

DECLARATION OF RESTRICTIONS

WHEREAS, the undersigned are all of the owners of all of the land described on Exhibit "A" which is attached hereto and made part hereof; and

WHEREAS, the undersigned have requested the CITY OF MUSKEGO, hereinafter referred to as "CITY", to rezone all of said land to create an OPD (Overlay Planned Development) on the underlying basic districts of R-2, R-3, A, RSM and B-4; and

WHEREAS, the CITY has approved the concept of such a change; and

WHEREAS, the undersigned now wishes to develop said property in phases; and

WHEREAS, the undersigned wishes the zoning of the phase it now wishes to develop be amended to R-2/OPD; and

WHEREAS, the proposed phase does not in itself support the zoning change requested, but the property described on Exhibit "A" taken as a whole does support such a change if developed in accord with the concept which has been approved; and

WHEREAS, the undersigned wishes the CITY to enact the R-2/OPD zoning for the phase now to be developed and is willing to restrict the use of the remaining land to allow the same.

NOW, THEREFORE, BE IT RESOLVED, for valuable consideration acknowledged by the undersigned, the following:

1. All of the land described on Exhibit "A" is now restricted to be used as land subject to an OPD overlay on the underlying basic districts of R-2, R-3, A, RSM, and B-4 zoning, subject to the use of land being made in the prior phase or phases and further subject to all necessary future CITY approvals; and
2. No development of the land described in Exhibit "A" other than that in the phase now being rezoned is allowed without future CITY approval; and
3. This restriction, in part, restricts the maximum density to which the remaining lands subject to this restriction can be developed and may require certain open space requirements; and
4. All lands described on Exhibit "A" are subject to all agreements of the undersigned including, but not limited to, a Subdivider's Agreement dated the 15th day of November, 1996; and

5. These restrictions are covenants running with the land.

IN WITNESS WHEREOF, the undersigned owners have executed this Declaration of Restrictions this ¹²15th day of ~~November~~ ^{December}, 1996.

Paul R. Votto, MEMBER
LAKESIDE VILLAGES, LLC

Scott F. Krause, CEO, Inc.
BORIS SODOS

STATE OF WISCONSIN)

COUNTY OF WAUKESHA)

Personally came before me this ¹²15th day of ~~November~~ ^{December}, 1996, the above named Scott F. Krause to me known to be the persons who executed the foregoing instrument and acknowledged the same.

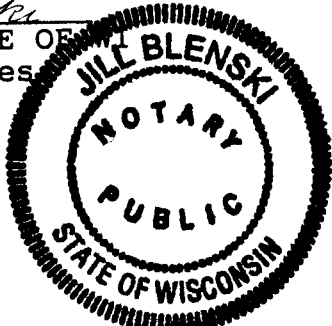
Catherine M. Anderson
NOTARY PUBLIC, STATE OF WISCONSIN
My commission expires: 7-27-97

Personally came before me this ¹²12th day of ~~November~~ ^{December}, 1996, the above Paul R. Votto to me known to be the persons who execute the foregoing instrument and acknowledged the same.

Jean Marendo
NOTARY PUBLIC, STATE OF WI
My commission expires: 5-2-99

Personally came before me this ¹²12th day of ~~November~~ ^{December}, 1996, the above Boris Sodos to me known to be the persons who execute the foregoing instrument and acknowledged the same.

Jill Blenski
NOTARY PUBLIC, STATE OF WI
My commission expires: 9-17-2000



DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
CHAMPIONS VILLAGE OF COUNTRY CLUB VILLAGES

THIS DECLARATION is made this 1st day of August, 1996, THE VILLAGES AT MUSKEGO LAKES PARTNERSHIP, a Wisconsin general partnership, which declares hereby that "The Properties" described in Article II of this Declaration are and shall be held, transferred, sold, conveyed and occupied subject to the Covenants, Restrictions, Easements, Charges and Liens hereinafter set forth including, by reference, those entitled "Master Covenants For Country Club Villages".

REFERENCE

All provisions contained in the Master Covenants for Country Club Villages dated August 1, 1996 including all "Schedules and "Exhibits", the "Articles of Incorporation" and the "By Laws" of Country Club Villages Master Maintenance Association are hereby incorporated into this Declaration by reference and as they pertain to all provisions contained herein. Should any provision(s) of this Declaration contradict any provisions contained in the aforesaid documents of Country Club Villages Master Maintenance Association, those of the Master Maintenance Association shall prevail.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- A) "ASSOCIATION" or "CHAMPIONS VILLAGE ASSOCIATION" shall mean and refer to the CHAMPIONS VILLAGE MAINTENANCE ASSOCIATION, INC., a Wisconsin corporation not for profit which is (or is to be) incorporated.
- B) "MASTER ASSOCIATION" shall mean and refer to the COUNTRY CLUB VILLAGES MASTER MAINTENANCE ASSOCIATION, INC., a Wisconsin corporation not for profit, which is (or is to be) incorporated.
- C) "MASTER COVENANTS" shall mean and refer to the MASTER COVENANTS FOR COUNTRY CLUB VILLAGES recorded (or to be recorded) by the Developer in the Public Records of Waukesha County, Wisconsin.

D) "MEMBER" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof or as may be superseded by Article III of the Master Covenants

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Master Covenants.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION & ADDITIONS THERETO

SECTION 1. LEGAL DESCRIPTION: The real property which, initially, is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Waukesha County, Wisconsin and is more particularly described in "Exhibit A" attached to and made a part of this Declaration, all of which real property, and all additions thereto, is herein referred to collectively as "The Properties". To the extent all or any portion thereof is not owned by the Developer, the respective Owners thereof shall have joined in this Declaration for the purpose of subjecting that portion of The Properties owned by each of them to this Declaration.

SECTION 2. SUPPLEMENTS: Developer may from time to time bring other land in and outside of the Development under the provisions of this Declaration by recorded supplemental declarations [which shall not require the consent of then existing Owners (except in the case of an Existing Parcel or property not then owned by Developer, in which case the Owner thereof shall join in the applicable supplemental declaration) or the Association or the Master Association] and thereby add to the Properties subject to this Declaration. It is the present intention of the Developer that all real property within the Development owned by Developer or its affiliates (and all Existing Parcels owned by others to the extent made Lots or Units as elsewhere herein provided) shall eventually be made a part of the Properties. Nothing in this Declaration, however, shall obligate Developer to add to the initial portion of the Properties or to develop future portions of the Development under such common scheme, nor to prohibit Developer from rezoning and changing the development plans with respect to any such future portions, and/or the Developer from adding additional or other property to the Development and the Properties under such common scheme. All Owners, by acceptance of a deed to their Lots, thereby automatically consent to any such rezoning, change, addition or deletion thereafter made by the Developer and shall evidence such consent in writing if requested to do so by the Developer at any time.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. MEMBERSHIP: Every person or entity who is an owner of a Lot in the Properties described on Exhibit A hereto shall be a Member of the Association. Notwithstanding the foregoing, any such person or entity who merely holds record ownership as security for the performance of an obligation shall not be a Member of the Association.

SECTION 2. VOTING RIGHTS: This Association shall have two (2) classes of voting membership:

CLASS A: Class "A" Members shall be all those Owners as defined in Section 1 with the exception of the Developer (as long as the Class "B" Membership shall exist, and thereafter the Developer shall be a Class "A" Member to the extent it would otherwise qualify). Except as provided below, Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine but, in no event shall more than one vote be cast with respect to any such Lot.

CLASS B: The Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the Class "A" Members are entitled to cast in the aggregate from time to time, provided that the Class "B" Membership shall cease and terminate one (1) year after the last Lot within The Properties owned by the Developer (or its Affiliates) has been sold and conveyed by the Developer (or its Affiliates) or sooner at the election of the Developer, whereupon the Class "A" Members shall be obligated to elect the Board and assume control of the Association.

NOTE: As to matters pertaining to the Development as a whole, the Master Maintenance Association shall control and the delineation of types of membership shall be as noted in the Master Covenants.

SECTION 3. GENERAL MATTERS: See Article III, Section 3, "Master Covenants for Country Club Villages".

ARTICLE IV

ASSESSMENTS

SECTION 1. SPECIFIC DAMAGE: Owners (on their behalf and on behalf of their children and guests) causing damage to any portion of the

Common Areas or the Country Club property as a result of vandalism, misuse, negligence, failure to maintain or otherwise shall be directly liable to the Association and a special assessment may be levied therefor against such Owner or Owners. Such special assessments shall be subject to all of the provisions hereof relating to other assessments, including, but not limited to, the lien and foreclosure procedures.

SECTION 2. EXTERIOR MAINTENANCE: The Owner shall maintain the structures and grounds on his Lot (and the area, if any, between the applicable Lot line and any abutting lake or pond (to the waters edge) at all times, in a neat and attractive manner and as provided elsewhere herein. Upon the Owner's failure to do so, the Association may, at its option, after giving the Owner five (5) days written notice sent to his last known address, or to the address of the subject premises: have that portion of the grass, weeds, shrubs and vegetation which the Owner is to install and maintain and mow, do done so when and as often as the same is necessary in its judgement, and; have dead trees, shrubs and plants removed from such Lot, and other areas, and replaced and may; have any portion of the Lot, and other areas resodded or landscaped, or paved as necessary; have the exterior painted, if not done by the Owner, and all expenses of the Association under this sentence shall be a lien and special assessment charged against the Lot on which the work was done and shall be the personal obligation of all Owners of such Lots. Upon the Owners's failure to maintain the structures and improvements on his Lot in good repair and appearance and otherwise as required herein, the Association may, at its option, after giving the Owner thirty (30) days written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner with no liability for damage or trespass. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot and shall constitute a special assessment against the Lot on which the work was performed, collectible in a lump sum and secured by the lien against the Lot as herein provided. No bids need be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion.

SECTION 3. ACCESS AT REASONABLE HOURS: For the purpose solely of performing the Lot and exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees or independent contractors, shall have the right, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours on any day to accomplish such work.

SECTION 4. COLLECTION OF ASSESSMENTS: The Association shall collect the assessments of the Master Association, upon certification by the Master Association to the Association from time to time (but at least 30 days prior to each applicable assessment period) of the amount of its assessment with respect to each Lot governed hereby,

together with the assessments due the Association, in a lump sum. In the absence of such certification, the Association shall assume that the assessments due the Master Association with respect to any particular Lot are the same as the assessments previously imposed against such Lot in the last previous assessment period for which a certification was given. The Association shall pay sums collected by it as agent for the Master Association to the Master Association within thirty (30) days of the receipt thereof. In the event that only a portion of the lump sum assessments are collected, the amount collected shall be applied first to the assessments of the Association and then to the Master Association.

The Association may, at any time and from time to time, cease collecting the assessments due the Master Association upon sixty (60) days prior written notice to the Association (whereupon it shall be the duty of the Master Association to make such collections in its own behalf) and may, at any time and from time to time thereafter, again elect to make such collections as provided herein, all at the sole option of the Association.

SECTION 5. INCORPORATION BY REFERENCE: To the extent not inconsistent or in conflict with the provisions set forth herein, all of the provisions of Article VI of the Master Covenants are incorporated herein by reference, substituting the word "Association" for "Master Association" where the context requires.

ARTICLE V

CERTAIN RULES AND REGULATIONS

SECTION 1. APPLICABILITY: The provisions of this Article V shall be applicable to all of The Properties but shall not be applicable to the Developer or property owned by the Developer.

SECTION 2. COMPLIANCE BY OWNERS: Every Owner and tenants, family, guests, invitees, employees and agents shall comply with any and all rules and regulations adopted by the Association (and Master Association) as contemplated herein.

SECTION 3. ENFORCEMENT: Failure to comply with such rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof. The Association (as well as the Master Association) shall have the right to suspend voting rights and use of Common Areas.

SECTION 4. FINES: All provisions of Article VII, Section 3 of the "Master Covenants for Country Club Villages" are hereby incorporated by reference substituting only the word "Association" for those "Master Association".

ARTICLE VI

RESALE RESTRICTIONS

No Owner may sell or convey his interest in a Lot unless all sums due the Association and the Master Association shall be paid in full and estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. The Owner requesting the certificate shall pay to the Association a reasonable sum, to be established from time to time by the Board of Directors, to cover the costs of examining records and preparing the certificate.

ARTICLE VII

USE OF LOTS AND SIMILAR MATTERS

All of the provisions of Article VIII, "Architectural Control; General Powers" contained in the Master Covenants are hereby incorporated into and made a part of this Article by specific reference.

SECTION 1. GENERAL PURPOSE: The General Purpose of this Declaration is to assure that the subdivision to be known as "Champions Village" will become and remain an attractive part of the community known as "Country Club Villages" and, to that end, to preserve and maintain the natural beauty of certain Common Areas and recreational areas within and in the vicinity of the Development; to protect Owners of Lots against such use of surrounding Lots as will detract from the residential value of their properties; to guard against inharmonious use of materials and color schemes; to insure the highest and best residential development of said property consistent with the purposes for which it is being developed; to encourage and secure the erection of attractive residential structures thereon, with appropriate locations thereof on the Lots; to prevent haphazard and inharmonious improvement of Lots; and to secure and maintain a proper spatial relationship of structures to other structures and lot lines within the Development.

SECTION 2. TYPES OF DWELLINGS PERMITTED: No Lot shall be used except for single-family residential purposes. No building shall be erected, altered, placed or permitted to remain on any such Lots other than one, detached single-family dwelling, not exceeding two floors of living space in height (plus appropriate roof lines) above the finished grade of the Lot and including an attached, private garage with appropriate space and access for not more than three, nor less than two, automobiles or trucks as further defined in "Schedule A of the Master Covenants". Garage entrances shall, whenever possible, face away from the street and should not have a

potential to be of annoyance to adjacent dwellings. No dwelling of the pre-fabricated, pre-cut or factory-built type may be erected on any Lot except for temporary structures for purposes of sales or construction activity and panelized exterior walls used in lieu of a built-in-place wood or steel stud system.

SECTION 3. MINIMUM BUILDING SPECIFICATIONS: Any provisions herein notwithstanding, the Architectural Control Committee, as detailed in the Master Covenants, shall have the unrestricted right and power to approve or disapprove all plans and specifications submitted as required by the Master Covenants. In accordance with the Master Covenants, all plans and specifications for proposed dwellings to be erected on any Lot must be submitted to the Architectural Control Committee and be approved, in writing, prior to commencement of construction.

A) DWELLING TYPES - MINIMUM SIZES AND SPECIFICATIONS: At a minimum, acceptable floorplans must meet the following requirements:

SINGLE STORY RESIDENCES (All living areas on the ground floor)

- * Minimum enclosed floor area (excluding porches, patios, decks, breezeways and garages) above ground level: 1,800 sq.ft.

TWO STORY RESIDENCES

- * Minimum enclosed floor area (excluding porches, patios, decks, breezeways and garages) above ground level: 2,300 sq. ft. with a minimum of 1,200 sq. ft. on the Ground Floor.

ONE & ONE-HALF STORY RESIDENCES

- * Minimum enclosed floor area (excluding porches, patios, decks, breezeways and garages) above ground level: 2,200 sq. ft. with a minimum of 1,400 sq. ft. on the Ground Floor.

TRI-LEVEL RESIDENCES - (Note: ALLOWED ONLY WITH PERMISSION OF THE ARCHITECTURAL CONTROL COMMITTEE ON SPECIFIC LOTS):

- * Minimum enclosed floor area (excluding porches, patios, decks, breezeways and garages) above ground level: 2,400 sq. ft. with a minimum of 800 sq. ft. on the Main Living Level.
- * No bedroom facilities may be located below ground level.
- * Main Living Level and Lower Level must be accessible at grade levels.

BI-LEVEL RESIDENCES - (Note: ALLOWED ONLY WITH PERMISSION OF THE ARCHITECTURAL CONTROL COMMITTEE ON SPECIFIC LOTS).

- * Minimum enclosed floor area (excluding porches, patios, decks, breezeways and garages): 2,400 sq. ft. with a minimum of 1,600 sq. ft. on the Upper Level.

- * No bedroom facilities may be located below ground level.
- * Lower level must be accessible at grade level at least in part.

B) ADDITIONAL STRUCTURAL REQUIREMENTS: All residences must incorporate the following requirements:

- 1) Pre-wired Cable TV and Telephone in all living areas other than bathrooms and laundry rooms.
- 2) Central natural gas or electric heat and optional central air conditioning systems.
- 3) At least one Fireplace in the "Living", "Family" or "Great Room" area.
- 4) If basement is included, either poured concrete or concrete block of at least 11 courses (7'4") from floor to the bottom of joists.
- 5) Garages must be attached to or be a part of the lowest ground level of residences.
- 6) At least one post yard light of specific design as determined by the Architectural Control Committee and made standard throughout the Village. While the installation of a yard light is not required, should Owner choose to install a yard light it must be approved by the Architectural Control Committee in advance.
- 7) Mail and newspaper boxes of specific design and location as determined by the Architectural Control Committee and subject to the approval of postal authorities.
- 8) Screened-in porches (or optional sunrooms), if any, should be included on the rear of the residence and must be under roof as part of the principal dwelling structure.
- 9) Exterior rear elevations must be designed and detailed so as to present an appearance as comparatively attractive to view as front elevations, especially those located on the golf course.

C. EXTERIOR REQUIREMENTS:

- 1) All Lots must be fully sodded or seeded and at least front yards fully landscaped prior to occupancy, except that, should occupancy occur during the non-growing season, such work must be completed prior to June 15 September 15 of the following growing season.
- 2) Driveways and walkways must be built of non-permeable surfaces and must be completed prior to occupancy, except that, should occupancy occur after the ground has frozen, such work must be completed prior to June 15 September 15 of the following growing season provided sufficient stone and gravel base has been installed to prevent the tracking of mud on subdivision streets. Approved

- paving materials include asphalt, concrete, and brick or stone pavers.
- 3) Exterior painting and decorating must be completed prior to occupancy, except that, should occupancy occur during the Winter season, such work must be completed prior to June 15 September 15 of the following season provided all materials are protected from damage due to frost, rain, snow and cold.
 - 4) Closely similar or identical exterior elevations are prohibited within a five lot radius.
 - 5) Exterior siding materials must be "natural" (i.e., brick, stone, cedar or other natural wood siding, or combination thereof) or a premium grade vinyl. All materials must be approved, in writing, by the Architectural Control Committee, which shall be the sole judge of acceptability.
 - 6) The pitches of all roofs must be consistent with surrounding structures and result in an elevation that is aesthetically pleasing. All roof designs, including pitches, must be approved by the Architectural Control Committee.
 - 7) At a minimum, roofing materials must be 255# asphalt shingles or equivalent (with a minimum 15 year manufacturer's warranty), slate, tile or cedar shakes. Aluminum is acceptable only as material for soffits, fascia, gutters, and downspouts.
 - 8) Each Lot owner must strictly adhere to and finish grade his/her lot in accordance with the Master Grading Plan on file in the office of the Subdivider and the office of the City Building Inspector unless a change is approved by the City Engineer. The Developer and/or the City and/or the agents, employees or independent contractors shall have the right to enter upon any lot, at any time, for the purpose of inspection, maintenance, and/or correction of any drainage condition and the Owner is responsible for the cost of same.
 - 9) Exterior decks are permitted provided that they are constructed of wood materials and are of a design approved in advance and in writing by the Architectural Control Committee.
 - 10) Above ground swimming pools, hot tubs, spas, and similar facilities are not permitted. In-ground swimming pools, and required fencing thereof, are permitted provided they meet all local and state codes and are of a design approved in advance and in writing by the Architectural Control Committee.
 - 11) External antennae, satellite or microwave dishes, and solar panels of any type, may be installed and maintained only with the prior written approval of the Architectural Control Committee.

SECTION 3. BUILDING LOCATIONS: Building location on a Lot shall be in accordance with setback boundaries shown on the Final Plat and must first be approved by the Architectural Control Committee (see "Master Covenants"). However, it is intended that dwellings be located on Lots in as informal a manner as possible to preserve the natural beauty of the Development and as many mature trees as possible and if such locations do not pose a potential or actual privacy intrusion to adjacent residences.

SECTION 4. PRESERVATION OF MATURE TREES: No existing tree, except in the immediate vicinity of the "footprint" of the residence being constructed, with a diameter of six (6) inches or more at a height of two (2) feet above ground level may, without approval of the Architectural Control Committee, be cut down, destroyed, mutilated, moved or disfigured and all existing trees shall be protected during construction and preserved by properly drained wells or islands and proper grading in such manner as may be required by the Committee.

SECTION 5. GROUND FILL ON BUILDING SITES (LOTS): Where fill is necessary on a Lot in order to obtain proper topography and finished ground elevation, it shall be ground fill free of waste material and shall not contain noxious materials that will give off odors of any kind and, all dumping of fill material shall be leveled immediately after completion of the residence.

SECTION 6. LANDSCAPING PLANS: Owners/builders shall submit detailed landscaping plans to the Architectural Control Committee for written approval prior to the commencement of such work and in accordance with the approval process set forth in the Master Covenants.

SECTION 7. EFFECT OF APPROVAL: Only after approval of the building plans, specifications, plot plan and landscaping plan by the Committee and upon receipt of all necessary municipal or other governmental approvals, consents and permits, construction in accordance with said plans and specifications may commence. Such construction shall be completed, suitable for occupancy, within a maximum of twelve (12) months after the last such approval has been received.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 1. INCORPORATION BY REFERENCE. The provisions of Sections 1 through 5, 7, and 9 through 13 of the Master Covenants are incorporated herein by reference.

SECTION 2. CUMULATIVE EFFECT; CONFLICT: The provisions of this Declaration shall be inferior and subject to the provisions of the

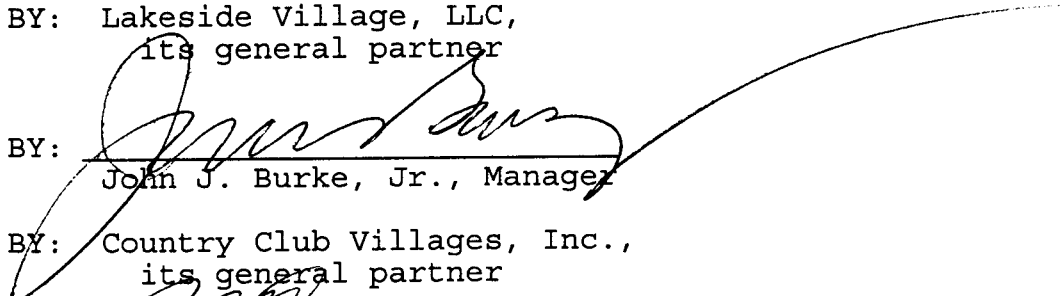
Master Covenants, and in the case of any conflict, the Master Covenants shall take precedence over this Declaration. Without limiting the generality of the foregoing, this Declaration is specifically made subject to the terms of Article IX, Section 5 of the Master Covenants. THIS SECTION MAY NOT BE AMENDED.

SECTION 3. MANDATORY MERGER: If any one or more portions of The Properties are developed under a declaration of covenants and restrictions different from this Declaration and therefore, are governed by an association different from this Association, upon the development by the Developer (or its affiliates) of the last of the lands of The Properties to be developed, the Developer may, by written notice to the Association (and each of the other associations governing portions of the Properties), require all of such associations and the Association (or any two or more thereof) to merge or consolidate (at Developer's election) into a single association which will then govern all the Lots affected by such merger or consolidation under and pursuant to all applicable Declarations then affecting such Lots. The consent of Members and members of the Board of Directors to such merger or consolidation shall not be required but, to the extent, notwithstanding the foregoing, they must be obtained, such consents shall be deemed given by acceptance by each of such persons or entities of the respective deeds to each of their respective Lots. In the event of any such merger or consolidation, all regular expenses incurred by the resulting association in respect of all of the properties governed by such association shall be shared equally by all affected lots (including, but not limited to, the Lots). At the election of the Developer, the aforesaid mandatory merger or consolidation provision may also be made applicable to the Master Association and all or any combination of "Sub-Associations" as defined in the Master Covenants.

EXECUTED as of the date first above written.

THE VILLAGES AT MUSKEGO LAKES PARTNERSHIP

BY: Lakeside Village, LLC,
its general partner

BY: 
John J. Burke, Jr., Manager

BY: Country Club Villages, Inc.,
its general partner

BY: 
Scott F. Krause, President

STATE OF WISCONSIN)
 : ss
COUNTY OF MILWAUKEE)

Personally came before me this 15th day of October, 1996, John J. Burke, Jr., Manager of Lakeside Village, LLC, to me known to be such person and officer who executed the foregoing instrument and acknowledged that he executed the same as such officer as the deed of said corporation, by its authority.

Shelby G. Kroll
Notary Public, State of Wisconsin
My Commission: expires 8/22/99

STATE OF WISCONSIN)
 : ss
COUNTY OF MILWAUKEE)

Personally came before me this 15th day of October, 1996, Scott F. Krause, President of Country Club Villages, Inc., to me known to be such person and officer who executed the foregoing instrument and acknowledged that he executed the same as such officer as the deed of said corporation, by its authority.

Shelby G. Kroll
Notary Public, State of Wisconsin
My Commission: expires 8/22/99

This instrument was drafted by and after recording should be returned to:
Thomas P. Shannon
Fox, Carpenter, O'Neill & Shannon, S.C.
622 N. Water Street
Milwaukee, WI 53202
(414) 273-3939

DECLARATION OF MASTER COVENANTS

For

COUNTRY CLUB VILLAGES

THIS DECLARATION is made this 24th day of October, 1996, by THE VILLAGES AT MUSKEGO LAKES, a Wisconsin general partnership which declares hereby that the "Properties" as described in Article II hereof are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "ASSOCIATION" or "MASTER ASSOCIATION" shall mean and refer to the COUNTRY CLUB VILLAGES MASTER MAINTENANCE ASSOCIATION, INC., a Wisconsin non-stock corporation.

(b) "COMMON AREAS" shall mean all property legally described in Exhibit "A" attached and as added to periodically by other Declarations added to and made a part of this Declaration; all roads lying within the Properties unless dedicated as public streets; all of the following items and interests within or for the benefit of the Development and/or the Properties unless specifically excluded by this Declaration or any supplemental declaration; all landscaping and pedestrian areas, entry features, signs erected by the Developer to identify streets and/or the Development or portions thereof; security facilities and gatehouses (if any); other security facilities and equipment (if any); any special design features lying within or abutting public rights of way of the Development or Properties, even if lying outside of the boundaries of the Development or Properties (such as landscaping, median strips, bridges, well sites, outlots, parks, bicycle paths, but excluding the Country Club lands and buildings); all real property and easements and interests in real property held by or for, or granted for the benefit of the Association, the Development or the Properties; and such similar items or property which may hereafter be added by supplemental declaration regardless of whether any such items are capable of being legally described or lie within dedicated areas or abut the Properties; together with the landscaping and improvements thereon, including, without limitation, all structures, recreational facilities, outlots, open space, lakes, ponds, sedimentation ponds, off-street parking areas, bicycle paths, sidewalks, street lights and entrance features, but

excluding any public utility installations thereon. Developer shall have the right, subject to obtaining all required governmental approvals and permits, to construct on the Common Areas such facilities as Developer deems appropriate and as approved by any required governmental agencies. The timing and phasing of all such construction shall be solely within the discretion of the Developer.

(c) "COUNTRY CLUB" shall mean and refer to the Muskego Lakes Country Club golf course and associated facilities currently owned and operated by Muskego Lakes Corporation, a Wisconsin corporation, its successors and such of its assigns as to which the rights and/or obligations of the Country Club are specifically assigned.

(d) "DEVELOPER" shall mean and refer to The Villages at Muskego Lakes Partnership, a Wisconsin general partnership, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or its portion of rights under this Declaration. In the event of such a partial assignment, the assignee but may exercise such rights of Developer as are specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

(e) "THE DEVELOPMENT" shall mean all property legally described in Exhibit B attached to this Declaration (or later added) which is intended to be made a part of a common scheme of development in the manner specified hereunder.

(f) "EXISTING PARCELS" are any lots or parcels owned by persons not part of the Developer which are, or later become, encompassed by the Development.

(g) "LOT" shall mean and refer to any Lot on the various plats or portions of the Development, which plat is designated by Developer hereby or by any other recorded instrument to be subject to these covenants and restrictions (and to the extent Developer is not the Owner thereof, then designated by Developer joined by the Owner thereof), any Lot shown upon any resubdivision of any such plat, and any other property hereafter declared as a Lot by the Developer (or in the case of an Existing Parcel, by the Developer joined by the Owner thereof) and thereby made subject to this Declaration. To the extent a Lot is not an Existing Parcel and the Developer is not the Owner thereof, then such declaration shall be made by the Developer joined by the Owner thereof. In the case of a condominium hereafter made subject to this Declaration, the "Lots" therein may be either the individual condominium units thereof or the parcel(s) of real property on which the condominium is constructed or both in accordance with the Plat on which such "Lots" are designated.

Within the context above, the following sub-definitions shall apply:

(i) A "VILLAGE" shall mean a specific area designated on a plat within the Properties to be devoted to a specific type of housing, such as (but not limited to) "Estate Homes", "Patio Homes", "Townhomes", "Commercial", etc.

(ii) "SINGLE FAMILY" shall mean residential dwellings on Lots in a "Village" designated for and restricted to, one detached single family dwelling and building(s) related thereto per Lot, whether in the form of a "Condominium" or otherwise.

(iii) "MULTI-FAMILY" shall mean single family attached residential dwellings on Lots in a "Village" designated for and restricted to "Townhomes", "Duplexes" or similar dwellings individually or corporately owned in fee simple and used primarily for non-rental housing purposes.

(h) "MEMBER" shall mean and refer to all those Owners who are members of the Master Association as hereinafter provided.

(i) "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Unit (or of the Country Club).

(j) "SUB-ASSOCIATION" shall mean any "Village" composed of any type of dwelling or structure such as but not limited to, "Estate Home", "Town home", "Golf Villa", "Patio Home", "Duplex", "Single Family, Multi-Family," or, "Condominium" phase of development or other association created or to be created to administer specific portions of the Development and common properties or elements lying within such portions pursuant to a declaration of condominium or declaration of covenants and restrictions affecting such portions.

(k) "THE PROPERTIES" shall mean and refer to all such existing properties, and additions thereto, as are now or hereafter made subject to this Declaration, except such as are withdrawn from the provisions hereof in accordance with the procedures set forth in this Declaration.

(l) "UNIT" shall mean and refer to any dwelling unit constructed on a Lot (whether separately owned by the Owner of such Lot and whether such unit is located in a single-family or multi-family building), or any condominium dwelling unit in any multi-family condominium building that may be erected on any parcel of land within The Properties, which land is designated by Developer by recorded instrument to be subject to this Declaration (and to the extent Developer is not the Owner thereof, then by Developer joined by the Owner thereof).

(m) "OUTLOT" shall mean and refer to a parcel designated as an Outlot on a subdivision plat.

All references in this instrument to recording data refer to the Public Records of Waukesha County, Wisconsin.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

SECTION 1. LEGAL DESCRIPTION: The initial real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Waukesha County, Wisconsin, and is more particularly described in Exhibit C attached hereto and shall initially constitute the "Properties". To the extent all or any portion thereof is not owned by the Developer, the respective Owners thereof shall have joined in this Declaration, for the purpose of subjecting that portion of the Properties owned by each of them, to this Declaration.

SECTION 2. SUPPLEMENTS: Developer may from time to time bring other land in and outside the Development under the provisions of this Declaration by recorded supplemental declarations [which shall not require the consent of then existing Owners (except in the case of an Existing Parcel or property not then owned by Developer, in which case the Owner thereof shall join in the applicable supplemental declaration) or the Master Association] and thereby add to the Properties and the Development. It is the present intention of the Developer that all real property within the Development owned by Developer or its affiliates (and all Existing Parcels owned by others to the extent made Lots or Units as elsewhere herein provided) shall eventually be made a part of The Properties and, accordingly, reference herein to The Properties should be deemed to refer to all of such portions of the Development. Nothing in this Declaration, however, shall obligate Developer to add to the initial portion of The Properties or to develop future portions of the Development under such common scheme, nor to prohibit Developer (or the applicable Developer-affiliated Owner) from rezoning and changing the development plans with respect to such future portions, and/or the Developer from adding additional or other property to the Development and The Properties under such common scheme. All Owners, by acceptance of a deed to their Lots, thereby automatically consent to any such rezoning, change, addition or deletion thereafter made by the Developer (or the applicable Developer-affiliated Owner thereof) and shall evidence such consent in writing if requested to do so by the Developer at any time. With respect to the Existing Parcels and other property not owned by the Developer and its affiliates, the Developer shall have the right to impose (and retain for its own account) fees for the privilege of allowing such Existing Parcels and other property, or

any of them or it, to be made subject to this Declaration as aforesaid.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

SECTION 1. MEMBERSHIP: Every person or entity who is an Owner shall be a Member of the Master Association. Notwithstanding the foregoing, any such person or entity who merely holds record ownership as security for the performance of an obligation shall not be a Member of the Master Association.

SECTION 2. VOTING RIGHTS: The Master Association shall have three (3) classes of voting members:

CLASS A. Class A Members shall be all those Owners as defined in Section 1 with the exception of (i) the Developer (as long as the Class B membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it otherwise would qualify), and (ii) the Class C Members. Class A Members shall be entitled to one vote for each Lot owned. When more than one person is the Owner of any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the Class A and Class C Members are entitled to cast in the aggregate from time to time, provided that the Class B membership shall cease and terminate one (1) year after the last Lot within the Development owned by Developer (or its affiliates) has been sold and conveyed and all other portions of the Development owned by Developer (or its affiliates) have been conveyed to third-parties, or at any time prior to that date at the election of the Developer.

CLASS C. Class C Members shall be all those Owners of Lots on which condominiums may be constructed, with the exception of the Developer (as long as Class B membership shall exist, and thereafter, the Developer shall be a Class C Member to the extent it would otherwise qualify), and the Class B Members. Each Class C Member, for each non-declared condominium project owned by it, shall be entitled to the number of votes equal to the number of "Lots" deemed to exist from time to time on each such Lot for assessment purposes as hereinafter provided. In case any such Lot(s) on which a non-declared condominium project is constructed or owned by more than one person, all such Owners shall determine jointly how the votes attributable to such Lot(s) shall be voted.

NOTWITHSTANDING any provision to the contrary, the Developer shall have the right to elect a majority of the Board of Directors of the Master Association until one (1) year after the Developer (and its affiliates) no longer holds title to any portion of the Development, unless such right is relinquished prior thereto. In such case, the then existing Members shall be obligated to elect the Board and assume control of the Master Association).

SECTION 3. GENERAL MATTERS: When reference is made in this Declaration, or in the Articles, By-Laws, Rules and Regulations, Management Contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members and not of the Members themselves.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

SECTION 1 OWNERSHIP: The Common Areas as defined herein are hereby dedicated to the joint and several use, in common, of the Developer and the Master Association for the benefit of the Owners of all Lots that may from time to time constitute part of the Properties, in the manner specified in this Declaration. When all improvements proposed by Developer to be constructed within the Properties have been completed and conveyed to purchasers (if applicable), or sooner at Developer's option exercisable from time to time as to any portion or all of the Common Areas, the Developer, or its successors and assigns, shall convey and transfer (or cause to be conveyed and transferred) the record fee simple title to the Common Areas (except those areas lying within dedicated areas or not capable of being legally described) to the Master Association, and the Master Association shall accept such conveyance, holding title for the benefit of the Owners and Members as stated in the preceding sentence. Beginning upon the date these covenants are recorded, the Master Association shall be responsible for the maintenance of all Common Areas (whether or not conveyed or to be conveyed to the Master Association) in a continuous and satisfactory manner without cost to the general taxpayers of Waukesha County or the City of Muskego unless such governmental entities should exercise their right of eminent domain or require that such areas be treated as public property. It is intended that all real estate taxes assessed against that portion of the Common Areas owned or to be owned by the Master Association shall be proportionally assessed against and payable as part of the taxes of the Lots within the Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Master Association shall be responsible for the payment of the same, including taxes on any improvements and any personal property thereon accruing from and after the date these covenants are recorded, and such taxes shall

be prorated between Developer (or the then Developer-affiliated Owner thereof) and the Master Association as of the date of such recordation.

It is further denoted that neither Waukesha County, Wisconsin nor the City of Muskego shall be liable for any fees or special assessments imposed upon such Common Areas or Outlots in the event either shall become the owner of any such Common Areas or Outlots within the Properties by reason of tax delinquency.

SECTION 2. MEMBERS' EASEMENTS: Each Class A and the Class B Member of the Master Association, and each tenant, agent and invitee of such Member, shall have a permanent and perpetual non-exclusive easement for the use and enjoyment of all Common Areas in common with all other such Members of the Master Association, their tenants, agents and invitees. The Class C Members and their tenants, agents and invitees shall also be entitled to such rights of use and enjoyment of all Common Areas. All non-resident persons holding golf or other related Country Club memberships as well as non-member customers of the Country Club for whatever purpose, shall be entitled solely to use and enjoy the various streets, roadways, sidewalks, and other access areas as form portions of the Common Areas.

All rights of use and enjoyment of the Common Areas are subject to the following:

(a) Easements now or hereafter created over and upon the Common Areas in favor of all Sub-Associations and their Members.

(b) The right and duty of the Master Association to levy assessments against each Lot (excluding the Country Club) for the purpose of maintaining the Common Areas and facilities in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of the Properties as from time to time recorded.

(c) The right of the Master Association to suspend the voting rights and the right of an Owner (or Member) and his designees to use of the Common Areas (except for roads), for any period during which any applicable assessment remains unpaid; and for a period not to exceed sixty (60) days for any infraction of lawfully adopted and published rules and regulations.

(d) The right of the Master Association to charge admission and other fees for the use of any recreational facility situated on the Common Areas.

(e) The right of the Master Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Members as elsewhere provided

herein. Any rule and/or regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(f) The right of the Association, by a 2/3rds affirmative vote of the entire membership, to dedicate portions of the Common Areas to a public agency or body under such terms as the Association deems appropriate and to create or contract with special taxing districts or other agencies for lighting, roads, recreational or other services, security, communications and other similar purposes deemed appropriate by the Association to which such creation or contract all Owners hereby consent.

(g) Anything to the contrary in this Declaration notwithstanding, the Developer shall have the right to permit persons other than Members and designated persons to use certain portions of the Common Areas under such terms as Developer, its successors and assigns, may from time to time desire without interference from the Association.

(h) The right to the use and enjoyment of the Common Areas and facilities thereon in the case of Class A and Class C Members shall extend to each permitted user's immediate family who reside with him, as well as non-resident family members and guests, subject to rules and regulations adopted from time to time by the Master Association in its lawfully adopted and published rules and regulations.

SECTION 3. GOLF COURSE EASEMENTS:

There is hereby imposed on each Lot, an easement to allow golf balls to land on such Lots and golfers shall have the right to enter upon such Lots (on foot only) for the purpose of lifting and removing - but not hitting - such golf balls therefrom. All Owners hereby accept, as a condition of residency, the fact that golf balls are not capable of precise control during the course of a game of golf and therefore, accept responsibility for all damage done to their property or persons by such golf balls.

All owners hereby accept the fact that maintenance of the various open spaces and amenities, such as the golf course, requires various maintenance practices which create noise at various times of the day and evening and hereby waive any claims for recompense or damages based on noise created at such times and due to such practices.

SECTION 4. EASEMENTS APPURTENANT: The easements provided for in Section 2 and Section 3 shall be appurtenant to and shall pass with the title to each Lot.

SECTION 5. MAINTENANCE: The Master Association shall at all times maintain in good repair, operate, manage and insure the

Common Areas, and shall replace as often as necessary, any and all improvements situated on the Common Areas (upon completion of construction by Developer or its affiliates, if applicable), including, but not limited to, all recreational facilities, landscaping, identification signs, paving, drainage structures, street lighting fixtures and appurtenances, sidewalks, bicycle/jogging paths, lakes, ponds, or other structures and improvements and, excepting utilities and fixtures previously deeded to units of government, all such work to be done as ordered by the Board of Directors of the Master Association. Certain Common Areas located outside the Development, such as entry features and signage, may be shared by others, in which case all costs of such repair, operation, management and insurance shall be shared by the appropriate Associations or Sub-Associations or other responsible parties. Maintenance of street lighting fixtures (if not deemed to belong to local governmental agencies) shall include and extend to payment for electricity consumed in their illumination. Without limiting the generality of the foregoing, the Master Association shall assume all of Developer's, its affiliates' (and its and their predecessors' and assigns) responsibility to Waukesha County, the City of Muskego or other government agency of any kind with respect to the Common Areas and entry features, and shall indemnify Developer and its affiliates and hold Developer and its affiliates harmless with respect thereto. All work pursuant to this Section and all expenses hereunder shall be paid for by the Master Association through assessments imposed in accordance herewith.

In the event storm drainage facilities for the benefit of the Properties, such as drainage ditches, culverts and/or storm water retention/sedimentation ponds, are located on Country Club grounds, they shall be treated as "Common Areas" in the sense of maintenance responsibility. The City of Muskego shall have a permanent easement for entrance upon the Country Club grounds in the areas of such facilities for purposes of inspection. Should the Master Maintenance Association fail to uphold its responsibilities for such maintenance, the City of Muskego shall have a permanent easement to enter upon the Country Club grounds for the performance of necessary maintenance after notice in writing, containing a reasonable time period in which to correct the noted deficiencies, to the Master Association of the work required to be performed. If the deficiencies have not been corrected during this time period the City shall have the right to enter upon the premises and correct the deficiencies noted, as well as any necessary restoration of the golf course grounds, and assess all costs to the Master Maintenance Association.

In order to effect economies of scale, the Master Association, on behalf of itself and/or all or appropriate Sub-Associations, shall have the power to incur, by way of contract or otherwise, expenses general to the Development, or appropriate portions thereof, and the Master Association shall then allocate portions of such expenses among the Master Association and/or affected

Sub-Associations, based on the number of Lots in the Master Association and in each Sub-Association. The portion so allocated to the Master Association or any Sub-Association shall be deemed a general expense thereof, collectible through assessments. No owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use of the Common Areas.

SECTION 6. UTILITY EASEMENTS: Public and private utilities (including water service), shall be installed underground in the public easements wherever possible and when and where necessary for the service of the Properties. The Developer and its affiliates and it and their designees shall have the right also to install and maintain community and/or cable TV and security and other communications lines, equipment and material and all future technological advances not now known in the Development and perpetual easements are hereby reserved for the Developer and its affiliates and such designees over the Common Areas and designated easements for this purpose. All use of utility, cable TV and communication easements shall be in accordance with the applicable provisions of this Declaration.

SECTION 7. PUBLIC EASEMENTS: Fire, police, health and sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in respect to drainage facilities as outlined in Section 5 above. It is further and specifically understood that members and patrons of the Country Club are to retain a permanent right of easement for ingress and egress across or on any and all streets, roadways, sidewalks or other access areas in the Common Areas necessary to maintain the flow of golf course traffic in the course of any playing or maintaining of the golf course.

SECTION 8. COUNTRY CLUB MEMBERSHIP EASEMENTS: It is expressly understood and agreed that all users of the Country Club golf course or other facilities must abide by all rules established by the Country Club and as from time to time adopted, amended and/or published.

SECTION 9. OWNERSHIP: Without limiting the generality of the foregoing, Developer and its affiliates shall have the specific right to maintain, upon any portion of The Properties, sales, administrative, construction, or other offices without charge. Appropriate easements of access, use and the right to affix appropriate directional and informational signage are expressly reserved unto the Developer, its Affiliates and their successors, assigns, employees and contractors, for this purpose. Any obligation to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above referenced activities. Accordingly, the Developer

shall not be liable for delays in such completion to the extent resulting from the above referenced activities.

SECTION 10. OTHER EASEMENTS: Easements are reserved over each Lot and the Common Areas in favor of each other Lot and the Common Areas in order to permit drainage and run-off from one Lot (and its improvements) to another or to the Common Areas and from the Common Areas to any Lot or Lots.

ARTICLE V

MASTER ASSOCIATION - COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF THE ASSESSMENTS: Except as provided elsewhere herein, the Developer (and each party joining in this Declaration or in any supplemental declaration), for each Lot owned by it (or them) within the Properties hereby, respectively, covenant and agree, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Master Association annual assessments or charges for the maintenance, operation, management and insurance of the Common Areas as provided herein, and including, but not limited to,

(1) The items described herein as Common Areas and areas of common interest whether or not such items are owned by Sub-Associations or otherwise.

(2) Such reasonable reserves as the Master Association may deem necessary; and,

(3) Capital improvement assessments as provided herein, all such assessments to be fixed, established and collected from time to time as hereinafter provided. In addition, special assessments may be levied against particular Owners and Lots for fines, expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual and special assessments, together with late charges, interest and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with late charges, interest and costs of collection thereof as hereinafter provided, shall also be the personal obligation of all Owner(s) of such property from time to time. All assessments shall be imposed equally against all Lots within a Sub-Association and those that may in the future be subject to liens of the Master Association (except as provided herein with respect to charges or assessments which are made against one or more Lots to the exclusion of others), provided that in the case of any multi-Unit

condominium located or to be located on any Lot, the Owner thereof shall be assessed for each Unit contained or expected to be contained (on the basis of building permits issued) in such multi-Unit condominium as if each such existing (or permitted) Unit were a Lot for this purpose and the total of such assessments shall be a lien against the underlying Lot. In the case of condominiums, upon the filing in the public records of the declaration of condominium therefor, each Unit will become a separate Lot as provided in Article I, Section (g) hereof.

SECTION 2. PURPOSE OF ASSESSMENTS: The assessments levied by the Master Association shall be used exclusively for maintenance, operation, management, taxes, special assessments, replacement and insurance of the Common Areas as provided herein, security-related purposes and to promote the health, safety, welfare and recreational opportunities of the Members of the Master Association and their families residing with them (if applicable) and their agents and invitees.

SECTION 3. CAPITAL IMPROVEMENTS: Funds in excess of \$150,000 in any one case which are necessary for the addition or replacement of capital improvements (as distinguished from repairs and maintenance) relating to the Common Areas and which have not previously been collected as reserves or are otherwise available to the Master Association may be levied as special assessments by the Master Association upon approval by a majority of the Board of Directors of the Master Association and upon approval of 66-2/3 percent favorable vote of Members voting at a meeting by ballot as may be provided by the By-Laws of the Master Association.

SECTION 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: Due Dates: The annual assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31. The annual assessments shall be payable in advance in monthly, quarterly, semi-annual or annual installments as determined by the Board of Directors of the Master Association. The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, every six (6) months), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year. The due date of any special assessment shall be fixed in the Board resolution authorizing such assessment.

SECTION 5. DUTIES OF THE BOARD OF DIRECTORS: The Board of Directors of the Master Association shall fix the date of

commencement and the amount of the assessment against each Lot for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots, the Owners thereof and assessments applicable thereto, which shall be kept in the office of the Master Association and shall be open to inspection by an Owner. Written notice of the applicable assessment shall thereupon be sent to every Owner subject thereto thirty (30) days prior to payment, except as to emergency assessments. In the event no such notice of a change in the assessment for a new assessment period is given, the assessment amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

The Master Association shall, upon demand at any time, furnish to any owner liable for an assessment, a certificate in writing and signed by an officer of the Master Association setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Master Association therein stated to have been paid. The Master Association, through the action of its Board of Directors, shall have the power, but not the obligation, to acquire, by purchase, lease or otherwise, one or more Units for occupancy by its employees or independent contractors, and to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Developer) for management and/or maintenance services. The Master Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

SECTION 6. COLLECTION OF ASSESSMENTS; EFFECT OF NON-PAYMENT OF ASSESSMENTS; THE PERSONAL OBLIGATIONS; THE LIEN; REMEDIES OF THE ASSOCIATION: Each Sub-Association shall collect the assessments of the Master Association applicable to its members. All such assessments shall be collected as part of a lump sum charge imposed by the Sub-Association for assessments of the Master Association and the Sub-Association. That portion of the lump sum attributable to assessments of Association shall be certified to the Sub-Associations with respect to each applicable Lot by the Association at least thirty (30) days prior to the applicable assessment period, and in the absence of such certification, the Sub-Association shall assume that the assessments due the Association with respect to any particular Lot are the same as the assessments previously imposed against such Lot by the Association in the last previous assessment period for which a certification was given. The Sub-Associations shall pay sums collected on behalf the Association to the Association within thirty (30) days of the date of receipt of such sums. The Sub-Associations may, at any time and from time to time, cease collecting the assessments due the Association upon sixty (60) days prior written notice to the Association, (whereupon it shall be the duty of the Association to make such collections directly), and

may, at any time and from time to time thereafter, again elect to make such collections as provided herein, all at the sole option of the Sub-Associations.

In making such collections for the Master Association, the Sub-Associations are acting only as a collection agent on behalf of the Master Association and sums collected as such agent shall not be considered assessments of the Sub-Associations for any purpose. All remedies for non-payment of the Master Association's assessments shall be vested in and pursued solely by the Master Association directly against the applicable Owners.

If the installments of an assessment are not paid on the dates when due (being the dates specified herein), then such installments shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the appropriate Lot, which shall bind such Lot (or interest) in the hands of the then Owner, his heirs, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment shall pass to his successors in interest and recourse may be had against either or both.

If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Master Association, a late charge not greater than the amount of such unpaid installment may be imposed, provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges, and provided further however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid, or the next 12 month's worth of installments may be accelerated and become immediately due and payable in full, and all sums due shall bear interest from the dates when due at the rate of 12% per annum until paid and the Master Association may bring an action at law against the Owner(s) personally obligated to pay the same or may record a claim of lien as evidence of its lien rights (as hereinabove provided for) against the property on which the assessments and late charges are unpaid, or may foreclose the lien against the property on which the assessments and late charges are unpaid, or pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs of preparing and filing the claim of lien and the complaint, if any, in such action shall be added to the amount of such assessments, interest and late charges, and in the event a judgment is obtained, such judgement shall include all such sums as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action, and the Master Association shall be entitled to attorneys' fees in connection with any appeal of any such action.

In the case of an acceleration of the next 12 months' worth of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due and payable by reason of such an increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring the title to or the interest in a Lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sale, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Areas until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid, and no sale or other disposition of Lots shall be permitted until an estoppel letter is received from the Master Association acknowledging payment in full of all assessments and other sums due; provided however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 7 of this Article.

It shall be the legal duty and responsibility of the Sub-Associations to enforce payment of the assessments hereunder. The Sub-Associations shall have the right to foreclose and/or enforce payment of the assessments in the name of Association if necessary. Failure of the Sub-Associations to send or deliver bills shall not, however, relieve Owners from their obligations hereunder.

All assessments, late charges, interest, penalties, fines, and other sums provided for herein shall accrue to the benefit of the Master Association. All attorneys fees and costs shall accrue to the Sub-Association paying such items.

Owners shall be obligated to deliver the documents originally received from the Developer, containing this and other declarations and documents, to any grantee of such Owners.

The Master Association shall have such other remedies for collection and enforcement of assessments as may be permitted by applicable law. All remedies are intended to be cumulative.

SECTION 7. SUBORDINATION OF THE LIEN: The lien of the assessment provided for in this Article shall be subordinate to tax liens and to the lien of any mortgage recorded prior to recordation of a claim of lien, which mortgage encumbers any Lot and is in favor of any institutional lender and is now or hereafter placed upon a portion of the Properties subject to assessment; provided, however,

