

**Christmas
Mountain Village
Property Owners Association, Inc.**

BY-LAWS
OF
THE CHRISTMAS MOUNTAIN PROPERTY OWNERS' ASSOCIATION, INC.

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BY-LAWS

OF

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BY-LAWS

OF

THE CHRISTMAS MOUNTAIN PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I. INTRODUCTION

Christmas Mountain Property Owners' Association, Inc., (hereinafter referred to as the "Association") is a Wisconsin not for profit corporation, organized and existing under the laws of the State of Wisconsin for the purpose of preserving and enhancing the use of the Christmas Mountain Village resort development ("Development") located in Sauk County, Wisconsin as more particularly described in the Declaration of Covenants, Conditions and Restrictions for Christmas Mountain Village (hereinafter referred to as the "POA 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 POA Declaration.

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

Section 3. Application. All present and future Owners or Exchange Users, Mortgagees of Record, and occupants of the Development, as well as members of their family, their guests, licensees, and invitees, and any other persons who may use said Development in any manner are subject to the POA Declaration, these By-Laws, and the Rules and Regulations, as the provisions of each of said instruments may be amended from time to time. The acceptance of a legal or equitable interest in the Development property, or the act of occupancy of property within the Development or the entering into a purchase contract to acquire an Interest in the Development property shall constitute an agreement that the POA 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 Interest in the Development in the name of the Owner, each Owner of an Interest in the Development and the Declarant, so long as the Declarant is deemed to be the Owner of one (1) or more Interests in the Development, becomes a member of the Association until he ceases to be an Owner. If any person or entity owns more than one (1) Interest in the Development, such person or entity shall have one (1) membership in the Association for each such Interest in the Development owned.

Transfer of an Interest in the Development, whether such transfer occurs voluntarily or by operation of law, shall immediately and automatically terminate the transferor's membership in the Association. There shall be no other basis for the termination of membership. The transfer of an Interest in the Development 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 Secretary of the Association, and the payment of any transfer fees required or authorized by the Association Instruments. The transferee shall, immediately and automatically upon the occurrence of the foregoing events, become a member of the Association. If an Interest in the Development is owned by more than one (1) person, then all of the persons so owning said Interest in the Development shall be members of the Association and shall be eligible to hold office, attend meetings, and exercise all of

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the other rights of an Owner which are granted by the Association Instruments.

ARTICLE III. ASSOCIATION MEETINGS

Section 1. Annual Association Meetings. An organizational meeting shall be held within twelve (12) months of the date on which these By-Laws are executed. 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.

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 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 Development, 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 10 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, 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 Association Instruments, the presence in person of seventy-five percent (75%) of the Delegates shall constitute a quorum.

Section 6. Voting. Subject to rights retained by the Declarant herein, voting rights of the members of the Association shall be vested exclusively in delegates ("Delegates"). Each Existing Association shall have one (1) Delegate who shall be an executive officer of such Existing Association, appointed by the Board of Directors for each Existing Association.

Prior to the expiration of Declarant control, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners shall have no voting rights. From and after the expiration of Declarant control, all of the voting rights at any meeting of the Association shall be vested in the Delegates and each Delegate shall have one vote. Voting shall be in person only and not by proxy.

one vote. Voting shall be in person only and not by proxy.

Section 7. Waiver and Consent. Whenever the vote of Delegates 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 Delegates may be dispensed with, and the matters in question may be voted upon by mail-in ballot if seventy-five percent (75%) of the Delegates 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 Delegates, and may be completed and returned simultaneously therewith; however, written notice of such action shall be given to all Delegates, unless all Delegates approve of such action.

Section 8. Adjournment. Any Association meeting, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of a majority of the Delegates at said meeting. 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 9. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the POA Declaration, these By-Laws, the decisions of the President, or the rulings of the Board of Directors.

Section 10. 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 be named in the Articles of Incorporation.

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 POA Declaration or these By-Laws to the Association or its Officers until the earlier of:

(a) thirty (30) days after the conveyance of ninety percent (90%) of the Interests in the Development 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) The initial Board of Directors shall be named in the Articles of Incorporation.

(b) Prior to the conveyance of ninety percent (90%) of the Interests in the Development 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.

(c) 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 Directors of each Existing Association shall elect one (1) Director to the Board of Directors. Such election shall be held immediately following the annual Association meeting. In addition, the owner or owners of the Resort Recreational Facilities shall elect one (1) Director to the Board. The Directors shall take office upon election.

(d) 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, Interests in the Development representing ten percent (10%) of the aggregate interests in the Development:

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.

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 Delegates casting a majority of the total votes, and a successor shall be elected as provided in Section 4 herein within thirty (30) days of such meeting for the remainder of the term to fill the vacancy thus created. 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 until such time as the Board of Directors of the Existing Association which elected the Director whose office becomes vacant can elect a new Director. 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 the election of the newly constituted Board. 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, if 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 operation and administration of the Association, and may do all such acts and things except as by law, by the POA 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 Association 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 POA Declaration and in these By-Laws, and to exercise all powers incidental thereto;

(b) To levy, collect, and enforce assessments against the Owners in the manner provided in the POA Declaration and to do all things necessary to enforce each Owner's obligations under the Development Instruments;

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

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

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

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

(g) 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; and

(h) 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 a corporation 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 a corporation 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 a corporation 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, 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. 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 Association. Common Expenses shall include costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, and any other expenses designated as Common Expenses from time to time by the Board of Directors, or under the provisions of the POA Declaration. 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 POA Declaration.

(b) In addition to the above, the Board shall fix and determine an Assessment attributable to the members' use of the Resort Recreational Facilities. Such assessment shall be determined as set forth in the POA Declaration.

(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 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 submit the issue to arbitration as provided in the POA Declaration.

Section 4. Payment and Collection of Assessments. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Existing Association a statement of each member'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 and collected by the Existing Association, on behalf of the Association, in the manner and according to the terms and provisions set forth in the POA 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 Existing Association shall be applied to interest, delinquencies, costs, attorneys' fees, and other charges, expenses, and advances in such manner and amounts as the Treasurer determines to be appropriate, unless otherwise directed by the Board and except as otherwise provided in the Association 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 Association, during normal business hours. The Treasurer shall be responsible, as the agent of each Owner, for paying the Common Expenses, subject to the supervision and direction of the Board. Neither the Board nor the Treasurer 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. Statement of Accounts. 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 auditing standards. A copy of said statement 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 Treasurer.

Section 7. Application of Surplus. Any payments or receipts to the Association, whether from Existing Associations 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 VII. 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 a majority of the Delegates;

(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 less than seventy-five percent (75%) of the Delegates;

(d) Notwithstanding the foregoing, the By-Laws may only be amended with the written approval when required of the parties specified in the POA Declaration; and

(e) Notwithstanding any provision to the contrary contained herein, Declarant reserves the right to amend these By-Laws to accomplish any of the purposes stated in Section 14.3 of the POA Declaration, subject to the limitations and restrictions contained therein.

ARTICLE VIII. 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 POA 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 POA 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 POA Declaration.

ARTICLE IX. MISCELLANEOUS PROVISIONS

Section 1. Notices. Each Owner shall register his mailing address with the applicable Existing Association upon becoming an Owner, and shall promptly notify the Secretary of the Existing Association of any subsequent changes of address. Any notices required by the Association Instruments to be given to the Association or the Board of Directors shall be sent by registered or certified mail to the Secretary, 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 Association 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 Association 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 Secretary. 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 Interest in the Development. The transfer of an Interest in the Development shall not relieve or release the former Owner from any liabilities or obligations incurred in connection with the Association 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. 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 4. 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 5. 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 6. 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 7. 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.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 10th day of January, 1985.

BOARD OF DIRECTORS

James Dyer Kim R. Kim

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary of the Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of the Association as the By-Laws of said Association on the 10th day of January, 1985, and that they do now constitute the By-Laws of the Association.

ATTEST:

Lubna Heim
Secretary