

DISCLOSURE MATERIALS

SHEPHERDS VALLEY CONDOMINIUMS
HOME OWNERS ASSOCIATION
West Bend, Wisconsin 53095

The Developer (Declarant) is C & C BUILDERS, INC. Its business address is W260 N8579 Highway J; Hartland, WI 53029

THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISION CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW, MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

In compliance with the Disclosure Requirements of Section 703.33, Wis. Stats. (1987-88) as amended, copies of the following are herewith supplied:

1. DECLARATION OF CONDOMINIUM OWNERSHIP. The Declaration established and describes the condominium, the units and the common areas. The Declaration begins on Page A-1, Table of Contents page iii, iv, v and vi.

2. BY-LAWS. The By-Laws contain rules which govern the condominium and affect the rights and responsibilities of unit owners. The By-Laws begin on Page B-1.

3. ARTICLES OF INCORPORATION. The operation of the condominium is governed by the Association, of which each unit is a member. Powers, duties, and operation of an association are specified in its Articles of Incorporation. The Articles of Incorporation being on Page C-1.

4. MANAGEMENT AND EMPLOYMENT CONTRACTS. Certain services are provided to the condominium through contracts with individuals or private firms. There are no such contracts affecting this condominium at this time.

5. ANNUAL OPERATING BUDGET. The Association will incur expenses for the operation of the condominium which are assessed to the unit owners. The operating budget is an estimate of those charges which are in addition to mortgage and utility payments (other than those which are a part of the common expense). At this point the Association supplies a Projected Operating Budget. A more detailed and more accurate budget may be supplied as time progresses. The budget begins on Page D-1.

6. LEASES. Units in some condominiums are sold subject to one or more leases of property or facilities which are not a part of the condominium. This is not the case with this Condominium.

7. FLOOR PLANS AND MAPS. The Declarant has provided a floor plan of the units being offered for sale and a map of the condominium which shows the location of a unit which you are considering and all facilities and common areas which are part of the condominium. The floor plan and map begin on page A-29.

(Optional) 8. CONDITIONAL USE PERMIT. The project is being constructed in accordance with permits issued by the City of West Bend, Wisconsin.

DECLARATION OF CONDOMINIUM OWNERSHIP

OF
628 AND 702 SHEPHERDS DRIVE
SHEPHERDS VALLEY CONDOMINIUMS
West Bend, Wisconsin 53095

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s/ DORTAY C BONNINE
REGISTER OF DEEDS
OF WASHINGTON COUNTY

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DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS, COVENANTS AND
CONDITIONS FOR SHEPHERDS VALLEY CONDOMINIUMS

628 AND 702 SHEPHERDS DRIVE

West Bend, WI 53095

THIS DECLARATION, made this 4th day of JANUARY, 1994, by C & C BUILDERS, INC., a Wisconsin Corporation (hereinafter referred to as the "DEVELOPER/DECLARANT").

WHEREAS, the DECLARANT is the owner in fee simple of certain real estate hereinafter described in Exhibit A, located in the City of West Bend, Washington County, Wisconsin; and

WHEREAS, the DECLARANT 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 anywise pertaining thereto, to all provisions of the Wisconsin Condominium Ownership Act, Chapter 703, Wis. Stats. (1987-88) as amended; and

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

WHEREAS, the DECLARANT desires and intends that the several unit owners, mortgagees, occupants and other persons hereafter acquiring any interest in the property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, conditions, restrictions, covenants and easements 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 DECLARANT, as the title holder of the real estate hereinabove referred to and described at greater length hereinafter, and for the purposes above set forth, (i) submits the subject property and buildings to the condominium form and use and ownership as provided in the Act, subject to taxes and assessments not yet due and payable, municipal and zoning ordinances, recorded easements and all other matters of record; (ii) establishes and imposes the following provisions, conditions, restrictions and uses to which the condominium may be put, and (iii) specifies that the provisions of this Declaration shall constitute covenants to run with the land and shall be binding upon DECLARANT, its successors and assigns and all subsequent owners and occupants of all or any part of the condominium, and further DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS AND LEGAL DESCRIPTION OF LAND

Section 1. **LEGAL DESCRIPTION OF LAND:** The real estate which is hereby submitted and subjected to the provisions of the Condominium Ownership Act, Chapter 703, Wis. Stats. (1987-88) as amended, is legally described as set forth on Exhibit A attached hereto and incorporated herein by reference. A survey of the property, showing the boundaries of the Condominium, is contained in the SHEPHERDS VALLEY CONDOMINIUMS PLAT (The "Condominium Plat," attached hereto and marked Exhibit B.)

Said real estate and all improvements thereon and appurtenances thereto shall be known as SHEPHERDS VALLEY CONDOMINIUMS.

Section 2. **DEFINITIONS:** For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

- (a) "ASSOCIATION" shall mean and refer to SHEPHERDS VALLEY HOME OWNERS ASSOCIATION, INC., a corporation formed under the nonstock corporation statute, Chapter 181, Wis. Stats. (1987-88) as amended, its successors and assigns.
- (b) "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- (c) "UNIT" shall mean and refer to a part of the property subject to the Declaration, consisting of (1) or more cubicles of air at one or more levels of space or one or more rooms or enclosed spaces located in one or more floors (or parts thereof) in a building and bounded along such boundaries as shown on the building and floor plans attached hereto as Exhibits B and C, together with all facilities and improvements therein contained, excluding the land underneath same.
- (d) "UNIT NUMBER" shall mean the number identifying a Unit.
- (e) "COMMON ELEMENTS" shall mean and refer, unless otherwise provided in this Declaration or amendments thereto, to the common areas and facilities consisting of the land and the entire premises described in Section 1, above, excepting the Units and excepting and subject to any structures built or improvements installed by or for public utilities.
- (f) "LIMITED COMMON ELEMENTS AND RESTRICTED COMMON ELEMENTS" shall mean those common elements identified herein as reserved for the exclusive use of one or more, but less than all, of the Unit Owners.
- (g) "DECLARANT" shall mean and refer to C & C BUILDERS, INC., a Wisconsin Corporation and its successors and assigns. The Declarant

may also be referred to as the Developer.

- (h) "MORTGAGE" shall mean any Mortgage or other security instrument by which a Unit or any part thereof is encumbered.
- (i) "MORTGAGEE" shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any land contract vendor of any Unit, or any successor to the interest of such person under such Mortgage or such land contract.
- (j) "MAJORITY" shall mean the Condominium Unit Owners with more than fifty percent (50%) of the votes assigned the Units in this Declaration.
- (k) "PERSON" shall mean an individual, corporation, partnership, association, trust or other legal entity.

ARTICLE II

PROPERTY AND UNITS: SUBMISSION TO ACT

Section 1. SUBMISSION OF PROPERTY TO THE ACT: The DECLARANT hereby submits the real estate described in Article I and all buildings and improvements constructed or to be constructed thereon to the provisions of said Condominium Ownership Act (the "ACT"), pursuant to Chapter 703, Wis. Stats. (1987-88) as amended.

Section 2. CONDOMINIUM IDENTIFICATION: Each Unit shall be specifically designated by its Unit Number as set forth in Exhibit "B" attached hereto and hereby made a part of this Declaration. The Unit Number of each Unit shall be the number portion of the street address of the Unit and its corresponding letter.

Every deed, lease, mortgage or other instrument may legally describe a Unit by its Unit Number and every such description shall be deemed good and sufficient for all purposes, as provided in the act.

Section 3. DESCRIPTION OF UNITS: The Condominium shall contain two buildings with a total of sixteen (16) Units, eight in each building, as fully described in Exhibits B and C attached hereto and made a part of this Declaration. Complete construction details are contained in the working plans and drawings available for inspection at the office of the Declarant. The sixteen (16) Units are located as indicated in Exhibit B attached hereto and made a part of this Declaration.

The buildings are constructed principally of brick and frame, aluminum siding and has composition roof.

Each Unit will contain central-forced air gas heat, central air conditioning, and hot water heater.

The Declarant in this Declaration provides all Units are comparable in style and quality.

Each Unit shall include one car garage and one (1) outside parking spaces which is appurtenant to said Unit and shall be included as designated in this Declaration to said Unit. Optional additional spaces may be available.

The buildings are located as indicated in Exhibit B attached hereto and made a part of this Declaration. The location, designation of each Unit, and the immediate Common Elements and Limited Common Elements to which each Unit has access, are also shown in Exhibit B. The approximate area and number of rooms of each Unit and the Unit Numbers and street address of each Unit and the parking spaces assigned to each Unit are shown in Exhibit B.

Section 4. BOUNDARIES OF UNITS: Each Unit on the first floor shall have separate interior walls. The vertical boundaries of each Unit shall be the said separate interior walls bounding a Unit and the exterior of the outside walls bounding a Unit; the air space between the Unit Walls shall be a common area space. Units shall not be divisible or subject to division or partition.

All windows, window frames, and doors, including all glass in all windows and doors, shall be considered a part of the Unit.

All installations for providing power, light, gas, hot and cold water, heating, refrigeration and air conditioning exclusively to one Unit shall be considered a part of that Unit.

Any utility lines and plumbing equipment located outside of Units, and any utility lines and plumbing equipment contained inside the boundaries of a particular Unit but which service a different Unit, are common elements and shall be repaired and maintained by and at the expense of the SHEPHERD VALLEY CONDOMINIUMS OWNERS ASSOCIATION, INC. (the "Association"), except as otherwise provided in this Declaration or the By-Laws of the Association. The furnace, water heater and air conditioning system for each Unit are part of the respective Unit serviced by said items and shall be repaired and maintained by and at the expense of the Owner of said Unit.

If any portion of the common or limited common elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common or Limited Common Elements as a result of the duly authorized construction, reconstruction or repair of a building, or as a result of settling or shifting of a building, a valid easement for the encroachment and for its maintenance shall exist so long as the building stands. The existing physical boundaries of a Unit or Common Elements constructed or reconstructed in substantial conformity with the Condominium Plat shall be conclusively presumed to be its boundaries, regardless of the settling or shifting of the building and regardless of minor variations between the physical boundaries described in this Declaration or shown on the Condominium Plat and the existing physical boundaries of any such Unit or Common Element.

Section 5. INTERPRETATION OF PLANS: In interpreting the survey or floor plans

or any deed or any other instrument affecting a Building or Unit, the boundaries of the Building or Unit constructed or reconstructed in substantial accordance with the survey and floor plans shall be conclusively presumed to be the actual boundaries rather than the description expressed in the survey or floor plans, regardless of minor variations between boundaries shown on the survey and floor plans and the actual boundaries of the Building(s) or Unit(s) as located and erected.

Section 6. MODIFICATION OF FLOOR PLANS: Declarant hereby reserves the right to alter, expand, decrease and/or otherwise modify the size and/or floor plans of any Unit and the exact location of the parking stalls during the course of construction of such Unit. In the event any Unit, as constructed, is materially different from the plans for such Unit contained in the Condominium Plat,

Declarant shall file an amendment to the Condominium Plat showing the actual dimensions and floor plans for such Unit.

ARTICLE III

GENERAL COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS

Section 1. OWNERSHIP OF COMMON ELEMENTS: Each Unit Owner shall be entitled to and own an undivided interest in the Common Elements as a tenant-in-common with all other Unit Owners of the property, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of such Owner's Unit as a place of commercial office and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with such Unit. Each Unit's fractional (also known as its percentage of ownership) ownership in the Common Elements shall be 1/16th. The common elements shall be operated, repaired and maintained by and at the expense of the Association, except as otherwise provided in this Declaration or the By-Laws of the Association.

The percentage of ownership in the Common Elements shall be subject to such easements as have been granted or may hereafter be granted to the City of West Bend or to public utilities.

Section 2. DESCRIPTION OF GENERAL COMMON ELEMENTS AND FACILITIES: The General Common Elements and facilities shall consist of all areas except Units, limited common areas and restricted common areas, and by way of explanation shall include:

- (a) The land described in this Declaration;
- (b) The driveways, parking area and walkways located on the land;
- (c) All other parts of the property necessary or convenient to its existence, maintenance and safety, are normally common use;
- (d) The foundations, columns, girders, beams, overhangs, supports, main walls and roofs of the buildings;

- (e) Areas set aside for storage of maintenance equipment;
- (f) Installations for providing central services such as power, light, gas heating, cold water and sprinkling system;
- (g) Tanks, sanitary pumps, storm sewer, water line, controls, fans, compressors, ducts and, in general, all apparatus and installations intended for common use;
- (h) Or wells.

Section 3. DESCRIPTION OF LIMITED COMMON ELEMENTS AND FACILITIES: A portion of the Common Elements and facilities are designated as "Limited Common Elements and Facilities". These are the areas immediately in front of garages, patios and decks, balconies, driveways and walkways which service one Unit and the yard area described below. Each Unit Owner shall be entitled to the exclusive use and possession of these limited common areas, direct access to which is provided for his respective Unit, and which is located outside of and adjoining his respective Unit. The "Yard Area" shall be as per landscaping blueprint shown.

Section 4. NO PARTITION OF GENERAL COMMON ELEMENTS: There shall be no partition of General 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; provided, however, that if any Unit shall be owned by two or more co-owners as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit Ownership between such co-owners.

Section 5. CONVEYANCE OF LIMITED COMMON ELEMENTS: Any Unit Owner may not convey or lease his right to use any Limited Common Element pertinent to his Unit to any other Unit Owner except for parking stalls. The use of the Limited Common Element so conveyed shall thereupon become appurtenant to the Unit owned by the Grantee. Such conveyance shall be upon a form approved for use by the Association and shall be recorded in the office of the Register of Deeds for Washington County. Such instrument shall provide that upon recording the original document it shall be returned to the Secretary of the Association. After such conveyance, the conveying Unit Owner shall have no further right to use the Limited Common Element so conveyed, and Limited Common Element shall thereafter be appurtenant to the Unit owned by the Grantee, as specified in the conveyance form, until further conveyance. Despite the foregoing, the Association shall have a right of first refusal on any conveyance of any portion of the property subject to this Declaration, said right to be exercised within ten (10) days of notice of right.

ARTICLE IV

CONVEYANCE OF UNIT INTERESTS INCLUDED

No Unit Owner may sell, convey or transfer any legal or equitable interest in his Unit without including the percentage of ownership interest in the Common

Elements and in all assets and liabilities of the Association appurtenant to the Unit; and any deed, mortgage or other instrument purporting to affect one or more of such interest, without including them all, shall be deemed to include all such rights, title, interests and obligations of the Unit Owner.

ARTICLE V

OTHER PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

Section 1. OWNER'S RIGHT TO INGRESS AND EGRESS AND SUPPORT: Each Owner shall have the right to ingress and egress over, upon and across the Common Elements necessary or access to his Unit and such rights shall be appurtenant to and pass with the title of each Unit.

Section 2. USE OF UNITS:

- (a) The Units shall be occupied and used only for those uses permitted under and pursuant to uses allowed by the City of Hartford and for no other purpose. The Declarant may lease a Unit on such terms and conditions as it desires in its sole discretion. Any person occupying a Unit with the Authority of an Owner shall comply with all of the restrictions, covenants and conditions imposed hereunder on an Owner. If a Unit is leased as aforesaid, the Owner of such Unit shall notify the Association of the tenant's or tenants' name or names and telephone number. If an Owner of a Unit intends to leave such Unit for a period of more than one (1) month, such Owner shall notify the Association prior thereto of his forwarding address and of a telephone number where he can be reached.
- (b) No animal shall be allowed without or about the premises. No animal or pet, may be kept, bred or maintained for commercial purposes. Animals shall not be allowed at large and shall be under control of a person when outside the Unit of its Owner.

Section 3. USE OF COMMON ELEMENTS:

- (a) There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written consent of the Association except as specifically provided herein. No owner or possessor shall cause to be stored at the premises, any substance defined as a "Hazardous Substance" as defined or designated under Sec. 311 or 307(a) of the Federal Clean Water Act, Superfund Sec. 102, the Federal Resources Conservation and Recovery Act, Sec. 112 of the Federal Clean Air Act and Section 7 of the Federal Toxic Substance Control Act, or any amendments or additions thereto. Nothing shall be altered on, constructed or removed from the Common Elements except upon the prior written consent of the Association. No garbage or rubbish containers shall be placed or kept in any Common Elements, other than those areas designated by the Association therefore. No clothes line shall be maintained on the Common Elements, and said

Common Elements shall not be used for hanging of clothes, rugs or other articles.

- (b) An Owner of a Unit shall in no case paint, decorate, or alter the appearance of the Common Elements or exterior of the buildings without the consent of the Board of Directors of the Association. No Owner of a Unit may erect, post or display posters, signs or advertising material on or in the Common Elements; provided, however, that any Owner of a Unit may erect or post a temporary sign of customary and reasonable dimension in relation to a Unit for sale, or rent-lease.
- (c) Parking areas (including driveways on which parking is allowed), whether designated as a part of a Unit or as Common Elements or Limited Common Elements, shall be used only for the parking of private passenger automobiles, pickup trucks, motorcycles and bicycles. Such vehicles shall at all times, be in running condition and bear current license plates. Persons using such parking areas shall, at reasonable times, for a reasonable period and upon reasonable notice, remove their vehicles therefrom to permit the parking areas to be repaired, resurfaced, repainted, striped or to permit cleaning thereof or the removal of snow therefrom or for similar purposes.

Section 4. PROHIBITION OF DAMAGE AND CERTAIN ACTIVITIES: Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would increase the rate of insurance on the premises or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would be in violation of any Statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitee, to the Association or their Owners. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Elements as may become an annoyance or nuisance (including the use of HiFis, stereos, musical instruments, televisions or radios at such time or in such volumes of sound as to be objectionable) to any other Owner or to any other person at any time lawfully occupying the Unit.

Section 5. SUBDIVISION OF UNITS: Units may be subdivided, if in combination of more than two Units together by purchase, but in no event shall there be more than six Units at any time.

Section 6. RULES AND REGULATIONS: No Owner shall violate the rules and regulations for the use of the Units and of the Common Elements as adopted from time to time by the Association.

Section 7. DELEGATION OF USE: Any Owner may delegate, in accordance with the

By-Laws, or this Declaration, his right of enjoyment of the Common Elements and facilities to the tenants of his Unit or contract purchasers of his Unit and only to said individuals.

Section 8. CONSTRUCTION: In the event any construction or remodeling work shall be performed in or about a Unit by a Unit Owner, or his contractors, agents, servants, and/or employees, said Unit Owner shall be responsible for maintaining and keeping the Common Elements and public areas such as public walks and drives free and clear of debris, dust, and construction materials, and promptly cause the removal of such debris, dust and construction materials as may be placed thereon.

Section 9. 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.

Section 10. SEPARATE REAL ESTATE TAXES: It is intended and understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of Ownership in the Common Elements, as provided in the Wisconsin Condominium Ownership 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 shall pay his proportionate share thereof, the allocation in respect to Common Elements to be in accordance with his respective percentage of Ownership interest in the Common Elements. In the latter event, to assure the ability of each Unit Owner to pay his share of the real estate taxes the Association may establish an escrow account and require each Unit Owner to pay into such account a sum equal to his share of the estimated real estate taxes each month.

Section 11. MAINTENANCE, REPAIRS AND REPLACEMENTS:

- (a) All maintenance, repairs and replacements to the Common Elements and facilities, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Directors and charged to the Unit Owners as a common expense.
- (b) The Owner of each Unit shall furnish, at his own expense, and be responsible for all maintenance, repairs and replacement of interior surfaces of each Unit together with utility lines, mechanical equipment and fixtures which serve only one Unit, and such fixtures and equipment which are located within one Unit; and glass surfaces, screens, doors, windows, door and window hardware appurtenant to each Unit. The expense of such maintenance, repairs and replacement shall be borne solely by each such Owner.
- (c) No Unit Owner, except as otherwise provided herein or in the By-

Laws, may do any alteration which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament.

- (d) In the event that the need for maintenance, repairs or replacement is caused through the willful or negligent act of an Owner, the costs of such maintenance, repairs or replacement shall be added to and become a part of the assessment to which such owner's Unit is subject.

Section 12. COMMON SURPLUSES: All common Surpluses shall be credited to Unit Owners' for assessments for common expense in proportion to their obligation for Basic Assessments. The Condominium Owners Association may from time to time provide for other common uses of such surpluses.

ARTICLE VI

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP: Every Owner of a Unit shall be entitled and required to be a member of the Association and shall remain a member of the Association until such time as ownership of such unit ceases, for any reason, at which time membership shall automatically cease. If title to a Unit is held by more than one person, each of such persons shall be members. An Owner of more than one Unit shall be entitled to one membership for each such Unit owned by him. Each such membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically by conveyance of that Unit. No Person or entity other than an Owner of a Unit or Declarant may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of title to a Unit; provided, however, that the rights of voting may be assigned to a Mortgagee as further security for a loan secured by a mortgage on a Unit.

Section 2. VOTING. The Association shall have two (2) classes of voting membership as follows:

- (a) Class A. Class A members shall be all units, with the initial exception of Declarant. One (1) vote shall be allowed for each unit regardless of the number of unit owners thereof. If title to a unit is held by more than one person, the membership related to that unit shall be shared by such owners in the same proportionate interest and by the same type of tenancy in which title to the unit is held; however, such unit owner's shall designate one (1) person to cast the vote appurtenant to such unit. Voting rights may not be split and shared membership interest must be voted pursuant to said designation and as further set forth in the By-Laws.
- (b) Class B. Class B members shall be the declarant and shall be entitled to one (1) vote for each unit (up to 14 votes) owned or to be built by Declarant.

The respective rights and qualifications of the two classes of members shall be as set forth in the By-Laws of the Association.

- (c) Rights of Declarant. Notwithstanding any other provisions herein contained, Declarant, its successors and assigns, shall have the right, at its option, to exercise the powers and responsibilities otherwise assigned by this Declaration, the Act or the By-Laws of the Association, until the ten (10) years from the date the first condominium unit is conveyed by declarant to any person other than Declarant. All present and future owners, mortgagees, lessees and occupants of units in the condominium shall be deemed, by acceptance or any deed to or mortgage on any unit or by entering into a Land Contract or Lease affecting a unit or by the act of occupancy of a unit, to agree, approve and consent to the right of Declarant to so control the Association of unit owners.

Section 3. UNIT VALUE FOR VOTING: The interest of each Unit shall be 1/14th and shall serve as a basis in determining the voting interest of each Unit on matters for determination by Unit Owners and as to other matters described in the Wisconsin Unit Ownership Act.

Section 4. AMPLIFICATION: The provisions of this article may be amplified by the By-Laws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

ARTICLE VII

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. THE COMMON ELEMENTS: The Association, subject to the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 2. SERVICES: The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Common Elements, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Common Elements or the enforcement of this Declaration. The Association may arrange with others to furnish water, trash collection and other common services to each Unit.

Section 3. PERSONAL PROPERTY FOR COMMON USES: The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interest in the Common Elements. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferror's beneficial interest in such property without any reference thereto. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosure Unit.

Section 4. RULES AND REGULATIONS: The Association may make reasonable rules and regulations governing the use of the Units and of the Common Elements, which rules and regulations shall be consistent with the rights and duties established in this Declaration.

Section 5. IMPLIED RIGHTS: The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any right or privilege.

Section 6. PERSONAL LIABILITY: NO DIRECTOR or OFFICER of the ASSOCIATION shall be personally liable to any UNIT OWNER or to any other party, including the Association, for any loss or damage suffered or claimed on account of any act, omission, error or negligence of such Officer or Director acting in such capacity, provided such person acted in good faith, without willful or intentional misconduct.

ARTICLE VIII

COVENANT FOR ASSESSMENTS

Section 1. AGREEMENT TO PAY ASSESSMENT: Declarant for each Unit owned by it hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association for the purpose provided in this Declaration, annual assessments, special assessments for capital improvements, and assessments for any other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

Section 2. PURPOSE AND COMPUTATION OF ASSESSMENTS:

- (a) The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Elements, and such

emergency repairs as the Association may deem necessary.

- (b) All funds for the payment of common expenses and for the creation of reserves for the payment of future common expenses shall be obtained by equal assessments against the owner of each Unit. Subsequent to the first conveyance of a Unit by the Declarant to a purchaser, Declarant's obligation for assessments shall be as follows:
 - (i) For each completed Unit owned by Declarant, Declarant shall pay monthly assessments in the Association on the same basis as any other Unit Owner.
 - (ii) For such period of time as there are uncompleted Units in the Condominium owned by Declarant, Declarant shall have the option of either paying monthly assessments to the Association for each uncompleted Unit owned by Declarant on the same basis as any other Unit Owner; or paying to the Association the difference between the aggregate amount of the monthly assessments assessed against all owners of completed Units (including Declarant) and the actual monthly expenses incurred by the Association; provided, however, that Declarant shall be required to make payments into the reserve accounts established by the Association for each of its uncompleted Units which is under construction on the same basis as all other Unit Owners.
- (c) For purposes of Declarant's obligations for assessments, a completed Unit shall be a Unit for which the City of Hartford has issued an occupancy permit. Until such time as a Unit is completed, Declarant, and not the Association, shall be responsible for all insurance premiums and other costs related to such Unit.

Section 3. ANNUAL ASSESSMENTS: The Board of Directors of the Association shall from time to time, and at least annually, prepare a budget and fix the annual assessment.

Section 4. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purposes of: (a) defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements including fixtures and personal property related thereto; (b) offsetting shortages resulting from non-collection of the annual assessment or underestimation; and (c) unusual or unpredicted costs such as cost of collecting annual assessment or enforcement of the provisions of the Declaration; provided, however, that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members affected who are voting in person or by proxy at a meeting duly called for this purpose. The cost of the initial Common Element improvements is excluded from the special assessments authorized in this section, such cost to be borne by Declarant.

Section 5. SPECIAL ASSESSMENT AGAINST A PARTICULAR UNIT: Special assessments may be made by the Board against a particular Unit Owner and his Unit for:

- (a) Costs and expenses (anticipated or incurred) for damage to the Common Elements caused by or at the direction of that Unit Owner or guests or tenants of the Unit Owner or other occupants of the Unit;
- (b) Costs, expenses and actual attorneys' fees incurred in, or in anticipation of, any suit, action or other proceeding to enforce the Act, the Declaration, the By-Laws, or the Rules or Regulations where there is found to be a violation thereof;
- (c) Costs and expenses (anticipated or incurred) for emergency repairs to a Unit;
- (d) Liabilities, costs and expenses incurred by the Association as a result of any temporary or permanent condition or defect in the Unit or the storage area appurtenant to the Unit;
- (e) Interest due on General and Special Assessments;
- (f) Forfeitures and other penalties levied by the Board for violations of the Condominium Documents by a Unit Owner or the tenants or guests of the Unit Owners or occupants of a Unit.
- (g) All other costs and expenses anticipated or incurred by the Association which are subject to special assessments as provided under this Declaration or the By-Laws.

Section 6. NOTICE OF MEETINGS: Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all affected members and any mortgagee who shall request such notice in writing not less than ten (10) days or more than sixty (60) days in advance of the meeting. The presence, at such meeting, of members or of proxies entitled to cast twenty-five percent (25%) of all the votes affected shall constitute a quorum.

Section 7. UNIFORM RATE OF ASSESSMENT: Both annual and special assessments must be fixed at a uniform rate for all Units; provided, however, the Association shall assess an individual Unit for all sums due solely from that Unit as provided in Section 5 of this Article.

Section 8. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: The annual assessments provided for herein shall be payable in monthly installments and shall commence on the first day of the first month following the conveyance of the first Unit by the Declarant. Such assessments shall commence as to each Unit on the first day of the first month following the issuance of an occupancy permit for such Unit, provided, however, that the Declarant shall pay a reduced assessment for Units prior to the issuance of an occupancy permit therefore, which reduced assessment shall be based on Association expenses which are not or not fully

determined by the number of constructed or number of occupied Units such as snow plowing and liability insurance. The first annual assessment shall be adjusted according to the number of months then remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

Section 9. LIEN FOR ASSESSMENTS: All sums assessed to any Unit pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit except only for:

- (a) Liens of general and special taxes; and
- (b) A lien for all sums unpaid on a first mortgage, or on any mortgage to the Declarant, duly recorded in the Washington County, Wisconsin, real estate records, prior to the making of such assessment, including all unpaid obligatory advance to be made pursuant to such mortgage and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument;
- (c) Mechanics lien filed prior to the making of the assessment; and
- (d) All sums unpaid on any mortgage loan made pursuant to Section 45.80 Wis. Stats.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such a notice shall be signed by the Association and may be recorded in the Office of the Clerk of the Circuit Court or Register of Deeds of Washington County, Wisconsin. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Wisconsin. In any such foreclosures, the Owner shall be required to pay the costs and expenses of filing the notice of lien, of all proceedings and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Unit which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Unit as the Owner thereof. A release of notice of lien shall be executed by the Association in such form as to be recordable in the Washington County, Wisconsin, real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a mortgage or other lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall upon written request report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due and any default in the performance by the individual Unit Borrower of any obligation under the condominium documents which is not cured within thirty (30) days; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

Section 10. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION: Any assessments which are not paid when due shall be delinquent. Any assessment or installment thereof not paid within ten (10) days after the due date shall bear interest from the due date at a rate of interest which is two percent (2%) higher than the rate prescribed by the Wis. Stats. to be collected upon execution upon judgment. (In lieu of charging such interest, the Board may, from time to time, fix a reasonable late fee for each month or fraction thereof that such assessment is not paid). All payments on account shall be first applied to the interest or late charge, if any, and then to the assessment payment first due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Unit. A suit to recover a money judgment for unpaid assessments hereunder may be maintainable without foreclosing or waiving the lien securing the same. If any installment of any assessment become delinquent, the privilege of paying such assessment in installments shall be terminated and, if such delinquent installment be of an annual assessment, the entire annual assessment for the remainder of the fiscal year, or if the delinquent installment be of a special assessment, the entire special assessment, shall be considered at one, without further notice, due and payable and shall be considered delinquent.

Section 11. SUBORDINATION OF THE LIEN TO MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the liens described in Section 10 (a), (b), (c) and (d) above. Sale or transfer of any Unit shall not affect the assessment lien on the sale or transfer of any Unit pursuant to a mortgage foreclosure shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer and such unpaid assessments shall be deemed to be common expenses collectible from all of the Owners excluding the acquirer, his successors and assigns. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. ADDITIONAL RIGHTS OF LENDERS:

- (a) As to the holder of any mortgage or land contract vendor or insurer or guarantor of any mortgage (the "Lender") of a Unit which has notified the Association in writing delivered or mailed by certified

mail to the place for service of process stated in this Declaration that it desires to receive notice of the following matters:

- (i) The Board of Directors shall give the Lender written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to this Declaration, the Articles or the By-Laws;
 - (ii) The Board of Directors shall give the Lender by mail a copy of the notice of default which is given to any Unit owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-Laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice of any Unit owner which shall be not later than within 30 days of such failure;
 - (iii) The Board of Directors shall notify the Lender of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
 - (iv) The Board of Directors shall notify the Lender of physical damage to structure, fixtures or equipment of a Unit in an amount exceeding \$10,000 when such damage is known to the Board of Directors and shall notify all Lenders if Common Elements of the Condominium are damaged in an amount exceeding \$20,000. The Board shall also notify the Lender in writing of any condemnation proceedings concerning the Condominium; and
 - (v) The Board of Directors shall permit the Lender to examine during normal business hours books and records of the Association (including current copies of this Declaration, Association By-Laws, and all rules and regulations promulgated thereunder) and upon request shall furnish the Lender annual reports and such other financial data (including audited financial statements) as it sends to Unit Owners.
- (b) Unless two-thirds of the number of holders of first mortgages on Units (based on one vote for each mortgage held) and all Unit Owners affected have given their prior written approval, or unless the Association obtains such higher proportion of consent as may be required by the Wisconsin Condominium Ownership Act, the Association shall not:
- (i) Change the undivided percentage interest in the Common Elements of the Condominium appertaining to each unit;
 - (ii) Partition or subdivide any Unit of the Condominium;
 - (iii) By act or omission, seek to partition, subdivide, encumber,

sell or transfer the Common Elements, except that the transfer of the water system to a public or quasi-public body or the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this clause; or

- (iv) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such condominium property.
- (c) Unless all holders of first mortgages on Units shall have given their prior written approval, the Association shall not by act or omission seek to abandon the condominium status of the Condominium except as provided in Section 9 of this Declaration.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. ARCHITECTURAL CONTROL COMMITTEE AUTHORITY: No exterior additions or alterations, including painting or decorating, to the buildings, porch, additional fences, or changes in existing fences, hedges, walls, walkways and other structures or addition of air conditioning equipment shall be commenced, erected or maintained except such as are installed or approved by the Declarant in connection with the initial preparation of the building, until the plans and specifications showing the nature, kind, shape, height, materials, location, color and approximate cost of same shall have been submitted to and approved in writing as to harmony of external design and location to the Directors of the Association, or by a representative or representatives designated by the Board of Directors. In the event said Committee, or its designated representatives, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, and if no suit to enjoin the making of such additions, alterations or changes has been commenced within sixty (60) days of application, such approval shall be deemed to have been given. If no application has been made to the Architectural Control Committee or their representatives, suit to enjoin or remove such additions, alterations or changes may be instituted at any time. Neither the members of the Architectural Control Committee nor its designated representatives shall be entitled to compensation to themselves for services performed pursuant to this paragraph, but compensation may be allowed to independent professional advisors retained by the Architectural Control Committee.

Section 2. ANTENNAE: Exterior antennae shall not be placed on the building without the approval of the Architectural Control Committee or its designated representatives.

Section 3. DECLARANT CONTROL: During the period of Declarant Control, Declarant shall act as the Architectural Control Committee unless he delegates such

function to the Board of Directors.

ARTICLE X
PARTY WALLS

Section 1. GENERAL RULES OF LAW TO APPLY: Each wall which is built as a part of the original construction of the building is placed solely on the interior of each Unit being a part of said Unit. If there are any party walls or walls placed on the dividing line between Units, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. SHARING OF REPAIR AND MAINTENANCE: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. RIGHT TO CONTRIBUTION RUNS WITH LAND: The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 4. ENCROACHMENTS: Some of the Units may be aesthetically and functionally designed with drains, air conditioning equipment and other structures that encroach or overhang adjoining Units. The Owner of each Unit hereby takes title subject to a perpetual easement for any such overhang or encroachment and each encroaching or overhanging Unit or other structure, drain, or air conditioning equipment may be repaired, rebuilt or replaced in such a fashion as to permit these overhangs and encroachments to be reestablished but not enlarged without consent of the servient Owner and the Association.

Section 5. BINDING EFFECT: All present and future owners of Units, tenants of such owners and any other occupants of Units, employees of Owners, or any other persons that in any manner use or come upon the Condominium or any part thereof shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation of the Association (the "Articles"), and the By-Laws and rules and regulations of the Association, as these instruments may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit shall constitute an acceptance by such Owner, tenant or occupant of the provisions of such instruments, as they may be amended from time to time. The provisions contained in such instruments shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof. The enforcement may be by such judicial proceedings as the Board of Directors of the Association may deem appropriate as well as by the provisions of the Wisconsin Condominium Ownership Act.

Section 6. RULES AND REGULATIONS: Rules and regulations (in addition to the By-Laws) concerning the use of the Units and the common and limited common elements,

including provisions concerning the keeping of pets, may be promulgated and amended by the Board of Directors of the Association. Copies of such rules and regulations shall be furnished by the Board of Directors of the Association to each Unit owner prior to their effective date.

Section 7. DEDICATION FOR UTILITIES: The Declarant hereby reserves for the Association acting by and in the discretion of its Board of Directors the right to grant and/or dedicate to the City of Hartford, Wisconsin, the County of Washington, Wisconsin or public or semi-public utility companies, easements and rights-of-way (and any and all improvements contained therein) for the erection, construction and maintenance of all poles, wires, pipes and conduits for the transmission of electricity, gas, water, telephone and for other purposes, for sewers, storm water drains, gas mains, water pipes and mains, and similar service, and for performing any public or quasi-public utility function that the City of Hartford or Washington County shall require or that the Board of Directors may deem fit and proper for the improvement and benefit of the Condominium. Such easements and rights-of-way shall be confined, so far as possible, in underground pipes or other conduits, with the necessary rights of ingress and egress and with the rights to do whatever may be necessary to carry out the purposes for which the easement is created.

Section 8. CONSTRUCTION OF TERMS: All terms used in this Declaration shall have the same meaning as used or defined in the Wisconsin Condominium Ownership Act unless the context of this Declaration requires or specifically provides otherwise.

ARTICLE XI

INSURANCE

Section 1. OBLIGATION OF ASSOCIATION: The Association, for the benefit of all Unit Owners, shall insure the Property against loss or damage by fire and such other hazards as the Association may deem desirable, for the right of each Unit Owner to also insure his own Unit for his own benefit. The premiums for such insurance on the Property shall be deemed common expenses; provided, however, that in charging the same to the Unit Owners, consideration may be given to the higher premium rates on some Units than on others. Such insurance coverage shall be written in the name of, losses under shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association as trustee for the Unit Owners or Unit Owner. The Association may engage the services of any bank or trust company authorized to do trust business in Wisconsin to act as trustee, agent, or depository on behalf of the Association for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms and the Association shall determine consistent with the provision of this Declaration. The fees of such corporate trustee shall be common expenses. In the event of any loss in excess of \$50,000.00 in the aggregate, the Association shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Units, the Association shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or Owner of any Unit so destroyed.

Section 2. COMBINED INSURANCE: If insurance coverage is available to combine protection for the Association the Unit Owner's individual Unit, the Board of Directors is hereby given discretionary power to negotiate such combination of insurance protection on an equitable cost sharing basis under which the Unit Owner would be assessed individually for the amount of insurance which he directs the Board of Directors to including in such policies for his additional protection. Copies of all such policies shall be provided to each mortgagee. Nothing contained in this paragraph shall be deemed to prohibit any Unit Owner, at his own expense, to provide any additional insurance coverage on his improvements or on his Unit which will not duplicate any insurance provided by the Association or Unit Owner.

Section 3. INSURANCE PROCEEDS: The proceeds of such insurance shall be applied by the Association or by the trustee on behalf of the Association for the repair or reconstruction of the Common Elements and Unit or Units; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provision herein with respect to the application of insurance proceeds to reconstruction of the Unit or Units. Payment by an insurance company to the Association or to such trustee of the proceeds of any policy, and the receipt of release from the Association of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which such proceeds may be held pursuant thereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or to see to the application of any payments of the proceeds of any policy by the Association or the corporate trustee.

Section 4. DESTRUCTION AND RECONSTRUCTION:

- (a) In the event of a partial or total destruction of one or more Units, they shall be rebuilt and repaired as soon as practicable and substantially to the same design, plan and specifications as originally built, unless within thirty (30) days after such partial or total destruction, all of the Owners of Units and two-thirds (2/3) of the holders of first mortgages subject to this Declaration agree not to repair or rebuild. On reconstruction the design, plan and specification of any building or Unit may vary from that of the original upon approval of the Association; provided, however, that the number of square feet of any Unit may not vary by more than five percent (5%) from the number of square feet for such Unit as originally constructed, and the location of the Unit shall be substantially the same as prior to the damage or destruction.
- (b) In the event the Condominium is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds, if any, constitute less than 80% of the cost of completing repair or reconstruction, action by the Association by vote of 75% or more of all Unit Owners taken within 90 days after such damage or destruction shall be necessary to determine not to repair or reconstruct the Condominium as more fully described in

Section 3, Article V of the By-Laws. Damage or destruction to a lesser extent, and damage or destruction to a greater extent but for which insurance proceeds are equal to or greater than 80% of the cost of completing repair or reconstruction, shall be repaired and reconstructed pursuant to arrangement by the Board of Directors of the Association as provided in said section of the By-Laws.

Section 5. PARTITION: The Association shall have the right to levy assessments against the Units involved in the event that the proceeds of any insurance collected are insufficient to pay the estimated or actual costs of repair or reconstruction; provided, however, that in the event of damage to an extent more than the available insurance, this Condominium shall be subject to an action for partition, upon obtaining the written consent of the Unit Owners having no less than one hundred percent (100%) of the votes. In the event of partition, the net proceeds of sale, together with any net proceeds of insurance shall be considered as one fund and shall be divided among all Unit Owners in proportion to their liability for assessments and shall be distributed in accordance with the priority interests in each Unit.

Section 6. OTHER INSURANCE: The Association shall maintain, as a common expense, the following insurance coverages:

- (a) Public liability insurance covering the Association and the Board and members of the Association against liability for damages or personal injuries sustained by any person, firm or corporation arising out of or resulting in whole or in part from the condition, use or operation of any Common Elements or from any activity of the Association, with limits of not less than \$500,000/person and \$1,000,000/occurrence for bodily injury or death and not less than \$250,000/occurrence for property damage, including a waiver of subrogation rights against any member, Officer or Director of the Association;
- (b) Workmen's Compensation insurance to the extent necessary to comply with applicable law;
- (c) Indemnity, faithful performance, fidelity and other bonds, as may be required by the Board, to carry out the Association functions and to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with management or possession of Association funds or other property;
- (d) Any other insurance coverage or additional protection which the Board may deem necessary or advisable, including without limitation comprehensive liability insurance.

ARTICLE XII

NOTICES

All notice and other documents required to be given by this Declaration or by the By-Laws of the Association, shall be sufficient if given to one registered

owner of a Unit regardless of the number of Owners who have an interest therein. Notice and other documents to be served upon Declarant or the Association shall be personally served on the agent specified for receipt of process herein or mailed by certified mail, return receipt requested to the agent specified for receipt of process herein at the address of that agent as provided herein. All Owners shall provide the Secretary of the Association with the address for the mailing or service of any notice or other documents and the Secretary shall be deemed to have discharged his duty with respect to giving of such notice by mailing it or having it delivered personally to such address as is on file with him. If the Unit Owners fail to provide such address, the Secretary shall be deemed to have discharged his duty with respect to the giving of such notice by mailing it or having it delivered personally to the Unit.

ARTICLE XIII

EXCULPATION OF ASSOCIATION LIABILITY

In the event any Unit Owner shall suffer damages to the contents, improvements or betterments of his Unit, as a result of water damages caused by the bursting of any plumbing or heating pipes, no liability therefor shall attach to the Association and the cost for such repairs shall accrue to such individual Unit Owner.

ARTICLE XIV

DECLARANT'S RIGHTS

Until such time as the Declarant has sold all of the Units in the condominium the Declarant shall have the right to use any unsold Units and the Common Areas as may be necessary to expedite the sale of Units, including, but not limited to, the maintaining of sales office, the holding of open house and the erecting of signs.

ARTICLE XV

PHASING CONDOMINIUM CONSTRUCTION

Section 1. PHASING OF CONDOMINIUM CONSTRUCTION: Declarant expressly states that there is no right to phase construction of the condominium development, which is the subject of this Declaration.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. ENFORCEMENT: The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations, now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY: If any provision, or any part thereof, of this Declaration or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Declaration, or the application of such provision, or any part thereof, to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision or any part thereof, of this Declaration shall be valid, and be enforced to the fullest extent.

Section 3. FAILURE OF ASSOCIATION TO INSIST ON STRICT PERFORMANCE NOT WAIVER: The failure of the Association to insist, in any one or more instance, upon the strict performance of any of the terms, covenants, condition or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant thereof, shall not be deemed as a waiver of such breach, and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association.

Section 4. TERMINATION: This Declaration may be terminated only by the unanimous consent of all of the Owners of all Units and all of the parties holding mortgages, liens or other encumbrances against any of said Units, in which event the termination of the Declaration shall be by such plan as may be then adopted by said Owners and parties holding any mortgages, liens or other encumbrances. The instruments necessary for such termination shall be recorded in Washington County, Wisconsin.

Section 5. PERPETUITIES AND RESTRAINTS ALIENATIONS: If any of the privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of: 1) the rule against perpetuities or some analogous statutory provisions; 2) the rule restricting restraints on alienation, or 3) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty one (21) years after the death of the now living lawful descendants of William Clinton, President of the United States of America.

Section 6. AMENDMENTS: Except as hereinafter limited and provided, this Declaration may be amended by an instrument signed by the Declarant alone at any time prior to the sale of twenty-five (25%) percent of the Units and thereafter signed by not less than sixty-seven (67%) percent of the Unit Owners and Mortgagees having a secured interest in the property subject to this Declaration; provided, however, that such amendment shall not substantially alter any of the rights or obligations of the Owners and/or members.

No Amendment to this Declaration shall be adopted which would operate to affect the validity or priority of any mortgage or which would alter, amend or modify, in any manner whatsoever, the rights, powers and privileges granted and reserved herein, in favor of any mortgagee or in favor of the Declarant without the consent of all such mortgagees or the Declarant, as the case may be.

Any Amendment to this Declaration shall be recorded with the Register of Deeds for Washington County, Wisconsin, and a copy of same shall be sent to the Condominium Owner's Association.

Section 7. REGISTERED AGENT FOR SERVICE OF PROCESS: The registered agent for service of process and the address for the registered agent, shall be the registered agent and the address of the registered agent of the SHEPHERDS VALLEY CONDOMINIUMS as provided for in the Articles of Incorporation and amendments thereto.

Section 8. NUMBER AND GENDER: Whenever used herein, unless the context shall otherwise provide the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 9. CAPTIONS: The Captions and Article headings herein are intended only as matters of convenience and for reference and in no way define or limit the scope or intent of the various provisions hereof.

Section 10. RIGHT OF FIRST REFUSAL: The Association shall have no right of first refusal or option to purchase any right, title, share or interest in any Unit, common area, element or fixture, or any property which is subject to this Declaration.

Dated this 4th day of JANUARY, 1994.

SHEPHERDS VALLEY CONDOMINIUMS

Attest:

By: C & C BUILDERS, INC.

By: /s/
Carl E. Trapp, President

By: /s/
Kathleen Trapp, Secretary

Signatures of Carl E. Trapp and Kathleen Trapp, President and Secretary, respectively, of C & C BUILDERS, INC., authenticated this 4th day of JANUARY, 1994.

/s/
Richard A. Rechlicz, Attorney
Member State Bar of Wisconsin
State Bar 1016926

THIS INSTRUMENT WAS DRAFTED BY:

LADEWIG AND RECHLICZ
Richard A. Rechlicz, Esq.
N88 W15125 Main Street
Menomonee Falls, WI 53051

EXHIBIT A

Legal Description

Lots Four (4) and Five (5) in "COUNTRY VILLAGE SUBDIVISION", lands being part of Lot 1 of C.S.M. No. 2590 as recorded in Volume 14 of Certified Surveys on page 114 in the Washington County Register of Deeds Office; also part of Lot 1 of C.S.M. No. 2568, as recorded in Vol. 14, Page 67 & 68 of Certified Surveys, and unplatted lands, all of which is located in the SE 1/4 of the SW 1/4 of Section 9, Town 11 North, Range 19 East, City of West Bend, Washington County, Wisconsin.

and

The westerly 4 feet of Lot 5 in Country Village Subdivision, lands being part of Lot 1 of Certified Survey Map Number 2590 as recorded in the Washington County Register of Deeds Office in Volume 14 of Certified Survey Maps Page 114, also part of Lot 1 of Certified Survey Map 2568 as recorded in the Washington County Register of Deeds Office in Volume 14 of Certified Survey Maps on Pages 67 and 68 and unplatted lands all of which are located in the Southeast One Quarter of the Southwest One Quarter of Section 9, Township 11 North, Range 19 East of the Fourth Principal Meridian in the City of West Bend, Washington County, Wisconsin containing 929.66 square feet or 0.0213 acres.

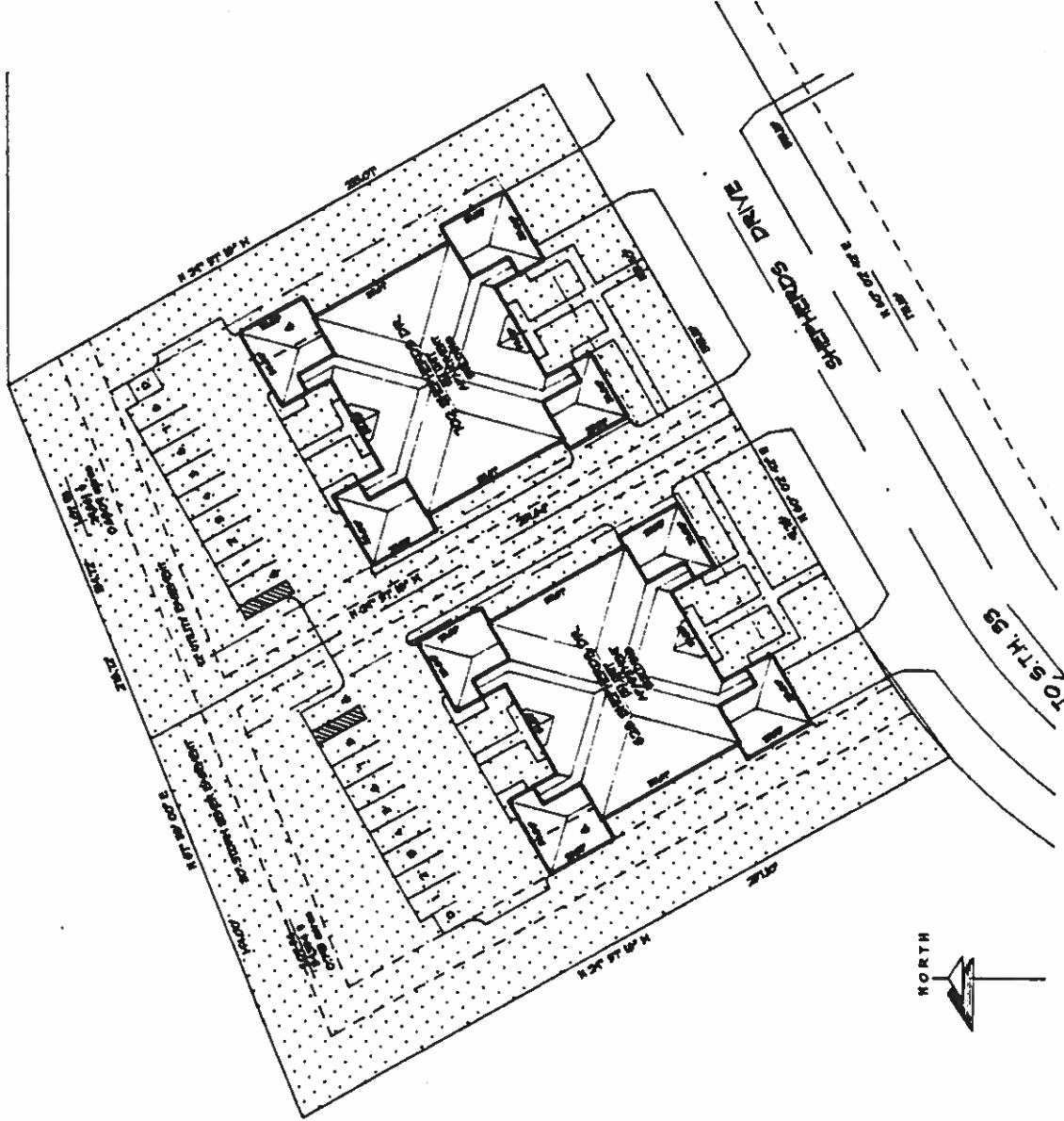
PLAT OF
SHEPHERDS VALLEY CONDOMINIUMS
CITY OF WEST BEND
COUNTY OF WASHINGTON
STATE OF WISCONSIN

- 620-1 SHEPHERDS DRIVE
- 620-2 SHEPHERDS DRIVE
- 620-3 SHEPHERDS DRIVE
- 620-4 SHEPHERDS DRIVE
- 620-5 SHEPHERDS DRIVE
- 620-6 SHEPHERDS DRIVE
- 620-7 SHEPHERDS DRIVE
- 620-8 SHEPHERDS DRIVE
- 102-1 SHEPHERDS DRIVE
- 102-2 SHEPHERDS DRIVE
- 102-3 SHEPHERDS DRIVE
- 102-4 SHEPHERDS DRIVE
- 102-5 SHEPHERDS DRIVE
- 102-6 SHEPHERDS DRIVE
- 102-7 SHEPHERDS DRIVE
- 102-8 SHEPHERDS DRIVE

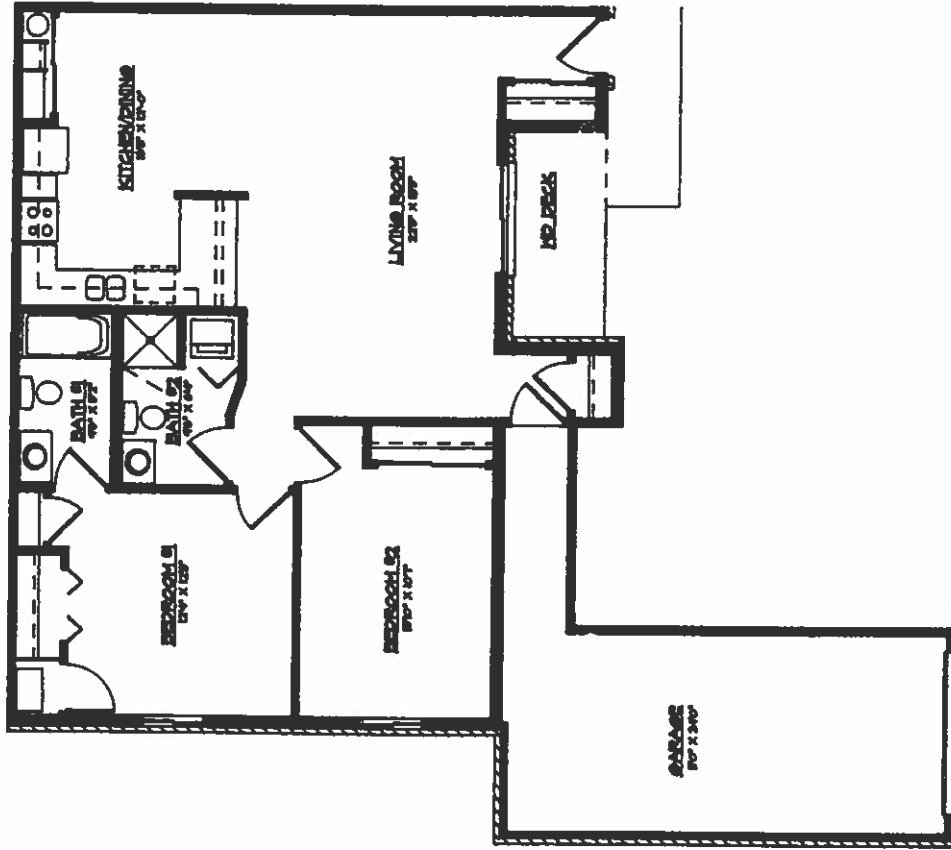
COMMON AREAS

SITE PLAN

LOTS FOUR (4) AND FIVE (5) IN "COUNTRY VILLAGE SUBDIVISION", LANDS BEING PART OF LOT 1 OF C.S.M. NO. 2540 AS RECORDED IN VOLUME 14 OF CERTIFIED SURVEYS ON PAGE 114 IN THE WASHINGTON COUNTY REGISTER OF DEEDS OFFICE; ALSO PART OF LOT 1 OF C.S.M. NO. 2560, AS RECORDED IN VOL. 14, PAGE 61 & 60 OF CERTIFIED SURVEYS, AND UNPLATTED LANDS, ALL OF WHICH IS LOCATED IN THE SE 1/4 OF THE SW 1/4 OF SECTION 9, TOWN 11 NORTH, RANGE 19 EAST, CITY OF WEST BEND, WASHINGTON COUNTY, WISCONSIN.



PLAT OF
SHEPHERD VALLEY CONDOMINIUMS
CITY OF WEST BEND
COUNTY OF WASHINGTON
STATE OF WISCONSIN



FIRST FLOOR UNIT PLAN

628-2 & 628-3 SHEPHERD DRIVE
702-1 & 702-4 SHEPHERD DRIVE
are a mirror image of
this floor plan.

FIRST FLOOR UNIT AREA: 1160 S.F.