHEREAS, the Declarant has reserved the right to add additional real estate to the real estate previously submitted to this Declaration, as Phase I, and Phase II

WHEREAS, additional real estate must be from the real estate described by reference in Article I, Section 1.01 of the Declaration, and Exhibit "A" of the Declaration, and

WHEREAS, Declarant has advised all purchasers that the percentage of ownership of each Unit shall be adjusted as provided in Exhibit "B",

NOW, THEREFORE, the Declarant, as holder of title of said real estate hereinafter described, and for the purposes hereinabove set forth and hereinabove set forth in the Declaration recorded August 10, 1990, in Volume 495 of Records, at pages 931 to 976 inclusive, as Document Number 198778, Walworth County Records and Addendum I of the Declaration recorded October 10, 1990, in Volume 501 of Records at pages 963 to 972 as Document 201798 Walworth County, Wisconsin.

The real estate known as Phase III which is hereby submitted and subjected to the provisions of the Condominium Ownership Act of the State of Wisconsin is legally described as set forth on the description rider as part of Exhibit "A" hereof.

Said real estate is also described and delineated on the plat of Survey attached as Exhibit "A" of this Addendum II which, by reference hereto, is made a part hereof. Exhibit "A" hereof consists of the pages designated Exhibit "A" page _____ through _____ together with the Certificate of the Surveyor designated Exhibit "A", page _____.

All provisions of the Declaration hereinbefore described are continued in full force and effect, except as hereinafter provided. Declarant reserves the option and right to add additional real estate as added phases and to adjust the percentage ownership as provided in the Declaration. All units in Phases I, II, and III shall be subject to use, occupancy, and regulation as provided in the Declaration and the By-Laws of the Association of Unit Owners.

The percentage of ownership of the units in Phase I and II of the condominium are hereby amended as follows pursuant to the Declaration of Condominium of Delavan Club Condominium, a Condominium, as filed; same being according to the formula shown thereon. The ownership points are determined by Declarant for the units as constructed. As units are added the percentage ownership is adjusted according to the formula with each unit's percentage interest being the ratio that its' ownership points bear to the total ownership points developed to date.

<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE INTEREST</u>
Essex 1	835	.51772
Essex 2	1128	.69938
Essex 3	1085	.67272
Essex 4	1458	.69938
Essex 5	1085	.67272
Essex 6	1458	.90399
Essex 7	835	.51772
Essex 8	1128	.69938
Foxworth 1	835	.51772
Foxworth 2	1128	.69938
Foxworth 3	1085	.67272
Foxworth 4	1458	.90399
Foxworth 5	1085	.67272

Foxworth 6	1458	.90399
Foxworth 7	835	.51772
Foxworth 8	1128	.69938
Foxworth 9	835	.51772
Foxworth 10	1128	.69938
Foxworth 11	1085	.67272
Foxworth 12	1458	.90399
Foxworth 13	1085	.67272
Foxworth 14	1458	.90399
Foxworth 15	835	.51772
Foxworth 16	1128	.69938
Greenwich 1	835	.51772
Greenwich 2	1128	.69938
Greenwich 3	1085	.67272
Greenwich 4	1458	.90399
Greenwich 5	1085	.67272
Greenwich 6	1458	.90399
Greenwich 7	835	.51772
Greenwich 8	1128	.69938
Nottingham 1	1576	.97715
Nottingham 2	1576	.97715
Nottingham 3	1576	.97715
Nottingham 4	1576	.97715
Oxford 1	1576	.97715
Oxford 2	1576	.97715

Oxford 3	1576	.97715
Oxford 4	1576	.97715
Hampton 1	835	.51772
Hampton 2	1128	.69938
Hampton 3	1085	.67272
Hampton 4	1458	.90399
Hampton 5	1085	.67272
Hampton 6	1458	.90399
Hampton 7	835	.51772
Hampton 8	1128	.69938
Hampton 9	835	.51772
Hampton 10	1128	.69938
Hampton 11	1085	.67272
Hampton 12	1458	.90399
Hampton 13	1085	.67272
Hampton 14	1458	.90399
Hampton 15	835	.69938
Hampton 16	1128	.69938
Inverness 1	835	.51772
Inverness 2	1128	.69938
Inverness 3	1085	.67272
Inverness 4	1458	.90399
Inverness 5	1085	.67272
Inverness 6	1458	.90399
Inverness 7	835	.51772

Inverness 8	1128	.69938
Jefferson 1	835	.51772
Jefferson 2	1128	.69938
Jefferson 3	1085	.67272
Jefferson 4	1458	.90399
Jefferson 5	1085	.67272
Jefferson 6	1458	.90399
Jefferson 7	835	.51772
Jefferson 8	1085	.67272
Princeton 1	1576	.97715
Princeton 2	1576	.97715
Princeton 3	1576	.97715
Princeton 4	1576	.97715
Quincy 1	1576	.97715
Quincy 2	1576	.97715
Quincy 3	1576	.97715
Quincy 4	1576	.97715
Rutherford 1	1576	.97715
Rutherford 2	1576	.97715
Rutherford 3	1576	.97715
Rutherford 4	1576	.97715
Sherwood 1	1576	.97715
Sherwood 2	1576	.97715
Sherwood 3	1576	.97715
Sherwood 4	1576	.97715

The percentage of ownership of the units in Phase III of the condominium is hereby initially established as follows pursuant to the Declaration of Condominium of Delavan Club Condominium, a Condominium.

<u>UNIT NUMBER</u>	<u>OWNERSHIP POINTS</u>	<u>PERCENTAGE INTEREST</u>
Ashford 1	835	.51772
Ashford 2	1128	.69938
Ashford 3	1085	.67272
Ashford 4	1458	.90399
Ashford 5	1085	.67272
Ashford 6	1458	.90399
Ashford 7	835	.51772
Ashford 8	1128	.69938
Brighton 1	835	.51772
Brighton 2	1128	.69938
Brighton 3	1085	.67272
Brighton 4	1458	.90399
Brighton 5	1085	.67272
Brighton 6	1458	.90399
Brighton 7	835	.51772
Brighton 8	1128	.69938
Cambridge 1	835	.51772
Cambridge 2	1128	.69938
Cambridge 3	1085	.67272
Cambridge 4	1458	.90399
Cambridge 5	1085	.67272

Cambridge 6	1458	.90399
Cambridge 7	835	.51772
Cambridge 8	1128	.69938
Cambridge 9	835	.51772
Cambridge 10	1128	.66938
Cambridge 11	1085	.67272
Cambridge 12	1458	.90399
Cambridge 13	1085	.67272
Cambridge 14	1458	.90399
Cambridge 15	835	.51772
Cambridge 16	1128	.69938
Devonshire 1	835	.51772
Devonshire 2	1128	.69938
Devonshire 3	1085	.67272
Devonshire 4	1458	.90399
Devonshire 5	1085	.67272
Devonshire 6	1458	.90399
Devonshire 7	835	.51772
Devonshire 8	1085	.67272
Manchester 1	1576	.97715
Manchester 2	1576	.97715
Manchester 3	1576	.97715
Manchester 4	1576	.97715

The total number of Ownership Points in the condominium as hereby amended is 161284.

The foregoing percentage will be subject to amendment by the addition of additional phases if any, from the land described in the Declaration.

IN WITNESS WHEREOF, Twin Lakes Development Corporation, a Wisconsin Corporation by its President and Secretary, caused its name to be signed to these presents this ____ day of _____, 1990.

TWIN LAKES DEVELOPMENT CORP.,
A Wisconsin Corporation

BY: _____
President

Secretary

STATE OF _____)
COUNTY OF _____)

Personally come before me this ____ day of _____, 1990,
_____, President and
_____, Secretary of the above named
Corporation, to me known to be the persons who executed the foregoing instrument and to me known to be such President and Secretary of said Corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Corporation, by its authority.

Notary Public, State of _____
My Commission expires _____

This document was drafted by Twin Lakes Development, Corp.

AMENDMENT TO THE
DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR
THE DELAVAN CLUB CONDOMINIUM

WHEREAS, a Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for The Delavan Club Condominium (the "Declaration") was recorded with the Recorder of Deeds of Walworth County on August 10, 1990 in Volume 495 at pages 931 to 976 inclusive, as Document No. 198778; and

WHEREAS, the Declaration has been amended and modified from time to time by the recordation of certain Amendments and Addenda, adding additional real estate to the condominium; and

WHEREAS, pursuant to Sections 6.01 of the Declaration and Article XI Section 1 of the By-Laws, the Declaration and By-Laws may be amended to increase the size of the Board of Directors by the affirmative vote of at least 67% of the totality of units in the Condominium; and

WHEREAS, the undersigned do hereby certify that at the Annual Meeting of Unit Owners of The Delavan Club Condominium Owners Association, which took place on May 30, 1993, by the affirmative vote of 91 units represented in person or by proxy, representing 68.9% of the totality of units in the Condominium, the following resolutions (the "Resolutions") were approved:

RESOLVED:

(a) That Section 6.01 of the Declaration of Condominium Ownership recorded at Volume 495 Pages 931 to 976, inclusive, of the Walworth County, Wisconsin Recorder, as heretofore amended (the "Declaration"), be amended by the deletion of the phrase "three (3) person" and the substitution therefor of the phrase "five (5) persons";

(b) That Section 6.06 of the Declaration be amended by the deletion of the phrase "three (3) members" and the substitution therefor of the phrase "five (5) members"; and by the deletion of the phrase "two (2) members" and the substitution therefor of the phrase "three (3) members"; and

(c) That Article II Section 1 of the By-Laws be amended by the deletion of the phrase "three persons" and the substitution therefor of the phrase "five (5) persons"; and

(d) All remaining Sections of the Declaration of By-Laws be amended consistently with the increase of the Board of Directors from three persons to five persons, and the increase of the quorum of Directors from two persons to three persons.

NOW THEREFORE, know all by these presents that the Declaration and By-Laws are hereby amended in accordance with the above Resolutions.

FURTHER, pursuant to Section 14.07 of the Declaration, an affidavit of mailing to mortgagees is attached hereto and is recorded herewith.

IN WITNESS WHEREOF, the undersigned have executed the above and foregoing Amendment for the uses and purposes herein set forth.

THE DELAVAN CLUB CONDOMINIUM
OWNERS ASSOCIATION

BY: See hard copy for signatures
Howard Emmerman

See hard copy for signatures
Patt Gallagher

See hard copy for signatures
Jan McGuire

See hard copy for signatures
William Stalker

See hard copy for signatures
Jim Traynor

BEING ALL THE MEMBERS OF THE BOARD
OF DIRECTORS OF THE ASSOCIATION

State of Illinois)
) ss.
County of Cook)

Personally before me this day came Howard Emmerman, Patt Gallagher, Jan McGuire, William Stalker and Jim Traynor, personally known to me to be the members of the Board of Directors of The Delavan Club Condominium Owners Association, and acknowledged that they signed the foregoing instrument as such Directors in accordance with the authority granted to them by the Declaration and By-Laws of the Delavan Club Condominium.

See hard copy for signatures
Notary Public
State of Illinois
Dated: June 29, 1993

This Instrument was Drafted by:
Howard C. Emmerman
Katz, Randall & Weinberg
200 N LaSalle Street
Chicago, IL 60601

State of Wisconsin)
) ss.
County of Walworth)

AFFIDAVIT

William Sanders, being first duly sworn, on oath deposes and states that he is the Managing Agent of The Delavan Club Condominium Owners Association, and that in that capacity to the best of his knowledge and information, he caused a copy of the above and foregoing Amendment to be served on all mortgagees of record of units in the Delavan Club Condominium in accordance with the provisions of Section 14.07 of the Declaration of Condominium.

See hard copy for signature
William Sanders

Subscribed and sworn to
before me this 29th day of
June, 1993.

See hard copy for signature
Marilyn M. Chauncey
Notary Public

495-931-8
RECORDED IN VOL. 624
PAGE 4309
'93 JUL 15 PM 2 56
LOIS M. KETTERHAGEN
REGISTER OF DEEDS
WALWORTH COUNTY, WI

AMENDMENT TO THE
DECLARATION OF CONDOMINIUM OWNERSHIP FOR
THE DELAVAN CLUB CONDOMINIUM

WHEREAS, a Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for The Delavan Club Condominium (the "Declaration") was recorded with the Recorder of Deeds of Walworth County on August 10, 1990 in Volume 495 at pages 931 to 976 inclusive, as Document No. 198778; and

WHEREAS, the Declaration has been amended and modified from time to time by the recordation of certain Amendments and Addenda, adding additional real estate to the Condominium, including without limitation an Amendment to increase the size of the Board of Directors, recorded with the Recorder of Deeds of Walworth County on July 15, 1993 in Volume 624 Pages 4309 through 4312 inclusive, as Document No. 262147; and

WHEREAS, pursuant to Article XI Section 1 of the By-Laws, Article II Section 4 of the By-Laws may be amended to reconfigure the terms of Directors, by the affirmative vote of at least 67% of the totality of units in the Condominium; and

WHEREAS, the undersigned do hereby certify that at the Annual Meeting of Unit Owners of The Delavan Club Condominium Owners Association, which took place on May 29, 1995, by the affirmative vote of 94 units represented in person or by proxy, constituting 71% of the totality of the units in the Condominium, the following resolutions were approved:

RESOLVED:

1. That the terms of the Board members be reconfigured as follows:
 - (a) In May, 1996, the directorships currently held by McGuire, Traynor and Stalker will be filled for terms expiring as follows:

<u>Director:</u>	<u>Expiration Date:</u>
McGuire, Traynor	May, 1999
Stalker	May, 1998
 - (b) Thereafter, all subsequent directorships will be filled for three-year terms.
2. That Article II Section 4 of the By-Laws be amended to conform with the above reconfiguration.

NOW THEREFORE, know all by these presents that the By-Laws are hereby amended in accordance with the above resolutions.

THE DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION

BY: <u>See hard copy for signatures</u> William R. Stalker <u>See hard copy for signatures</u> Thomas W. Meier <u>See hard copy for signatures</u> Janice McGuire	<u>See hard copy for signatures</u> Patt A. Gallagher <u>See hard copy for signatures</u> James Traynor BEING ALL THE MEMBERS OF THE BOARD OF DIRECTORS
--	--

Document Number | AMENDMENT TO THE DECLARATION
OF CONDOMINIUM OWNERSHIP AND
COVENANTS FOR DELAVAN CLUB
CONDOMINIUM

WHEREAS, a Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for the Delavan Club Condominium was recorded in the Register of Deeds office in and for Walworth County, Wisconsin on August 10, 1990 in Volume 495 of Records beginning at page 931, as Document No. 198778; and

WHEREAS, the Board of Directors of the Condominium have acknowledged that certain terms and provisions contained in the Declaration are in conflict with one another with respect to insurance coverages and rights and actions between unit owners; and

WHEREAS, pursuant to Section 14.07 of the Declaration, an amendment to the Declaration is proposed and approved and hereafter signed and acknowledged by the Board, owners having at least three-fourths (3/4ths) of the total vote and that further attached hereto and incorporation by reference is an affidavit by an officer of the Board certifying that a copy of the change and modification has been mailed by certified mail to all of the mortgages having a bonafide lien of record against any unit ownership, mailed not less than ten (10) days prior to the date of the affidavit;

NOW, THEREFORE, for the reasons set forth hereinabove, the terms and provisions of the Declaration are amended as follows:

Paragraph 1, Section 5.09 of the Declaration entitled "Insurance; Unit Owners" is deleted and in its place shall read as follows:

Each unit owner shall be responsible for his own insurance on the contents of his own unit, and his additions and improvements thereto and decorating and furnishing and personal property therein, and his personal property stored elsewhere in the property, and his personal liability, all to the extent not covered by fire and liability insurance for all of the unit owners contained as part of the common expenses as provided below in Section 6.08 hereof.

It is specifically acknowledged that the Board of Directors and / or the insurance carrier for the Association retain rights of subrogation for any loss caused by the negligence of a unit owner, their guests and invitees or for failure of same to exercise due care.

Dated this _____ day of _____, 2003.

DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION

By: _____

Being all of the members of the Board of Directors.

[illegible]

Personally came before me this _____ day of _____, 2003, the above named

_____, and _____, to me known to be the Board of Directors of Delavan Club Condominium who executed the foregoing instrument and acknowledged they executed the foregoing as the Board of Directors of the condominium association.

Notary Public, Walworth County, WI
My commission is permanent.
If not, state expiration date: _____

This document drafted by
Attorney Timothy P. Swatek
Lake Geneva, WI 53147

BY-LAWS OF
DEHAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The Property located in the Town of Delavan, Walworth County, State of Wisconsin, (the “Property”) known as Delavan Club Condominium (the “Condominium”), has been submitted to the provisions of the Wisconsin Condominium Ownership Act by a certain Declaration of Condominium (the “Declaration”) recorded in the office of the Register of Deeds for Walworth County, Wisconsin.

Section 2. Applicability of By-Laws and Definitions. These By-Laws are adopted as the By-Laws of Delavan Club Condominium Owners Association, Inc. (the “Association”), a Wisconsin corporation, organized under the Wisconsin Non-stock Corporation Law to serve as an Association of unit owners under the Wisconsin Condominium Ownership Act. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof. The term “Property” and other terms used herein shall, unless the context or the Declaration require otherwise, have the same meaning as the definitions contained in Section 703.02 of the Wisconsin Condominium Ownership Act.

Section 3. Office. The officer of the Association and of the Board of Directors of the Association (the “Board of Directors” or the “Board”) shall be located at 1400 North Shore Drive, Delavan, Wisconsin.

ARTICLE II

Board of Directors

Section 1. Numbers and Qualification. The affairs of the Association and of the Property shall be governed by the Board of Directors. The Board of Directors shall be composed of three persons, all of whom shall be owners or spouses of owners or mortgagees of units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, stockholders, or employees of such corporation, or in the case of fiduciary owners or mortgagees, shall be the fiduciaries, or officers or employees of such fiduciaries.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property, except such powers and duties as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the unit owners. The Board of Directors shall have the full powers and authority necessary for or desirable for the complete enforcement and administration of the Property and the provisions of the Wisconsin Condominium Ownership Act, the Declaration, these By-Laws, and rules and regulations hereunder.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the property a managing agent and a manager at a compensation established by the Board of Directors to perform such duties and service as the Board of Directors shall authorize.

Section 4. Election and Term of Office. At the first annual meeting of the unit owners, the term of office of one member of the Board of Directors shall be fixed at three years, the term of office of one member of the Board of Directors shall be fixed at two years, and the term of office of one member of the Board of Directors shall be fixed at one year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve a term of three years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by two-thirds of the authorized votes of all unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members as a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the appropriate annual meeting of the unit owners.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the unit owners shall be held immediately after the annual meeting, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors, by mail or telegraph, at least three business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on forty-eight (48) hours written notice to each member of the Board of Directors given personally or by mail or telegraph, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereon shall constitute a quorum for the transactions of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors may obtain adequate fidelity bonds for all officers and employees of the Property handling or responsible for funds. The premiums on such bonds shall constitute a common expense. If such bonds are unobtainable for any reason whatsoever or if their cost is deemed prohibitive by the Board of Directors, such bonds need not be obtained.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 14. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgement, failure to adhere to the provisions of the Declaration of these By-Laws, negligence, or otherwise, except for their own individual fraudulent misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be shared equally by all of the unit owners, and the liability of any single unit owner shall be limited to such equal proportionate share of the total liability. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that the liability of the unit owners under said agreements shall be shared equally by all of the unit owners, and the liability of any single unit owner shall be limited to such equal proportionate share of the total liability. At the option of the Board of Directors, directors' liability insurance may be obtained and shall be paid for as a common expense.

Section 15. Informal Action. Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE III

Unit Owners

Section 1. Annual Meeting. The first meeting of the Voting Members shall be held upon fifteen (15) days written notice given by the DECLARANT prior to the conveyance of twenty-five percent (25%) of the common element interest to unit owners at which meeting the unit owners other than

the DECLARANT shall elect at least twenty-five percent (25%) of the directors of the Board. Prior to conveyance of fifty percent (50%) of the common element interest to unit owners a meeting shall be held at which the unit owners other than DECLARANT shall elect at least thirty-three and one-third percent (33 1/3%) of the Directors of the Board. Not later than thirty (30) days after the expiration of DECLARANT control, a meeting shall be held by the association at which the directors and officers shall be elected and take office after the election. Thereafter, there shall be an Annual Meeting of the Voting Members on each succeeding year, at 1:00 o'clock P.M., on the Third Sunday in May of each year, on the Property, or at such other reasonable place or time (not more than thirty days before or after such date), as may be designated by written notice of the Board delivered to the Voting Members not less than fifteen (15) days prior to the date fixed for said meeting. DECLARANT control shall cease at the earlier of the following events: 10 years from the date of filing the Declaration or 30 days after the conveyance of 75% of the Common Elements to unit purchasers (sale of units owning a total of 75% of the condominium as provided in Exhibit "B" of the Declaration and Amendments thereto, and the additional units provided for in the Declaration under the provisions granting the right of expansion to Declarant).

Section 2. Place of Meetings. Meeting of the unit owners shall be held at the principal office of the Association or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having 33 1/3% of the authorized votes of all unit owners. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail to each unit owner of record or cause to be delivered to each unit owner a notice of each annual or special meeting of the unit owners, at least seven days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held at the address of his unit or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of unit owners cannot be held because of a quorum has not attended, a majority of the authorized votes of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Title to Units. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation or partnership, or in the name of a fiduciary.

Section 7. Voting. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Each unit owner (including the Board or Directors, if the Board of Directors or its designee shall then hold title to one or more units) shall be entitled to cast at all meetings of the unit owners the votes appurtenant to each unit owned. Where ownership is the name of two or more persons, the votes appurtenant to their unit shall be cast collectively.

Section 8. Majority of Unit Owners. As used in these By-Laws, the term “majority of unit owners” shall mean those unit owners having more than 50% of the authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Article III, Section 7, of these By-Laws.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having a majority of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration, or by these By-Laws.

Section 11. Action by Unanimous Consent. Any action required to be taken or which may be taken at a meeting of unit owners may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all unit owners entitled to vote thereon. The signature required in each instance shall be that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership.

(a) All unit owners shall be members of the Association. The foregoing is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Walworth County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Walworth County a deed or other instrument establishing a change of record title to a unit and the delivery to the Association of a certified copy of such instrument. The new owner designated by such instrument shall thereby become a member of the Association, and the membership of the prior owner shall thereby be terminated.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice-President, and the Secretary – Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, and Assistant Secretary, and such other officers as in its judgment may be necessary. The President and the Vice-President must be members of the Board of Directors.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the unit owners and of the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including by not limited to the power to appoint from among the unit owners any committee which the President decides is appropriate to assist in the conduct of the affairs of the Property.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon the office by the Board of Directors or by the President.

Section 6. Secretary – Treasurer. The Secretary – Treasurer shall keep the minutes of all meetings of the unit owners and of the Board of Directors. He shall have charge of such books and papers as the Board of Directors may direct, and he shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law.

Also the Secretary – Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 7. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Common Charges. Each year on or before December 1, the Board shall estimate the total amount necessary to pay the cost of wages, payroll taxes, materials, insurance, services, management fees, supplies, maintenance, repairs, landscaping, fuel, power, and other common utilities and Common Expenses, which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each other in writing as to the amount of such estimate, with reasonable itemization thereof. The

Common Expenses and Common Charges shall be assessed as follows: Those expenses for the common elements, exclusive of fire and extended coverage insurance, shall be divided equally among all units for which occupancy permits have been received from the Town of Delavan. Fire and extended coverage insurance costs shall be assessed on the ratio of the percentage of ownership in the Common Elements of the unit to the total percentage of ownership of all units for which occupancy permits have been issued by the Town of Delavan. On or before January 1 of the ensuing year, and the first of each and every month of each year, each Owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12th) of the assessment made pursuant to this Section. The Board may, at its option, elect to have the assessments paid in four equal installments, one each on the first day of each quarter during the assessment year. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six (6) months after rendering of the accounting.

Section 2. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings together with air conditioning equipment, if any, and other service machinery contained therein, and all limited common areas and facilities; such insurance shall cover the Property and shall name as insured the Association, the Board of Directors, and all unit owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Board of Directors or the insurance trustee as provided herein as trustee for all unit owners and their mortgagees as their interests may appear.

All such policies shall provide that adjustments of loss shall be made by the Board of Directors, and that the net proceeds thereof, if \$10,000.00 or less, shall be payable to the Board of Directors, and if more than \$10,000.00 shall be payable to the insurance trustee.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten days prior written notice to all of the insureds, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units at least ten days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a fire insurance company of otherwise of the full replacement value of the buildings including all of the units and all of the common and limited common areas and facilities without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section. The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year. The Board of Directors may obtain and maintain workmen's compensation insurance to the extent necessary to comply with any applicable laws.

Unit Owners or their mortgagees shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Board of Directors.

Each unit owner shall be responsible for his own insurance on the contents of his own unit, and his additions and improvements thereto, and decorating and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability, all to the extent not covered by fire and liability insurance for all of the unit owners obtained by the Board of Directors.

The Board of Directors shall not be responsible for obtaining insurance on any additions, alterations, or improvements made by any unit owner to his unit unless and until such unit owner shall request the Board of Directors in writing so to do, and shall make arrangements satisfactory to the Board of Directors to reimburse the Board of Directors for any additional premiums attributable thereto; and upon the failure of such unit owner so to do, the Board of Directors shall not be obligated to apply any insurance proceeds to restore the affected units to the making of such additions, alterations or improvements.

Each unit owner hereby waives and releases any and all claims which he may have against any other unit owner, the Board of Directors, officers of the Association, the Declarant, the manager and managing agent of the Property, if any, and their respective employees and agents, for damage to the common areas and facilities, the units, or to any personal property located in the units or common areas and facilities, cause by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

Section 3. Repair and Reconstruction After Damage.

(a) In the event of any damage to or destruction of the Property as a result of fire or other casualty or otherwise in the amount of \$10,000.00 or less, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction, and the Board of Directors or the insurance trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and reconstruction in appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall constitute a common expense, and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Article III, Section 2, of these By-Laws and shall constitute the determination by the Association to repair, reconstruct, or rebuild as required by the Wisconsin Condominium Ownership Act. If notwithstanding the foregoing provisions, such a determination is submitted to the vote of the Association, then the affirmative vote of one unit owner shall be sufficient to determine to repair and reconstruct.

(b) In the event the Property is destroyed or damaged in an amount in excess of \$10,000.00, the Association shall proceed with repair or reconstruction unless the Association, by vote of more than two-thirds (2/3) of the authorized votes of all unit owners shall determine to terminate the condominium and proceed with the sale of same. The Board of Directors shall arrange for such repair or reconstruction in accordance with the proceeding paragraph of this section.

If the Association votes as hereinbefore provided, to sell the premises or terminate the condominium, the property shall be deemed to be owned in common by the unit owners in the same percentages as previously owned by each unit owner in the common areas and be subject to an action for partition at the suit of any unit owner, in which event, the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective interests in common, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

Section 4. Reserve for Contingencies and Replacements. The Board of Directors shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures, not originally included in the annual estimate, which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement: proves inadequate for any reason, including nonpayment of any unit owner's assessment, the Board of Directors may, at any time, levy a further assessment, which shall be assessed to the unit owners according to each unit owner's percentage ownership in the common areas and facilities. The Board of Directors shall serve notice of such further assessment on all unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten days after the delivery or mailing of such notice of further assessment. All unit owners shall be obligated to pay the adjusted monthly amount. At the time each unit is first occupied, the unit owner shall pay (in addition to the first monthly assessment) to the manager or managing agent, or as otherwise directed by the Board of Directors, an amount equal to three times the first full monthly assessment for such unit owners, which amount shall be used and applied as an operating reserve for common expenses in the manner herein provided.

Section 5. Failure to Prepare Annual Budget. The failure or delay of the Board of Directors to prepare or serve the annual or adjusted estimate on the unit owner shall not constitute a waiver or release in any manner of such unit owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the unit owner shall continue to pay the monthly maintenance payment which is due more than ten days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 6. Books and Records. The Board of Directors shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any unit owner or any representative of a unit owner duly authorized in writing, at such reasonable time or times during normal business hours of weekdays as may be requested by the unit owner. Upon ten days' notice to the Board of Directors and payment of a reasonable fee as fixed by the Board of Directors not to exceed \$25.00, any unit owner shall be furnished a statement of the unit owner's account, setting forth the amount of any unpaid assessments or other charges due and owing from such unit owner.

Section 7. Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and (except for such special assessments as may be levied hereunder against less than all the unit owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the unit owners according to their respective common interests.

Section 8. Remedies for Failure to Pay Assessments. If any unit owner shall default in the payment of any charge or assessment imposed by the Board of Directors as herein provided, the Board of Directors shall have the authority for and on behalf of itself and the Association, and as the representative of all the unit owners, to exercise and enforce any and all rights and remedies as may be provided in the Wisconsin Condominium Ownership Act, these By-Laws, the Declaration, or otherwise available at law or in equity, for the collection of all such unpaid charges or assessments. In addition, if a unit owner is in default in the monthly payment of the aforesaid charges or assessments for 30 days, the Board of Directors may bring suit for and on behalf of itself and as representative of all the unit owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with interest at the rate of twelve percent (12%) per annum and reasonable attorneys' fee to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest costs and fees as above provided, shall be and become a lien or charge against the unit of the unit owner involved when payable, and may be foreclosed by an action brought in the name of the Board of Directors as in the case of foreclosure of liens against real estate. Unless otherwise provided in the Declaration, the members of the Board of Directors and their successors in office, acting on behalf of the other unit owners, shall have the power to bid in the interests so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. Said lien shall take effect and be in force when an as provided in the Wisconsin Condominium Ownership Act; provided, however, that encumbrances (other than those constituting a first mortgage owned or held by or on behalf of any bank, insurance company, or savings and loan association shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered unit which become due and payable subsequent to the date said encumbrancer either takes possession of the unit, accepts a conveyance of any interest therein, or after a receiver has been appointed in a suit to foreclose such lien. Any encumbrancer from time to time may request in writing a written statement from the Board of Directors setting forth the unpaid common expenses with respect to the unit covered by its encumbrance, and, unless the request shall be complied with within 20 days, all unpaid common expenses which become due prior to the date of the making of the request shall be subordinate to the lien of such encumbrance. Any encumbrance holding a lien on a unit may pay any unpaid common expenses payable with respect to such unit and upon such payment, such encumbrancer shall have a lien on such unit for the amounts paid at the same rank as the lien of his encumbrance. Each unit owner shall be obligated to pay common charges hereunder notwithstanding the fact that the unit owner may have a pending dispute with the Association on any matter.

Section 9. Rental During Foreclosure. In the event of the foreclosure of a lien for unpaid common expenses, the unit owner who is the defendant in such proceeding shall be required to pay a reasonable rental for such unit.

Section 10. Waiver of Use. No unit owner may be exempted from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of the unit owner's unit.

Section 11. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws:

(a) To enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expenses of the defaulting unit owner, any structure, thing, or

condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner or trespass; or

(b) To prohibit the use of all of the amenities of the condominium and the common elements thereof except for the rights of ingress and egress over the roadways and walkways located on the common elements and the use of the individual unit by the defaulting owner.

(c) To enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 12. Maintenance and Repair.

(a) The Board of Directors, at its expense, shall be responsible for the maintenance, repair, and replacement of those portions, if any, of each unit which contribute to the support of a building, excluding, however, interior wall, ceiling, and floor surfaces. In addition, the Board of Directors shall maintain, repair, and replace all conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which may be located within the unit boundaries as specified in Sections 3.02 and 3.03 of the Declaration, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, which may be the responsibility of an individual unit owner under any other provisions of the Declaration.

(b) Except as otherwise provided in (a) above, each unit owner shall furnish, at his expense, and be responsible for the following:

(1) All of the maintenance, repairs, and replacements within his own unit together with all of the doors and windows appurtenant thereto, and all internal installations of such unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures or installations, and any portion of any utility service facilities located within the unit boundaries as specified in Sections 3.02 and 3.03 of the Declaration, provided, however, such maintenance, repairs, and replacements as may be required for the bringing of water, gas, and sewer service or electricity to the unit, shall be furnished by the Board of Directors as part of the common expenses. The Board of Directors may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to units by personnel as a common expense.

(2) All of the decorating within his own unit from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other furnishings and interior decorating. The interior and exterior surfaces of all windows forming part of a perimeter wall or a unit shall be cleaned or washed at the expense of each respective unit owner. The use of and the coverings of the interior surfaces of such windows, whether by draperies, shades, or other items visible on the exterior of the building, shall be subject to the rules and regulations adopted by the Board of Directors. Decorating of the common areas and facilities (other than interior surfaces within the unit as above provided), and any redecorating of units to the extent made necessary by any damage to existing decorations of such units caused by maintenance, repair, or replacement work on the common areas and facilities by the Board of Directors, shall be furnished by the Board of Directors as part of the common expenses. Nothing herein contained shall be construed to impose a contractual liability upon the Board of Directors for maintenance, repair, and replacement, but the Board's liability shall be limited to damages resulting from negligence. The respective obligations of the Board of Directors and unit owners set forth in these By-Laws shall not be limited, discharged, or postponed by reason of the fact that any such maintenance, repair, or replacement is required to cure a latent or patent

defect in material or workmanship in the construction of the Property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

(c) If, due to the negligent act or omission of a unit owner, or of a member of his family, or of a guest or other authorized occupant or visitor of such unit owner, or the act of a household pet, damage shall be caused to the common areas and facilities or to a unit or units owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a common expense, then such unit owner shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Board of Directors, subject to these By-Laws and the rules and regulations adopted by the Board of Directors.

(d) To the extent that equipment, facilities, and fixtures within any unit or units shall be connected to similar equipment, facilities, or fixtures affecting or serving other units or the common areas and facilities, then the use thereof by the individual unit owners shall be subject to the rules and regulations adopted by the Board of Directors. Owners shall not cause nor permit any sign, poster or other display to be located inside of or adjacent to any door or window in such manner or fashion as to be visible to the exterior of the building, including "For Sale", "For Rent" or any other type of sign. The specific provisions of the Declaration governing signs shall be enforced by the Board.

(e) Each unit owner shall maintain a minimum temperature of 50 degrees Fahrenheit in the interior of the unit during the winter to protect the common and limited common elements and individual unit. In the event of the failure of the unit owner to maintain this temperature, the unit owner shall be personally liable for any and all damages arising from same.

Section 13. Use of Property. The units and common areas and facilities shall be occupied and used as follows:

(a) No part of the Property, shall be used for other than housing and related common purposes for which the Property was designed, including accessory buildings for the purpose of providing recreational facilities and for the sale of convenience food and related items primarily for, and to the condominium residents together with the right of the DECLARANT to maintain and operate a sales office, workshop-storage building, storage area, and model units on the property during development. Each unit or any two or more adjoining units used together shall be used as a residence at any one time for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining units in such manner and upon such conditions as shall be determined by the Board in writing.

(b) There shall be no obstruction of the common areas and facilities, nor shall anything be stored in the common areas and facilities without the prior consent of the Board of Directors, except as hereinafter expressly provided. Each unit owner shall be obligated to maintain and keep in good order and repair his own unit.

(c) Nothing shall be done or kept in any unit or in the common areas and facilities which will increase the rate of insurance on the Property, or contents thereof, without the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in his unit or in the common areas and facilities which will result in the cancellation of insurance on the Property, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common areas and facilities.

(d) Unit owners shall not cause nor permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the unit, and no sign, awning, canopy, shutter, radio, or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board of Directors.

(e) No animals, rabbits, livestock, fowl, or poultry of any kind shall be raised, bred, or kept in any unit or in the common areas and facilities, except that dogs, cats, or other domesticated house hold pets may be kept in units, subject to rules and regulations adopted by the Board of Directors, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property subject to these restrictions upon three days written notice from the Board of Directors.

(f) No unlawful, immoral, noxious, or offensive activity shall be carried on in any unit or in the common areas and facilities nor shall anything be done therein or thereon either willfully or negligently which may be or become, in the judgement of the Board of Directors, an annoyance or nuisance to the other unit owners or occupants of units.

(g) Nothing shall be done in any unit or in, on, or to the common areas and facilities which will impair the structural integrity of any building or which would structurally change any building, except as in otherwise provided herein. No unit owner shall overload the electric wiring in any buildings, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgement of the Board of Directors, and unreasonable disturbance to others.

(h) No clothes, sheets, blankets, laundry, of any kind, or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements and same shall be kept free and clear of rubbish, debris, and other unsightly materials. Trash, garbage, and other wastes shall be kept only in enclosed sanitary containers, and shall be disposed of in a clean, sightly, healthy, and sanitary manner, and as may be prescribed from time to time by the rules and regulations of the Board.

In the event any unit owner, occupant, guest, invitee, family member, or licensee shall permit or allow any of the items set forth in the preceding paragraph to occur upon the Limited Common Elements or Common Elements and, further, shall within twelve (12) hours of receiving written notice fail to take all the necessary steps to correct the condition set forth in said notice, the Board shall have the right to enter on said Limited Common Elements or Common Elements to correct said condition. The costs of the removal or correction of said item shall be assessed against the unit owner and shall become collectible as herein provided for any assessments.

(i) There shall be no parking of baby carriages or playpens, bicycles, wagons, vehicles, or toys on any part of the common areas and facilities, except that baby carriages, bicycles, and other personal property may be stored in a storage area designated for the purpose, and patio areas may be used for their intended purposes.

(j) No industry, business, trade, occupation, or profession of any kind, whether commercial, religious, educational, or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor except with the consent of the Board, shall any signs be maintained or permitted by any owner or any part of the Property or in any unit therein, EXCEPT that a Unit Owner may conduct a

Home Enterprise as hereinafter provided. The Board may allow signs identifying the address of the individual unit. The Board may provide for a sign or signs identifying the condominium and directional signs to be located on the Common Elements and such other signs and flags for special events as the Board deems advisable. DECLARANT or the Board may display such signs as are required by law or set forth in the rules and regulations of this Condominium. There shall be no "For Sale" or "For Rent" signs located on the Limited Common Elements, within the units, or on the Common Elements of the Condominium.

(k) Nothing shall be altered or constructed in or removed from the common areas and facilities, except upon the written consent of the Board of Directors.

(l) Declarant reserves the right, at Declarant's option, for a period of not more than 120 months from the recording or filing of this Declaration, to occupy or grant permission to any person or entity to occupy, with or without rental, as determined by the DECLARANT one or more Units for business, construction management, general management, or promotional purposes, including clerical activities, sales offices, model units for display and the like; provided that the activities in the units so occupied do not interfere with the quiet enjoyment of any other Owner or Occupant.

(m) The unit restrictions in paragraphs (a) and (j) of this Section 13 shall not, however, be construed in such a manner as to prohibit an owner from (a) maintaining his personal business or professional records or accounts therein; or (b) maintaining his personal professional library therein; or (c) handling his personal business or professional telephone calls or correspondence therefrom; or (d) the conducting of a Home Enterprise where the operation of same does not generate public traffic, create unsightliness, generate noxious odors or noise, and does not utilize any signs, advertising, or public notices. No home enterprise shall be conducted in public view. Such uses are expressly declared customarily incident to the principal residential use and not in violation of paragraphs (a) and (j) of this Section 13.

(n) Occupancy of any unit in the condominium shall be limited to a maximum of two persons per bedroom per unit plus an additional two persons per unit. Occupancy is defined to mean residing in the unit for overnight or sleeping purposes and shall not be deemed to restrict or limit social entertaining.

(o) No exterior lighting may be installed other than as provided by DECLARANT, without the express written consent of the Board of Directors of the Association and the compliance with the restrictions of record. Prior to the establishment of the Board of Directors of the Association, any approval required from said Board shall be obtained from the DECLARANT.

(p) No draperies, curtains or screening shall be used or displayed to exterior view having other than a neutral color.

(q) No vehicles shall be used, stored or serviced on the real estate subject to this Declaration, except non-business pickup trucks and standard automobiles including sedans, coupes, station wagons, convertibles, sport cars, economy cars and antique automobiles, without the prior written consent of the Board of Directors of the Unit Owners' Association and the compliance with the By-Laws. This By-Law shall not be construed to prohibit deliveries of products, moving of personal effects or service vehicles from having access to all units during reasonable hours or in case of emergency. The By-Law shall apply to all vehicles including trucks, (except non-business pick-up trucks), recreation vehicles, motor homes, boats and trailers and the like unless specifically exempted as herein provided.

In the event any unit owner, occupant, guest, invitee, family member, or licensee shall dismantle or otherwise make inoperative any motorized vehicle on the Common Elements, except for temporary and emergency repairs, and refuse to remove same within twelve (12) hours after receipt of written notice to immediately repair or remove said motorized vehicle, the Board shall have the right to enter on the Common Elements and remove therefrom said inoperative motorized vehicle. The cost of removal and storage of said vehicle shall be assessed against the unit owner and shall become collectable as herein provided for any assessment.

Parking shall be restricted to that portion of the common areas and facilities identified in the declaration as parking areas. Those parking areas assigned to specific units shall be restricted to the exclusive use of the unit owners. No motor homes or mobile homes may be parked, stored or used on the premises without the prior written approval of the Board. Any approved use shall be for a maximum of seventy-two (72) hours and must comply with local ordinances and state law.

(r) Parking on the roadways shall be limited to guests, licensees, and invitees only, and shall be on a temporary basis on their parking area; as designated, or in the duly designed parking areas located elsewhere in the Condominium.

(s) No trees or shrubs may be planted or removed on the Common Elements without the prior approval of the Board.

(t) The use of the recreational areas shall be regulated by the Board.

(u) Fencing and patio screening shall only be done with the prior approval of the Board. The installation, repair and maintenance of same shall be the expense of the Unit Owner. Failure to repair and maintain same in a safe and sightly manner shall be grounds for the Board, at its option, to remove or repair same and access the cost of same to the Unit Owner.

(v) Special Provisions. No provisions of these By-Laws shall be deemed to nullify, void or invalidate the specific provisions as set forth in Article I of the Declaration, said provisions being deemed to take precedence over any provisions of these By-Laws. The Board of Directors shall have the exclusive control and jurisdiction over all underground facilities within the Common Areas of the Condominium.

The Board of Directors for the Association and / or the Association by its members may from time to time adopt certain rules and regulations which shall be made a part of these By-Laws. These rules and regulations shall be set forth as "Addendum to By-Laws" and shall be affixed to the official By-Laws of the Association and incorporated therein by reference.

Section 14. Additions, Alterations, or Improvements by Board of Directors. When-ever in the judgment of the Board of Directors, the common and limited common areas and facilities shall require additions, alterations, or improvements costing in excess of \$5,000.00, and the making of such additions, alterations or improvements shall have been approved by two-thirds (2/3) of the authorized votes of all unit owners, the Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations, or improvements costing \$10,000.00 or less may be made by the Board of Directors without approval of the unit owners and the cost thereof shall constitute a common expense.

Section 15. Additions, Alterations, or Improvements by Unit Owners. No unit owner shall make any structural addition, alteration, or improvements in or on his unit, nor affix anything to the

exterior of his unit nor erect or construct anything in the limited common area assigned to his unit without the prior written consent thereto of the Board of Directors. Any application to any governmental authority for a permit to make an addition, alteration, or improvement in or on any unit shall be executed by the Board of Directors. The Board of Directors shall not be liable to any contractor, subcontractor, or material man or to any person sustaining personal injury or property damage, for any claim arising in connection with such addition, alteration, or improvement. The provisions of this Section 15 shall not apply to units owned by the Declarant until such units shall have been initially sold by the Declarant.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the units and the common and limited common areas and facilities may be promulgated and amended by the Board of Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 17. Utilities. The Board of Directors shall pay, as a common expense, all charges for water, waste removal, electricity, gas, telephone, and other necessary utility service for the common areas and facilities. Each unit owner shall pay the bills for the above items consumed or used in or in connection with the unit owner's unit.

Section 18. Right of Access. A unit owner shall grant a right of access to his unit to the manager, the managing agent, and any other person authorized by the Board of Director, the manager, or the managing agent to make inspections, to correct any condition originating in the unit and threatening another unit or common or limited common area or facility, to install, alter, or repair mechanical or electrical services or other common facilities in the unit or elsewhere in any building, and to correct any condition which violated the provisions of any mortgage covering another unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

ARTICLE VI

Mortgages

Section 1. Mortgages of Units. Each unit may be separately mortgaged.

Section 2. Notice to Board of Directors. A unit owner who mortgages the unit owner's unit shall notify the Board of Directors of the name and address of the mortgagee.

Section 3. Notice of Unpaid "Common Charges. The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges or other default by the owner of the mortgaged unit.

Section 4. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Directors.

Section 5. Examination of Books. Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Property at reasonable times, on business days, but not more often than once a month.

ARTICLE VII

Unpaid Assessments on Sale

Section 1. Responsibility of Transferees for Unpaid Assessments. In a voluntary transfer of a unit, the transferee of the unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board or President of the Association, or managing agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the transferor due the Association and such transferee shall not be liable for, nor shall the unit conveyed by subject to a lien for, any unpaid assessments made by the Association against the transferor in excess of the amount therein set forth.

ARTICLE VIII

Condemnation

Section 1. In the event of condemnation under the Laws of Wisconsin of a portion of the premises including therein a residential building, or buildings, or unit, or units whereby construction of a like building or buildings or unit or units cannot be reasonably effected on the remaining premises, the proceeds of said condemnation and rights of action arising thereunder shall be disbursed as follows:

(a) To the owners of the individual units condemned, that portion of the condemnation awarded attributable to each owner's unit and the right of action, if any, arising thereunder and attributable to said unit, together with said owner's interest in the condemnation award for the common elements condemned plus a sum equal to said owner's interest in the remaining common elements to be paid by the remaining owners. Any condemnation award together with any right of action arising thereunder, attributable to a Unit, shall be the exclusive property of the Unit Owner insofar as said award or right of action pertains to the Unit constructed thereon.

(b) To the owners of the common elements whose residential units were not condemned, as their interests may appear. The Board shall determine whether legal action shall be brought on any right of action, shall be disbursed to the owners as their common interests may appear, including the owners of those units condemned as though they were voting members.

(c) The decision as to whether a like building, or buildings may be constructed elsewhere on the premises, shall be determined by the voting members. A favorable vote for construction shall be by fifty-one percent (51%) of the voting members and compliance with the restrictions of record. Any proposed construction shall be subject to the Laws of the State of Wisconsin and Ordinances of the governing bodies.

(d) The condemnation of an owner's unit and its non-replacement with a like unit, shall terminate said owner's membership. The remaining members shall constitute the owners of all common elements and their interests therein shall be recomputed according to the ratio their unit bears to the total of the remaining units as set forth in this Declaration.

ARTICLE IX

Records

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records and books of account of the Property, including a chronological listing of receipts and expenditures, as well as a separate account of each unit which, among other things, shall contain the amount of each assessment of common charges against each unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Property shall be rendered by the Board of Directors to all unit owners at least quarter-annually. In addition, an annual report of the receipts and expenditures of the Property, prepared by an independent certified public accountant, shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices to the Board of Directors shall be sent by registered or certified mail, c/o the managing agent, or if there is no managing agent, to the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices of violations of the By-Laws or the Declaration and notices of liens of the Association shall be sent to the unit owner by registered or certified mail to his unit or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. In the event said notice shall also be required to be sent to mortgagees of units, such notice shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Directors. All notices, other than the foregoing, may be sent by first class regular mail in the aforesaid manner to unit owners and mortgagees. All notices shall be deemed to have been given when mailed, except notices of changes of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee. The insurance trustee shall be a bank authorized to do business in the State of Wisconsin, designated by the Board of Directors and having a capital surplus and undivided profits of \$1,000,000.00 or more. The Board of Directors shall pay the fees and disbursements which shall constitute a common expense.

Section 7. Conflicts. These By-Laws are set forth to comply with the requirements of Section 703.10 of the Wisconsin Condominium Ownership Act. In case any of these By-Laws conflict with the provisions of such Act, the provisions of such Act shall control. In case any of these By-Laws conflict with the provisions of the Declaration, these By-Laws shall control and, to the extent of any such conflict, these By-Laws shall be deemed to be an amendment to the Declaration.

Section 8. Relinquishment of Control. The Association shall have all of the powers of an association of unit owners under the Wisconsin Condominium Ownership Act. By adoption of these By-Laws and the Declaration's vote in favor thereof, the Declarant shall be deemed to have relinquished all powers, rights, duties, and functions reserved to it in Section 14.01 of the Declaration.

Section 9. Recreation Facilities. The term "common areas and facilities" as used in these By-Laws shall be deemed to include any property owned by the Association or the Board of Directors on behalf of the unit owners, notwithstanding the fact that the unit owners may not own said property in common as unit owners under the Wisconsin Condominium Act.

ARTICLE XI

Amendments to By-Laws

Section 1. Amendments to By-Laws. These By-Laws may be modified or amended by the vote of sixty-seven percent (67%) of the authorized votes of all unit owners, such vote to be taken at a meeting of unit owners duly held for such purposes.

AMENDMENT TO THE BY-LAWS OF
DELAVAN CLUB CONDOMINIUM

WHEREAS, the membership and Board of Directors of Delavan Club Condominium acknowledge ambiguities with respect to insurance coverages contained in the Declaration of Condominium Ownership and of the Easements, Restrictions and Covenants for Delavan Club Condominium, as well as in the Bylaws of the Association; and

WHEREAS, the membership and Board of Directors has determined to amend the Declaration and, by this document, determine to amend the Bylaws to be consistent therewith; and

WHEREAS, pursuant to Section 1 of Article XI, a vote of 67% of the authorized vote of all unit owners was taken at a meeting of the unit owners duly held for such purpose the ____ day of _____, 2003.

NOW THEREFORE, the undersigned do certify that at a meeting of the unit owners of Delavan Club Condominium Owners Association held the ____ day of _____, 2003, by affirmative vote of ____ units represented in person or by proxy, ____% of the totality of units in the condominium, the following resolution was approved.

RESOLVED, that Section II of Article V of the Bylaws is amended to delete the following provisions:

Unit Owners or their mortgagees shall not be prohibited from carrying other insurance provided that all policies shall contain waivers of subrogation, that the liability of the carrier issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Board of Directors.

The Board of Directors shall not be responsible for obtained insurance on any additions, alterations, or improvements made by any unit owner to his unit unless and until such unit owner shall request the Board of Directors, in writing, so to do, and shall make arrangements satisfactory to the Board of Directors to reimburse the Board of Directors for any additional premiums attributable thereto; and upon the failure of such unit owner so to do, the Board of Directors shall not be obligated to apply any insurance proceeds to restore the affected units to the making of such additions, alterations, or improvements.

Each unit owner hereby waives and releases any and all claims which he may have against any other unit owner, the Board of Directors, officers of the Association, the Declarant, the manager and managing agent of the property, if any, and their respective employees, for damage to the common areas and facilities, the unit, or to any personal property located in the unit or common areas and facilities, caused by fire or other casualty to the extent that such damage is covered by fire or other form of casualty insurance.

BE IT FURTHER RESOLVED, that

DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION
RULES AND REGULATIONS

Pursuant to the authority vested in the Board of Directors of the Association under Section 6.10 (a) of the Declaration of Condominium and Article V Section 16 of the By-Laws of the Association, the following Rules and Regulations are hereby adopted, enacted and immediately deemed to be in full force and effect, until amended or rescinded by written resolution of the Board:

1. Definitions.

- (a) For purposes hereof, to the extent the following terms are used herein: “Declaration”, “Property”, “Unit”, “Unit Owner”, “Association”, “Building”, “Common Elements”, “Common Expenses”, “Person”, “Parking Area”, “Occupant”, “Streets”, “Roads”, “Invitee”, “Guest” and “Tenant”, each shall have the same definition as set forth in Article of the Declaration of Condominium.
- (b) The term “Clubhouse” shall denote the two-story building located on the premises adjacent to the swimming pool, the lower level of which contains locker, shower, sauna and steam facilities, and the upper level of which contains office and recreational meeting space.
- (c) The term “Pool” shall denote the swimming pool adjacent to the Clubhouse, together with all amenities including adjacent deck and hot tub.
- (d) The terms used in the Waterfront Rules and Regulations referenced below, shall have the same meaning as set forth in the Waterfront Rules and Regulations adopted September 1992 and distributed to Unit Owners October 9, 1992.
- (e) The term “Waterfront Plaza” shall denote the multiple-level patio deck located between the Devonshire and Essex Buildings.
- (f) The terms “invitee”, “licensee” and “guest” shall denote collectively, any and all Persons permitted by a Unit Owner to be physically present for any period of time on the Property, and shall specifically include without limitation tenants, social guests, house guests, party guests, Occupants and family members.
- (g) The terms “vehicle” and vehicular traffic” shall denote all motorized and non-motorized vehicles including, not by way of limitation automobiles, motorcycles, trucks, vans, mopeds, all-terrain-vehicles, tractors, snowmobiles, motor bikes, and trailers.
- (h) The term “Outdoor Storage Area” shall denote the area located at the northwest corner of the Property, designated for storage of boats, trailers, and like vehicles.

2. Unit Owner’s Responsibility.

Each owner is responsible for full compliance with these Rules and can be hold liable for damages caused by his family, agents, tenants, visitors, and guests.

Whenever the term Association is used, it shall be construed to mean Delavan Club Condominium Association.

Many of these rules are based on restrictions contained in the documents. Where there is a difference in the working, the text of the document(s) applies rather than the rule.

Condominium living is not the same as living in a single-family structure. Owners share in the appearance and hence sales appeal of the units in the community.

Any problems, questions, or suggestions must be submitted in writing to the Association Property Manager to be considered.

3. Enforcement.

- (a) Subject to the provisions of Paragraph 2. (b) below, the Board shall have the power to enforce these Rules and Regulations by each and every means allowed by law, including without limitation:
 - (1) The right to assess a fine of not less than \$25 nor more than \$250 for each violation by a Unit Owner or by his, its or their invitees, licensees or guests, of any of these Rules or Regulations. Every single occurrence by which any Rule or Regulation is violated may, for purposes hereof, be considered a separate violation and may be fined separately. Any fine shall be deemed equivalent to a special assessment against the Unit Owner and said Unit Owner's Unit, which fine shall be a lien against said Unit and shall be collectible in the same fashion as any other assessment.
 - (2) The right to compel and effect by self-help, if necessary, the removal of the offending condition or state of facts by which the rule violation is committed. In the event the Board takes such action, the costs of removal of the offending condition shall be solely borne by the Unit Owner whose acts or omissions (or whose licensees', invitees' or guests' acts or omissions) cause the violation. The Board shall have the right to specially assess and recover such costs of removal from and against any such Unit Owner and said Unit Owner's Unit, which special assessment shall be a lien against said Unit and shall be collectible in the same fashion as any other assessment.
 - (3) The right to compel the removal of a pet from the Property after the third violation of these rules attributed to a pet belonging to a Unit Owner or his, its or their invitees, licensees or guests.
 - (4) The right to an injunction, order abating a nuisance, or other decree or injunction of a court of equity abating such violation and preventing its recurrence.
 - (5) The right to specially assess and recover all attorneys fees and out-of-pocket costs otherwise incurred in abating any such violation by that Unit Owner or by his invitees, licensees or guests, from and against any such Unit Owner and said Unit

Owner's Unit, which special assessment shall be a lien against said Unit and shall be collectible in the same fashion as any other assessment.

- (b) Before exercising any of the rights set forth in Paragraph 2. (a) above, the Board shall serve not less than ten (10) days' notice in writing of the violation or suspected violation of any of these Rules or Regulations on the Unit Owner whose acts or omissions (or those of said Unit Owner's invitees, licensees or guests) allegedly caused said violation, and shall hold a hearing before the Board or any subcommittee thereof constituting two (2) or more Board members, for the purpose of according the Unit Owner an opportunity to present such evidence as said Unit Owner elects, respecting the alleged violation. Any action by the Board must be undertaken by written resolution approved by the Board in accordance with the By-Laws.
- (c) Upon the signed written complaint of two (2) or more Unit Owners submitted to the Board, the Board or any subcommittee thereof constituting two (2) or more Board members, shall schedule a hearing with notice as required by Paragraph 2. (b) above, at which both the complaining and respondent Unit Owners may appear and be heard respecting any alleged violation.

4. Waterfront and Boat Slips.

The Waterfront Rules and Regulations adopted September 1992, and distributed to the Unit Owners on October 9, 1992, are hereby ratified and confirmed. Said Waterfront Rules and Regulations are attached hereto as Exhibit "A".

5. General Provisions Regarding Unit Ownership and Occupancy.

The provisions of Article V Section 13 of the By-Laws of the Association are attached hereto as Exhibit "B" and are ratified and confirmed.

6. Construction Modifications: Building Integrity.

- (a) No structural alteration (including without limitation the addition, removal or alteration of the location of windows or doors; the movement of the location of any wall within or external to a unit; any modification in the type of window or door installed in a Building; the alteration or replacement of any porch, patio surface, balcony surface, roof component, external lighting fixture or vent; or the combining of the living spaces of two or more Units) shall be made in any Building or any portion thereof, without the prior written approval of the Board.
- (b) In acting upon any request for approval of a structural alteration, the Board shall have the right to require as a condition of the approval of any such request any one or more of the following: that the Unit Owner provide written Plans and Specifications detailing the proposed alterations; that an engineer approved and engaged by the Board at the sole cost and expense of the Unit Owner requesting approval, review and approve the proposed alteration; that the Unit Owner provide a Certificate evidencing Contractors' Liability, Workers' Compensation, Complete Operations, Comprehensive General Liability and

other insurance naming the Contractor, the Unit Owner and the Association as additional parties insured; that the contractor be approved by the Board in its sole discretion; or such other conditions as are reasonable and will afford protection to persons and property affected by the proposed alteration.

7. Pets.

All pets shall be leashed when they are on the Property and outside a Unit. No pets shall be allowed in the Clubhouse or Pool. Any defecation by any pet in or on any part of the Common Elements shall be immediately removed by the Unit Owner or said Unit Owner's invitee, licensee or guest having custody of the pet.

8. Landscaping.

To insure uniformity of appearance, the Association shall be exclusively responsible for an shall provide, landscaping where appropriate in all the Common Elements of the Property, including all exterior planters and plant boxes attached to the Buildings. No Unit Owner shall till, turn over, or fertilize the soil; nor shall any Unit Owner plant any flowers, vegetables, trees, bushes, shrubs or other plants anywhere on the Common Elements of the Property.

9. Waste Containers.

The Association shall provide suitable waste and refuse containers in and around the Common Elements of the Property as it deems necessary to effectuate trash accumulation and collection in a safe and sanitary manner, with minimal disturbance to the Unit Owners. All Unit Owners are expected to cooperate in placing all refuse and recyclables in the appropriate waste containers provided. No Unit Owner shall locate any refuse container anywhere on or about the Common Elements of the Property. No Unit Owner shall cause or permit the accumulation of trash, waste or refuse within his, her or its Unit, or elsewhere on the Property.

10. Vehicle Traffic, Parking.

- (a) The speed limit for vehicular traffic within the Parking Area and within the entire interior road system on the Property shall be 15 m.p.h.
- (b) No boat trailers, trailers, campers or non-motorized vehicles shall be stored, parked or otherwise located anywhere on the Property, except within the Outdoor Storage Area, in accordance with the provisions of Rule 13 below, or within an enclosed garage.
- (c) Only non-commercial vehicles belonging to Unit Owners or their licensees, invitees or guests may be parked in the Parking Area. All such vehicles shall be parked vertically, opposite the Buildings. A Unit Owner may park a vehicle in front of such Unit Owner's Garage only, and in front of no other garage without the permission of the Owner of said Garage. In the event a Unit Owner expects a large amount of Persons to be present at the same time, said Unit Owner must contact the Association to arrange for overflow parking, in order to prevent the towing of vehicles parked in violation of these Rules and Regulations.

- (d) The Association shall have the right and power to cause any vehicle parked or located in violation of these Rules and Regulations to be towed and removed without notice, at the Unit Owner's (or his licensee's, invitee's or guest's) sole expense. Every Unit Owner who violates these Rules shall be deemed to have consented to said towing and removal, and shall be further deemed to have released the Association from any and all liability as a result of said towing and removal. Every Unit Owner whose invitee, licensee or guest violates these Rules shall be deemed to have agreed to indemnify the Association from and against any and all claims of liability as a result of said towing and removal.
- (e) All vehicles operated on the Property shall be equipped with proper noise muffling systems, and shall otherwise be operated in such a manner as to cause minimal disturbance to the Occupant.
- (f) No motorized vehicles may be driven on the property by anyone under the age of 16 years unless accompanied by an adult.

11. Outdoor Grills.

Due to the fire hazards presented by the use of outdoor grills, the dangers presented by wind-driven cinders, the hazards to Occupants located on patios or decks located directly beneath a porch or balcony and the limitations on available fire protection, only propane-fueled, natural gas-fueled and electric grills may be operated on balconies and patios. Charcoal-burning grills may not be operated within 25 feet of any building.

12. Clubhouse and Pool.

- (a) The regular hours of operation of the Clubhouse and Pool shall be determined by resolution of the Board.
- (b) The upper level of the Clubhouse and Pool shall be made available on such terms as the Board may determine, for the private use of any Unit Owner only, during hours other than the regular hours of operation. The Association may not levy or assess any charge for the use of the Clubhouse by a Unit Owner, but may require as a condition for the use of the Clubhouse, one or more of the following at the expense of the Unit Owner requesting use of the Clubhouse: a security deposit of not less than \$250 to be applied to clean-up, replacement and repair if necessary; a certificate of insurance evidencing Comprehensive General Liability and / or Dram Shop coverage; a written agreement by the Unit Owner to be responsible for all damage to the Clubhouse or its contents; payment for special gate security officer or traffic control personnel; or such other measures as will reasonably insure the safety of the Property and the non-disturbance of Unit Owners. The owner (host) shall be responsible for clean-up, and shall indemnify the Association for actual expenses incurred, plus damages.

13. Private Use of the Waterfront Plaza.

The Waterfront Plaza shall be made available on such terms as the Board may determine, for the private use of any Unit Owner only, during hours other than the regular hours of operation. The Association may not levy or assess any charge for the use of Clubhouse by a Unit Owner, but may require as a condition for the use of the Clubhouse, one or more of the following at the expense of the Unit Owner requesting use of the Waterfront Plaza: a security deposit of not less than \$100 to be applied to

clean-up, replacement and repair if necessary; a certificate of insurance evidencing Comprehensive General Liability and / or Dram Shop coverage; a written agreement by the Unit Owner to be responsible for all damage to the Clubhouse or its contents; payment for special gate security officers or traffic control personnel; or such other measures as will reasonably insure the safety of the Property and the non-disturbance of Unit Owners.

14. Outdoor Storage Area.

The Outdoor Storage Area may be used for the storage of vehicles such as boat trailer, camper trailers, snowmobile trailers, wave-runner or jet-ski trailers, and like vehicles, owned by Unit Owners only. The Outdoor Storage Area may also be used for the temporary parking of commercial vehicles of Unit Owners, and for temporary parking of automobiles belonging to invitees, licensees and guests of Unit Owners. No automobiles, trucks, or motorized vehicles may be parked in the Outdoor Storage Area. All such vehicles must display an identification sticker, which may be obtained from the Association. The Association shall have the right to tow and remove any vehicle parked in the Outdoor Storage Area in violation of these Rules and Regulations without notice, at the Unit Owner's (or his licensee's, invitee's or guest's) sole expense. Every Unit Owner who violates these Rules shall be deemed to have consented to said towing and removal, and shall be further deemed to have released the Association from any and all liability as a result of said towing and removal. Every Unit Owner whose invitee, licensee or guest violates these Rules shall be deemed to have agreed to indemnify the Association from and against any and all claims of liability as a result of said towing and removal.

15. Security.

- (a) The Association has issued and will continue to issue 4 identification passes per Unit to all Unit Owners. These identification passes are necessary to allow access through the front gate when a gate security personnel is present, and for entry to the Clubhouse and Pool.
- (b) Unit Owners shall permit these passes to be used only by: (1) members of their immediate families; (2) Unit Owners' licensees, invitees and guests who are (unless they are Occupants) physically present on the Property at the same time as the Unit Owner is physically present on the Property; or (3) Occupants residing in a Unit.
- (c) No Unit Owner shall allow use of any identification pass or otherwise permit entry on the Property by any Person other than a Person described in Paragraph 15 (b) above.
- (d) In addition to the other remedies herein and otherwise provided for breach of these Rules and Regulations, the Board shall have the right to revoke, subject to the provisions of Paragraph 3 (b) above, all identification passes issued to any Unit Owner found to have violated these Rules and Regulations, and to deny that Unit Owner access to and use of the Clubhouse and Pool.

EXHIBIT A TO

DELAVAN CLUB CONDOMINIUM OWNERS ASSOCIATION

RULES AND REGULATIONS

THE DELAVAN CLUB WATERFRONT RULES AND REGULATIONS
ADOPTED SEPTEMBER 1992

Pursuant to the powers and authority granted to the Board under Section 6.07 of the Declaration of Condominium, and with due consideration to the following facts:

- A. That the Declaration of Condominium provides at Section 5.02 that “each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners, as may be required for the ingress and egress to, and use, occupancy and enjoyment of, the respective unit owned by each Unit Owner, and to the use and enjoyment of Common facilities. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Unit Owner.”
- B. That the Declaration of Condominium further provides at Section 5.02 that “The use of the common elements and the rights of the Unit Owners with respect thereto shall be governed by the provisions of the (Wisconsin Condominium) Act, the Declaration and the By-Laws and Rules and Regulations of the Board...The Board... shall have the authority to lease or rent or grant licenses or concessions with respect to the storage areas, laundry or other parts of the Common Elements subject to the provisions of this Declaration and the By-Laws and Rules and Regulations of the Board.”
- C. That the waterfront area, including the boat docks and launch ramp are hereby construed to be “Common Elements” within the definition of Section 2.08 of the Condominium Declaration.
- D. That presently there exist 68 boat slips designated for storage of boats. Because there are 132 units in total planned for the Condominium, there is an insufficient number of slips to accommodate all Unit Owners.
- E. In determining the method for assigning such slips for use by Unit Owners, the Board has taken into effect the above-quoted provisions of the Declaration and the following additional facts and / or policies hereby adopted by the Board: (a) That owner-occupied units promote the general welfare of the Condominium to a greater degree than do non-owner-occupied units, as evidenced by standards for long-term mortgage eligibility promulgated by FNMA and FHLMC, and by standards promulgated by the liability insurance carrier for the Condominium; (b) That to promote stability of ownership and operation of boat slips so that Unit Owners may know in advance of their ability to store a boat in a boat slip, it is necessary that certain assignments of slips be made on a long-term basis, to a specific Unit Owner; and (c) That a user charge is necessary and appropriate to defray the cost of maintenance of the boat docks and launch, and the cost of obtaining remote slips on Delavan Lake, to the extent possible, so that as many Unit Owners as possible may enjoy the use of a boat slip.

The Board of Directors hereby adopts and promulgates the Rules and Regulations for the use, operation and maintenance of boat slips at the Delavan Club Condominium.

1. Definitions.

“Applicant”, “Slip Applicant” or “Slip Assignment Application” – A Unit Owner who has submitted a Slip Assignment Application.

“Assignee” or “Slip Assignee” – a Slip Applicant whose Slip Application has been approved, and a Boat Slip assigned to him / her.

“Unit Owner” – The owner (other than the Developer) of legal title, or the beneficiary of a trust holding legal title to, a condominium unit.

“Resident Unit Owner” – any Unit Owner who does not collect any rental income for the rental of a unit and who does not otherwise rent out his / her unit for any period of time during the term of a slip assignment. A “Permitted Boat” is a boat owned by such Unit Owner on a date his / her application is submitted, and registered in the name of such Resident Unit Owner as of such date.

“Non-Resident Unit Owner” – any Unit Owner other than a Resident Unit Owner. A “Permitted Boat” is a boat owned by such Unit Owner on the date his / her application is submitted, and registered in the name of such Non-Resident Unit Owner as of such date.

“Boat Slip” – a place for tie-up of one boat as indicated on the attached Exhibit “A” hereto; provided that those slips so designated on the attached Exhibit “A” hereto as a “mini-slip (MS)” shall be reserved only for paddle boats, canoes and other non-motorized craft, and jet-skis, so long as such watercraft do not exceed in length the space allowed.

2. Eligibility.

Subject to the Priority Rules established below, every Unit Owner shall be entitled to assignment of a Boat Slip for the use of a Permitted Boat, so long as said Unit Owner is not delinquent for more than 30 days in the payment of any assessment, and so long as said Unit Owner pays the “Slip Fee” as defined below. Failure to pay a “Slip Fee” or the failure to pay any general or special assessment for more than 30 days shall be adequate cause for the termination of a Slip Assignment.

3. Priority Rules.

Slips shall be assigned in the following order of priority:

First -- to Resident Unit Owners, for Permitted Boats owned by said Resident Unit Owners.

Second -- to Non-Resident Unit Owner, for Permitted Boats Owned by said Non-Resident Unit Owners, provided: (a) that not such assignment shall be made to a remote slip; (b) that no such assignment may be made if the Association is then procuring remote slips for any Unit Owner in the First Category; (c) that such slip assignments may be made on a year-to-year basis only.

Third -- to all other Unit Owners, provided: (a) that no such assignment shall be made to a remote slip; (b) no such assignment may be made if the Association is then procuring remote slips for any Unit Owner in the first or second categories; and (c) that such slip assignments may be made on a year-to-year basis only.

Except as to the Initial Assignment Procedure, referred to below, all applicants for Slip Assignment within a given category shall be accorded priority in accordance with the date of receipt of their Application for Slip Assignment by the Board, on a “first-applied-first-come” basis.

4. Slip Assignments.

(a) A "Slip Assignment" shall be deemed a grant by the Association of a revocable license and permit in favor of the Unit Owner-Applicant, to tie a Permitted Boat to the specifically numbered dock area shown on the attached Exhibit "A" hereto, between March 1 and October 31 of every calendar year. Slip Assignments shall be made by the Board upon receipt of a Slip Assignment Application in the form attached hereto as Exhibit "B", with payment of the ten current Slip Fee, or, in the event of an assignment in the middle of a calendar year, a prorated portion thereof.

(b) A Slip Assignment to an applicant in the First Category shall be automatically renewed for the same Boat Slip without the need to reapply so long as the Applicant: remains a Resident Unit Owner, pays the Slip Fee on a timely basis, and provided that such Slip Assignment is not revoked for any of the reasons set forth below. A Slip Assignment to an Applicant in the Second Category or Third Category shall be an assignment for a single calendar year only, provided that such Slip Assignment is not revoked for any of the reasons set forth below. An Applicant in the Second or Third Categories must reapply each year for a Slip Assignment, subject to the Priority Rules above.

(c) After the Initial Assignment Procedure is completed, upon the termination of a Slip Assignment for any of the reasons herein described, the Board shall immediately notify the Slip Applicant next in line on the Waiting List (established as described below), in accordance with the Priority Rules, of the availability of a Boat Slip, and a deadline by which said Applicant shall submit an updated Slip Application and payment of a Slip Fee, upon timely receipt of which the Board shall assign a Boat Slip to said Slip Applicant. In the event such payment and updated Slip Application is not timely received, the Board shall notify the next Slip Applicant in line, and the non-responding Slip Applicant shall be deleted from the Waiting List. Any Slip Applicant deleted from the Waiting List must reapply and his priority will be assigned according to the date his new Slip Application is received.

(d) A slip assignment may be revoked by the Board upon not less than 5 days' notice to the applicant in the event of: (1) any misrepresentation by an applicant as to the status of ownership or residency of his / her unit in his / her application; (2) for slip assignments to applicants in the first category, any change in the status of a Unit Owner from Resident Unit Owner to Non-Resident Unit Owner; (3) any sale or conveyance of title to a unit by any Unit Owner; (4) a failure to pay a slip fee of any general or special assessment, which failure continues for a period of at least 30 days after such fee or assessment is due; or (5) a material violation of these Rules and Regulations, which shall be determined in the discretion of the Board, and the Board's determination of materiality shall be conclusive, provided the Unit Owner is given the opportunity to be heard in writing or in person by the Board, if such Unit Owner so requests.

(e) The Board shall immediately refund to a Slip Applicant the Slip Fee tendered with his / her Slip Application if no Boat Slip is immediately available for assignment; shall retain the Slip Application and include the Slip Applicant on the Waiting List; and shall forward to said Slip Applicant a decal which signifies launch privileges and the right to store his / her boat on a trailer in the Boat Storage Area at the north end of the Condominium Property, free of charge. Such decal shall be affixed to the starboard-side front window or hull, and if directed by the Board, to the trailer.

(f) Any Unit Owner may apply by letter for an upon evidencing ownership of his Unit shall receive a decal which signifies launch privileges and the right to store his / her boat on a trailer in the Boat Storage Area at the north end of the Condominium Property, free of charge. Such decal

shall be affixed to the starboard-side front window or hull, and if directed by the Board, to the trailer.

5. Rules Regarding Use of Boat Slips.

(a) Upon making a Slip Assignment, the Board will furnish a suitable identification decal to be affixed to the starboard-side front window or hull of each Permitted Boat. Every Applicant shall display such decal at all times on his permitted boat while such boat is tied to a Boat Slip.

(b) In the event a Slip Assignee wishes to designate a new or different boat as his / her Permitted Boat for purposes of any Slip Assignment, he / she may do so without loss of his / her Slip Assignment, provided he / she submits a request in writing to change the Permitted Boat to the new boat, and furnishes a certificate of registration indicating the ownership of the new boat in the same name or names as is indicated on the original Slip Assignment. The new boat does not become a "Permitted Boat" however, until the Board approves the request and issues a new decal.

(c) No Unit Owner shall permit other than a Permitted Boat to tie up to his assigned Boat Slip. Only one Permitted Boat shall be tied up to a Boat Slip.

(d) All Slip Assignees must submit a request to the Board for approval to install Lift Stations. Requests must be received between November 1 and March 1, for the following season.

1. Lift Stations will be of a type and design as dictated by the Board.
2. All costs associated with Lift Stations shall be the sole responsibility of the Slip Assignee.
3. No awnings will be allowed on any Lift Stations.
4. Lift Stations must be installed between April 1 and May 31, by a contractor designated by the Board. All installation fees are the sole responsibility of the Slip Assignee.
5. Removed Lift Stations may not be stored in any Common Area of the Delavan Club at any time.
6. If the Slip Assignment is revoked for any reason, the Board, upon not less than 5 days notice to the Slip Assignee, may have the Lift Station removed to an off-site location. All fees associated with such action would be the sole responsibility of the Slip Assignee.

(e) All Slip Assignees shall be responsible for the actions or omissions of their guests. All such assignees shall exercise due care for their safety and for the safety of other Slip Assignees and their watercraft. No excessive use of alcohol or other intoxicants shall be made at or around any Boat Slip. All Slip Assignees will be required to indemnify the Board and the Condominium Association against any claims for personal injury or property damage to other watercraft, to the docks, or for their negligence.

(f) The Board reserves the right to and will cause to be towed any non-permitted boat found tied to a Boat slip.

(g) Unit Owners may provide appropriate bumpers on assigned slips, but such bumpers shall be removed if the Board requests their removal in writing.

6. Initial Assignment Procedure; Waiting List.

- (a) The Board shall transmit a copy of these Rules and Regulations to all Unit Owners upon their adoption, together with Slip Application Forms.
- (b) All completed Slip Application Forms shall be received, together with a check in the amount of the Slip Fee and a copy of the certificate of registration for the boat to be designated as the Permitted Boat, on or before November 15, 1992.
- (c) The Board shall make initial assignments of Boat Slips in accordance with the Priority Rules set forth above, provided however, that all applicants for Slip Assignment within a given category shall be chosen by lot.
- (d) In the event that the number of Slip Applicants in the First Category exceeds 68 (exclusive of "MS" spaces), the Board shall allocate up to 50% of the gross receipts from Slip Fees toward the rental of remote slips on Delavan Lake, and shall assign slips to remaining Applicants until First Category Applications are exhausted, or until the available funds are exhausted. The remaining 50% of said gross receipts shall be applied to maintenance of the boat docks, launch ramp and the waterfront.
- (e) As to any and all Slip Applications for which slips cannot be assigned, the Board shall immediately return to the Applicant his / her tendered Slip Fee; and shall forward to said slip applicant a decal which signifies launch privileges and the right to store his / her boat on a trailer in the Boat Storage Area at the north end of the Condominium Property, free of charge. Such decal shall be affixed to the starboard-side front window or hull, and if directed by the Board, to the trailer. Such unassigned Slip Applications shall comprise a "Waiting List", which shall be administered as set forth above.

7. Slip Fee.

The Slip fee for the calendar year 1993 shall be \$300 per Boat Slip and \$25 per "mini-slip". The Board shall review the Slip Fee each year and notify all Slip Assignees of any change in Slip Fees for the coming year. All Slip Fees shall be due when and as the Board may determine from time to time.

APPROVED THIS 30TH DAY OF SEPTEMBER 1992.

See hard copy for signature. _____
Patt Gallagher

See hard copy for signature. _____
Janice McGuire

See hard copy for signature. _____
Howard Emmerman

Being the Directors of the Association

DELAVAN CLUB CONDOMINIUMS
BOAT SLIP APPLICATION

I hereby apply to the Delavan Club Condominium Owners Association (“ known as the Association”) for a Boat Slip Assignment in accordance with the Rules and Regulations adopted by the Board of Directors of the Association. I hereby represent that I am the owner of legal title to, or a beneficiary of a trust holding legal title to the following unit:

Building _____ Unit Number _____

***** Information regarding residency: *****

You **must** delete one of the following paragraphs:

If you claim first priority status: I represent to the Board of Directors of the Association that I have not collected rent for my Unit during the past year, and that I will not at any time hereafter rent my Unit for

any period of time whatsoever. I understand that if I do so, I will be required to forfeit any slip assignment the Board may make.

- OR -

If you claim second or third priority status: I represent to the Board of Directors of the Association that I have collected rent on my Unit during the past year, or that I intend to do so during the coming year.

***** Information regarding your boat: *****

State of Registration _____ Registration Number _____
Expiration date of registration _____ Open Bow _____ or Closed Bow _____
Make _____ Length _____ Color _____
Hull I.D. # (if any) _____ Inboard _____ Outboard _____ Sail _____ Pontoon _____
Boats Name (if any) _____

A copy of the Boat Registration must accompany this application. If the registrant’s name is the same as the unit owner’s, you will be given first or second priority status as described above. Otherwise, you will be given third priority status.

.....
I hereby agree to abide by the Waterfront Rules and Regulations. I hereby agree to indemnify the Association against any claim by any third party for personal injury or property damage arising out of the operation of my boat or its tie-up to a Boat Slip. I further acknowledge that the Association may, for reasons set forth in the Waterfront Rules and Regulations, a copy of which have been furnished to me and which I have read, terminate my Slip Assignment. In the event the Board terminates my Slip assignment, and I thereafter fail to remove my boat from the Boat Slip, I hereby grant permission to the Board to tow my boat, and I release the Board and the Association from any liability incurred in connection therewith.

Signature _____ Date _____

You will be notified if your application has been approved. Upon notification, a fee of \$350.00 will be due and payable to the Association.

