

BY-LAWS
OF
THE CHRISTMAS MOUNTAIN CAMPGROUND ASSOCIATION

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(1) Undivided Interest, shall have the right to occupy and use any Campsite, and to rent any unoccupied Campsite to the general public, as set forth in Section 2.9 of the Campground Declaration.

Transfer of an Undivided Interest, whether such transfer occurs voluntarily or by operation of law, shall immediately and automatically terminate the transferor's membership in the Association. The transfer of an Undivided Interest shall be deemed to have occurred upon the recording in the Register's Office, Sauk County, Wisconsin, of the instrument transferring title from the transferor to the transferee, the filing of a true and correct copy of such instrument with the Manager, and the payment of any transfer fees required or authorized by the Campground Instruments. The transferee shall, immediately and automatically upon the occurrence of the foregoing events, become a member of the Association. If an Undivided Interest is owned by more than one (1) person, then all of the persons so owning said Undivided Interest shall be members of the Association and shall be eligible to hold office, attend meetings, and exercise all of the other rights of an Owner which are granted by the Campground Instruments. However, the vote of an Undivided Interest shall be cast only by the "voting member," as provided herein.

ARTICLE III. ASSOCIATION MEETINGS

Section 1. Annual Association Meetings. An organizational meeting shall be held within twelve (12) months of the date on which the first Warranty Deed conveying an Undivided Interest from Declarant is recorded in the Register's Office, Sauk County, Wisconsin. Thereafter, an annual Association Meeting shall be held at such date and time as the Board of Directors shall designate, commencing with the year immediately following the year in which the organizational meeting was held. At the organizational Association meeting, and at all subsequent annual meetings, the members shall elect a Board of Directors in accordance with the provisions of these By-Laws, subject to Article IV, Section 4 and shall transact such other business as may properly come before them.

Section 2. Special Association Meetings. Special Association meetings for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or the Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of members representing twenty-five percent (25%) of the total votes eligible to be voted by the members. Each such request shall state the purpose or purposes of the proposed meeting. The business transacted at all special Association meetings shall be confined to the subjects stated in the notice thereof.

Section 3. Place of Meetings. All Association meetings shall be held at the Campground, or at such other suitable place which is reasonably convenient to the members as shall be designated by the Board and stated in the notice of the meeting. Each Association meeting shall be open to all of the Owners and as provided in Section 13 of this Article III, the Manager. No other persons shall be permitted to attend Association meetings unless invited by the Board or approved by a majority of the members attending the meeting, in person or by proxy.

Section 4. Notice of Meetings. The Manager shall mail or deliver written notice of all Association meetings to each member at his address as shown in the records of the Association. Such notice shall be delivered or mailed to each member, by first class or bulk mail, postage prepaid, at least fourteen (14) but not more than sixty (60) days prior to the date of such meeting. Each such notice shall state the time, date,

BY-LAWS
OF
THE CHRISTMAS MOUNTAIN CAMPGROUND ASSOCIATION

ARTICLE I. INTRODUCTION

Christmas Mountain Campground Association (hereinafter referred to as the "Association") is a Wisconsin not for profit Association, organized and existing under the laws of the State of Wisconsin for the purpose of administering the Campground Property created by the Declaration of Covenants, Conditions and Restrictions for Christmas Mountain Campground (hereinafter referred to as the "Campground Declaration").

ARTICLE II. GENERAL PROVISIONS

Section 1. Definitions. Unless expressly indicated to the contrary, the terms used herein shall have the meanings given to them in the Campground Declaration.

Section 2. Conflicts. In the event of any conflict between these By-Laws, as amended from time to time, and the Campground Declaration, the Campground Declaration shall control.

Section 3. Application. All present and future Owners or Exchange Users, Mortgagees of Record, and occupants of the Campsites located within the Campground, as well as members of their family, their guests, licensees, and invitees, and any other persons who may use the said Campground in any manner are subject to the Campground Declaration, these By-Laws, and the Rules and Regulations promulgated by the Association as the provisions of each of said instruments may be amended from time to time. The acceptance of a legal or equitable interest in an Undivided Interest, or the act of occupancy of a Campsite, or the entering into a Purchase Contract to acquire an Undivided Interest in a Campsite shall constitute an agreement that the Campground Declaration, these By-Laws, and the Rules and Regulations, as each may lawfully be amended from time to time, are accepted, ratified, and will be strictly observed.

Section 4. Membership. By recording a Warranty Deed to an Undivided Interest in the name of the Owner, each Owner of an Undivided Interest and the Declarant, so long as the Declarant is deemed to be the Owner of one (1) or more Undivided Interests, in accordance with the provisions of the Campground Declaration, becomes a member of the Association until he ceases to be an Owner. If any person or entity owns more than one (1) Undivided Interest, such person or entity shall have one (1) membership in the Association for each Undivided Interest owned. There shall be four (4) classes of membership:

(a) Wilderness Members: Wilderness Members shall have the right to occupy and use the Wilderness Campsites only.

(b) Recreational Vehicle Members: Recreational Vehicle Members shall have the right to occupy and use the Recreational Vehicle Campsites only.

(c) Park Model Members: Park Model Members shall have the right to occupy and use the Park Model Campsites only.

(d) The Declarant: The Declarant, its successors or assigns, as long as it continues to hold title to one

and place of such meeting, and shall also state whether it is an annual or a special meeting. In the case of a special Association meeting, the notice thereof shall briefly state the business to be transacted at such meeting. Upon receipt by the Manager of a written request therefor, any Mortgagee of Record shall be mailed a copy of each notice of an Association meeting. Upon notice being given in accordance with the provisions hereof, the failure of any member or Mortgagee of Record to receive actual notice of any Association meeting shall not in any way invalidate the meeting or any business transacted thereat.

Section 5. Quorum. Except as otherwise provided in the Campground Instruments, the presence in person or by proxy of Owners representing twenty percent (20%) of the total votes eligible to be voted by all of the Owners shall constitute a quorum at all meetings of the Association.

Section 6. Voting.

(a) Each Owner (including Declarant as to all Undivided Interests of which it is deemed the Owner, in accordance with the provisions of the Campground Declaration) shall be entitled to one (1) vote for each Undivided Interest for which a Warranty Deed has been recorded in the Register's Office, Sauk County, Wisconsin by the date of notice announcing a meeting at which a vote of Undivided Interests is taken.

(b) The votes of Owners, present either in person or by proxy at any duly called Association meeting at which a quorum has been established, casting a majority of the total votes eligible to be voted by such Owners shall decide any question under consideration, and shall constitute the act of and be binding upon the Association, except as otherwise provided by statute, by the Campground Declaration, or by these By-Laws.

Section 7. Designation of Voting Member. If an Undivided Interest is owned by more than one (1) person, then one (1) person only shall be entitled to cast the vote for such Undivided Interest. Such person shall be designated in a Certificate, to be signed by each of the record Owners of such Undivided Interest, and filed with the Manager (or the Secretary of the Association during any period of time in which the Association is temporarily without a Manager). If an Undivided Interest is owned by a corporation, the Officer or employee thereof entitled to cast the vote of the Undivided Interest for the corporation shall be designated in a Certificate which is signed by the President or Vice-President of said corporation and filed with the Manager (or the Secretary of the Association during any period of time in which the Association is temporarily without a Manager). The person so designated in such Certificate who is entitled to cast the vote for an Undivided Interest shall be known as the "voting member." Such Certificate shall be valid until revoked or until superseded by a subsequent Certificate, or until a transfer of such Undivided Interest, whichever occurs earlier. If such a Certificate is not on file for a particular Undivided Interest which is owned by more than one (1) person or entity, or a combination thereof, the following three (3) provisions shall be applicable:

(a) Such persons or entities may, but shall not be required to, designate a voting member.

(b) If such persons or entities do not designate a voting member, and if more than one (1) of the co-Owners of such Undivided Interest are present at a meeting, then any one (1) of them may cast the vote for their Undivided Interest; provided, however, that no vote for the Undivided Interest may be cast if any of the other co-Owners of such Undivided Interest object to the casting of such vote.

(c) If the co-Owners of an Undivided Interest do not designate a voting member, and only one (1) such co-Owner is present at an Association meeting (either in person or by proxy), the person present may cast the Undivided Interest's vote as though he owned the Undivided Interest individually, and without establishing the concurrence of the absent co-Owners of such Undivided Interest.

Section 8. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and signed and dated by the person entitled to vote (as set forth in Section 7 above). If an Undivided Interest is owned by more than one (1) person or entity, or a combination thereof, and if such co-Owners have not designated one (1) of them as the voting member, a proxy which designates a third person to cast their vote must be signed by each co-Owner.

Section 9. Waiver and Consent. Whenever the vote of members at an Association meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with, and the matters in question may be voted upon by mail-in ballot if members representing a majority of the total votes eligible to be voted by the members consent in writing to dispense with the meeting and to vote upon the matters in question by mail-in ballot. Mail-in ballots may accompany the requisite consent forms sent to members, and may be completed and returned simultaneously therewith; however, written notice of such action shall be given to all members, unless all members approve of such action.

Section 10. Order of Business. The order of business at all annual Association meetings shall be as follows:

- (a) Proof of notice of meeting;
- (b) Reading of minutes of preceding annual meeting;
- (c) Reports of Officers;
- (d) Reports of committees, if any;
- (e) Nomination of candidates for election to the Board of Directors;
- (f) Appointment of election inspectors;
- (g) Election of Directors;
- (h) Unfinished business; and
- (i) New business.

Section 11. Adjournment. Any Association meeting, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of members casting a majority of the total votes represented at said meeting, in person or by proxy. In the absence of a quorum, no other business may be transacted at any Association meeting. It shall not be necessary to give any notice of any adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment occurs.

Section 12. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the Campground Declaration, these By-Laws, the decisions of the President, or the rulings of the Board of Directors.

Section 13. The Manager. Each Manager, as long as its management agreement with the Association remains in effect, shall be entitled to notice of all Association meetings, shall be entitled to attend the Association's meetings, and may designate such persons as it desires to attend such meetings on its behalf.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of a minimum of three (3) and a maximum of seven (7) persons, each of whom, with the exception of the Directors appointed by Declarant, pursuant to Section 4 below, shall be a member of the Association or the spouse of a member; provided, however, that in no event shall a member and his or her spouse both serve on the Board of Directors concurrently.

Section 2. First Board of Directors. The first Board of Directors of the Association who shall hold office and serve until their successors have been elected and qualified, shall consist of the following persons:

Kenn R. Keim
Donna Sage
LuAnne Keim

Section 3. Declarant Control. Notwithstanding any provision herein to the contrary, the Declarant may appoint and remove the Directors and Officers of the Association or exercise the powers and responsibilities otherwise assigned by the Declaration or this chapter to the Association or its Officers. A Declaration may not authorize any Declarant control of the Association for a period exceeding the earlier of:

(a) thirty (30) days after the conveyance of ninety percent (90%) of the Undivided Interests to purchasers; or

(b) the surrender by Declarant of the authority to appoint and remove Directors of the Association and Officers of the Association by notice in writing by Declarant to the Board of Directors to this effect.

Section 4. Election of Directors.

(a) Prior to the conveyance of ninety percent (90%) of the Undivided Interests to purchasers, the Declarant shall have the right to appoint or remove any Director or Directors of the Association or any Officer or Officers of the Association.

(b) Elections after expiration of Declarant control shall occur not later than forty-five (45) days after the expiration of any period of Declarant control. The Association shall hold a special Association meeting and the Owners shall elect an executive board of at least three (3) Directors and Officers of the Association. The Directors and Officers shall take office upon election.

(c) Notwithstanding the foregoing, Declarant shall be entitled to elect at least one (1) Director for as long as Declarant holds for sale, in the ordinary course of its business, Undivided Interests representing ten percent (10%) of the aggregate undivided ownership interest of the Campground submitted to the Declaration.

Section 5. Term of Office. Except for those Directors appointed by the Declarant, each Director shall serve for a term of one (1) year or until the election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal. Any such Director appointed by Declarant shall serve until such time as Declarant appoints a replacement Director or until his successor has been qualified and duly elected by the members of the Association, pursuant to the provisions hereof.

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Section 6. Removal of Directors. At any annual Association meeting, or at any special Association meeting duly called for such purpose, any one or more of the Directors, other than those Directors appointed by Declarant, may be removed, with or without cause, by the affirmative vote of members casting a majority of the total votes represented at said meeting, in person or by proxy, and a successor shall then and there be elected for the remainder of the term to fill the vacancy thus created. Should the membership fail to elect such a successor, the Board of Directors shall fill the vacancy in the manner provided in Section 8 below. Said special meeting to recall a member or members of the Board of Directors may be called by ten percent (10%) of the Owners giving notice of the meeting as required for a meeting of Owners, and the notice shall state the purpose of the meeting. Any Director whose removal has been proposed by the members shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to attend and be heard at the meeting at which his removal is voted upon.

Section 7. Disqualification and Resignation of Directors. Any Director may resign at any time by sending written notice of his resignation to the Secretary. Such resignation shall take effect upon receipt thereof by the Secretary. Except for those Directors appointed by Declarant, any Director who ceases to be an Owner shall automatically be deemed to have resigned. Any Director who is more than thirty (30) days delinquent in the payment of any assessment or other amount owed to the Association shall be deemed to have resigned from the Board of Directors, effective upon the Board's receipt of notification of such delinquency from the Secretary.

Section 8. Vacancies. If the office of any Director becomes vacant by reason of his death, incapacity, resignation, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors to fill such vacancy. The election held for the purpose of filling such vacancy may be held at any annual or special meeting of the Board of Directors.

Section 9. Organizational Board Meetings. The organizational meeting of each newly constituted Board of Directors shall be held immediately following each annual Association meeting. No notice of the organizational Board meeting shall be required.

Section 10. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such time, date, and place as the Board of Directors may designate; provided, however, that at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least five (5) days prior to the scheduled meeting date.

Section 11. Special Board Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice-President, or by a majority of the Directors, by giving at least five (5) days' written notice to each Director. Notices of special Board meetings shall state the time, date, place, and purpose of the special Board meeting to which they pertain.

Section 12. Meetings by Telephone Conference. Both regular and special Board meetings may be conducted by telephone conference. To the extent permitted by law, any Director who is not physically in attendance at any regular or special meeting of the Board of Directors, but who is in telephone contact with the other Directors during such meeting and is thereby able to participate in the discussions, reports, debates, votes, and other matters conducted thereat, shall be deemed to be in attendance at said

meeting for all purposes, including but not limited to the purpose of creating a quorum.

Section 13. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all of the Directors consent in writing to the action taken or to be taken at any time prior or subsequent to the intended effective date of such action.

Section 14. Waiver of Notice. Any Director may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed to be the equivalent of that Director having actually been given notice of such meeting. Attendance by a Director at any meeting of the Board, either physically or by telephone, shall constitute a waiver by him of notice of the time, date, and place thereof, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the Directors are present at any meeting of the Board, no notice thereof shall be required, and any business which could properly come before the Board of Directors may be transacted at such meeting.

Section 15. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at a Board meeting at which a quorum has been established shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors a quorum is not established, a majority of those Directors present may adjourn the meeting, one or more times, to a subsequent time, date, and place. At any such adjourned meeting of the Board at which a quorum has been established, any business which might have been transacted at the meeting prior to its adjournment may be transacted without further notice.

Section 16. Attendance by Manager. Each Manager, as long as its management agreement with the Association remains in effect, shall be entitled to notice of all Directors' meetings, shall be entitled to attend the Directors' meetings, and may designate such persons as it desires to attend such meetings on its behalf.

Section 17. Compensation. No Director shall receive any compensation from the Association for acting as such, and no Director shall be reimbursed for any costs incurred for travel, meals, accommodations, or related expenses incurred in order to attend meetings of the Board of Directors, unless such compensation is approved by the affirmative vote of members casting a majority of the total votes eligible to be voted by all of the members of the Association.

Section 18. Fidelity Bonds. The Treasurer and all Officers who are authorized to sign checks, and all Officers and employees of the Association, and any contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Manager, under the terms of the management agreement, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 19. Liability and Indemnification. No Director, Officer, employee, or agent of the Association, and no heir, executor, or administrator of any such person, shall be liable to the Association for any loss or damage suffered by it on

account of any action or omission by him as a Director, Officer, employee, or agent if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, unless with respect to an action or suit by or in the right of the Association to procure a judgment in its favor such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association.

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

The Association shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor because he is or was a Director, Officer, employee, or agent of the Association against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

To the extent that a Director, Officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Section, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under this Section (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee, or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in this Section. Such determination may be made (1) by the Board upon a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding; or (2) by independent legal counsel in a written opinion to the Association, if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in a particular case, upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those indemnified may be entitled, shall continue as to a person who has ceased to be a Director, Officer, employee, or agent, and shall inure to the benefit of the heirs, executors, administrators, and personal representatives of such person.

The Association shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association against any liability asserted against or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section. Any such insurance shall be procured from such insurance company as is designated by the Board, and the premiums therefor shall constitute a Common Expense.

Section 20. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the maintenance, repair, replacement, restoration, improvement, and operation of the Campground, and for the operation and administration of the Association, and may do all such acts and things except as by law, by the Campground Declaration, or by these By-Laws may not be delegated to the Board of Directors by the members. The powers and duties of the Board of Directors shall be subject to approval by the members only when such approval is specifically required by law or by the Campground Instruments. Such powers and duties shall include, but shall not be limited to, the following:

(a) To exercise all of the powers specifically set forth in the Campground Declaration and in these By-Laws, and to exercise all powers incidental thereto;

(b) To repair, maintain, replace, or restore all of the improvements and landscaping within the Campground and the Park Models owned by the Association; to establish reserves for anticipated costs, including but not limited to the costs of acquisition and replacement of the Park Models; to acquire and pay for equipment, materials, supplies, labor, or services which the Board deems necessary or proper for the maintenance and repair of the Campsites and Park Models;

(c) To levy, collect, and enforce assessments against the Owners in the manner provided in the Campground Declaration in order to pay all the costs of the Campground operation, and to do all things necessary to enforce each Owner's obligations under the Campground Instruments;

(d) To employ, dismiss, and control the personnel necessary for the maintenance and operation of the Campground, including the right and power to employ legal counsel, accountants, contractors, and other professionals, as needed;

(e) To delegate all or a portion of the responsibilities of the Board for the physical and fiscal management of the Campground and the Association, respectively, to one (1) or more agents, including without limitation, the Manager;

(f) To adopt, publish, and enforce, from time to time, Rules and Regulations pertaining to the possession, use, and enjoyment of the Campsites, and Park Models, which Rules and Regulations shall be consistent with the provisions of the Campground Declaration and these By-Laws;

(g) To open bank accounts on behalf of the Association and its members, and to designate the signatures required therefor;

(h) To procure insurance, pursuant to the provisions of the Campground Declaration and these By-Laws;

(i) To procure whatever legal, accounting, or other professional services as are necessary or proper for the operation of the Campground and/or for the enforcement of the Campground Instruments;

(j) To pay the amount necessary to discharge any lien or encumbrance against an Undivided Interest, if deemed appropriate by the Board, in its sole discretion; provided, that if the Board determines that one (1) or more Owners are responsible for such lien or encumbrance, such Owner shall be jointly and severally liable to the Association for any cost incurred by the Association in discharging it, and for any other cost incurred by the Association by reason of such lien or encumbrance;

(k) To appoint such committees as the Board may deem appropriate, which, to the extent provided in the resolution appointing such committees, shall have the powers of the Board of Directors in the affairs and business of the Association. The committees shall keep regular minutes of their proceedings and shall report their findings and recommendations to the Board of Directors, as appropriate;

(l) To enter into and terminate Agreements with organizations allowing Owners to exchange the use of their Undivided Interests with owners, lessees, or certificate holders of interests at other campgrounds; and/or to otherwise provide for the trading by Owners of Undivided Interests with other Owners within the Campground and/or with owners, lessees, or certificate holders of interests at other campgrounds; and

(m) To perform all other acts deemed by the Board to be necessary, desirable, or appropriate in order to ensure the proper maintenance, repair, replacement, restoration, and operation of the Campground and the Park Models, and to ensure the proper operation and administration of the Association.

ARTICLE V. OFFICERS

Section 1. Designation. The Officers of the Association shall be the President, Vice President, Secretary, and Treasurer (the last two Officers may be combined), all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an Assistant Treasurer, an Assistant Secretary, and such other Officers as in its judgment may be necessary or appropriate.

One person may hold up to two (2) of the aforementioned positions, except that one person may not be both the President and the Secretary or President and Vice President. The President, the Secretary, and the Treasurer shall all be Directors.

Section 2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each newly constituted Board of Directors.

Section 3. Term and Removal of Officers. Each Officer of the Association shall hold office until his successor is elected, except that each Officer's position shall immediately become vacant when and if he ceases to be an Owner or, in the case of the President, Secretary, and Treasurer, if he ceases to be a Director, whether by resignation, removal, death, incapacity, ineligibility, or otherwise. Any Officer may be removed at any Board meeting, with or without cause, by the Board of Directors; provided, however, that no Officer shall be removed except by the affirmative vote for removal of a majority of the Directors. Any Officer whose removal has been proposed shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to attend and be heard at the Board meeting at which his removal is voted upon. If the office of any Officer becomes vacant for any reason, the vacancy shall promptly be filled through the election of a successor by the Board of Directors.

Section 4. Declarant Control. Notwithstanding any provision herein to the contrary, the Declarant may appoint and remove the Officers of the Association during the period of Declarant Control as set forth in Article IV, Section 3 herein.

Section 5. President. The President shall be the chief executive Officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall perform all of the duties incident to his office which may be delegated to him from time to time by the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of an Association organized under the laws of the State of Wisconsin.

Section 6. Vice-President. The Vice-President shall assume the powers and duties of the President whenever the President is absent from any meeting of the Association or the Board of Directors or is unable to act in his capacity as President. If neither the President nor the Vice-President is able to act, a majority of the remaining Directors shall appoint some other Officer 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 delegated to him by the Board of Directors or by the President.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Association and the Board of Directors, and shall perform all of the duties incident to the office of the Secretary of an Association organized under the laws of the State of Wisconsin. In addition, the Secretary shall issue notices of all meetings of the Association and the Board of Directors, have charge of the Association's books and records, and receive and incorporate into the records of the Association all notices, including notices from Owners designating voting members and providing changes of address, and also including requests from Mortgagees of Record for copies of notices from the Association to their respective mortgagors. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. Treasurer. The Treasurer shall perform all of the duties incident to the office of Treasurer of an Association organized under the laws of the State of Wisconsin, including the following:

- (a) He shall have custody of the Association's funds and securities, except the funds payable to any Manager,

and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by a management firm employed by the Association, and said management firm shall fulfill the duties of the Treasurer, and shall have custody of such books of the Association as it determines in its sole discretion and the foregoing shall include any books required to be kept by the Secretary of the Association.

Section 9. Execution of Instruments. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two (2) Officers, or by such other person or persons, including the Manager, as may be designated by the Board of Directors.

Section 10. Compensation of Officers. No Officer shall receive any compensation from the Association for acting in his capacity as an Officer unless such compensation is approved by the affirmative vote of members casting a majority of the total votes eligible to be voted by all of the members of the Association.

ARTICLE VI. MANAGER

Section 1. Management Agreement. The Board, on behalf of the Association, shall at all times employ a responsible managing agent as the Manager, and shall, following the expiration of the initial management agreement, enter into subsequent management agreements with reasonable terms and renewal periods, and subject to non-renewal by the Board or the Manager.

Section 2. Compensation. The compensation of the Manager shall be determined by the Board and set forth in each management agreement.

Section 3. Powers and Duties. The Manager shall have all such powers and duties as are delegated to or imposed upon it by the Board, from time to time, as set forth in the management agreement. Such powers and duties shall at all times include, but shall not necessarily be limited to the following:

(a) To be responsible for the immediate management and operation of the Campground and the affairs of the Association, subject to the direction of the Board;

(b) To regularly clean, maintain, repair, replace, and restore the Campground and Park Models, as needed and/or as directed to do so by the Board;

(c) To employ, dismiss, and control such personnel as it deems necessary for the maintenance and operation of the Campground and the Association, including attorneys, accountants, contractors, and other professionals, as needed;

(d) To enter into contracts (and subcontracts), in the name and on behalf of the Association, for the furnishing of such services as it deems necessary and appropriate for the proper execution of its duties;

(e) To prepare and submit a proposed budget and schedule of Assessments to the Board for its review and approval, at least thirty (30) days prior to the end of each fiscal year;

(f) To arrange for and submit an annual financial statement and balance sheet of the Association to the Board of Directors within sixty (60) days after the close of each fiscal year;

(g) To assess and collect from the Owners all Assessments, taxes, and any other amounts due and owing the Association or a third party pursuant to the provisions of any applicable law or the Campground Instruments;

(h) To pay all of the Association's bills, to the extent of available Association funds;

(i) To procure and maintain in effect insurance on behalf of the Association, as required by the Campground Declaration and these By-Laws;

(j) To assure that a copy of the then-current Rules and Regulations is kept in an easily accessible area for all Owners and/or is furnished to the persons occupying each Campsite at check-in or otherwise, upon request, as directed by the Board, and to assure that the provisions of the Campground Instruments are observed and enforced;

(k) To maintain at the Campground all books and records of the Association, including but not limited to detailed and accurate records of the Association's receipts and disbursements, minutes of meetings, correspondence, amendments to the Campground Declaration, the By-Laws, and the Rules and Regulations, and a list of the names and current mailing addresses of Association members and Mortgagees of Record. Any member shall have the right to demand and receive from the Manager a complete list of the names and addresses of all of the members of the Association, upon reasonable notice and the payment of a reasonable fee to the Manager for reproduction costs;

(l) To establish and maintain federally insured deposits of the Association's funds in a manner so as to indicate the custodial nature thereof;

(m) To procure all necessary supplies, equipment, and services on the Association's behalf;

(n) To conduct an inspection of each Campsite and Park Model at the end of each Owner or Exchange User's stay; and

(o) To organize and attend all Association and Board meetings.

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Section 4. Change in Scope of Duties. The Board of Directors may, in its discretion, from time to time, grant additional powers to and/or impose additional duties upon the Manager, or limit any powers previously granted to the Manager, but only to the extent that such powers and duties are not expressly granted to or imposed upon the Manager by law or by the Campground Instruments.

Section 5. Delinquent Account Statements. Upon receipt of a written request therefor, the Manager shall mail to a Mortgagee of Record, during any month in which its mortgagor is delinquent in any payments owed to the Association, a statement showing the status of the mortgagor's account.

ARTICLE VII. FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in a federally insured institution determined by the Board, in a manner to indicate the custodial nature thereof, and shall be withdrawn only upon checks and demands for money signed by such Officer or Officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) Officers of the Association; provided, however, that the provisions of any management agreement between the Association and a Manager relative to the subject matter in this Section shall supersede the provisions hereof.

Section 2. Fiscal Year. The Association shall operate on a fiscal year which begins on the first day of July of each year; provided, however, that the Board of Directors may, in its sole discretion, change to a different fiscal year in the event that the Board of Directors deems it advisable to do so.

Section 3. Determination of Assessments.

(a) The Board of Directors shall fix and determine from time to time, the sum or sums necessary and adequate for the Common Expenses of the Campground (the "Basic Maintenance Fee"). Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Campground Property, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as Common Expenses from time to time by the Board of Directors, or under the provisions of the Campground Declaration. The Board of Directors is specifically empowered, on behalf of the Association, to levy and collect assessments, and to lease, maintain, repair and replace the Campground Property. Funds for the payment of Common Expenses shall be assessed against the Owners in the proportions or percentages of sharing Common Expenses as provided in the Campground Declaration.

(b) In addition to the above, the Board shall fix and determine an Assessment attributable to any additional cost of operating and maintaining the Recreational Vehicle Campsites and/or the Park Model Campsites. Any such additional Assessment shall be charged to Recreational Vehicle Members and Park Model Members, respectively, as those terms are defined in the Campground Declaration, in addition to the Basic Maintenance Fee.

(c) Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as herein provided for regular assessments, and shall be payable in the manner determined by the Board of Directors.

(d) In addition to and separate from the above, Park Model Members will be required to pay a Daily Use Fee for each day, or portion thereof, on which a Park Model is used. The amount of the Park Model Daily Use Fee will be determined by the Board of Directors of the Association. The Association shall segregate all funds received from the Park Model Daily Use Fee into a special Park Model fund which shall be used exclusively for the maintenance, repair, restoration and replacement of the Park Models owned by the Association, as described in the Campground Declaration.

(e) In the event a budget is adopted by the Board of Directors which requires assessment against the Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of such assessments for the preceding year, upon written application of ten percent (10%) of the Owners, a special meeting of the Owners shall be held upon no less than ten (10) days written notice to each Owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, unless these By-Laws shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Owners. If no replacement budget is so enacted, the budget previously approved and adopted by the Board shall remain in effect until revised or superseded.

(f) Notwithstanding the foregoing, the Board of Directors may propose a budget to the Owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the Owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be re-examined by the Owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this Section; provided, however, that so long as the Declarant is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the Owners.

(g) In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in the prior year, there shall be excluded in the computation, any provision for reasonable reserves as set forth in the Campground Declaration or for Common Expenses which are not anticipated to be incurred on a regular or annual basis.

Section 4. Payment and Collection of Assessments. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association or Manager shall mail or present to each Owner a statement of said Owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him. Annual Assessments shall be due and payable annually on the first day of July unless otherwise determined by the Board. Assessments shall be paid by the members and collected by the Manager, on behalf of the Association, in the manner and according to the terms and provisions set forth in the Campground Declaration.

Section 5. Application of Payments and Commingling of Funds. All sums collected by the Association, from Assessments or otherwise, may be commingled in a single fund or divided

into more than one fund, as determined by the Board of Directors. All Assessments paid by an Owner shall be applied to interest, delinquencies, costs, attorneys' fees, and other charges, expenses, and advances in such manner and amounts as the Manager determines to be appropriate, unless otherwise directed by the Board and except as otherwise provided in the Campground Instruments. All Owners, Mortgagees of Record, and the authorized agents thereof, shall be entitled to inspect the Association's records of its receipts and disbursements at the office of the Manager, during normal business hours, and upon ten (10) day's notice to the Manager or the Board of Directors, any Owner shall be furnished with a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner. The Manager shall be responsible, as the agent of each Owner, for paying the Common Expenses of the Campground, subject to the supervision and direction of the Board. Neither the Board nor the Manager shall be individually liable for the payment of any of the Common Expenses; rather, they shall merely serve to direct and authorize the payment of the Common Expenses on behalf of the Owners.

Section 6. A statement of the accounts of the Association shall be prepared each year by such independent accounting firm as the Board selects, in its sole discretion, in accordance with generally accepted accounting standards. A copy of said report shall be forwarded to the Officers of the Association, and shall be available, no later than three (3) months after the end of the fiscal year for which the report is made, to the members of the Association for inspection in the office of the Manager.

Section 7. Application of Surplus. Any payments or receipts to the Association, whether from Owners or otherwise, paid during the year in excess of the operating expenses and other Common Expenses of the Association shall be kept by the Association and applied against the Association's expenses for the following year.

ARTICLE VIII. AMENDMENTS TO THE BY-LAWS

The provisions of these By-Laws may be altered, amended or added to at any duly called meeting of the Owners, provided:

- (a) Notice of the meeting shall contain a statement of the proposed Amendment;
- (b) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the members of the Association;
- (c) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4ths) of the total votes of the members of the Association;
- (d) Said Amendment shall be recorded in the Register's Office, Sauk County, Wisconsin;
- (e) Notwithstanding the foregoing, the By-Laws may only be amended with the written approval when required of the parties specified in the Campground Declaration; and
- (f) Notwithstanding any provision to the contrary contained herein, Declarant reserves the right to amend these By-Laws by recording an instrument in the Register's Office, Sauk County, Wisconsin, setting forth the amendment

in full, to accomplish any of the purposes stated in Section 17.3 of the Campground Declaration, subject to the limitations and restrictions contained therein.

ARTICLE IX. RULES AND REGULATIONS

Section 1. Adoption. The Board of Directors shall have the right to establish and amend, from time to time, such uniform Rules and Regulations as the Board may deem necessary and appropriate for the management, preservation, safety, control, and orderly operation of the Campground and the Park Models and for the benefit of all of the Owners. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Campground Declaration and these By-Laws, impose reasonable restrictions upon the use and occupancy of any portion of the Campground as the Board, in its sole discretion, deems necessary or appropriate.

Section 2. Compliance with Rules and Regulations. Each Owner and Exchange User shall obey the Rules and Regulations, as the same may lawfully be amended from time to time, and shall ensure that the same are faithfully observed by the members of his family, his guests, invitees, and licensees. Each person who comes within the Campground shall be subject to the Rules and Regulations for the duration of his presence therein. A copy of the Rules and Regulations, as amended from time to time, shall be made available to Owners upon request.

Section 3. Conflict. In the event of any conflict between the Rules and Regulations, as amended from time to time, and the Campground Declaration or these By-Laws, the latter instruments shall control.

ARTICLE X. COMPLIANCE AND DEFAULT

In the event of a violation (other than the nonpayment of an assessment) by the Owner of any of the provisions of the Campground Declaration or these By-Laws, the Association, by direction of its Board of Directors, may notify the Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from date of notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Campground Declaration, or the By-Laws, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other Owners; or

(b) An action in equity to enforce performance on the part of the Owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief; or

(d) Any remedy provided in the Campground Declaration.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Owner as a specific item, which shall be a lien against said Undivided Interest with the same force and effect as if the charge were a part of the Common Expenses.

ARTICLE XI. MISCELLANEOUS PROVISIONS

Section 1. Notices. Each Owner shall register his mailing address with the Manager upon becoming an Owner, and shall promptly notify the Manager of any subsequent changes of address. Any notices required by the Campground Instruments to be given to the Association or the Board of Directors shall be sent by registered or certified mail to the Manager, to the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all of the Owners. All notices required by the Campground Instruments to be given to any Owner shall be sent by first class or bulk mail, postage prepaid, to such Owner's most recent address as shown in the records of the Association. All notices required by the Campground Instruments to be given to Mortgagees of Record shall be sent to their respective addresses, as designed by them from time to time, in writing, to the Manager. All notices shall be deemed to have been given when mailed, postage prepaid, except notices of changes of address, which shall be deemed to have been given when received.

Section 2. Liability Survives Transfer of Undivided Interest. The transfer of an Undivided Interest shall not relieve or release the former Owner from any liabilities or obligations incurred in connection with the Campground during the period of his ownership, or impair any rights or remedies which the Association may have against such former Owner arising out of or in any way connected with such ownership and the covenants and obligations incident thereto.

Section 3. Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair parts of the Campground Property, the Association shall not be liable for injury, death or damage caused or contributed to by a latent condition in the property nor for injury or damage caused by the elements or by other Owners or persons.

Section 4. Severability. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

Section 5. Captions. The captions used in these By-Laws are inserted solely 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 of the provisions hereof.

Section 6. Number and Gender. Whenever the context so requires, the use of any gender in these By-Laws shall be deemed to include both genders, and the use of the singular shall be deemed to include the plural, and the plural shall include the singular.

Section 7. Waiver. No restriction, condition, obligation, or provision 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 8. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate the purpose of ensuring that the Campground shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner.