

RIVERWOOD CONDOMINIUM
DECLARATION OF CONDOMINIUM

K D G Ltd., a Wisconsin corporation (the "Declarant"), does hereby declare that the real estate described below is subject to the Wisconsin Condominium Ownership Act. The said real estate and all the improvements now or subsequently placed thereon and the appurtenances thereto shall hereafter be known and described as Riverwood Condominium (the "Condominium"). The address of the condominium shall be Old Mill Drive, Racine, Wisconsin.

1. Description of Land. The land which is the subject of this Declaration and upon which the buildings and improvements are and will be located is in Racine County, Wisconsin, more particularly described in Exhibit A attached hereto.

2. Description of Buildings. Six buildings containing 38 units, are in process of construction or have been constructed upon the land with locations as shown on the Condominium Plat filed for record in the office of the Register of Deeds for Racine County, Wisconsin and incorporated herein by reference. The condominium dwelling units in each building are called "units". The buildings containing units are designated and numbered One through Six as indicated on the Condominium Plat.

Building One contains six units, Buildings Three, Four and Five each contain eight units and Buildings Two and six each contain four units. Two units in each building are Type B units and the remainder of the units in each building are Type A units (see paragraph 3 of this Declaration for a description of units). Each building has two levels of living space and a basement. Each building is constructed principally of concrete block foundations and footings, drywall interior partitions, wood frame, brick facing and sills, cedar trim, fascia and rake board and stained wood siding. The roofs are asphalt shingle. Each building may have one sump pump in the basement. The cost of the electricity used to operate the sump pumps shall be paid by Riverwood Condominium Homes Association, Inc., a Wisconsin nonstock, nonprofit corporation serving as the

association of unit owners for the Condominium (the "Association"), as provided in section 17, Article V of the By-Laws of the Association (the "By-Laws"). Each unit is connected to municipal water and sewer systems. Each building has a common water meter. Municipal water and sewer charges shall be paid by the Association. Each unit has a separate gas-fired hot water heater and heating plant in the basement and a separate central air-conditioning system having an electrically powered pad mounted condenser in the limited common area of the unit. Electricity and gas are separately metered for each unit.

3. Description of units.

(a) Units are identified by building number, type (A or Bas described below) and a separate number sequence for each building. Each unit has a separate address on Old Mill Road. Each unit and the approximate area, location, number of rooms and immediate common area to which it has access are shown on the survey and set of floor plans included in the Condominium Plat. Working drawings and general specifications for the project are on file at the office of the Declarant, 7900 Durand Avenue, Sturtevant, Wisconsin 53177.

(b) The boundaries of each unit shall consist of that part of the cubic area of each building which is enclosed as follows:

(i) The vertical or pararnetrical boundaries of the unit shall be the plane of the outer surfaces of the drywall (being the first layer of double drywall as to common walls between units) and the plane of the outside faces of doors and windows bounding a dwelling extended in each case to an intersection with the upper and lower boundaries; and

(ii) The upper and lower boundaries shall be [a] lower boundary - the plane of the underside of the floor of the basement; and [b] upper boundary - the plane of the undersurfaces of the chords of the roof trusses, ceiling joists of roof or rafters.

(c) Each Type A unit contains approximately 2,035 square feet including a basement and a crawl space beneath the living room, a living room, dining room, kitchen,

hall, lavatory, and garage on the first floor and two bedrooms, a full bath, and a storage area over the garage on the second floor. Each Type B unit contains approximately 2,246 square feet including, in addition to the rooms contained in a Type A unit, a third bedroom above the living room on the second floor.

(d) It is intended that the structural portions of each building be common elements except that the drywall portion thereof shall be included within the boundaries of the units. All utility lines and all plumbing equipment located outside of units shall be repaired and maintained by and at the expense of the Association. The heating and central air-conditioning system, and water heater for each unit, shall be considered part of the respective unit serviced by said items and shall be repaired and maintained by and at the expense of the unit owner of said unit.

(e) 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 shifting, settlement or lateral movement 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.

4. Description of Common Elements. The common elements shall include all of the condominium except its units and shall include, but not be limited to the following: Old Mill Drive, land, walks, driveways, parking areas, fences, water main easement, sump pumps and equipment building. The sump pumps and the other common elements shall be repaired and maintained by and at the expense of the Association.

5. Description of Limited Common Elements. The following common elements are permanently assigned to and limited to the use of units as follows (the "limited common elements"):

(a) The patio in the back of the unit to which each unit has direct access by a door from the unit;

(b) The courtyard and walkway at the front of the unit to which each unit has direct access by a door from the unit; and

(c) The parking space reserved to each unit and located directly behind each garage at all Buildings except Building Three and directly across from Building Three.

6. Percentage Interests, Voting and Assessments.

(a) The undivided percentage interest in the common elements (including limited common elements) appertaining to each Type A unit shall be 2.55% and to each Type B unit shall be 2.81%.

(b) There shall be one vote appertaining to each unit.

(c) Except for the cost of physical damage insurance premiums on policies which have been obtained by the Board of Directors of the Association and for water and sewer charges, common expenses shall be assessed in equal shares based upon the number of units in the Condominium, with one share assessed to the owners of each unit collectively. The cost of such insurance premiums shall be assessed against the unit owners in proportion to the undivided percentage interest in the common elements appertaining to each unit. Water and sewer charges for each building shall be assessed against unit owners in such building as provided in Section 16, Article V of the By-Laws.

7. Residential Use. All units are intended for and shall be restricted to use by the owner, his family, lessees, invitees and frequenters, for residential purposes only. All buildings containing units are intended for and restricted to use for residential purposes only.

8. Service of Process. The resident agent for the Condominium shall be the Declarant. service of process shall be made upon the Declarant at 7900 Durand Avenue, Sturtevant, Wisconsin 53177 as to matters provided in the Wisconsin Condominium Ownership Act until all units have been sold, conveyed and paid for or until the first meeting of the unit owners, at which time the Association may designate a successor by vote of a simple majority of a quorum present at any meeting (members or Board of Directors) of the Association.

9. Damage or Destruction. In the event the Condominium is destroyed or damaged in an amount in excess of \$10,000, and insurance proceeds less an amount not exceeding \$10,000 are insufficient to complete repair and reconstruction, action by the Association by vote of a majority of unit owners, as defined in the By-Laws, taken within 90 days after such damage or destruction shall be necessary to determine 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 to a greater extent if insurance proceeds (less an amount not exceeding \$10,000) are sufficient to complete repair and 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.

10. Further Matters.

(a) 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 adopted pursuant thereto, 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 thereof 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.

(b) The Declarant hereby reserves the right for a period of ten years from date hereof to cause one or more of the units it owns to be maintained as a model unit, and to maintain a sales office in the Condominium, and to display such models and the common elements of the Condominium for purposes of selling units in the Condominium or in other projects of the Declarant.

(c) Rules and regulations (in addition to the By-Laws) concerning the use of the units and the common and limited common elements, including provisions limiting keeping of animals and other 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.

(d) The Declarant hereby reserves for the Association acting by and in the discretion of its Board of Directors, the right to grant to the City of Racine, Wisconsin, or public or semi-public utility companies, easements and rights-of-way 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 said 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 therefrom and with the rights to do whatever may be necessary to carry out the purposes for which this easement is created.

(e) The Declarant hereby further reserves for itself and its successors and assigns access to and the right to connect to any such underground pipes or other conduits for the improvement and benefit of "Phase 2" as defined in section 12(b) of this Declaration.

(f) The Declarant hereby reserves for itself and successor owners of Phase 2 and for lessees, invitees

and frequenters thereof, an easement of ingress and egress over, and access to, in an unlimited manner, the roadways now or hereafter constructed in the Condominium.

11. Additional Rights of Lenders.

(a) As to the holder of any mortgage and as to any land contract vendor (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 section 8 of this Declaration that it desires to receive notice of the following matters:

(i) The Board of Directors of the Association 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 of the Association 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 to any unit owner; and

(iii) The Board of Directors of the Association shall notify the Lender of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$2,500 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 \$2,500.

(b) Unless all Lenders have given their prior written approval, 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 or the common elements of the Condominium; or

(iii) By act or omission seek to abandon the condominium status of the Condominium except as provided in section 9 of this Declaration in case of substantial damage to or destruction of the Condominium.

(c) Notwithstanding section 12 of this Declaration, this section shall not be amended unless all Lenders have given their prior written approval.

12. Amendment of Declaration.

(a) This Declaration may be amended with the written consent of at least 75% of the unit owners and 75% of the mortgagees and land contract vendors having interest in the units of the Condominium.

(b) This Declaration may also be amended by the Declarant to change or alter the percentage of ownership in the common or limited common elements where the Declarant alters such percentage in accordance with this section.

Declarant owns or has the right to acquire certain land ("Phase 2") described in Exhibit B attached hereto. Declarant presently intends to construct approximately ten buildings upon Phase 2 in one or more stages with a maximum of 52 units. The general design of the buildings shall be substantially similar to those included in this Declaration; the buildings shall be located upon Phase 2 generally as shown on the Condominium Plat. Declarant reserves the right to change the design, location and number of buildings and units to be constructed on Phase 2 so long as the maximum number of units on the Phase 2 land does not exceed 52.

Without making any representation hereby that Declarant or any other party can or will undertake such construction and notwithstanding the provisions of section 12(a) hereof, Declarant reserves the absolute and unqualified right for Declarant and its successors and assigns on behalf of each unit owner of the Condominium to amend this Declaration, at any time and from time to time within ten years from date hereof to add to the Condominium all or any part of Phase 2 and the units constructed or under construction thereon, if any. In the event of any such addition, the undivided percentage interest in the common elements (after addition of units) appertaining to each of the units hereby created shall be determined by the following formula:

$$\frac{\text{Unit square footage} \times 100}{\text{Total square footage of all units in Condominium}} = \begin{array}{l} \% \text{ of undivided} \\ \text{interest in} \\ \text{common elements} \end{array}$$

Declarant shall determine such percentage after the addition and its determination shall be final and binding on all parties. Declarant may assign in whole or in part, absolutely or for purposes of security, by a written assignment for that purpose, all such powers of amendment. Each unit owner, by acceptance of a condominium deed to a unit, shall thereby appoint Declarant and its successors and assigns as attorney-in-fact with irrevocable power coupled with an interest to execute and deliver an amendment in accordance with the foregoing provisions.

(c) This Declaration may also be amended by Declarant to interchange A and B type units (e.g., an A type unit would be built and declared where Exhibit B indicated a B type unit and vice versa) prior to the initial conveyance of any such unit and to change the location of parking spaces serving a building prior to the initial conveyance of any unit in the building. Each unit owner, by acceptance of a condominium deed to a unit, shall thereby consent to the interchange of type units and the relocation of parking spaces as provided by the foregoing provision and shall thereby appoint Declarant and its successors and assigns as attorney-in-fact with irrevocable power coupled with an interest to execute and deliver an amendment in accordance with the foregoing provisions.

IN WITNESS WHEREOF, this document has been executed
this 6th day of July, 197 .

K D G LTD., a
Wisconsin corporation

BY /s/ Carl W. Korndoerfer
Carl W. Korndoerfer, President

Attest:

/s/ Jerome Pederson
Jerome Pederson, Secretary

State of Wisconsin)

SS

Milwaukee County)

Personally came before me this 6th day of July, 1979, Carl W. Korndoerfer, President and Jerome Pederson, Secretary of the above corporation, to me known to be such persons and officers who executed the foregoing instrument and acknowledged that they executed the same as such officers on behalf of said corporation, by its authority.

/s/ Roxanne M. McNamee

(Roxanne M. McNamee)
Notary Public, State of Wisconsin
My commission expires 3/1/81

The undersigned mortgagee consents to the above Declaration of Condominium.

FIRST WISCONSIN BANK OF RACINE

BY /s/ Theodore L. Shenkenburg

Theodore L. Shenkenburg, Vice President

This instrument was drafted by Kathleen Hyland.

Please return to: Kathleen Hyland, Esq.
1800 Marine Plaza
Milwaukee, WI 53202

RIVERWOOD CONDOMINIUM
RACINE, WISCONSIN

PHASE I LEGAL DESCRIPTION

That part of the North 1/2 of Section 6, Township 3 North, Range 23 East, and of the South 1/2 of Section 31, Township 4 North, Range 23 East, in the City of Racine, Racine County, Wisconsin, bounded as follows: Begin at a point on the Township line between Township 3 North and Township 4 North which is located S87-57-26W 34.70 feet from the South 1/4 corner of said Section 31; run thence S87-57-26W 98.00 feet on the Township line; thence N02-02-34W 108.76 feet to a point on a meander line along the Southwesterly shore of the Root River; thence N87-44-52E 108.72 feet on said meander line; thence N38-12-12E 191.86 feet on said meander line; thence S34-16-57E 750.11 feet along said meander line to its point of ending; thence N82-41-57W 23.36 feet; thence S05-04-.43E 178.40 feet to a point on a curve whose center bears S84-55-17W 60.00 feet; thence counter-clockwise 188.50 feet on the arc of said curve whose chord bears S84-55-17W and whose radius is 60.00 feet; thence S84-55-17W 73.85 feet; thence N44-29-08W 40.14 feet; thence N82-41-57W 180.00 feet; thence N07-18-03E 404.70 feet; thence N73-24-09W 96.17 feet; thence N09-54-54E 40.04 feet; thence N73-32-51W 111.59 feet to the point of beginning.

Together with all lands lying between the above-described meander line and the Southwesterly water's edge of the Root River. Bounded on the West by a line bearing N02-02-34W from the first described point of said meander line and on the South by a line bearing S82-41-57E from the point of ending of said meander line.

EXHIBIT A

1

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 4 NORTH, RANGE 23 EAST IN THE CITY OF RACINE, RACINE COUNTY, WISCONSIN, BOUNDED AS FOLLOWS:
BEGIN AT A POINT ON THE TOWNSHIP LINE BETWEEN TOWNSHIP 3 NORTH AND TOWNSHIP 4 NORTH WHICH IS LOCATED **S87-S7-26W** 132.70 FEET FROM THE SOUTH 1/4 CORNER OF SAID SECTION 31: RUN THENCE S87-S7-26W 695.00 FEET ON THE TOWNSHIP LINE TO A RACK BAR STAKE; THENCE N01-54-S1W 401.89 FEET; THENCE N20-40-SSE 139.12 FEET TO THE POINT OF BEGINNING OF A MEANDER LINE ALONG THE SOUTHWESTERLY SHORE OF THE ROOT RIVER: THENCE S47-17-49E 194.14 FEET ON SAID MEANDER LINE TO A 1" DIAMETER IRON PIPE STAKE: THENCE S28-28-SSE 167.20 FEET ON SAID MEANDER LINE THENCE S65-42-34E 300.08 FEET ON SAID MEANDER LINE TO A 1" DIAMETER IRON PIPE STAKE: THENCE N87-44-S2E 164.49 FEET TO THE POINT OF ENDING OF SAID MEANDER LINE: THENCE S02-02-34E 100.76 FEET TO THE POINT OF BEGINNING. TOGETHER WITH ALL LINES LYING BETWEEN THE ABOVE DESCRIBED MEANDER LINE AND THE SOUTHWESTERLY WATER'S EDGE OF THE ROOT RIVER, BOUNDED ON THE WEST BY A LINE BEARING N20-40-SSE FROM THE POINT OF BEGINNING OF SAID MEANDER LINE, AND ON THE EAST BY A LINE BEARING N02-02-34W FROM THE POINT OF ENDING OF SAID MEANDER LINE, CONTAINING 5 ACRES MORE OR LESS, IN ALL,

1

EXHIBIT B

1055679

Register's Office
Racine County, WI)

Received for Record 10th day of --
July, A.D., 1979 at 9:51 o'clock
A.M. -and recorded in Volume 1516
of Records-on pages 116-127.

Stanley F. Bialecki,
Register of Deeds