

FIRST AMENDMENT
 TO DECLARATION OF COVENANTS, CONDITIONS AND
 RESTRICTIONS FOR THE TIMBERS AT CHRISTMAS MOUNTAIN

WHEREAS, a Declaration of Covenants, Conditions and Restrictions for The Timbers at Christmas Mountain (the "Declaration") dated this 20th day of Jul, 1989 was recorded in the office of the Register of Deeds for Sauk County, Wisconsin on the 26th day of Jul, 1989 in Volume 002 of Condominiums commencing on page 489, as Document No. 527216; and

WHEREAS, the Declarant wishes to amend provisions of the Declaration, pursuant to Article IX.B.,

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. There shall be added to I.(g) the following:

"At such time as the Owner has made all of the installment payments and performed all of Owner's obligations pursuant to the Land Contract, legal title to the Undivided Interest will be conveyed to Owner by Warranty Deed, free and clear of liens or encumbrances (except liens or encumbrances created by the act or default of Owner) but subject to this Declaration, zoning codes, easements and restrictions of record."

2. Section (n) of Article I is hereby amended to read as follows:

"(n) "Undivided Interest" shall mean a 1/500th fractional interest as tenant in common in the Property which shall entitle the Owner to the exclusive use and occupancy of a specific Accommodation for a specific week each year, as identified in the Owner's Land Contract and/or Warranty Deed or, which shall entitle an Owner who has enrolled in the Flexible Use Program to the use and occupancy of an Accommodation of the same type as such Owner's Accommodation at any time, subject to availability and the Reservation Procedure for the Flexible Use Program, as set forth in Article II, below."

3. There shall be added to Article I the following definitions:

"(p) "Warranty Deed" shall mean a deed by which legal title to an Undivided Interest is conveyed to an Owner, subject, however, to this Declaration, zoning codes, easements and restrictions of record.

"(q) "Flexible Use Program" shall mean the plan by which any Owner may submit his or her Undivided Interest to a common pool of Undivided Interests with other Owners, surrendering the Owner's right to exclusive use and occupancy of his or her specific Accommodation for a specific week (as identified in the Owner's Land Contract or Warranty Deed) in exchange for a nonexclusive right with all other Owners who have submitted their Undivided Interests to the Flexible Use Program to use and occupancy at any time of an Accommodation of the same type as that submitted by the Owner, subject to the Reservation Procedure described in Section C in Article II, below."

4. Paragraph B of Article II is hereby amended in its entirety, to read as follows:

"B. Rights of Members. Subject to the payment of all assessments as might be levied by the Association or Declarant hereunder subject to the provisions of the Declaration, including Section D of this Article II, and the

Rules and Regulations as might be adopted applicable to the Property and Accommodations, each Owner shall have the exclusive right to use and occupancy of the Owner's Accommodation for the week each year identified in the Owner's Land Contract and/or Warranty Deed unless such Owner has submitted his or her Undivided Interest to the Flexible Use Period, and the nonexclusive right with the other Owners to use and occupy the Property (as tenants in common) and to use and occupy the Accommodations otherwise available, for the purposes permitted by this Declaration. Use of Accommodations by Owners enrolled in the Flexible Use Program shall be subject to the reservation procedures as set forth herein and in the Rules and Regulations applicable to The Timbers at Christmas Mountain. Use of Accommodations shall be limited by an Owner's designated class of use as hereinafter specifically defined."

5. Section C of Article II is hereby amended to read, in its entirety, as follows:

"C. Flexible Use Program - Reservation Procedure.

Only Owners who have submitted their Undivided Interests to the Flexible Use Program may reserve use of an Accommodation pursuant to the procedure hereafter described. An Owner who has not submitted his or her Undivided Interest to the Flexible Use Program shall be entitled to the use and occupancy of the Accommodation purchased during the week purchased, without reservation, but may not reserve an Accommodation at any other time. Prior to use of any Accommodation, an Owner enrolled in the Flexible Use Program must reserve use of an Accommodation in accordance with this Declaration. The Management Firm, with the approval of the Board of Directors, shall promulgate general guidelines and procedures for the purpose of maximizing the use of the Accommodations by all Owners. The Management Firm shall notify the Owners of the guidelines and procedures (i) at the time that each Owner acquires an interest in the Property, by inclusion in the disclosure materials, (ii) each time there is a material change, by written notice as provided below in Article IX, paragraph C., and (iii) by posting at the Reservation Office and such other locations on the Property as may be designated for notices of general information to Owners. The reservation may be made for such period of time as desired by the Owner, provided, however, that no Owner's use of an Accommodation shall exceed a period greater than 14 consecutive days. Any Owner who has occupied an Accommodation for 14 consecutive days must vacate the Property and all Accommodations for a period of no less than 7 consecutive days following the expiration of the first 14 days before such Owner shall be allowed to occupy the same Accommodation or another Accommodation as may be available for use."

6. Subsection (2) of Section D, Article II, is hereby amended to add the words "enrolled in the Flexible Use Program" after the words "a Resort Cabin User".

7. Subsection (3) of Section D, Article II, is hereby amended to add the words "enrolled in the Flexible Use Program" after the words "a Grand Cabin User".

8. There is hereby added to Section D of Article II a new subsection to read:

5) An Owner who has not submitted his or her Undivided Interest to the Flexible Use Program shall be entitled to use and occupancy of his or her Cabin or other Accommodation during his or her week and to use any of the amenities located on the Recreational Property at any time, subject to the terms of this Declaration."

9. The first sentence of Section E of Article II is hereby amended to read as follows:

THE TIMBERS AT CHRISTMAS MOUNTAIN ASSOCIATION

SUPPLEMENTAL DISCLOSURE STATEMENT

This Supplement is intended to be an integral part of the Disclosure Statement for The Timbers at Christmas Mountain (the "Statement"). The Declarant, Dellona Enterprises, Inc. has prepared the Declaration, Articles of Association for The Timbers at Christmas Mountain Association, the By-Laws for The Timbers at Christmas Mountain Association, the annual operating budget, the floor plan and plat map, the rules and regulations of The Timbers at Christmas Mountain Association, all of which, together with this Supplement, comprise the Statement.

There are no services provided by the Declarant or expenses paid by the Declarant which the Declarant expects may become a time-share expense.

The Declarant has granted a blanket first mortgage on the property comprising the Plat. The said mortgage specifically provides for a release of the lien of the mortgage for each undivided interest conveyed by Declarant except for said mortgage and the covenants, conditions and restrictions contained in the Declaration and the liens, defects or encumbrances affecting title to the undivided interests.

The Declarant offers financing in the form of land contracts, the terms of which vary according to the amount of downpayment, length of contract and total purchase price.

In the Statement the Declarant makes no warranties apart from those set forth in the Statement. Oral statements may not be legally binding. In the event of a breach of a warranty, an Owner's recovery shall not exceed the amount paid by the Owner for his or her undivided Unit(s).

Real estate taxes for the undivided interests are an Association expense. The Association budget includes sufficient funds to pay real estate taxes. While the Association may place a lien on the undivided interest of an individual Owner as a result of said Owner's failure to pay a fee or assessment due the Association, no such lien shall affect the rights or interests of any other Owner.

In the event that an Owner is prevented from enjoying exclusive occupancy of a properly reserved Accommodation by others, the Association has the authority to assess costs against the Unit Owner or other user of the Accommodation who prevents the Owner with a proper reservation from enjoying exclusive occupancy. There is no other remedy provided in the Statement.

Dated this 17th day of August, 1989.

DELLONA ENTERPRISES, INC., Declarant

By: Kenn R. Keim
Kenn R. Keim, President

Attest: Carie Boullere