DECLARATION OF CONDOMINIUM OWNERSHIP

OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR

TOWNHOMES OF HUNTERS RIDGE, CONDOMINIUM

A

This Declaration, made and entered into this 28th day of July, 2003, by TRACY GROUP, INC. (hereinafter sometimes referred to as "Developer"),

WITNESSETH:

WHEREAS, Developer is the owner in fee simple of certain real estate hereinafter described, located in the Village of Genoa City, Walworth County, Wisconsin; and

WHEREAS, Developer intends to, and does hereby submit and subject such real estate, together with all buildings, structures, improvements, and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto, to the provisions of the Wisconsin Condominium Ownership Act (hereinafter sometime referred to as "Act", Chapter 703, Wisconsin Statutes; and

WHEREAS, Developer desires to establish certain rights and easements in, over and upon the real estate for the benefit of itself, and all future owners of any part of the real estate, any unit or units thereof and therein contained, and to provide for the harmonious, beneficial and proper use and conduct of the property and all units; and

WHEREAS, Developer desires and intends that the several unit owners, mortgagees, occupants, and other persons hereinafter acquiring any interest in the properties shall at all times enjoy the benefits of, and shall hold their interest subject to the rights, easements, privileges and restrictions, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property.

NOW, THEREFORE, the Developer, as titleholder of the real estate hereinafter referred to and described at greater length, hereinafter, and for purposes set forth above DECLARES AS FOLLOWS:

ARTICLE I

LEGAL DESCRIPTION OF LAND AND DECLARANT'S RIGHTS OF EXPANSION

1.01 Legal Description of Land:

The real estate which is hereby submitted and subjected to the provisions of the Condominium Ownership Act (Chapter 703, Wisconsin Statutes), is legally described as follows:

Outlot 2 of Hunters Ridge Subdivision located in the Village of Genoa City, Walworth County, Wisconsin.

The Developer reserves the right to develop within five (5) years from the date hereof, all or any portion of the real estate hereinafter described as part of TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM, to a maximum limitation of 129 units in the completed TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM. The real estate subject to this right of development is included in the above legal description.

1.02 Declarant's Rights of Expansion:

It is the intention of the Developer to develop the property in phases. The schematic designs of the various potential units and options are identified in the attached exhibits to this Declaration. Which units and which options will appear in any particular unit and/or building will be determined as the market and/or Developer shall determine through the course of development of the Condominium. As buildings are completed and options determined, an Amendment to the Declaration shall be filed by the Developer identifying which options have been constructed as pertain to each unit. The footprints in the site plan part and parcel of the plat of the development are maximum footprints for each unit. The Developer reserves the right to build within the footprint the available options as may be determined through development of the project. **To the extent that a unit as constructed is less than the footprint area depicted in the attached plat, such area outside of the constructed unit shall be considered common element. In the event a unit, as constructed, exceeds the footprint depicted in the attached plat, such area exceeding the footprint shall be considered a limited common element of that unit.**

All units in each phase of construction, as constructed, are made part and subject to the Declaration of Condominium Ownership and shall be and hereby are made subject to the reservation of rights and development as herein provided, as well as all other terms and provisions contained in this Declaration. Any purchasers, their heirs, executors, administrators, successors, and assigns, shall be deemed to have accepted this reservation of right of development by Developer without amendment of this Declaration or other proceeding at law or equity. Purchase of a unit subject to this Declaration shall constitute acceptance of all terms and conditions herein contained. In the event Developer elects to exercise the right of development as herein contained, the unit percentage ownership in the common area and facilities, determination of voting rights and pro-rata share of common expenses and profit shall be adjusted as set forth in Exhibit E, attached hereto and made a part hereof by reference, and said adjusted percentage of ownership shall extend to the lands and improvements, exclusive of the individual units, in the initial phase and such additional lands as are developed. The real estate and all improvements thereon and appurtenances thereto developed in the initial phase, and any subsequent phases shall be known as TOWN HOMES OF HUNTERS RIDGE CONDOMINIUM. **Provided same meet with all applicable zoning regulations and other building regulations as may pertain to the development, the Developer reserves the right to make reasonable relocation of buildings and improvements as construction, conditions, or other factors may warrant, and in the event of relocation, shall file an Amendment to the Declaration indicating the relocated improvements.**

1.03 Additional Amenities:

In addition to reserving the right to expand TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM to a maximum of 129 units, Developer reserves the right to add within five (5) years, amenities as will improve the attractiveness and value of TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM. Such amenities may include a playground, a walkway, or such other amenities as may be desirable and fit for the overall character of TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM. Such amenities, if added, would be common areas as hereinafter and would materially affect the overall common expense of TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM and the proportionate share of common expenses which each unit owner must pay as set forth hereinafter. Any purchasers, their heirs, executors, administrators, successors, or assigns, shall be deemed to have accepted this reservation of the right of Developer to add such amenities to the common areas of TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM.

1.04 Developer's Exclusive Option as to Subsequent Development:

There is no requirement or obligation herein contained, or to be herein construed that the Developer must construct additional buildings, units or improvements, or that Developer furnish additional amenities. Rather, the decision of further development of the property or the future addition of amenities, is the sole and exclusive option of Developer. Neither the original owners, nor their heirs, executors, administrators, successors, or assigns shall acquire any rights with respect to the Developer making additional improvements, nor with respect to Developer furnishing amenities.

ARTICLE II

DEFINITIONS

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

2.01 Definitions:

Act:	The Condominium Ownership Act of the State of Wisconsin, as amended from time to time, being Chapter 703 et seq. of the Wisconsin Statutes.
Association of Unit Owners:	All of the unit owners acting as a group in accordance with the By-laws and Declaration.
Building:	A structure containing one or more Units or two or more structures, each containing one or more units comprising a part of the Property.
Building Envelope:	The designated area on the Plat within which the all buildings shall be situate and all portions and extensions of the buildings shall be situate after final construction, which areas shall be designated as the "envelope".
Common Areas, Common Elements, Common Facilities:	Unless otherwise provided in the Declarations, or amendments thereto, include (a) land on which the building is located; (b) the common foundations, columns, girders, beams, support, main walls, roofs, walls, and corridors of the building; ©) yards, gardens, common parking areas, storage facilities, play areas, swimming pools, parks, recreational facilities, if any; (d) the premises for the lodging of janitors or persons in charge of the property, if any; (e) installations of center services, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, and incineration, if any; (f) tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use; (g) such community and commercial facilities as may be provided in the Declaration; (h) ingress and egress roadways not dedicated to the municipality, signage identifying the Condominium; (I) all other parts of the property necessary and convenient to its existence or maintenance, and safety, or normally in use.
Common Expenses:	(a) all sums lawfully assessed against unit owner by the Association of Unit Owners; (b) expenses declared common expenses by this Act or by Declaration or the By-Laws.
Declaration:	This instrument by which the property, as hereinafter defined, is submitted to the provisions of the Act, and shall include such amendments, if any, to this instrument as from time to time may be adopted pursuant to the terms thereof, or any addenda to this instrument.
Declarant:	Whenever used herein, the word "Declarant" shall denote the present legal titleholder of the property and any successors,

heirs, or assigns thereto.

Limited Common Elements, Limited Common Areas, Limited Facilities: That portion of the Common Elements serving a single Unit or Units as an inseparable appurtenance thereto and designated in the Declaration as reserved for use of a certain unit to the exclusion of other units in the building.

Majority or Majority of Unit Owners: The Unit Owners with more than 50% of the votes in accordance with the votes assigned in the Declaration to the Units for voting purposes.

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

Parcel: The entire tract of real estate above described.

Parking Area: That part of the Common Elements provided for parking of automobiles, and other vehicles as delineated on the plat as "Parking" or "Parking Area". The area provided for parking automobiles is shown in Exhibit A, attached hereto and hereinafter described.

Notwithstanding the foregoing, there is an apron or driveway area adjacent to all garages associated with units in the condominium. The apron or driveway shall be considered a limited common element of the unit to which it is contiguous and may be used by the owners or occupants of that unit for parking purposes, subject to the Rules and Regulations set forth in this Declaration and as otherwise determined from time to time by the Board. Maintenance, repair and replacement of these areas, as between the BOARD and the unit owner, shall be as provided in this Declaration.

Parking Space: Each portion of the Parking Area intended for the parking of a single motor vehicle.

Person: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property in the State of Wisconsin.

Property: The air space, the land, the building, all improvements to structures thereon, all owned in fee simple, absolute or held under a lease having an expired term of not less than 50 years at the time of recording of the Declaration, and all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been or are intended to be subject to this Act.

Plat: The Plat of Survey of the Property showing all Units presently situated or to be constructed, submitted and to be submitted pursuant to the provisions of the Act, said plat being attached hereto as an exhibit and by this reference made a part hereof and recorded simultaneously with the recording of this Declaration.

Streets and Roads: The surfaced portions of the property set aside for the use for

travel by foot or vehicles to and from the Units to the public streets or highways and situate within the common elements.

Unit: A part of the Property subject to the Act and intended for any type of independent use, including one or more cubicles of air at one or more levels of space, or one of more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building, and with a direct exit to a public street or highway, or to a common area or limited common area, leading to such street or highway.

Unit Owner: A person, combination of persons, partnership or corporation, who holds legal title to a condominium unit or has equitable ownership as a land contract purchaser.

Unit Number: The number, letter or combination thereof designating the unit in the Declaration and on the Plat.

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

ARTICLE III

PROPERTY AND UNITS: SUBMISSION TO ACT

3.01 Submission of Property to Act:

The Declarant hereby submits the property to the provisions of the Wisconsin Condominium Ownership Act.

3.02 Units: Description and Ownership:

The legal description of each Unit shall consist of the identifying number as shown on the Plat attached hereto as Exhibit "A". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as set forth in the delineation thereof as shown on the Plat. Except as otherwise provided by the Condominium Ownership Act, no Unit Owner shall, by deed, plat or otherwise, subdivide or in any manner cause the Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat. The Unit numbers of each of the Units are as set forth in the attached Exhibit "A". The location, proximate area, number of rooms, and immediate common area to which each Unit has access are set forth in exhibits attached hereto and as may be amended after construction as set forth in Section 1.02 hereof.

3.03 Certain Structures Not Constituting Part of a Unit:

No Unit Owner shall own any pipes, wires, conduits, public utility lines, or other structures components running through his Unit which serve more than his Unit, whether or not such items shall be located in floors, ceilings, or perimeter or interior walls of the Unit, except as a tenant-in-common with all other Unit Owners.

ARTICLE IV
COMMON ELEMENTS

4.01 Description:

Accept as otherwise provided in this Declaration, the Common Elements shall consist of all

portions of the property, except the units. Without limiting the generality of the foregoing, the Common Elements shall include outside walks, streets, common sidewalks, designated common parking areas, landscaping, entrances and exits, outdoor lighting facilities, common pipes, water lines, underground conduit for their water system, culverts, conduits, wires and other utility installations, as well as all other recreational facilities located within the confines of the Condominium.

4.02 Ownership of Common Elements:

Units Owners of the units in the Condominium shall have appurtenant to each such unit, an undivided interest in the Common Elements as a tenant-in-common with all other Unit Owners of the property. The extent or amount of such ownership shall be expressed by a percentage amount determined as units are constructed, as herein provided, and once the condominium is fully constructed, shall remain constant, and may not be changed without unanimous written approval of all the Unit Owners. Each unit's corresponding percentage of ownership in the Common Elements, is determined as set forth in Exhibit E incorporated herein by reference as if fully set forth herein.

4.03 No Partition of Common Elements:

There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership. However, if any Unit ownership shall be owned by two or more owners as tenants-in-common, or as joint tenants, nothing herein contained shall be deemed to prohibit voluntary or judicial partition of said Unit ownership between such co-owners.

ARTICLE V

GENERAL PROVISION AS TO UNITS AND COMMON ELEMENTS

5.01 Use of Common Elements.

Subject to the provisions of this Declaration, each Unit Owner shall have the right to use the common elements in common with other Unit Owners, as may be required for the purpose of ingress and egress to, and use and occupancy and enjoyment of the respective Unit by each Unit owner, and to the use and enjoyment of the common areas. Such right shall extend to the Unit Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Unit Owner. The use of the common elements and the rights of Unit Owner with respect thereto, shall be subject to and governed by the provisions of the Act, this Declaration and the By-Laws and Rules & Regulations of the Board of Directors (hereinafter described and for convenience hereinafter sometimes referred to as "the Board"). The Board of Directors shall have an authority to lease or rent or grant licenses or concessions with respect to the common parking areas, storage areas, or other parts of the common elements subject to the provisions of this Declaration and the By-Laws and Rules & Regulations of the Board.

5.02 Easements:

(a) Encroachments:

In the event that, by reason of the construction, settlement or shifting of any buildings, or the design or construction of any Unit, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of the Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or, if by reason of the design or construction of utility systems, any main pipes, ducts, or conduits, serving more than one Unit encroach, or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the buildings containing such Units shall remain standing; provided, however, that in no event shall a valid easement for an

encroachment be created in favor of the Owner of any Unit or in favor of the Owners of the Common Elements, if such encroachment occurred due to the willful conduct of said Owner or Owners.

(b) Utility Easements:

The Wisconsin Telephone Company, the Wisconsin Power & Light Company, Wisconsin Southern Gas Company, Alliant utilities and all other public utilities serving the property are hereby granted the right to install, lay, construct, renew, operate, maintain, repair or replace, conduits, cables, pipes, wires, and other equipment, into, over, under, along and on any portion of the Common Elements for the purpose of providing property with utility services, together with the reasonable right of ingress and egress from the property for said purpose. The BOARD may hereafter grant other or additional easements for utility purposes for the benefit of the property over, under, along, and on any portions of the Common Elements and each Unit Owner hereby grants the BOARD a irrevocable Power of Attorney to execute, acknowledge, and record for and in the name of such Unit Owner, such instruments as may be necessary or appropriate or effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines, or other structural components running through the walls of the Unit, whether or not the walls lie in whole or in part within the Unit boundaries;

Notwithstanding the easement grants provided above, it is understood that there are municipal easements granted by documents of record for the benefit of the Village of Genoa City regarding storm sewer, sanitary sewer and water services and for the installation, construction, service, repair, operation, replacement and maintenance of the systems. Also certain portions of those systems, by this Declaration, are to by maintained by the Townhomes of Hunters Ridge Condominium Association. The Village of Genoa City is additionally granted an easement over all aspects of the Common Areas of the Condominium for the purposes described above, as the Village determines, from time to time, are necessary regarding these municipal services, notwithstanding that maintenance thereof may be an obligation of the Condominium Association under the terms of this Declaration

©) Easements to Run with the Land:

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

(d) Easements and Access to Parking Areas:

It is hereby reserved to each and all Unit Owners, their respective successors and assigns, rights to the common parking areas as set forth in this Declaration, and attachments thereto, and also perpetual non-exclusive easements over the Common Elements for ingress and egress to the parking areas and insuring right of access between each and the public roads; all of the easements shall be appurtenant to and pass with the title to the Unit, whether or not such easement is expressed in a deed or deeds of conveyance. The location and use of each easement shall be subject to the rights and powers of the BOARD in this Declaration set forth; provided, however, that such rights and powers shall never be construed or exercised in any manner which deprives the Unit Owner of ingress and egress to the parking areas or access between such areas and the public roads.

5.03 No Severance of Ownership:

No Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument

purporting to affect one without including the other, shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

5.04 Maintenance of Common Elements: Common Expenses:

Except as otherwise provided herein, management, repair, alteration, and improvement of the Common Elements shall be the responsibility of the BOARD. Each Unit Owner shall pay his proportionate share of the expenses of maintenance, repair, replacement, and administration and operation of the Common Elements, which expenses are hereinafter referred to collectively as "Common Expenses". Such proportionate share shall be in the same ratio as the percentage of ownership in the Common Elements, as set forth in Exhibit E, attached hereto. Payment hereof shall be in the amount and at such times as may be provided by the By-Laws and/or Rules & Regulations of the BOARD. In the event of the failure of a Unit Owner to pay such proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provide by the Act.

5.05 Limited Common Areas:

(a) Balconies and Patios:

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

(b) Parking Areas:

Any parking area, or other portion of the property allocated to parking uses, unless specifically allocated to a Unit in the exhibits attached hereto, shall be a Common Element and not part of any individual Unit, provided, however, the Developer hereby reserves the right, until sale and conveyance of all Unit ownerships to sell and grant to any Unit Owner, or to any other person, the perpetual and exclusive use of designated parking space or spaces, which exclusive use shall be deemed to be appurtenant to and pass with title to the Unit to which appurtenant, even though not expressly mentioned in the document passing title to the Unit. The Developer shall, in the event of exercise of such reserved right, give the BOARD notice thereof, and name the Unit Owner to whom the Developer has granted the exclusive use, which notice shall be conclusive upon the BOARD and all Unit Owners as to the rights of the Unit Owner designated in the notice. Subsequent to the foregoing, the BOARD may determine to grant exclusive use and possession to designated parking stalls in any portion of the property allocated to parking purposes to Unit Owners and the BOARD may, in such event, prescribe such rules and regulations with respect to such parking areas as the BOARD may deem fit and may, in addition, operate any parking areas itself, or lease any parking areas for operation by others upon such terms as it may deem fit. All revenue received by the BOARD from any said parking areas, less operation expenses thereof, if any, shall be applied in accordance with the By-Laws. Such exclusive use and possession given a Unit Owner or Owners shall be subject to such rules and regulations as the BOARD deems fit, including the requirement that such exclusive use and possession encompass the obligation to clean and maintain that portion of the Common Element subject thereto as an expense of a Unit Owner rather than a common expense.

Notwithstanding the foregoing, it is acknowledged that the parking areas associated with the driveway/apron adjoining each parking garage area of the unit shall be limited common

elements as further described in the definition of parking area in Article II hereof, and shall be subject to such rules and regulations, as to use and maintenance, as shall be established by the BOARD, from time to time. Maintenance, repair and replacement of such areas shall be the responsibility of the unit owner as provided herein.

©) Storage Areas:

Storage areas outside of the respective units, if any, shall be a part of the Common Elements, and the use thereof shall be allocated among the Unit Owners as the BOARD may, by its Rules & Regulations, prescribe.

(d) Storm Doors:

Storm doors on Units shall be maintained by the Unit Owner. To maintain a consistent appearance throughout the Condominium development, all storm door must be of a similar style and color as established by the BOARD.

5.06 Separate Mortgages of Units:

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

5.07 Separate Real Estate Taxes:

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

5.08 Utilities:

Each Unit Owner shall pay his own telephone, electricity, gas, water and sewer, and other utilities, which are separately metered or billed to each user by the respective company. Utilities which are not separately metered or billed, shall be treated as part of the common expenses.

5.09 Insurance: Unit Owners:

Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit and his additions and improvements thereto, and decorating and furnishings and personal property therein, and personal property stored elsewhere on the property are his personal liability, all to the extent not covered by fire and liability insurance for all Unit Owners obtained as part of the common expenses as provided below.

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

Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the BOARD, its officers, members of the BOARD, the Developer, the manager and managing agent of the building, and their respective employees and agents, for damage

to Common Elements, the Units, or to personal property located in the Units, or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire and other forms of casualty insurance.

5.10 Maintenance, Repair and Replacement of Units:

(a) By the BOARD:

The BOARD, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of the building, (including roof and siding), excluding, however, interior walls, ceiling and floor surfaces. In addition, the BOARD shall maintain, repair and replace all conduits, ducts, wiring, and other facilities for the furnishing of utility services which may be located within the Unit boundaries as specified in Section 3.02 serving more than one unit, exclusive of any portions which may be the responsibility of an individual owner under any other provision of this Declaration. The BOARD shall also be responsible for the maintenance, repair and replacement of privacy walls, if any, which may be constructed dividing balconies and patios serving individual units. Such privacy walls shall be maintained, repaired and replaced in a way as to preserve the aesthetics of the condominium development.

The Board shall also be responsible for the maintenance and repair of the yards, roadways, sidewalks serving more than a single unit, private sanitary sewer interceptors serving and lying within the Condominium, storm water detention areas (which shall be maintained in accordance with all applicable Village Ordinances and all other governmental regulations as may apply, form time to time), and all other common areas within the condominium.

(b) By the Owner:

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

(1) All of the maintenance, repairs, and replacements within his Unit, and all of the doors and windows (including jams, support posts and kick boards) appurtenant thereto, and all internal installations of such Unit, such as refrigerator, range, or other kitchen appliance, light fixtures, and other electrical fixtures, appliances, heating, plumbing, and air-conditioning fixtures or installations, and any portion of any other utility service facilities serving a separate Unit, including such maintenance, repairs, and replacements as may be required for the bringing of water, gas and/or electricity or other utility to the Unit shall be furnished by the unit owner. Doors, windows, garage doors, yard lights, if any, and similar fixtures serving a single unit shall be maintained, repaired and replaced by the unit owner, however, such shall occur so as to be consistent with the quality of material and color of similar improvements throughout the condominium (as approved by the BOARD). The BOARD may provide, by its Rules & Regulations, for ordinary maintenance and minor repairs and replacements, to be furnished to Units by building personnel, as a common expense. In the event the separate utility service crosses a common element and repair is necessary as to that portion crossing the common element, an easement is granted for such repair and/or replacement as is necessary provided that the common element shall be restored to the condition it was in prior to such repair or replacement.

(2) All of the decorating within his own Unit, from time to time, including but not limited to, painting, wall covering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other interior furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors, and ceilings, as lie within the boundaries of his Unit, as shown in the Plat, and such Unit Owner shall maintain such portions in good condition at his sole expense, as may be required from time to time, which said maintenance and use shall be subject to the Rules & Regulations of the BOARD. The interior and exterior surfaces of all windows forming part of the perimeter wall of a Unit shall be cleaned and washed at the expense of each respective Unit Owner. The use of and the covering of interior surfaces of such windows, whether by drapes, shades, or other items visible on the exterior of the building shall be subject to the Rules & Regulations of the BOARD. Decorating of Common

Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on any Common Elements of the BOARD shall be furnished by the BOARD as part of the Common Expense. Nothing herein contained shall be construed to impose a contractual liability upon the BOARD for maintenance, repair, replacement, but the BOARD's liability shall be limited to damages resulting from negligence. The respective obligations of the BOARD and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in the material or workmanship in the construction of the property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

The parties acknowledge that the exterior siding, soffit, fascia, shutters, if any, and roofing shall be of consistent color and materials throughout the development and in order to maintain this aesthetics within the condominium and repair and/or replacement of same throughout the condominium shall be a common expense subject to the provisions of Section 5.11 hereof.

(3) The maintenance, repair and replacement of the driveway/apron, sidewalk and front/rear stoop, if any, serving any individual unit, shall be the responsibility of the individual unit owner and shall occur consistent with the rules and regulations of the BOARD as are established by the BOARD, form time to time. The obligations in this subparagraph shall include, but not be limited to, snow removal.

5.11 Negligence by Owner:

If, through the negligent act or omission of a Unit Owner, a member of his family or household pet, or of a guest or invitee, or other persons authorized as occupants or visitors of Unit Owner, damage shall be caused to the Common Elements, or to a Unit or Units owned by others, or maintenance or repairs or replacements shall be required which would otherwise be at the common expense, then the Unit Owner shall pay for such damage and such maintenance, repair and replacement, as may be determined by the BOARD, subject to the By-Laws, Rules & Regulations of the BOARD.

5.12 Joint Facilities, Fixtures:

To the extent that equipment, facilities and fixtures, within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units, or the Common Elements, then the use thereof by the individual Unit Owner shall be subject to the Rules & Regulations of the BOARD. The authorized representatives of the BOARD, or the manager, or managing agent of the building, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs and replacements of or to the Common Elements, or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

5.13 Damage or Destruction: Association not to Rebuild, Repair or Restore:

Notwithstanding any other provision herein above set forth, the Association may opt not to repair, rebuild, or restore damaged or destroyed portions of the property. To do so, the Association must, within ninety (90) days of the date of the damage or destruction, determined by an affirmative vote of at least seventy-five (75%) percent of the votes of the Association, not to rebuild, repair or restore. In the event the property is not rebuilt, repaired or restored, the provisions of Section 703.18(2)(b) of the Wisconsin Statutes shall control.

ARTICLE VI

TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM
BY-LAWS

6.01 Administration:

(1) Administration of Property:

The direction and administration of the Property shall be vested in a Board of Directors. The initial BOARD shall consist of the Declarant until such time as seventy-five (75%) percent of the condominium units are sold, or until such time as Declarant shall vest the management and control of the condominium in an Association which shall be no later than as required by Section 703.15 of the Wisconsin Statutes. The Board of Directors of the condominium, after Declarant releases control of the condominium and the direction of the administration of same, shall consist of six (6) persons. Except for the initial Board of Directors and those Board Members nominated by Declarant, each member of the BOARD shall be one of the Unit Owners or a spouse of a Unit Owner. In the event a Unit Owner is a corporation, partnership, trustee, or other legal entity, then any officer, director, beneficiary, or other designated agent of such entity, shall be eligible to serve as a member of the BOARD.

(2) Association:

The Association as referred to herein shall be THE TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM ASSOCIATION, a corporation organized under and pursuant to Chapter 181 of the Wisconsin Statutes. The BOARD shall be deemed to be the "Board of Directors" for the Unit Owners as referred to in the Act. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the next Unit Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. The Association may issue certificates evidencing membership therein if deemed advisable by the Board of Directors.

(3) Determination of the Board to be Binding:

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

(4) Voting Rights:

Each Unit Owner shall be entitled to one (1) vote per Unit owned. Such voting member who shall be entitled to vote the number of votes allotted to a Unit owned, may be a Unit Owner, one of the persons composed of all the Owners of a Unit Ownership, or may be some person designated in writing by such Unit Owner or Owners to act as proxy on his or their behalf and who need not be a Unit Owner. The terms "majority" or Majority of the Owners" whenever used herein shall have the same meaning as provided for such terms in Section 703.15(4)(e) of the Act except that Owners may vote by proxy. Any specified percentage of Owners, whether majority or otherwise, for the purpose of voting and for all purposes herein provided, shall mean such percentage of the aggregate in interest of the undivided ownership of the Common Elements. **Notwithstanding any other provision contained herein to the contrary, the Declarant shall be entitled a vote for any unbuilt unit until such time as the condominium is fully constructed (and sold), or the time for completion has lapsed, whichever occurs first.**

(5) Mailing Address:

The mailing address for the Condominium Association shall be in care of TRACY GROUP, INC., 200 ELIZABETH LANE, GENOA CITY, WI 53128 until such time as changed by the Board of Directors..

(6) Service of Process:

Service of process may be made upon: Attorney Timothy P. Swatek, ALLEN,

(7) Meetings:

(a) Place and Quorum:

Meeting of the Owners shall be held at the property or at such other place, as may be designed in any notice of a meeting. The presence in person or by proxy at any meeting of the Unit Owners of a majority of votes held by all the Unit Owners, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Unit Owners at which a quorum is present upon the vote of the majority of Unit Owners represented at the meeting.

(b) Initial Meeting:

The initial meeting of the Unit Owners shall be held upon ten (10) days written notice given by the Declarant. Such written notice shall be given prior to the conveyance of seventy-five (75%) percent of the interest in the Common Elements. The Unit Owners, other than the Declarant, shall elect five (5) of the six (6) Directors and the Declarant shall elect the remaining director; said Directors shall serve until the First Annual Meeting. The Declarant's control of the Association shall cease pursuant to Section 703.15(2)©) of the Act. Upon the expiration of the control of the Declarant, the Association, pursuant to the Act and within thirty (30) days of said expiration, shall hold their First Annual Meeting.

©) Annual Meeting:

Following the First Annual Meeting, there shall be an annual meeting of the Unit Owners on the first Saturday of June and again on the first Saturday of June of each succeeding year thereafter, or at such other reasonable time or date.

(d) Special Meetings:

Special meetings of the Owners may be called at any time for any legal purpose, by written notice, authorized by the BOARD, or by at least twenty-five (25%) percent of the Owners, delivered not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(8) Notice of Meetings:

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

(9) Board of Directors:

(a) First Annual Meeting:

At the First Annual Meeting, five (5) Board Members shall be elected, and one (1) additional Board Member shall be designated by the Developer. The person receiving the highest number of votes, together with the person designated by Developer at the First Annual Meeting, shall be elected to the BOARD for a term of three (3) years. The two (2) persons receiving the next highest number of votes at the First Annual Meeting, shall be elected to the BOARD for a term of two (2) years. Two (2) persons receiving the next highest number of votes at the First Annual Meeting shall be elected for a term of one (1) year. Thereafter, all Members of the Board shall serve, without compensation, terms of three (3) years, or until their successors are elected and qualify. The election and term of office as between the candidates receiving the same number of votes, shall be determined by lot. Upon the expiration of terms of offices, the Board Members so elected at the First Annual Meeting and thereafter, successors shall be elected for terms of three (3) years each.

Only Unit Owners shall be eligible Board Members. If a unit is jointly owned, only one (1) of its owners is eligible. If a unit is owned by a corporation, one (1) of its officers shall be eligible.

The voting members having at least two-thirds (2/3) of the total votes of all Unit Owners may, from time to time, increase or decrease the number of persons on the BOARD, increase or decrease the term of office of Board Members at any Annual or Special Meeting provided that such member shall not be less than three (3) and the terms of at least one-third (1/3) of the persons on the BOARD shall expire annually. Members of the BOARD shall serve without compensation, unless compensation is approved or ratified by a vote of the voting members having a majority of the total votes. Vacancies on the BOARD, including vacancies due to any increase in the numbers of persons on the BOARD shall be filled by the voting members at the next Annual Meeting or a Special Meeting of the voting members called for such purpose except as otherwise provided in this Declaration, the property shall be managed by the BOARD and the BOARD shall act by majority vote of those present at the meetings when a quorum of the BOARD exists. Meetings of the Board may be called, held, and conducted in accordance with such regulations as the BOARD may adopt. A majority of the total number of members on the BOARD shall constitute a quorum.

Unless otherwise determined by the BOARD, Special Meetings of the BOARD shall be held upon a call by the President, or upon a majority of the BOARD on not less than forty-eight (48) hours notice, in writing, to each member, delivered personally or by mail or telegram. Any Board Member may, in writing, waive notice of a meeting or consent to the holding of a meeting without notice, or consent, to any action of the BOARD without a meeting.

(b) The BOARD shall elect, from among its members, a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive officer of the BOARD and the Association, a Secretary who shall keep the minutes of all meetings of the BOARD and of the voting members and who shall, in general, perform all the duties incident to the office of Secretary, including the counting of votes, and a treasurer to keep the financial records and books of account, and such additional officers as the BOARD shall see fit to elect.

©) Except for Directors designated by Declarant, any Board Member may be removed from office by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any Special Meeting called for this purpose or at any Regular Meeting. A successor to fill the unexpired term of a Board Member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

(10) General Powers of the BOARD:

(a) Without limiting the general powers which may be provided by law, this Declaration and the Act, the BOARD shall have the following general powers and duties:

(1) To elect the officers of the Association as herein above provided;

(2) To administer the affairs of the Association and the property;

(3) To engage the services of a manager or managing agent who shall manage and operate the property and the Common Elements thereof for all Unit Owners upon such terms and for such compensation and with such authority as the BOARD may approve, subject to the provisions below;

(4) To formulate polices for the administration, management and operation of the property and Common Elements thereof;

(5) To adopt administrative rules and regulations governing the administration, management, operation and use of the property and the Common Elements, and to amend such rules and regulations from time to time, subject to the provisions below;

(6) In addition to the above, the BOARD, for the benefit of the Unit Owners,

shall provide and pay, out of the maintenance hereinafter provided for, the following:

(a) A policy or policies of insurance insuring the Common Elements against loss or damage by the perils of fire, lighting and those contained in the extended coverage, vandalism and malicious mischief endorsements, for the full insurable replacement value of the Common Elements, written in the name of, and the proceeds thereof payable to, the Members of the BOARD, as trustees for the owners. prior to obtaining any such policy or policies of insurance, or any renewal thereof, except for the initial policy or policies obtained by the Declarant, the BOARD, at its election, may from time to time, obtain an appraisal from a qualified appraiser for the purpose of determining the full replacement value of the Common Elements for the amount of insurance to be effected pursuant hereto. The cost of any and all such appraisals shall be common expenses. All such policies of insurance shall provide that the insurance, as to the interest of the BOARD, shall not be invalidated by any act or neglect of any Owner; shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the owners elect to sell the property or remove the property from the provisions of the Act; shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the BOARD, the Trustee, the Declarant, the managing agent, if any, their respective employees and agents, and Owners and Occupants; and shall contain a "Replacement Cost Endorsement". The proceeds of such insurance shall be applied by the BOARD for the reconstruction of the amenities in the Common Elements, or shall be otherwise disposed of, in accordance with the provisions of this Declaration and the Wisconsin Condominium Ownership Act. Such insurance coverage shall also cover cross-liability claims of one insured against another.

(b) A policy or policies of comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring each Unit Owner, the Association, its officers, members of the BOARD, Declarant, manager and managing agent of the building, if any, and their respective employees and agents, from liability in connection with Common Elements, Limited Common Elements, streets, sidewalks and areas adjoining the property and insuring the officers of the Association and members of the Board from liability for good faith action beyond the scope of their respective authorities. Such insurance coverage shall include cross-liability claims of one or more insured parties against the other insured parties.

©) Workmen's compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board in its judgment shall elect to effect.

(d) The services of any persons or firm employed by the BOARD. The BOARD, at the direction of a majority of the Owners, may employ the services of any person or firm to act on behalf of the Owners in connection with real estate taxes and special assessments on the Unit Ownerships. The cost of such services shall be common expenses. Upon authorization by at least a majority of the Unit Owners, the BOARD, acting on behalf of all Owners, shall have the power to seek relief from or in connection with, any assessments or charges and to charge and collect all expenses incurred in connection therewith as common expenses.

(e) Landscaping, gardening, snow removal, painting, cleaning, tuck-pointing, general maintenance, decorating, repair and replacement of the Common Elements, including the furnishing of materials, supplies, furniture, labor, services and equipment, as the BOARD shall deem necessary and proper, the BOARD having the exclusive right and duty to provide for the Common Elements. The obligation of the BOARD so stated herein does not extend to the Limited Common Elements (except the Limited Common Elements designated as parking areas, which shall be maintained and paid by the BOARD), but shall be provided for by those Unit Owners having the right to use said Limited Common Elements. In addition to the above enumerated services, the BOARD shall also undertake the operation of lawn mowing of the Common Elements. Unit Owners shall cooperate as need be in order that the mowing of the Units may be done in an expeditious and orderly fashion. The miscellaneous trimming around the Units shall be the obligation of the Unit Owners.

(f) Any amount necessary to discharge any construction lien or other encumbrance levied against the entire property or any part thereof which may, in the opinion of the BOARD, constitute a lien against the entire property or against only all or part of the Common Elements. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to said Owners.

(g) Maintain and repair any Unit if such maintenance or repair is necessary in the discretion of the BOARD, to protect the Common Elements, and an Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the BOARD to said Owner, provided that the BOARD shall levy a special assessment against said Owner for the cost of said maintenance or repair. Provided, further, that the notice envisioned by this paragraph shall not be necessary in case of an emergency which shall be determined by the sole discretion of the BOARD.

(h) Maintain all streets, sidewalks, recreational facilities, parking spaces and pathways (of whatever nature), including, but not limited to, public and private utilities, water systems, sewer lines, outdoor lights, and other aspects of the Common Elements (unless maintained by the Village of Genoa City as a Municipal service). The BOARD shall assure that all requirements of the Village of Genoa City and County of Walworth regarding snow removal, accessibility to service driveways, maintenance of roads and sidewalks, are fully complied with.

(I) The BOARD or its agents, upon reasonable notice or, in the case of an emergency, determined at the sole discretion of the BOARD, without notice, may enter any Unit when necessary in connection with any maintenance, or construction for which the BOARD is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the BOARD at the expense of the Maintenance Fund.

(j) The BOARD's powers herein above enumerated shall be limited in that the BOARD shall have no authority to acquire and pay for out of the Maintenance Fund, any structural alterations, capital additions to, or capital improvements of, the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration) requiring an expenditure in excess of Five Thousand ($5,000.00) Dollars in any one instance, without, in each case, the prior approval of the voting members of at least two-thirds (2/3) of the Unit Owners.

(k) The Declarant may enter into a management contract, contract for services, employment contracts, or other agreements to facilitate the maintenance, management and upkeep of the property, which shall be binding upon and inure to the benefit of the Owners and Association.

(l) The BOARD may engage the services of a manger or managing agent and pay compensation from the Assessment-Maintenance Fund; provided, however, that the BOARD may not contract with said manager or managing agent for a period of time of more than one (1) year. Said contract to be renewable yearly at the option of the BOARD.

(7) All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments, shall be signed by such office or officers, agent or agents of the BOARD and in such manner as from time to time shall be determined by written resolution of the BOARD. In the absence of such determination by the BOARD, such documents shall be signed by the President and counter-signed by the Treasurer of the BOARD.

(8) The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the property, for the health, comfort and safety and welfare of the Owners and Occupants of the property. Such reasonable rules and regulations shall include, but not be limited to, the rules governing the conduct, maintenance, or use of any recreational facilities on the property. Written notice of such rules and regulations shall be given to all Unit Owners. The entire property shall, at all times, be maintained subject to such

rules and regulations. If, within thirty (30) days from the date of written notice to the Unit Owners of any adoption of any rule or regulation at least twenty-five (25%) percent of the Unit Owners shall file with the BOARD, a written objection thereto, then such rule or regulation shall be deemed rescinded until approved by voting members of at least two-thirds (2/3) of the Unit Owners.

(9) The BOARD shall have the power to borrow money, acquire and convey property in the Association name only with prior approval of the voting members of at least two-thirds (2/3) of the Unit Owners, except as hereinafter provided.

(10) Nothing herein above contained shall be construed to give the BOARD authority to conduct an act of business for profit on behalf of all the owners, or any of them.

6.02 Assessment-Maintenance Fund:

(1) Each year on or before December 1st, the BOARD shall estimate the total amount necessary to pay the cost of wages, payroll taxes, materials, insurance, services, management fees, supplies, maintenance, repairs, landscaping, fuel, power, and other common utilities and common expenses, which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the BOARD to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15th, notify each owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit E, attached hereto. On or before January 1st of the ensuing year, and the first of each and every month of said year, each Owner shall be obligated to pay to the BOARD, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this section. On or before the date of the Annual Meeting of each calendar year, the BOARD shall supply to all Owners, an itemized accounting of the common expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures and reserves shall be maintained by the Board and either considered in adjusting the budget for the upcoming year or shall be used for any other purpose as the Association shall determine, as provided in Wisconsin Statute Section 703.16(1).

Notwithstanding the foregoing, provided a unit is not occupied by the Declarant, the Declarant, officers, directors, agents or employees for residential purposes, the Declarant shall be exempted from payment of monthly assessments, monthly assessments first being due and payable upon the first sale of a unit by the Declarant.

(2) Reserve for Contingencies and Replacements:

Upon the sale of any unit from the Developer to a third party, the third party shall pay an Association start-up fee equal to three (3) times the monthly assessment as is in place at the time of sale which shall be added to the "reserve funds" as is further described in this Section. Such payment shall be upon the first sale of the unit ONLY and not upon subsequent sales.

The BOARD shall build up and maintain a reasonable *reserve fund* for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charge first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, the BOARD may, at any time, levy a further assessment, which shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements. The BOARD shall serve notice of such further assessment on all Owners by a statement in writing, giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount.

(3) Budget for First Year:

When the first BOARD elected hereunder takes office, it shall determine the "estimated cash requirement" as herein above defined, for the period commencing thirty (30) days after said elections and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the Owners during said period as provided in Section 6.01 of this article.

(4) Failure to Prepare Annual Budget:

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

(5) Books and Records:

The BOARD shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments, shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, at such reasonable time or times during normal business hours of week days as may be requested by the Owner. Upon ten (10) days notice to the BOARD and payment of a reasonable fee, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

(6) Status of Collected Funds:

All funds collected hereunder shall be held and expended for the purposes designated herein and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in the percentages as determined in Exhibit E, attached hereto.

(7) Remedies for Failure to Pay Assessments:

If any Unit Owner shall default in the payment of any charge or assessment or assessment imposed by the BOARD as herein provided, the BOARD shall have the authority, for and on behalf of itself and said Association, and as the representative of all Unit Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, these By-Laws, this Declaration, or otherwise available at law or in equity for the collection of all such unpaid charges or assessments. In addition, if an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the BOARD may bring suit for and on behalf of itself and as representative of all Owners to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due, the costs of said suit, together with legal interest and reasonable attorney's fees to be fixed by the Court. To the extend permitted by any decision or any status of law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest costs and fees as above provided shall be and become a lien or charge against the Unit ownership of the Owner involved when payable and may be foreclosed by an action brought in the name of the BOARD, as in the case of foreclosure of liens against real estate. Unless otherwise provided in this Declaration, the members of the BOARD and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

The lien for unpaid Association assessments chargeable to any Unit shall be prior to all other liens except:

(a) Liens of general and special taxes;

(b) All sums unpaid on a first mortgage recorded prior to the making of the assessment;

©) Mechanics liens filed prior to the making of the assessment;

(d) Mortgage loans from the Department of Veterans Affairs to eligible veterans under 45.80 Wisconsin Statutes.

Any holder of any encumbrance on a Unit from time to time may request, in writing, a written statement from the BOARD setting forth the unpaid common expenses with respect to the Unit covered by his encumbrance, which request shall be complied with. Any encumbrancer holding a lien on a unit may pay any unpaid common expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance.

The terms and provisions herein above are cumulative and not exclusive. Nothing herein shall disallow the Association to seek other remedies as provided by law, or otherwise enumerated in the Statutes of Laws for the State of Wisconsin from time to time.

(8) Initial Sale:

At the time of any initial sale of any Unit from the Developer to another, that purchasing Unit Owner shall contribute, at closing, a sum to the Assessment-Maintenance Fund, equal to three (3) times the monthly assessment set forth in the proposed budget for the initial year, or thereafter, as determined by the BOARD.

(9) Rental During Foreclosure:

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

(10) Amendments:

Except for such amendments as may be required to conform any provision of the Declaration to the requirements of law, all amendments to Section 6.02 shall only be effective upon affirmative vote of one hundred (100%) percent of Unit Owners and their mortgagees. No Unit Owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of the common areas and facilities, or by abandonment of his Unit.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

7.01 Intent of Covenants and Restrictions:

The covenants and restrictions herein shall apply in their entirety to any Units which are sold in TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM as recorded. It is the intention of these covenants and restrictions to maintain aesthetic harmony for the benefit and protection of the owners of the Units in the condominium and to provide architectural protection and control of the Units and common areas and their use. It is a further intent of these covenants and restrictions that no part of the property shall be used for purposes other than for which the property was designed. Each Unit shall be used as a single family residence and for such other purposes as permitted by this Declaration and for no other purposes.

These rules have been adopted to permit the enjoyment of the condominium by all those authorized to use it. The purchase of a Unit shall constitute acceptance of these rules and

regulations and shall acknowledge a willingness to abide by them.

7.02 Unit Use:

(1) The Units shall be utilized for a single family residential purposes.

(2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the property without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the property, or which would be in violation of any law.

(3) Each Unit Owner shall be responsible for his own insurance for his Units and the contents located therein and his appurtenances, additions and improvements thereto, decorating and furnishings and personal property therein, his personal property stored elsewhere on the property and personal liability, all to the extent not covered by fire and liability insurance for all the Unit Owners obtained as part of the Common Expenses as provided herein above in this Declaration.

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

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

(4) No pets, animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in any of the Common Elements at any time, *except such domestic household pets as may be authorized by Declarant, or the BOARD.* Rules regarding the placement and use of items such as dog runs and similar pet equipment, if allowed, as well as rules regarding pet waste removal, shall be established by the BOARD, from time to time.

(5) No noxious, offensive or illegal activity shall be carried on in any Unit or the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to other Unit Owners or Occupants.

(6) There shall be quiet hours each day from 10:00 p.m. in the evening until 6:00 a.m. the following morning. During this time, noise and activity which would tend to disturb other Unit Owners or Occupants shall be kept to a minimum.

(7) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted in any Unit or on the Common Elements, subject to the provisions of section 7.05 (4), of this Declaration.

(8) No recreational vehicles, trucks (other than pick up trucks one-ton or less), boats, trailers, or other vehicular items of personal property shall be stored or remain in parking spaces or on portions of the Common Elements or Limited Common Elements for a period in excess of 24 hours by any Unit Owner. This restriction shall not apply to construction activities of Units or to the necessary equipment, trucks and other vehicles necessary for such construction activities.

(9) Unit Owners are responsible to keep and maintain their Unit and personal property thereon in a neat, clean, sanitary and orderly condition.

(10) Unless garbage pick up is arranged through services contracted for by the Village

of Genoa City, garbage and rubbish removal shall be at the cost and expense of each Unit Owner. Garbage pails, dumpsters, cans and rubbish containers shall not be placed on the Common Elements by any Unit Owner except as established by the BOARD. The BOARD shall secure the services of garbage removal companies, or seek such services through the Village of Genoa City. The expense for same shall be a common expense. Other than those so placed, or directed to be placed, by the Directors, any other garbage pail, can or rubbish container shall not be placed on the Common Elements by the Unit Owner.

(11) No Unit Owner shall allow inoperable motor vehicles to remain on the property for more than twenty-four (24) hours. No Unit Owner shall allow the parking of more than two (2) motor vehicles associated with his Unit, his guests, or invitees to remain on the property more than twenty-four (24) hours. Each Unit Owner shall ensure that his guests, invitees, tenants, other occupants, or other persons in any fashion occupying or using his Unit, do not, in any way, obstruct the use of parking spaces assigned to other Unit Owners.

(12) In order to facilitate lawn mowing and to provide for neat, orderly appearance of the Units, personal property shall be stored on patios and not on common areas.

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

(14) There shall be no obstruction of the Common Elements nor anything stored in the Common Elements without prior consent of the BOARD, except as provided herein. There shall be no parking of motor vehicles on any of the roadways within the Development excepting that during the construction of units vehicles may be parked in common elements as is necessitated by the construction activity.

(15) Utilization of insect "zappers" or other similar insect elimination devices is strictly prohibited.

(16) No signage, except bona fide real estate "for sale" signs shall be placed on units or the common elements. Any authorized signage shall be placed only with the consent of the Board.

(17) The holding of garage or yard sales within the development is strictly prohibited.

(18) The operation of trail or dirt bikes, mini-bikes, snowmobiles, all terrain vehicles and other recreational vehicles within the development is strictly prohibited.

(19) There shall be no TV antennas, satellite dishes or other receptive equipment attached to the common elements except with the specific approval and consent of the BOARD, which consent shall only be granted if the BOARD is convinced that same will not result in damage to the common elements and shall be in keeping with the aesthetics of the development.

7.03 Unit Improvement:

(1) In General:

There may be no improvement to a Unit which in any manner hinders the use of another Unit or the Common Elements of the Condominium or which in any way interferes with the providing of services to any other Unit.

(2) Contour Improvements:

There shall be no contour improvements made by any Unit Owner to the Common Areas.

(3) External Exposure of the Building:

Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the buildings and no sign, awning, canopy, shutter, radio and television antenna or dish shall be affixed to or placed on the exterior walls, roof, or any portion thereof, without the express written consent of the BOARD. Unit Owners may hang draperies or other type window treatments in the windows of the Units, however, hanging of sheets, blankets, or the boarding up of windows is strictly prohibited. The BOARD may, from time to time, similarly prohibit window treatments inconsistent of the intents and purposes of this article.

(4) Plants, Trees and Shrubs:

No Unit Owner shall remove, cut down or plant any trees, shrubs or plants on the Common Elements without prior written consent of the BOARD.

(5) Concreting or Blacktopping of Common Elements:

None of the Common Elements shall be concreted, blacktopped or otherwise paved by any Unit Owner without the prior written consent of the BOARD.

(6) Fences:

Unit Owners are hereby prohibited from erecting any fences on the Common Elements or Limited Common Elements. All fencing of any kind and nature will be constructed by the BOARD.

(7) Gardens:

Unit Owners are hereby prohibited from installing or planting a garden on the Common Elements or Limited Common Elements without the prior express written consent of the BOARD.

(8) External Lights:

Permanent external lighting will be provided by the BOARD. No permanent or temporary external lighting will be allowed by any Unit Owner, without the prior express written consent of the BOARD.

(9) Screened Enclosures:

Unit Owners may not erect screened enclosures, or other enclosures, of their porch or patio without the prior express written consent of the BOARD.

(10) Clotheslines:

Clotheslines shall not be permitted in the Common Areas.

7.04 Common Areas:

(1) Roadways within the Common Areas are to be kept clear and unobstructed at all times. No parking is allowed on the roadways, except in designated parking areas within the common areas.

(2) Speed limit on all roadways in the Condominium is fifteen (15) miles per hour, or such lesser speed as is dictated by the conditions of the roadways and presence of pedestrians, as then exist.

(3) Motorcycles may be operated, but are limited to use only on the prescribed roadways. Such vehicles must adhere to all speed limits. In parking any motorcycle within a common areas, the

owner or user shall ensure a block or pad is placed under the cycle stand so as to avoid the creation of a depression on the parking surface.

(4) Golf carts, snowmobiles, and other all terrain vehicles are prohibited upon any area of the Condominium property, except when trailered.

(5) No allowable motorized vehicle of any type may be parked or located other than on an approved parking area.

(6) No boats, boat trailers, or other trailers may be stored on a Unit for more than six (6) hours in any seventy-two (72) hour period.

7.05 General Covenants and Restrictions:

(1) No "For Sale" or "For Rent" signs, advertising or other display shall be maintained or permitted on any part of the property, except at such location and in such form as shall be determined and permitted in writing by the BOARD; except those rights hereinafter reserved to Declarant.

(2) Entry to the property shall be only upon the prescribed entrance set forth in this Declaration. Under no circumstances may entry be made by trespass on adjacent property. Violation of this provision may be remedied by the BOARD under Article IX of this Declaration.

(3) Display of Model Units by Developer: Notwithstanding other provisions contained herein, during the period of construction of the buildings on the property by the Developer, the Developer and his contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress and egress to the said buildings on the property, as may be required in connection with construction. During the period in which sale of the units by Developer or beneficiaries of Developer are in progress, the Developer or beneficiaries may occupy or grant permission to any other person who may need to occupy, with or without rental, as determined by Developer or said beneficiaries, one or more units for business or promotional purposes, including clerical activities, sales offices, model units for display, and the like - provided that the activities in the units so occupied do not interfere with the quiet enjoyment of any other owner or occupant.

(4) Personal Professional Activities Permitted:

The Unit restrictions herein above referenced shall not be construed in such manner so to prevent an Owner from:

(a) Maintaining his personal business or professional records or accounts therein;

(b) Maintaining his personal or professional library therein;

©) Handling his personal business or professional telephone calls or correspondence therefrom;

Such uses are expressly declared customarily incident to the principal residential use and not in violation of the provisions of this Declaration, unless said use would be contrary to the zoning restrictions of the Village of Genoa City, or any other building or use restrictions of governmental authorities having jurisdiction over the property. It is the intent hereof that the authorized use of a unit for personal professional activities shall not appear as commercial/non-0rsidential, e.g. on site customer visits,, product delivery, etc., and as such any such use as would give the activity a commercial/ non-residential appearance, is prohibited as provided in section 7.02 (7) hereof.

ARTICLE VIII

SALE, LEASING OR OTHER ALIENATION

8.01 Right of First Refusal on Conveyance:

No Unit Owner other than the Declarant shall, at any time, sell, convey, gift or give away any Unit without first complying with the provisions hereinafter contained in this paragraph unless the recipient of said Unit is related by blood or marriage to the Owner, is a co-owner, a member of the partnership which is the Owner of a Unit, or a shareholder in a corporation which is the Owner of a Unit. No such sale or alienation shall be made unless the Board is given no less than thirty (30) days prior written notice of the terms of any proposed bona fide sale or other alienation, as evidenced by a bona fide written document of purchase, sale or other alienation, together with the name and address of the proposed purchaser or alienee. The Association shall, at all times, have the first right and option to purchase such Unit upon the terms as evidenced by such bona fide document, which option shall be exercisable for a period of thirty (30) days following the date of receipt of the written notice of the proposed sale or alienation. If said option is not exercised by the Association within said thirty (30) days, the Owner may, at the expiration of said thirty (30) days period and at any time within sixty (60) days after the expiration of said period, contract to sell or gift such Unit to the proposed purchaser or donee named in such notice, but only to such purchaser or donee upon the terms specified therein.

8.02 Leasing:

(1) Units may be leased on no less than a monthly, and no greater than an annual, basis provided that any Unit Owner desiring to lease his Unit shall notify the Board of the name, address, phone number and occupation of any prospective Lessee and shall provide the Board with at least thirty (30) days notice of such Lease. The Lease for any Unit executed by any Unit Owner shall restrict the utilization of said Unit to the uses provided herein.

(2) Any Lessee shall be fully subject to the rules and regulations of this Declaration and those promulgated by the Board under authority of this Declaration. The Lessor of any Unit shall have the primary responsibility for enforcement of the rules and regulations before mentioned. Upon violation of the rules and regulations before mentioned, the Board shall have the authority to terminate the lease of such Unit upon notice of not less than seven (7) days. The Board may not, however, promulgate any rules or regulations that restrict or prohibit the leasing of Units. Nothing in this section shall be construed as limiting the rights of the Board or Association to remedy for breach of covenants, restrictions and regulations as provided in Article VIII of this Declaration.

(3) A Unit Owner may lease the office or warehouse/shop portion of his Unit separate from the other provided both usages are consistent with and not violative of the covenants and provisions hereof, including, but not limited to, zoning codes.

8.03 Involuntary Sale: In the event any Unit Ownership or interest herein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days written notice to the BOARD of his intention to do so, whereupon the BOARD shall have an irrevocable option to purchase such Unit or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the BOARD within said thirty (30) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said Unit. The BOARD shall be deemed to have exercised its option if it tenders the required sum of money to the purchaser within said thirty (30) day period.

8.04 Exercise of Option: The BOARD shall not exercise such option unless and until it has notified the Owners of all the Units (other than the affected Unit) of its intent to exercise such option, which notice will specify that written objections must be filed within ten (10) days after the date of transmittal of said notice. If Owners or more than twenty-five (25%) percent of all the Units (excluding the affected Unit) serve objections in writing to the exercise thereof within said ten (10) days, the option shall not be exercised.

8.05 Release or Waiver of Options: Upon the written consent of the BOARD, any of the options or rights of first refusal contained in this Article VIII may be released or waived and the Unit Ownership or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased or given free and clear of the provisions of this Article.

8.06 Proof of Termination of Option: A certificate executed and acknowledged by the acting Secretary of the BOARD stating that the provisions of this Article VIII as herein above set forth have been met by a Unit Owner, or duly waived by the Board and that the rights of the BOARD hereunder have terminated, shall be conclusive upon the BOARD and the Unit Owners in favor of all persons who rely thereon in good faith, and a certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of this Article or in respect to whom the provisions of this Article have been waived upon request at a reasonable fee, not to exceed Ten ($10.00) Dollars.

8.07 Financing of Purchase Under Option: Except as otherwise herein provided, acquisition of Unit Ownerships or any interest therein under the provisions of this Article shall be made from the Maintenance Fund. If aid Fund is insufficient, the Board shall levy an assessment against each Unit Owner in the ration that his percentage of Ownership in the Common Elements bears to the total of all such percentages applicable to Units subject to said assessment, which assessment shall become a lien and be enforceable in the same manner as provided in paragraph 6.02(7) of Article VI hereof.

The members of the BOARD, in their discretion, may borrow money to finance the acquisition of any Unit Ownership or interest therein authorized by this Article; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the property other than the Unit Ownership or interest therein to be acquired.

8.08 Title to Acquired Interest: Unit Ownerships or interests therein acquired pursuant to the terms of this Article shall be held of record in the name of the Association. Said Unit Ownerships or interests therein shall be sold or leased by the Board in such a manner as it shall determine without complying with any of the foregoing provisions relating to options and rights of first refusal.

ARTICLE IX

REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

9.01 Abatement and Enjoinment:

(1) The violation of any restriction or condition or regulation adopted by the BOARD, or the breach of any covenant or provision herein contained, shall give the BOARD the right to proceed as follows:

(a) To enter upon that part of the property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Declarant, or its successors or assigns, or the BOARD, or its agents, shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. All expenses of the Board in connection with such actions or proceedings, including Court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and be assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the BOARD shall have a lien for all of the same upon all of this additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the property. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the BOARD.

9.02 Involuntary Sale:

If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration of the regulations adopted by the BOARD, and such violation shall continue for thirty (30) days after notice in writing is transmitted by the Board, or shall reoccur more than once after such notice, then the Board shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing

terminating the rights of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the members of the BOARD against the Unit Owner or Occupant, or in the alternative, a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenant, and ordering that the right, title and interest of the Unit Owner in the property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the Court shall establish, except that the Court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest in the property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge Court costs, Court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of the proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any mortgages, liens, judgments or other encumbrances of record, shall be paid to the Unit Owner. Upon the confirmation of such a sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit Ownership and, subject to the BOARD's rights as provided in paragraph 8.03, Article VIII hereof to immediate possession of the Unit sold and may apply to the Court for a Writ of Assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide that the purchaser shall take the interest in the property sold subject to this Declaration.

9.03 Voluntary Sale:

The Owners, by an affirmative vote of at least seventy-five (75%) percent of the total vote, at a meeting of the Unit Owners, duly called for such purpose, may elect to sell the property as a whole, such action shall be binding upon all Unit Owners and shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts, in a manner and form as may be necessary to effect such sale; provided, however that any Owner who did not vote in favor of such action, has filed a written objection thereto, within twenty (20) days after the date of the meeting at which such sale was approved, shall be entitled to receive from the proceeds of such sale, an amount equivalent to the value of his interest, as determined by the fair appraisal, less amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on appraiser, such Unit Owner and the BOARD may each select an appraiser, and the two so selected shall select a third, and the fair market value, as determined by majority of the three appraisers so selected shall control. If either party fails to select an appraiser, then the appraiser designated by the other shall make the appraisal. The parties shall choose their respective appraiser within thirty (30) days after the meeting at which such sale was approved.

9.04 Incorporation of the Association:

The Developer, upon sale of one or more of the Units, and either prior to or subsequent to the election of the first Board of Directors, and the BOARD, at anytime thereafter, may cause to be incorporated a not for profit corporation under the laws of the State of Wisconsin to be called "TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM OWNERS ASSOCIATION" or any name similar thereto or in lieu thereof, to facilitate administration and operation of the property. Upon the formation of such Association, every Owner shall be a member therein, which membership shall terminate upon sale or other disposition by such member of his Unit Ownership, at which time the new Owner shall automatically become a member therein. Each Unit Owner agrees to be bound by and observe the terms and provisions of the Association's Charter, its By-Laws, Rules & Regulations promulgated from time to time by the Association, its Board of Directors and Officers.

ARTICLE X

LIABILITY OF THE DECLARANT AND BOARD OF DIRECTORS

10.01 The members of the Board of Directors and the Declarant, and their respective agents and employees, shall not be personally liable to the Unit Owners or others for any mistake of judgment or for any acts or omissions made in good faith as such BOARD members or otherwise in exercise of the powers herein vested in the BOARD. The Unit Owners shall indemnify and hold harmless, each of the member of the Board of Directors, the Declarant, and their respective agents and employees, against all contractual liability to others arising out of contracts made by the Board of

Directors, or the Declarant on behalf of the Owners unless any such contract shall have been made in bad faith and contrary to the provisions of this Declaration. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors, the Declarant, or out of the aforesaid indemnity in favor of the members of the Board of Directors, the Declarant, and their respective agents and employees, shall be limited to such proportion of the total liability thereunder at his percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Directors, Declarant, or by the managing agent on behalf of the Unit Owners, shall provide that the members of the Board of Directors, Declarant, or the managing agent, as the members of the Board of Directors, Declarant, or the managing agent, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Owners) and that each Unit Owner's liability thereunder shall be equal to his percentage of Ownership in the Common Elements.

ARTICLE XI

LIMITED COMMON AREAS

11.01 Garages and Parking Areas:

Any parking area located on the Plat and designated as a Limited Common Areas, if any, together with any balconies or patios designated thereon, shall be appurtenant to the Unit to which it is allocated or to which it is appurtenant and shall be for the exclusive benefit of the Unit Owner to whom it is so designated. Upkeep of balconies and patios shall be as otherwise set forth in this Declaration. The driveway/aprons contiguous to the garages and private sidewalks (those not intended for common use) associated with each unit are considered limited common areas for parking purposes whether or not so designated on the plat. ***See section 5.10 hereof.***

ARTICLE XII

GENERAL PROVISIONS

12.01 Developer's Initial Rights:

Until such time as the Board of Directors provided for in this Declaration is formed, as provided in this Declaration, the Developer, or its successors or assigns, may, but shall not be required to, exercise the powers, duties, rights and functions of the Board of Directors of the Association.

12.02 Notice to Mortgage Lenders:

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

12.03 Service of notices on Devisees and Personal Representatives:

Notices required or desired to be given to any devisee or personal representative of a deceased owner may be delivered either personally or by mail, to such party at his or her address appearing on the records of the Court when the estate of such deceased Owner is being administered.

12.04 Covenants to Run with the Land:

Each grantee of the Developer, by acceptance of a deed or conveyance, or each purchaser under article or agreement for warranty deed, or any contract for any deed or conveyance, including but not limited to land contract, accepts the same subject to all the restrictions, conditions, covenants, reservations, liens and charges, in the jurisdiction, rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all positions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having, at any

time, any interest or estate in said land, and enure to the benefit of such owner in like manner as those the provisions to the Declaration were recited and stipulated at length in each and every deed of conveyance.

12.05 Waiver of Covenants:

No covenant, restriction, condition, obligation, or provision contained in this Declaration 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 breach which may occur, or any lapse of time.

12.06 Waiver of Damages:

Neither the Developer, nor its beneficiaries, nor their respective representatives, or designees, shall be liable for any claim whatsoever arising out of, or by reason of any actions performed pursuant to any authorities, reservations, granted or delegated to it by or pursuant to, this Declaration, or in Developers capacity as developer, contractor, owner, manager, or seller of any property, whether or not such claim:

(1) shall be asserted by any Owner, occupant, the BOARD or the Association, or by any person or entity, claiming through any of them; or

(2) shall be on account of injury to person or damage, or loss of property, wherever located and however caused; or

(3) shall arise ex contractu or, except in case of gross negligence, ex delictu;

without limitation to the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of the property, or obtaining any patent or latent defects, or by reason of any act or neglect of any Owner, occupant, the BOARD, the Association, and their respective agents, employees, guests, and invitees, or by reason of any neighboring property, or personal property located on or about the property, or by reason of the failure to function, or disrepair of any utility services (air-conditioning, electricity, gas, water, sewerage, etc.).

12.07 Amendments to the Declarations:

The provisions of Article III, IV, X, and Section 6.02, and this Section 12.07 of the Declaration may be changed, modified, or rescinded, by instrument, in writing, setting forth such change, modification, or rescission, signed and acknowledged by the BOARD, all of the Owners and mortgagees having bona fide liens of record against Unit ownerships. Other provisions of this Declaration (except Sections 12.01 and 12.06, and those provisions as to Article I as to Developer's rights to expand/construct the condominium, which may never be changed without written consent of the Developer) may be changed, modified, or rescinded by an instrument, in writing, setting forth such change, modification, or rescission, signed and acknowledged by the BOARD, the Owners having at least three-fourths (3/4) of the total vote and containing an affidavit by an officer of the BOARD certifying that a copy of the change, modification, or rescission has been mailed by certified mail to all mortgagees and bona fide liens of record against any Unit Ownership, not less than ten (10) days prior to the date of such affidavit. Such change, modification, or rescission, shall be effective upon recording of such instrument in the Office of the Register of Deeds in and for Walworth County, Wisconsin, provided, however, that no provision of this Declaration may be changed, modified, or rescinded, so as to conflict with the provisions of the Act.

12.08 Severability:

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

12.09 Perpetuities and Restraints on Alienation:

If any of the options, privileges, covenants, or rights created in this Declaration would otherwise be unlawful or void for violation of:

(1) the rule against perpetuities, or some analogous statutory provision; or

(2) the rule restricting restraints on alienation; or

(3) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the now existing lawful descendants of John C. Tracy, the Declarant.

12.10 Interpretation of Declaration:

The provisions of this Declaration shall be liberally construed so as to effectuate its purpose of creating a uniform plan for the permanent operation of a first class condominium apartment development.

12.11 Indemnity of Board Members:

The members of the BOARD, and the officers thereof, or of the Association, shall not be liable to the Unit Owners for any mistake of judgment or any acts of omissions made in good faith as members and officers. The Unit Owners shall indemnify and hold harmless, each of such members or officers, against all contractual liabilities to others arising out of the contracts made by such members or officers, on behalf of the Unit Owners Association, unless any such contract shall have been in bad faith or contrary to the provisions of this Declaration. Such members of officers shall have not personal liability with respect to any contract made by them on behalf of the Unit Owners Association. The liability of any Unit Owner arising out of any contract made by such members or officers, or out of the aforesaid indemnity shall be limited to such portion of total liability thereunder as his percentage interest in the Common Elements bears to the total percentage interest of all of the Unit Owners in the Common Elements. Each agreement made by such members or officers, or by the managing agent on behalf of the Unit Owners Association, shall be executed by such members or officers, or the managing agent, as the case may be, as agents for the Unit Owners, or for the BOARD or Association.

12.12 Service of Process:

The person to receive service of process shall be attorney Timothy P. Swatek, who maintains an office with Allen, Harrison, Williams, McDonell & Swatek, LLP at 527 Center Street, Lake Geneva, Wisconsin 53147, or such other person as may, from time to time, be designated by an amendment of this Declaration. Additionally, the Unit Owners shall designate such successors as may be required to the aforementioned party at an Annual Meeting or Special Meeting called in accordance with the provisions of 6.01(7)(a) or (b) herein.

IN WITNESS WHEREOF, this Declaration has been executed this 28th day of July, 2003.

THE TRACY GROUP, INC., Declarant

By _____ (SEAL)
JOHN C. TRACY, President

ATTEST:

_____
CHERYL A. TRACY, Secretary

STATE OF WISCONSIN)
)

COUNTY OF WALWORTH) ss

Personally came before me this 29th day of JULY, 2003, the above named John C. Tracy and Cheryl A. Tracy, to me known to be the persons who executed the foregoing instrument and acknowledge the same.

Notary Public
WALWORTH County, WISC.
My commission: IS PERMANENT

TIMOTHY P. SWATEK NOTARY PUBLIC STATE OF WISCONSIN

THIS DOCUMENT PREPARED BY:
Attorney Timothy P. Swatek
Allen, Harrison, Williams, McDonell & Swatek, LLP
527 Center Street - Post Office Box 760
Lake Geneva, Wisconsin 53147

TOWNHOMES OF HUNTERS RIDGE CONDOMINIUM

SCHEDULE OF EXHIBITS

Exhibit A - Condominium Plat. This Plat is the proposed location of all buildings and improvements. The construction of the development will be in phases and if location is changed in any fashion, an Amendment to the Declaration will be recorded by the Declarant indicating the relocation.

Exhibit B - Diagrammatic Floor Plan of Units A, B, C and D type with options separately designated.

Exhibit C - No exhibit attached.

Exhibit D - No exhibit attached.

Exhibit E - Scheduled percentage ownership in Common Element and pro rata share of common expenses and rights to common surpluses, including formula for change in the event of expansion/construction. Voting rights shall be one (1) vote per unit.

EXHIBIT 'E'

VOTING RIGHTS

Each unit shall be entitled to one (1) vote. In the event ownership of a unit is held in common by more than one (1) person, or by an entity such as a corporation, LLC, LLP, or other entity, that entity shall designate one (1) person to cast a vote on behalf of the unit owner. **(These provisions are subject to special Declarant voting rights set forth in Section 6.01 (4) of the Declaration).**

PERCENTAGE OWNERSHIP

The percentage ownership of the condominium, common elements shall be determined by the following ratio:

1/ Total number of units constructed

It is anticipated that at the conclusion of the construction of the condominium, each unit will have a 1/129th percentage share of the common elements.