

PRELIMINARY

DECLARATION OF RESTRICTIONS

FOR

ARROWOOD SUBDIVISION

Revised 8/19/08

ARROWOOD SUBDIVISION
PRELIMINARY DECLARATION OF RESTRICTIONS AND COVENANTS
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PRELIMINARY

DECLARATION OF RESTRICTIONS AND COVENANTS

FOR

ARROWOOD SUBDIVISION

KNOW ALL PERSONS BY THESE PRESENTS; that ARROWOOD DEVELOPMENT, LLC is a limited liability company duly organized and existing under and by virtue of the laws of the State of Wisconsin, located at Waukesha, Wisconsin (herein referred to as the "Developer," which term shall also include the duly authorized agent of Developer). Developer is the owner of ARROWOOD SUBDIVISION, being a part of the NE ¼ and NW ¼ of Section 8, Town 7 North, Range 17 East, City of Oconomowoc, Waukesha County, Wisconsin, (herein referred to as "ARROWOOD"). Developer intends to establish a general plan for the use, occupancy and enjoyment of ARROWOOD, and in furtherance of the general purpose set forth in Section I, below, does hereby declare for the mutual benefit of present and future owners of lands in ARROWOOD and any future stages of development added pursuant to Section 9.6, below (herein referred to individually as "Owner" and collectively as "Owners"), that ARROWOOD shall be subject to the following restrictions and covenants.

I. GENERAL PURPOSE

1.1. The general purpose of this Declaration of Restrictions and Covenants for Arrowood Subdivision (herein referred to as the "Declaration") is (1) to promote the harmonious development of ARROWOOD into a residential community of high quality while protecting the natural beauty and quality of the environment; (2) to help insure that ARROWOOD will become and remain an attractive community; (3) to preserve the open space within ARROWOOD; (4) to guard against the erection of poorly designed or proportioned structures; (5) to require harmonious use of materials; (6) to promote the highest and best residential development of ARROWOOD; (7) to require the erection of attractive homes in appropriate locations on building sites; (8) to require proper setbacks from streets and adequate free spaces between

structures; and (9) in general, by such actions to maintain and enhance the value of investments made by purchasers of properties in ARROWOOD.

II. BUILDING RESTRICTIONS

2.1. All lots in ARROWOOD are restricted to the erection of a single one story, story and one-half, or two story single family residence building with a minimum square footage of living space (excluding basement level areas) of two thousand three hundred (2,300) square feet.

2.2. Each single-family residence in ARROWOOD must have a garage that accommodates at least 2 cars, that is attached to the residence directly or by breezeway or is located in the basement of the residence, and that is constructed at the same time as the residence (such single family residence and garage together shall be referred to herein as the "Building"). The maximum size of the garage portion of the Building shall conform to City of Oconomowoc (hereinafter referred to as the "City") ordinances. Garage entrances must be on the side or rear of the Building. (Courtyard-style garage entrances conform with this requirement.)

2.3. The exterior walls and fascia of the Building and any Permitted Improvements (as defined in Section 4.1, below) must be constructed of brick, stone, stucco, solid wood siding, Hardiplank siding, or its equivalent. Developer may, in its sole discretion, approve the use of artificial stone products. Siding materials such as aluminum, vinyl, steel, pressed board, Masonite or plywood will not be permitted on the exterior of the Building or any Permitted Improvements, except on soffits. Soffits (but not fascia) may be made of aluminum, vinyl or the siding materials permitted above for exterior walls. Fascia may only be made of the siding materials permitted above for exterior walls (not aluminum or vinyl). Any exposed basement or foundation wall must be covered with masonry veneer, plaster or the siding materials used on the exterior walls above such exposed wall.

2.4. All two story and story and one-half Building roofs shall have a minimum pitch of eight feet in height for each twelve feet in length (8/12), except for a porch roof, a shed-style roof or rear dormers on story and one-half Buildings. All one-story Building roofs shall have a minimum pitch of ten feet in height for each twelve feet in length (10/12). All roofs shall be covered with either wood shakes or dimensional shingles in a "weatherwood" color.

2.5. The minimum setback from any abutting street right-of-way is ___ feet. The minimum side yard offset is ___ feet for a one-story home, ___ feet for a one and one-half story home, and ___ feet for a two-story home. The total of both side yards shall be at least ___ feet for a one-story home, ___ feet for a one and one-half story home, and at least ___ feet for a two-story home. The minimum rear yard is ___ feet.

2.6. Each Owner must obtain Approval of the plans and specifications outlined in Section 2.6.2, below (referred to hereinafter as “Design/Layout Plan”), prior to application for a building permit. For purposes of this Declaration, the term “Approval” shall mean the prior written approval of Developer. The Developer may assign its Approval right to the Association (as defined in Section 6.1, below) by a written instrument recorded with the Register of Deeds for Waukesha County, Wisconsin.

2.6.1 Before submitting Final Design/Layout Plans each Owner must submit at least one preliminary plan for review by Developer.

2.6.2 Each Owner must submit to Developer in connection with its application for Approval of the Design/Layout Plan three complete sets of the following final plans which shall incorporate the plan changes, if any, required by Developer as noted in its review of the preliminary plans:

- (a) Exterior elevations drawn to scale (1/4" = 1' minimum)
- (b) Floor plans drawn to scale (1/4" = 1' minimum)
- (c) Identification of all exterior building materials;
- (d) Stake-out survey showing the proposed location of the Building, existing and proposed yard grades and location of silt fences.
- (e) The square footage of living area by floor.
- (f) Other things that may be required from time to time as set forth in the Requirements and Guidelines.

2.6.3 Approval of the Design/Layout Plan shall be based upon the building and use restrictions contained herein and the **Requirements and Guidelines for Building Construction and Improvements for Arrowood Subdivision** (herein referred to as the “**Requirements and Guidelines”), as may**

be adopted from time to time by Developer. Developer may assign its right to adopt **Requirements and Guidelines** to the Association by a written instrument recorded with the Register of Deeds of Waukesha County, Wisconsin. **Owner shall obtain and review the Requirements and Guidelines from Developer prior to applying for Design/Layout Plan Approval.**

2.6.4 Design/Layout Plan Approval may be withheld if the design is too similar in appearance to other Buildings in close proximity.

2.6.5 If in the opinion of Developer the submitted plans do not comply with the Arrowood Requirements and Guidelines and the Declaration Developer may, at its option, but only with Owner's consent, refer the plans to a professional home designer for redesign so that the plans will comply with the Arrowood Requirements and Guidelines and Declaration. The Owner will be responsible for the payment of any fees charged by such professional.

2.6.6 In its decision to grant Approval, Developer will take into consideration not only the required minimum setbacks but also the relationship of the location and position of the proposed Building and Permitted Improvements to the street and to the Buildings that have been constructed or that may be constructed on the adjoining lots.

III. CONSTRUCTION

3.1 The Building must be constructed in accordance with the Design/Layout Plan which has received Approval and must be completed within twelve (12) months of the date the building permit is issued by the City. A sodded or seeded lawn and a driveway paved with concrete, asphalt or brick must be installed within six (6) months of the date that the occupancy permit is issued by the City.

3.2 At the time of construction of the Building, the Owner shall install at a location designated by Developer, one Approved outdoor electric post lamp with an unswitched photoelectric control. The design of the post lamp shall be uniform throughout ARROWOOD.

The Owner shall maintain the operation and appearance of the post lamp. If the post lamp is not so maintained, and the condition has not been rectified by the Owner within 15 days after receipt of a notice from the Association specifying the violations of this Paragraph 3.2, the Owner shall be subject to a penalty at a per diem rate established in the Rules and Regulations (as defined in Section 6.3.3, below) from the date of notice until the date the condition has been rectified, in addition to all other rights and remedies available to Developer and the Association. The penalty shall be assessed against the Owner and, if not paid, will be enforced as provided below.

3.3 Each Owner must adhere to the grading plan or any amendment thereto approved by the City Engineer and on file with the City (“Master Grading Plan”), and grade such Owner’s lot in accordance with the Master Grading Plan. Developer and/or the City and/or their agents, employees or independent contractors shall have the right to enter upon any lot, at any time, for the purpose of inspection, maintenance and correction of any drainage condition (whether or not Owner complied with the Master Grading Plan), and the Owner is responsible for cost of the same. Each Owner, at the time of construction of the Building, shall also be responsible for grading its lot so as to direct drainage toward the street or other established drainageway and to prevent an increase in drainage onto neighboring property. This shall be accomplished by creating swales along common lot lines wherever practical. Drainage ways shall be kept free of any obstructions. No plantings other than grass shall be permitted within 3 feet of side or rear lot lines without Approval. Each Owner must consult with the adjacent lot Owner to agree upon compatible grading of their common lot lines. Due to the varying terrain and drainage conditions on each lot following construction, neither Developer nor the City shall be responsible for establishing lot line grades. The services of a professional engineer may be required to design a proper grading plan for any lot, the cost of which shall be paid by the lot Owner(s). Final grading of the lot shall be completed within two months after the date that an occupancy permit has been issued for the Building (subject to delays caused by adverse weather conditions).

3.4 Electric transformers, cable TV and telephone equipment boxes have been placed by Developer to serve each lot. Any subsequent relocation, either horizontally or vertically, or modification of these equipment boxes shall require written authorization from the appropriate utility company or service provider and Approval. The lot Owner shall pay all costs of such relocation or modification.

3.5 Each Owner shall be responsible for installing and maintaining erosion control measures from the commencement of grading until such time as a lawn or other plantings sufficient to prevent erosion has been established on the Owner's lot. These measures include, but are not limited to: installation of silt fence, hay/straw bales, ditch checks; street cleaning following precipitation events or tracking of mud on streets by any vehicle leaving the lot; and sodding or seeding and mulching lawn areas. Steep slopes may require installation of straw mat, jute mat or other materials designed to stabilize steep and highly erodable areas. Any areas where erosion control measures have been compromised by weather, construction or any other event, shall be repaired within 7 days of damage. After every rainfall exceeding ½ inch and at least once per week, erosion control measures must be inspected by the Owner or the Owner's contractor, and any necessary maintenance or repairs made. Failure to comply with these requirements may result in sanctions against the Owner by the City, the Wisconsin Department of Commerce, and/or the Wisconsin Department of Natural Resources. All erosion control measures shall be installed and maintained according to the then current standards and specifications set forth in Wisconsin Department of Natural Resources Conservation Practice Standard and local ordinances.

3.6 All construction-related activity shall be confined to the Owner's lot unless the adjoining Owners have given permission to use their respective lots or outlots. In the event that landscaping on adjacent lots or outlots is disturbed during construction or grading, all disturbed areas shall be immediately restored with vegetation of like kind. In the event that eroded material is deposited onto a street or neighboring property, the Owner of the lot from which the material came shall be responsible for removing the material and restoring the street or neighboring property to its original condition.

3.7 Each Owner shall be responsible to Developer and the City for the costs of repairing and replacing any street pavement, curb and gutter or sidewalks (including restoration of topsoil and lawn abutting the curb, gutter and sidewalks) which have been damaged during the course of constructing the Building and/or Permitted Improvements on the Owner's lot. In the event that the City requires Developer to make such repairs or replacements at Developer's

expense, the Owner shall be required to reimburse Developer for the cost of the repairs and replacements to the extent that such costs exceed the amount of the curb and gutter damage bond of Owner, if any, held by Developer or the City. Reimbursements not paid when due shall bear interest at the rate of twelve percent (12%) per annum from the date due until paid, shall constitute a continuing lien on such Owner's lot until paid in full, and shall also be the personal obligation of any current or subsequent Owner of the lot. Developer may record a document with the Register of Deeds in Waukesha County, Wisconsin, giving notice of the lien for any such unpaid reimbursements and, upon payment or satisfaction of the amount due, Developer shall record a document canceling or releasing any such lien. The failure to file any such notice shall not impair the validity of the lien. The affected Owner shall pay or reimburse Developer for all recording and attorney fees relating to any such documents. The lien may be enforced and foreclosed by the Developer in the same manner, and subject to the same requirements, as a foreclosure of mortgages on real property pursuant to the laws of the State of Wisconsin. Such remedy, however, shall not preclude Developer from pursuing all other legal remedies.

IV. IMPROVEMENTS/OWNER MAINTENANCE

4.1. No buildings, outbuildings or other structures will be permitted on the Property except the Building, and except the following exclusive list of permitted improvements ("Permitted Improvements"), which are subject to the **Requirements and Guidelines** and require Approval:

4.1.1. Fences of a decorative style. Chain link fences, privacy fences or fences which enclose an entire yard will not be allowed.

4.1.2. Deck structures constructed of wood or certain artificial wood products.

4.1.3. Gazebos.

4.1.4. Pool houses, not to exceed 200 square feet in area.

4.1.5. In-ground swimming pools. Above-ground swimming pools are not permitted. All swimming pool related pump, heater, filter and other equipment must be concealed in an enclosure located next to the Building to minimize the noise and visibility to neighboring properties. A different location

for such pool equipment (with proper screening) may be allowed in special circumstances with Approval.

4.1.6. Retaining walls constructed of natural stone, wood timbers or certain artificial stone products.

4.1.7. Berms.

4.1.8. The enclosed portion of any children's outdoor playground equipment and play structures. Playground equipment and play structures without enclosures do not require Approval.

4.1.9. Dog kennels. Dog kennels shall be located immediately behind the Building, shall be no larger than 200 square feet in area with any fences screened from view by adequate landscaping. Doghouses may only be made of the siding materials permitted for Buildings in paragraph 2.3, above.

4.2. There shall be no outside parking or storage of boats, trailers, buses, commercial trucks, recreational vehicles or other vehicles or items deemed to be unsightly by either Developer or the Association.

4.3. The design and location of each mailbox/newspaper box shall be uniform throughout ARROWOOD and installed in the location designated by the postmaster.

4.4. Satellite dish antennas may not exceed 24 inches in diameter. No antenna or satellite dish shall be mounted or installed on any roof. Any antenna or satellite dish should, if possible without interfering with reception, be placed and screened so as to minimize its visibility from roadways and neighboring lots.

4.5. Each Owner shall perform such periodic maintenance of the Owner's lot, including the adjoining public right-of-way area up to the edge of the road pavement, as may be necessary to keep the lot neat and clean in appearance, including, without limitation, the mowing of grass and removal of weeds and debris. This requirement applies to vacant lots as well as to lots where Buildings have been constructed.

V. COMMON AREA

5.1. The term "Common Area" shall include the following areas, plus any additional areas that may be added in accordance with Section 9.6, below.

5.1.1. Outlots _____ of ARROWOOD (herein, "Outlots").

5.1.2. All landscaped courts and boulevards contained within the dedicated streets in ARROWOOD. Any portion of the Common Area within a public street right-of-way may only be improved with the consent of the City and other appropriate public authorities. Consent to any such improvement shall not be considered or construed as an assumption of liability or responsibility for maintenance, or a release of the Association and/or the Owners of the duty to maintain such improvements.

5.1.3. The grass area up to the edge of the road, curb or pavement, and any fencing and landscaping contained within the public rights-of-way of Golden Lake Road, Valley Road, Oconomowoc Parkway and the internal streets of ARROWOOD abutting Outlots _____.

5.2. No improvements shall be allowed on the Common Area except the following: landscaping; signs installed by the Association, City or other public entity; entrance monuments; walking trails, a swimming pool and associated building and children's play structures for common use; storm-water management facilities; and sewer; water, gas, electric, telephone and other utility lines and facilities. Except in connection with the foregoing, the following shall be prohibited in or on the Common Area:

5.2.1. The temporary or permanent construction or placing of storage areas, signs, billboards or other structures or materials. Notwithstanding the foregoing, Developer and its duly authorized agents may erect and maintain a marketing sign or signs within the Common Area until such time as Developer is no longer an Owner of any lots in ARROWOOD.

5.2.2. Commercial or industrial activity, including passage across or upon the Common Area.

5.2.3. Filling, grading, excavating, mining or drilling, removal of top soil, sand, gravel, rock, minerals or other materials, or any building of roads.

5.2.4. Removal, destruction or cutting of trees or plants, unless conducted for proper maintenance and management by the Association.

5.2.5. Dumping of trash, garbage or other unsightly or hazardous material.

5.2.6. Hunting or trapping.

5.2.7. Operating of any type of motorized vehicle, except as may be necessary in conjunction with landscape maintenance by the Association.

5.3. Developer, at Developer's sole discretion may grant an easement on Outlot _____ or a portion thereof to Waukesha County or a similar organization which would, among other things give the grantee the right to supervise the maintenance of a portion of the Common Area.

5.4. Each lot shall have an appurtenant undivided fractional interest in the Outlots (including Outlots added in future stages), the numerator of which shall be one and the denominator of which shall be the total number of lots subject to this Declaration (including added future stages). All deeds and any other conveyances of any lot in ARROWOOD shall be deemed to include such undivided interest in the Outlots, whether or not so specifically stated in any such deed or other conveyance.

5.5. STORMWATER MANAGEMENT.

5.5.1. The Association (as defined in Section VI, below) shall maintain the stormwater management measures installed on the Common Area in accordance with the approved stormwater design prepared by Jahnke & Jahnke Associates Inc. dated _____ and on file in the offices of the City (the "Management Plan").

5.5.2. The Association, on an annual basis, shall provide maintenance of each stormwater management measure, including but not limited to, removal of debris, maintenance of vegetative areas, maintenance of structural stormwater management measures, aeration equipment and sediment removal.

5.5.3. The City is authorized to access the Common Area to conduct inspections of stormwater practices as necessary to ascertain that the practices are being maintained and operated in accordance with the Management Plan.

5.5.4. Upon notification of the Association by the City of maintenance problems that require correction, the specified corrective actions shall be taken within a reasonable timeframe as directed by the City.

5.5.5. The City is authorized to perform corrective actions identified as necessary by the inspection if the Association does not make the required corrections in the timeframe specified by the City. The costs and expenses shall be levied against the lots as Special Charges for current services, pursuant to 66.0627, Wisconsin Statutes, or as Special Assessments pursuant to 66.0701, et. seq. Wisconsin Statutes. The City shall collect Special Charges and Special Assessments, including delinquent amounts, as provided in the statutes.

5.5.6. The storm water retention basins that have been constructed in ARROWOOD are required by the City to assist in the removal of sediment from and detention of storm water. The storm water retention basins shall not be used for swimming or as recreational facilities. Anyone entering or using the storm water retention basins for such prohibited uses does so at their own risk. By virtue of becoming an Owner of a lot in ARROWOOD, each Owner agrees for itself and on behalf of its respective successors, assigns, heirs and personal representatives to waive, to the fullest extent permitted by law, any and all claims for liability against Developer and the Association and their respective agents, contractors, employees, officers and directors, and to indemnify, defend and hold Developer and the Association and their respective agents, contractors, employees, officers and directors harmless from and against any and all liabilities, claims, demands, costs and expenses of every kind and nature (including attorney fees) resulting from injury or damage to person or property sustained in or about or resulting from the use or existence of the storm water retention basins by such Owner or such Owner's family, guests or invitees.

VI. OWNERS ASSOCIATION

6.1. Developer has created, or will create, a non-stock, nonprofit Wisconsin corporation known as the “Arrowood Homeowners Association, Inc.” (herein, the “Association”) for the purpose of managing, maintaining and controlling the Common Area and performing such actions as are authorized by this Declaration. The Association shall operate in accordance with its Articles of Incorporation and Bylaws.

6.2. Membership and Voting.

6.2.1. Each Owner shall automatically be a member of the Association and shall be entitled to one membership unit and one vote for each lot owned. Ownership of a lot shall be the sole qualification for membership.

6.2.2. Association membership and voting rights shall be appurtenant to each lot and shall not be assigned, conveyed or transferred in any way except to the transferee upon transfer of the ownership interest of the lot. Any attempt to make a prohibited transfer or retention of membership rights shall be null and void.

6.2.3. Membership and voting rights shall not be divided between or among multiple Owners of single lot. The membership in the Association appurtenant to a lot shall be owned jointly and severally by all Owners of any interest in each lot, regardless of the their form of tenancy, estate, or interest. The Owners of a lot shall decide between or among themselves how they will exercise their collective right and shall designate one of the Owners to act on their behalf. In the event the Owners of a lot are unable to agree on the exercise of their collective vote by the time a vote is taken, the Owners will be precluded from casting a vote.

6.3. The Association shall have the following duties:

6.3.1. To provide for the maintenance of the Common Area and all improvements located in the Common Area, including the storm water management and drainage facilities. Common Area maintenance shall be

performed in accordance with written guidelines and standards, which shall be established by Developer, and generally accepted sound maintenance practices.

6.3.2. To enforce the provisions of this Declaration.

6.3.3. To establish rules and regulations (the “**Rules and Regulations**”) governing (i) the use and enjoyment of the Common Area, and (ii) the enforcement of the provisions of this Declaration. **Owners should obtain a copy of the Rules and Regulations from the Association.**

6.3.4. To discharge the rights of Developer assigned to the Association as provided in this Declaration.

6.4. In addition to those powers bestowed upon the Association in its Articles of Incorporation and Bylaws and by Chapter 181 of the Wisconsin Statutes, the Association shall have the following powers:

6.4.1. To take such action as may be necessary to enforce the **Rules and Regulations**.

6.4.2. To enter into contracts with and/or to employ agents, attorneys or others for purposes of discharging its duties hereunder.

6.4.3. To grant utility and drainage easements in accordance with the provisions of Section 9.3, below; and

6.4.4. To levy and collect assessments in accordance with the provisions of Section 6.5, below.

6.4.5. To take any other actions as may be necessary or incidental to performance of all duties of the Association specified in this Declaration.

6.5. The Association shall levy and collect assessments in accordance with the following:

6.5.1. The Owner of each lot shall be subject to a regular (and special, if required) charge or assessment equal to its pro rata share of the costs incurred or anticipated to be incurred by the Association in performing its duties hereunder.

The pro rata share of an Owner of a lot shall be a fraction, the numerator of which

shall be one and the denominator of which shall be the total number of lots subject to this Declaration (including lots added by future stages) at the time of the assessment. Said costs shall include, but not be limited to: taxes; insurance; repair, replacement, and additions to the improvements made to the Common Area; equipment; materials; labor and the management and supervision thereof; the establishment of reasonable reserves for capital expenditures; and all costs for the Association reasonably incurred in conducting its affairs and exercising its powers and duties pursuant to this Declaration. Waukesha County shall not be liable for any fees or special assessments in the event that it should become the Owner of any lots in the subdivision by reason of tax delinquency.

6.5.2. Regular assessments shall be approved at the duly convened annual meeting of the Association. Special assessments shall be approved at any duly convened meeting of the Association.

6.5.3. Written notice of an assessment shall be delivered to an Owner either personally or by regular mail addressed to the last known address of an Owner.

6.5.4. Assessments shall become due and payable 30 days after the mailing or personal delivery of the notice.

6.5.5. Assessments not paid when due shall bear interest at the rate of twelve percent (12%) per annum from the date due until paid. Unpaid assessments and the interest thereon shall constitute a continuing lien on the lot against which it was assessed until they have been paid in full. The assessments and interest thereon shall also be the continuing personal obligation of any current or subsequent Owner of the lot against which the assessment was made. The lien may be enforced and foreclosed by the Association or any other person specified in the Bylaws of the Association, in the same manner, and subject to the same requirements, as a foreclosure of mortgages on real property pursuant to the laws of the State of Wisconsin. Such remedy, however, shall not preclude the Association from pursuing other legal remedies.

6.5.6. The Association may record a document with the Register of Deeds in Waukesha County, Wisconsin, giving notice of a lien for any such unpaid assessment and, upon payment or satisfaction of the amount due, record a document canceling or releasing any such lien. The failure to file any such notice shall not impair the validity of the lien. The affected Owner shall pay directly or reimburse the Association for all recording and attorney fees relating to any such document.

6.5.7. Upon application by any Owner, any officer of the Association may, without calling a meeting of the Association, provide to such Owner a statement certifying (1) that the signer is a duly elected or appointed officer of the Association and (2) as to the existence of any unpaid assessments or other amounts due to the Association with respect to the requesting Owner's lot. Such statement shall be binding upon the Association and shall be conclusive evidence to any party relying thereon of the payment of any and all outstanding assessments or other amounts due to the Association for such lot.

6.6. The Association shall not have the power to make improvements to the Common Area in addition to those then in existence from time to time (herein referred to as "Additional Improvements") without Approval if Developer is an Owner (unless Developer has assigned Approval authority to the Association). If Developer is no longer an Owner, the Association shall not have the power to make Additional Improvements having a cost in excess of Ten Thousand dollars (\$10,000.00) without the consent of the Owners of at least seventy-five percent (75%) of the lots subject to this Declaration or any Supplemental Declarations.

6.7. Within 14 days following each annual meeting of the Association, the Association shall provide to Developer a list of the Association officers, directors and committee members.

6.8. Directors and officers of the Association shall not be personally liable for any action taken by them in good faith in discharging their duties hereunder, even if such action involved a mistaken judgment or negligence by the directors, officers, agents or employees of the Association. The Association shall indemnify and hold the directors and officers harmless from and against any and all costs or expenses, including reasonable attorney's fees, in connection with any suit or other action relating to the performance of their duties.

6.9. Failure of the Association to enforce any provisions contained in this Declaration upon the violation thereof shall not be deemed to be a waiver of the rights to do so, or an acquiescence in any subsequent violation.

6.10. If the Association shall fail to discharge its duties under this Section VI within sixty (60) days of written demand by the City, the City may discharge the duties on behalf of the Association. The costs of the City incurred in connection therewith shall be charged to the Owners of the lots affected by such actions of the City by adding to each Owner's real estate tax statement a charge equal to such Owner's share of such costs, as determined by the City.

6.11. The Association may not and shall not be dissolved.

VII. VIOLATION

Any Owner violating the restrictions contained in this Declaration shall be personally liable for and shall reimburse Developer and the Association for all costs and expenses, including attorneys' fees, incurred by Developer or the Association in enforcing this Declaration. The foregoing shall be in addition to any other rights or remedies that may be available to Developer and the Association.

VIII. AGENT

Siepmann Realty Corporation is the duly authorized agent of Developer as of the date of this Declaration and may act in that capacity until such time as a notice is recorded in the office of the Register of Deeds for Waukesha County by Developer, its successors or assigns, which terminates the authority of said agent.

IX. MISCELLANEOUS

9.1. **Amendment of Declaration.** Any of the provisions of this Declaration may be annulled, waived, changed, modified or amended at any time by written document setting forth such annulment, waiver, change, modification or amendment, executed by the Owners of at least seventy-five percent (75%) of the lots subject to this Declaration or any Supplemental Declarations; provided, however, that any such action must also be approved in writing by (i) the City; (ii) Waukesha County; and (iii) Developer so long as it shall be an Owner, including as an Owner any lands which may potentially become a future stage of ARROWOOD as provided in Section 9.6 , below. This Declaration and all amendments shall be executed as required by

law so as to entitle it to be recorded, and shall be effective upon recording in the office of the Register of Deeds for Waukesha County, Wisconsin.

9.2. **Variances.** Developer, and no other unless Developer shall assign its rights hereunder to the Association by written instrument recorded with the Register of Deeds of Waukesha County, Wisconsin, shall have the right and authority to permit variances from the application of the Declaration, if such modification or variance is consistent and compatible with the overall scheme of development of ARROWOOD, provided that no such modification shall be in violation of applicable laws or ordinances, or have the effect of revoking an Approval previously granted in writing hereunder. Notwithstanding the foregoing, any such modifications or variances shall be at the sole and absolute discretion, aesthetic interpretation and business judgment of Developer (or the Association after assignment), and this paragraph and any modifications or variances granted hereunder shall not in any way be interpreted (i) as thereafter preventing or excusing strict compliance with the Declaration, or (ii) as entitling any other person to such modification or variance.

9.3. **Reservation of Right to Grant Easements.** Developer reserves the right to grant and convey easements to the City and/or to any public or private utility company or service provider, upon, over, through or across those portions of any lot within 10 feet of any lot line and upon, over, through or across any portion of the Common Area for purposes of allowing the City, utility company or service provider to furnish gas, electric, water, sewer, cable television or other utility service to any lot or the Common Area. Developer reserves the right to grant and create easements through any portions of ARROWOOD (including added future stages) for purposes of facilitating drainage of storm or surface water within or through ARROWOOD (and any added future stages). Developer may grant such easements without the consent or approval of any lot Owner, so long as Developer or a successor developer to Developer owns any lots in ARROWOOD (or any added future stages). After that time, or at such time as Developer shall assign such power to the Association, the Association shall have the power to grant easements upon, over, through or across any portion of the Common Area reserved to Developer hereunder.

9.4. **Assignment to Association.** Developer may assign to the Association the right to grant Approval pursuant to this Declaration.

9.5. **Parade of Homes.** Developer may arrange for ARROWOOD or any stage thereof to be included in a “Parade of Homes” or similarly titled event in which members of the public are invited to inspect a number of lots improved by Buildings constructed by one or more contractors. Such events will result in significant construction activity and periods of traffic slow-downs and large crowds, which may continue for a period of several weeks. An Owner who has purchased a lot notwithstanding the possibility of such event waives any objection to the issuance of any municipal permits required for such event. Developer is not, however, required to include ARROWOOD in any such event.

9.6. **Future Stages of Development of ARROWOOD.** Developer, its successors and assigns shall have the right to bring within this Declaration future stages of the development of ARROWOOD, provided such future stages are or become adjacent to the real estate which is or becomes subject to this Declaration or any Supplemental Declaration. The future stages authorized under this Section shall be added by recording a Supplemental Declaration of Restrictions relating to each future stage (the “Supplemental Declaration”). A Supplemental Declaration will extend the provisions of this Declaration to such future stages, indicate any provisions which differ from the provisions of this Declaration or any prior Supplemental Declaration, and indicate the modification to this Declaration or any prior Supplemental Declaration resulting from such addition. Except with respect to increasing the number of Owners and adding to the Common Area, any such Supplemental Declarations shall not revoke, modify or add to the covenants established by this Declaration or any prior Supplemental Declaration. Such future stages may include the sites which have been designated by Developer as “Future Institutional or Multi-Family Sites” which are adjacent to Arrowood and located southeast of Oconomowoc Parkway.

9.7. **Severability.** The invalidity or unenforceability of any term, provision or condition of this Declaration for any reason shall not affect the validity or enforceability of any other term, provision, or condition hereof, all of which shall remain in full force and effect for the term of this Declaration.

9.8. **Duration of Restrictions.** These restrictions and covenants and any amendments thereto shall be in force for a term of thirty (30) years from the date this Declaration is recorded. Any Supplemental Declarations, whenever executed, shall have a term which coincides with the

term of this Declaration and shall expire upon the expiration of this Declaration. Upon the expiration of such initial 30 year term or any extended term as provided herein, this Declaration, as amended, and any Supplemental Declarations shall be automatically extended for successive terms of 10 years each, unless prior to the end of the then-current term a notice of termination is executed by the Owners of at least seventy-five percent (75%) of all lots subject to this Declaration or any Supplemental Declaration and is recorded in the office of the Register of Deeds of Waukesha County. These restrictions shall be deemed to be covenants running with the land and shall bind the Owners and their heirs, successors and assigns and be enforceable by any Owner, and by the City, to the extent permitted by Sections 5.4.5 and 6.10, above.

IN WITNESS WHEREOF, the undersigned have executed this Declaration of Restrictions and Covenants this ____ day of _____, 2006.

ARROWOOD DEVELOPMENT, LLC

BY: SIEPMANN DEVELOPMENT COMPANY LIMITED PARTNERSHIP, Member

BY: SIEPMANN REALTY CORP. General Partner

BY: _____
James P. Siepmann, President

BY: MC DEVELOPMENT, LTD., Member

BY: _____
, President

STATE OF WISCONSIN)
) SS
WAUKESHA COUNTY)

Personally came before me this ____ day of _____, 2006, the above-named James P. Siepmann, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, Waukesha County, State of Wisconsin
My Commission: _____

STATE OF WISCONSIN)
) SS
WAUKESHA COUNTY)

Personally came before me this ___ day of _____, 2006, the above-named _____, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, Waukesha County, State of Wisconsin
My Commission: _____

CONSENT OF MORTGAGEE

_____ as mortgagee of any present or future mortgage on the lands subject to the foregoing Declaration of Restrictions, hereby consents to and agrees that its mortgages shall be subject to the foregoing Declaration of Restrictions.

BY: _____

BY: _____

STATE OF WISCONSIN)
) SS
COUNTY OF _____)

Personally came before me this ___ day of _____, 2006, the above-named _____ and _____ to me known to be the _____ and _____ respectively of _____ and _____ to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, County of _____
State of Wisconsin
My Commission: _____