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**CONDOMINIUM DECLARATIONS OF
CONDITIONS, COVENANTS,
RESTRICTIONS AND EASEMENTS FOR
THE CROSSING AT SHERMAN MEADOWS,
A CONDOMINIUM**

This Declaration is made pursuant to the Condominium Ownership Act of the State of Wisconsin, Chapter 703 of Wisconsin Statutes, (hereinafter referred to as the "Act") this 5TH day of JANUARY, 2005, by Northbay Ventures, LLC, a Wisconsin limited liability company (hereinafter referred to as "Declarant").

1. STATEMENT OF DECLARATION

The purpose of this Declaration is to submit the lands hereinafter described and the improvements constructed or to be constructed thereon to the condominium form of ownership in the manner provided by the Act and by this Declaration.

Declarant hereby declares that it is the sole owner of the real property described in Section 2.1 hereof, together with all buildings and improvements thereon (hereinafter referred to as the "Property") which is hereby submitted to the condominium form of use and ownership as provided in the Act and this Declaration, and which property shall be held, conveyed, devised, leased, encumbered, used, improved, and in all respects otherwise effected subject to the provisions, conditions, covenants, restrictions and easements of this Declaration and the Act. All provisions hereof shall be deemed to run with the land and shall constitute benefits and burdens to the Declarant, its successors, and assigns, and to all parties hereinafter having any interest in

the property. The property, together with all buildings and improvements is hereinafter called the "Condominium".

Declarant reserves the right to expand the Condominium by subjecting additional property to the Condominium Declaration. As each additional parcel is subjected to the Declaration, the percentage of ownership in the Common Elements shall be re-allocated by the Declarant. The Declarant shall establish a base selling price for each Unit offered for sale in the Condominium. Comparable Units in all phases will have the same base selling price. All Units' undivided interests in the Common Elements shall be recalculated at each expansion, and each Unit's undivided interest in the Common Elements shall be equal to the proportion of that Unit's base selling price to the total base selling price for all Units subject to the Declaration. This calculation is intended to reflect the price differential among the Units so that the Units with a greater base selling price shall have a fractionally greater percentage ownership in the Common Elements. Variation between the base selling price and the actual sales price, or sales subsequent to the sale by Declarant shall not result in recalculation of the percentage of ownership in the Common Elements. The right to expand the Condominium is reserved by the Declarant for a period not exceeding ten (10) years from the date of recording of this Declaration. If the Declarant adds additional property to the Condominium, the Declarant shall record an amendment to this Declaration showing the new percentage of ownership in the Common Elements and the votes which each Unit Owner may cast in the Condominium as expanded. Upon recording of an amendment to this Declaration each Unit Owner has the percentage of ownership in the Common Elements, liabilities in the common expenses, rights to common surpluses, and shall have the number of votes, set forth in the amendment to this Declaration. Following any expansion, the interest of any mortgagee shall attach to the new percentage of ownership in the Common Elements appurtenant to the Unit on which it is a lien.

2. LEGAL DESCRIPTION AND NAME

2.1 LEGAL DESCRIPTION. The following described real estate is subject to the provisions of this Declaration:

Being a part of Parcel 2 in Certified Survey Map No. 5727, part of the NE 1/4 and SE 1/4 of the SE 1/4 of Section 19, T10N, R20E, in the Village of Jackson, Washington County, Wisconsin, bounded and described as follows:

Commencing at the SW corner of said Parcel 2, said point being the place of beginning; THENCE N01°12'13"W along the east line of Glen Brooke Drive, 258.04 feet; THENCE N88°47'47"E, 138.62 feet; THENCE S01°12'13"E, 81.51 feet; THENCE S14°53'09"E, 70.57 feet; THENCE N80°15'00"E, 170.42 feet;

THENCE S00°42'56"W, 121.34 feet; THENCE S81°57'06"W, 100.80 feet; THENCE S88°47'47"W, 219.69 feet; to the POINT OF BEGINNING. Said lands containing 57,575 S.F. or 1.3217 acres, more or less.

2.2 NAME. The aforesaid real estate and all buildings and improvements thereon shall be known as The Crossing at Sherman Meadows, a Condominium.

2.3 PARCELS WHICH MAY BE ADDED TO THE CONDOMINIUM. The real estate which the Declarant reserves the right to submit and subject as additional parcel or parcels of real estate to this Condominium are as follows:

Being a part of Parcel 2 in Certified Survey Map No. 5727, part of the NE 1/4 and SE 1/4 of the SE 1/4 of Section 19, T10N, R20E, in the Village of Jackson, Washington County, Wisconsin, bounded and described as follows:

Commencing at the SW corner of said Parcel 2, THENCE N01°12'13"W along the east line of Glen Brooke Drive, 258.04 feet; to the POINT OF BEGINNING; THENCE continue northerly along said east line, N01°12'13"W 213.96 feet; THENCE N89°29'53"E, 584.94 feet; THENCE S08°02'54"E, 418.00 feet; THENCE S81°57'06"W, 317.20 feet; THENCE N00°42'56"E, 121.34 feet; THENCE S80°15'00"W, 170.42 feet; THENCE N14°53'09"W, 70.57 feet; THENCE N01°12'13"W, 81.51 feet; THENCE S88°47'47"W, 138.62 feet; to the POINT OF BEGINNING.

3. DESCRIPTION AND LOCATION OF BUILDINGS

There shall be three (3) buildings on the real estate described in Section 2.1 above which shall contain a total of six (6) living units and six (6) garage units. The buildings shall be one (1) story in height and shall have two (2) living units on each floor. Each Unit (hereinafter described) shall have an attached garage. The Declarant shall have the right to subject an additional twenty-six (26) units to this Condominium Declaration by constructing an additional thirteen (13) buildings on the real estate described in Paragraph 2.3.

Enlargement of the Condominium is at the discretion of the Declarant and there is no obligation or commitment on the part of the Declarant, nor are Unit Owners given any rights, to add any property or construct any additional Units as a part of the original Condominium. The Declarant may develop a portion only and not all of the additional property and Units as specified in Paragraph 2.3.

Complete construction details are contained in working plans and drawings available for inspection at the office of the Declarant. The units are more fully described in the Condominium Plat attached hereto marked Exhibit "A" and made a part hereof. Declarant shall have the right to amend this Declaration at its sole discretion for the purpose of recording a plat of survey or plans depicting the lay-out, location, unit numbers and dimensions of the building and Units as finally located and erected. Declarant reserves the right to change the layout and dimensions of the buildings and Units shown in Exhibit "A" which are not presently constructed, provided that such changes will not substantially alter the architectural design, nature and quality of the buildings and Units.

4. NUMBER AND IDENTIFICATION OF UNITS

4.1 NUMBER. There shall be a total of six (6) condominium Units in the Crossing at Sherman Meadows, a Condominium.

4.2 IDENTIFICATION. A "Unit" is that part of a building intended for individual, private use, comprised of one or more contiguous or noncontiguous cubicles of air at one or more levels of space having outer boundaries formed by the unfinished interior surface of the perimeter walls, floors and ceilings of the building. The Unit shall also consist of the windows, window frames, doors and door frames located within or contiguous to the Unit. The Units are designated by identifying numbers, and their location, boundaries, and immediate Limited Common Elements (hereinafter described) to which the Units have access and further details identifying and describing the Units are shown on the Condominium Plat, together with all fixtures and improvements therein contained. Each Unit shall also consist of one (1) "Garage Unit" which is intended for individual, private use comprised of one cubicle of air having outer boundaries formed by the interior surfaces of the perimeter walls, floors and ceilings of the building. The Condominium Garage Unit shall also consist of the windows, window frames, doors and door frames which are located within or contiguous to the Unit. Said boundaries are shown on the Condominium Plat, together with all fixtures and improvements therein contained. A Unit and a Garage Unit may not be separated.

The post office addresses of the Condominium Units are:

Unit 31	W206 N16190 Stonebrook Drive, Jackson, Wisconsin 53037
Unit 32	W206 N16186 Stonebrook Drive, Jackson, Wisconsin 53037
Unit 41	W206 N16198 Stonebrook Drive, Jackson, Wisconsin 53037
Unit 42	W206 N16196 Stonebrook Drive, Jackson, Wisconsin 53037
Unit 81	W206 N16197 Stonebrook Drive, Jackson, Wisconsin 53037
Unit 82	W206 N16199 Stonebrook Drive, Jackson, Wisconsin 53037

The owner of a Unit shall be known as "Unit Owner".

5. COMMON ELEMENTS

The "Common Elements" shall consist of all of the Condominium, except the Units as defined hereunder, including without limitation: the land on which the building or buildings are located; bearing walls, floors and ceilings (except the interior surfaces thereof, which form the outer boundaries of each Unit), roofs, foundations, entrances and exits, pipes, ducts, electrical wiring and conduits, centralized utility services, public utility lines, water and sewer laterals, outside walls, girders, beams and support, structural parts of the building, and the walks, driveways and landscaping.

Each Unit Owner shall have an easement to the space between the interior and exterior walls for purposes of adding additional utility outlets, wall hangings, erection of non-bearing partition walls and the like, where space between the walls may be necessary for such uses, provided that the Unit Owner shall do nothing to impair the structural integrity of the building or the soundproofing of common walls between the Units, and provided further that the Common Elements be restored to their former condition by the Unit Owner at his sole expense upon completion or termination of the use requiring the easement. Easements are hereby granted and declared for the benefit of the Unit Owners, Declarant and the Association of Unit Owners (hereinafter described) for the installation, maintenance and repair of common utility services in and on any part of the Common Elements or Units.

The manner of use of the Common Elements shall be governed by the Bylaws of, and such rules and regulations as may be established by, the Association of Unit Owners, and no Unit Owner shall decorate, landscape or adorn any Common Elements, or permit such, in any manner contrary to such Bylaws and rules and regulations.

6. LIMITED COMMON ELEMENTS

6.1 DESCRIPTION. A portion of the Common Elements are designated as "Limited Common Elements" as are shown on the Condominium Plat. Limited Common Elements consist of patios, balconies and parking areas. Limited Common Elements shall be reserved for the exclusive use of the Unit to which they are appurtenant.

6.2 PARKING. Unit Owners may park automobiles in the driveway serving a Unit, providing such parking does not interfere with the access to other Unit's garage. At no time shall a Unit Owner allow boats, trucks, motor homes, recreational vehicles or trailers to be parked overnight in such assigned parking space without first obtaining the written consent of the Association.

6.3 SATELLITE DISH. There shall be no television satellite dish of any type placed upon any of the Common Elements or Limited Common Elements without complying with this paragraph. The Unit Owner shall place the satellite dish in such a location as to minimize its obstruction and offensiveness to other Unit Owners either by location or by use of screening appropriate to the design, decoration and landscaping of the Condominium. The installation shall not effect the structural soundness or integrity of any building. The Unit Owner shall bear all costs associated with the installation of the satellite dish and with concealing the satellite dish from public view, including, but not limited to, the installation of shrubbery, partition wall or other such costs associated with the concealment of the satellite dish. The intention of this paragraph is to harmonize aesthetics with the Unit Owner's right to receive satellite signals to the extent possible. Any disputes under this paragraph shall be resolved by binding arbitration.

6.4 USE. The manner of use of the Limited Common Elements shall be governed by the Bylaws of, and such rules and regulations as may be established by, the Association of Unit Owners, and no Unit Owner shall decorate, landscape or adorn any Limited Common Elements, or permit such, in any manner contrary to such Bylaws and rules and regulations.

7. PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS

Each Unit Owner shall own an undivided interest in the Common Elements and Limited Common Elements as a tenant in common with all other Unit Owners and, except as otherwise limited in this Declaration, shall have the right to use and occupy the Common Elements and

Limited Common Elements for all purposes incident to the use and occupancy of the Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with the Unit. The percentage of such undivided interest in the Common Elements and Limited Common Elements appertaining to each Unit shall be as follows:

Unit 31	16.1288%
Unit 32	16.1288%
Unit 41	16.1288%
Unit 42	16.1288%
Unit 81	17.7424%
Unit 82	17.7424%

With each phase of development, the percentage of such undivided interest in the Common Elements and Limited Common Elements appertaining to each such Unit shall change. A Unit Owner or mortgagee gaining an interest in any Unit, prior to completion of all intended phases, consents to the automatic reduction and alteration of this fraction as may be determined, from time to time, using the aforementioned formula.

8. RESIDENTIAL PURPOSE

All buildings and the Units therein contained are intended for and restricted exclusively to residential use as governed by the terms and conditions contained herein and the Bylaws of the Association.

9. ASSOCIATION OF UNIT OWNERS

9.1 DUTIES AND OBLIGATIONS. All Unit Owners shall be entitled and required to be a member of an Association of Unit Owners (hereinafter "Association"). The affairs of the Association shall be managed by a Board of Directors (the "Board of Directors") consisting of such number of persons as provided in the Bylaws of the Association. The Association may be incorporated as a non-profit corporation under the Laws of the State of Wisconsin. Each Unit Owner and the occupants of the Units shall abide by and be subject to all of the

rules, regulations, duties and obligations of this Declaration and the Bylaws and rules and regulations of the Association.

9.2 VOTING RIGHTS. The Association shall have two classes of voting membership as follows:

(1) Class A - Class A members shall be all Unit Owners, with the initial exception of the Declarant, and shall have one vote for each Unit owned. The number of votes allocated to Class A members shall increase proportionately with each expansion maintaining the one vote per Unit formula.

(2) Class B - Class B members shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in Class A membership equal or exceed the total votes outstanding in Class B membership, or a date not exceeding ten (10) years from conveyance of the first Unit to any person other than Declarant, whichever first occurs.

The respective rights and qualifications of the two classes of members and the election of directors shall be as set forth in the Bylaws of the Association.

9.3 ASSOCIATION PERSONNEL. The Declarant and Association may obtain and pay for the services of any person or entity to manage its affairs to the extent it deems advisable and may hire such other personnel as it shall determine to be necessary or advisable for the proper operation of the Condominium. The Declarant and Association may contract for lighting, heating, water, trash collection, sewer service and such other common services as may be required for each Unit.

9.4 CONDOMINIUM DOCUMENTATION. The Association shall be required to make available to Unit Owners, their lenders and the holders and insurers of the first mortgage on any Unit, current copies of the Declaration, Bylaws and other rules governing the Condominium, and other books, records and financial statements of the Association. The Association shall be required to make available to prospective purchasers current copies of the Declaration, Bylaws, and other rules governing the Condominium, and the most recent annual

audited financial statement, if such is prepared. Upon written request from any of the agencies or corporations which have an interest or prospective interest in the Condominium, the Association shall be required to prepare and furnish within a reasonable time a financial statement of the Association for the immediately preceding fiscal year. A mortgage holder may have an audited financial statement for the preceding fiscal year prepared at its own expense.

9.5 INITIAL WORKING CAPITAL AND RESERVE FUND. At the time of the first conveyance of a Unit from the Declarant, the purchaser of such Unit shall pay to the Association a one-time contribution equal to twice the monthly Association assessment in effect at the time of sale. One-half of the contribution shall be placed into a reserve for future repairs and replacements, and the other half shall provide the Association with initial working capital to be used for the expenses of the Association. Amounts paid pursuant hereto are not to be considered as an advance payment of the monthly assessment. The Declarant is prohibited from utilizing the working capital funds to defray any of its expenses, reserve contributions, construction costs, or to make up any budget deficits while it is in control of the Association.

9.6 REMEDIES FOR VIOLATIONS BY UNIT OWNER. A Unit Owner who fails to comply with the Declaration, the Bylaws, the Association rules, or the Act, is liable for any charges, fines, or assessments imposed by the Association pursuant to the Bylaws or Association rules as a result of the violation and may be subject to a temporary or permanent injunction.

10. REPAIRS AND MAINTENANCE

10.1 COMMON ELEMENTS. The Association shall be responsible for the management and control of the Common Elements and Limited Common Elements and shall cause the same to be kept in good, clean, attractive and sanitary conditions, order and repair. Without in any way limiting the foregoing, this shall include all painting, repairing and decorating of exteriors, maintenance and repair of walks, drives, parking areas and access routes, and maintenance of all grounds and landscaping. In addition, the Association shall regulate the use of the Common Elements to ensure proper and attractive conditions. Each Unit Owner shall keep the Limited Common Elements appurtenant to his Unit in a good, clean, sanitary, and attractive condition. In addition, the Association shall regulate the use of the Limited Common Elements to ensure proper and attractive conditions. Unit Owners, and their occupants, shall promptly report to the

Association, any condition that might damage the Common Elements or Limited Common Elements.

10.2 INDIVIDUAL UNITS AND LIMITED COMMON ELEMENTS.

Each Unit Owner shall be responsible for keeping the interior of his Unit and all of its equipment, fixtures and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall be responsible for decorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the Unit. Without in any way limiting the foregoing, in addition to decorating and keeping the interior of the Unit in good repair, each Unit Owner shall be responsible for all plumbing fixtures and piping connected to the Unit, fireplace, chimney, and flue, the replacement of windows, doors, lighting fixtures, refrigerators, air-conditioning equipment, all components of any furnaces or heating equipment, dishwashers, disposal, laundry equipment such as washers and dryers, ranges, or other equipment which may be in, or connect with, the Unit. Each Unit Owner shall keep the Limited Common Elements appurtenant to his Unit in a good, clean, sanitary, and attractive condition. In addition, the Association shall regulate the use of the Limited Common Elements to ensure proper and attractive conditions.

10.3 PROHIBITION AGAINST STRUCTURAL CHANGES BY OWNER. A Unit Owner shall not, without first obtaining the written consent of the Association, make any alteration that would jeopardize the soundness or safety of the Condominium, reduce the value of the Condominium, or impair any easement or hereditament, or change the exterior appearance of a Unit or any other portion of the Condominium not part of the Unit. A Unit Owner may make improvements or alterations within the Unit that do not impair the structural integrity, or lessen the support of any portion of the Condominium, and that do not create a nuisance substantially affecting the use and enjoyment of other Units or the Common Elements.

10.4 ENTRY FOR REPAIRS. The Association shall have an irrevocable right and easement to enter any Unit at reasonable times and under reasonable conditions when necessary to make repairs to Common Elements and Limited Common Elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the Condominium. The Association shall make a reasonable effort to give prior notice to the owners, except in cases involving manifest danger to public safety or property, and with as little inconvenience to the Unit Owners as practical, and any damage caused thereby shall be repaired by the Association and be treated as a common expense. No

entry by the Association for the purposes specified in this paragraph may be considered a trespass.

10.5 IMPROVEMENTS TO LIMITED COMMON ELEMENTS. A Unit Owner may improve the Limited Common Elements appurtenant exclusively to the Unit Owner's Unit if all the following conditions are met:

1. A statement describing the improvement, including a description of the project, the materials to be used, and the project's proposed impact on the appearance of the Condominium, and identifying the project contractor is submitted to the Board of Directors of the Association.
2. The improvements will not interfere with the use and enjoyment of the Units of other Units Owners, or the Common Elements, or Limited Common Elements of the Condominium.
3. The improvement will not impair the structural integrity of the Condominium.
4. Any change to the exterior appearance of the Condominium is approved by the Board of Directors of the Association
5. All costs and expenses of an improvement, and any increased costs of maintenance and repair of the Limited Common Elements resulting from the improvement, are the obligation of the Unit Owner. The Unit Owner shall protect the Association and other Unit Owners from liens on property of the Association, or of other Unit Owners that otherwise might result from the improvement.

11. UNIT OWNER'S RIGHTS WITH RESPECT TO INTERIORS

Each Unit Owner shall have the exclusive right to paint, repaint, tile, panel, paper or otherwise furnish and decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of the Unit and all walls, ceilings, floors, and doors within such boundaries, and to erect partition walls of a non-structural nature, provided that such Unit Owner shall take no action which in any way will materially change any common walls.

12. RESTRICTION ON USE AND OCCUPANCY

Each Unit shall be occupied and used only for single family private dwelling purposes as provided in the Bylaws of the Association. No trade shall be carried on anywhere within the Condominium, except as otherwise provided herein. All leases or rental agreements shall be in writing. The Declarant may lease a Unit on such terms and conditions as it desires in its sole discretion; however, no Unit may be leased or rented by Declarant for a period of less than thirty (30) days.

Unit Owners other than Declarant may lease or rent a Unit; however, the lease must have a minimum initial term of six (6) months. No rooms in any Unit may be rented and no transient tenants may be accommodated. As a condition of the rental or lease of a Unit, the Unit Owner grants the Association power of attorney to bring an eviction action against a tenant of the Unit Owner who has failed to comply with the Declaration, the Bylaws, rules of the Association, or any act or omission that constitutes grounds for eviction under Chapter 704 of the Wisconsin Statutes, if the Unit Owner, after being requested by the Association to evict the tenant, fails to take reasonable action to evict the tenant. Giving notice terminating, or not renewing a tenant's lease or rental agreement within sixty (60) days after an eviction request by the Association, constitutes reasonable action to evict the tenant for purposes of this paragraph. The Association shall give the Unit Owner ten (10) days' written notice of the Association's intent to evict a tenant. The cost of the eviction shall be the responsibility of the Unit Owner and shall immediately become a personal debt of the Unit Owner and also a lien, against the Unit to which the charges are assessed, until paid, if a statement of lien is filed within two (2) years after the date the assessment becomes due.

A tenant of a Unit who fails to comply with this Declaration, the Bylaws, rules of the Association, or the Act that results in a charge, fine, or assessment imposed by the Association pursuant to the Bylaws or Association rules is liable for the charge, fine, or assessment. The Unit Owner of the Unit occupied by the tenant when the violation occurred is liable for any charges, fines, or assessments imposed by the Association for which the tenant is liable that are not paid by the tenant within thirty (30) days after receiving notice of the charge, fine, or assessment. If the Association imposes a charge, fine, or assessment as a result of a violation by the tenant of a Unit, the Association shall give notice to the tenant by any method under Wisconsin Statute Section 704.21(1)(a) – (e) and to the Unit Owner of the Unit occupied by the tenant by any method under Wisconsin Statute Section 704.21(2)(a) – (d). The notice shall include all of the following:

- A. The amount of charges, fines, or assessments for which the tenant is liable.

B. Notice that if the tenant fails to pay the Association the amount for which the tenant is liable within thirty (30) days after the tenant receives the notice, the Unit Owner is liable to the Association for the unpaid amount by the tenant.

The rental or lease of a Unit constitutes an agreement by the tenant, as a condition of the Lease, to comply with this Declaration, the Bylaws, the rules of the Association, and the provisions of the Act. Within five (5) business days after entering into or renewing a written Lease Agreement, the Unit Owner shall provide a copy of the Lease Agreement to the Association. The Association shall keep a copy of the Lease Agreement on file while the Lease Agreement is in effect. Prior to the occupancy of a Unit, the Unit Owner shall provide a copy of this Declaration, the Bylaws, and the rules of the Association, to the tenant, or place the information in the Unit.

13. DESTRUCTION AND RECONSTRUCTION

In the event of a partial or total destruction affecting one or more of the Units of the Condominium, the Association shall promptly undertake to repair or reconstruct it to a condition compatible with the remainder of the Condominium. On reconstruction the design, plan and specifications, of any building or Unit, may vary from that of the original upon the approval of the Association, provided, however, that the number of square feet of any Unit may not vary more than five percent (5%) from the number of square feet for such Unit as originally constructed, and the location of the buildings shall be substantially the same as prior to damage or destruction.

If a Condominium is damaged to an extent more than the available insurance proceeds, the Condominium shall be subject to an action for partition upon obtaining the written consent of the Unit Owners having seventy-five percent (75%) or more of the votes. A determination as to whether or not to reconstruct and repair the damaged premises or to subject the Condominium to an action for partition shall be made within ninety (90) days from the date of the fire, casualty or disaster. In the case 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 percentage interest in the Common Elements, and shall be distributed in accordance with the priority of interest in each Unit.

If the insurance proceeds are insufficient to reconstruct or repair the damaged premises and the necessary seventy-five percent (75%) or more of the votes necessary to subject the Condominium to an action for partition are not obtained, then the damaged premises shall be reconstructed and repaired by the Association with the insurance proceeds, and the Unit Owners

shall be assessed for the deficiency in accordance with the percentage of ownership in the Common Elements.

14. INSURANCE

The Board of Directors of the Association shall obtain and maintain insurance for the Condominium against loss or damage by fire and such hazards for not less than full replacement value of the property insured. The insurance shall also cover the replacement of interior walls, heating and air conditioning units, electrical wires and conduit, plumbing pipes, and heating and air conditioning duct work in the interior and exterior walls. The Association shall also provide insurance coverage for fixtures, improvements, and alterations that are a part of the building or structure located within the Units to the extent provided for in the original building specifications, if said coverage is available to the Association by the terms of the blanket casualty insurance policy. The insurance shall be obtained in the name of the Association as trustee for each of the Unit Owners and their respective mortgagees as their interest may appear. Premiums shall be a common expense. The Association is hereby designated and each Unit Owner hereby appoints the Association to represent the Unit Owners in any related proceedings, negotiations, settlement, or agreements, regarding the insurance coverage. Each Unit Owner hereby appoints the Association as an attorney-in-fact for the purpose of representation in any related proceedings, negotiations, settlements, or agreements, regarding insurance. To the extent possible, the insurance shall provide that the insurer waives its right of subrogation as to any claim against Unit Owners, the Association, and their respective servants, agents and guests, and that the insurance cannot be cancelled, invalidated nor suspended on account of conduct of any one or more Unit Owners or the Association or their servants, agents and guests, without thirty (30) days prior written notice to the Association giving it opportunity to cure the defect within that time. The amount of protection and the types of hazards to be covered shall be reviewed by the Board of Directors at least annually and the amount of coverage may be increased or decreased at any time it is deemed necessary as determined by the Board of Directors to conform to the requirements of full insurable value.

The Unit Owner shall be responsible for and shall obtain insurance coverage for personal property and the replacement of appliances including refrigerators, dishwashers, disposal, laundry equipment such as washers and dryers, and ranges.

In the event of partial or total destruction of a building or buildings and it is determined to repair or reconstruct such building or buildings in accordance with Section 13 hereof, the proceeds of such insurance shall be paid to the Association to be applied to the cost thereof and the Unit Owners and mortgagees shall not be entitled to receive payment of any portion of insurance proceeds. If it is determined not to reconstruct or repair the Condominium, or the

Court has ordered partition of the Condominium, then the proceeds shall be distributed to the Unit Owners and their mortgagees, if any, as their respective interest may appear in the manner provided by the Act. If after the Common Elements have been completely repaired or restored, and there is a surplus of insurance proceeds, then the surplus shall be considered a common surplus and may, at the direction of the Board of Directors, be distributed to the Unit Owners in accordance with their percentage of ownership in the Common Elements.

If insurance coverage is available to combine protection for the Association and 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 include 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 expense, to provide any additional insurance coverage on his improvements which will duplicate any insurance provided by the Association of Unit Owners. The Board of Directors shall also provide and maintain public liability insurance covering the Common Elements in such amounts as may be determined at the discretion of the Board of Directors from time to time but, in any event such coverage shall be for at least \$1,000,000.00 for bodily injury and personal injury including deaths of persons and property damage arising out of a single occurrence. The Board of Directors may also provide workmen's compensation insurance and fidelity bonds on such officers and employees and in such amounts as is determined by the Board of Directors to be necessary from time to time.

15. LIABILITY FOR COMMON EXPENSES

The costs of administration of the Association, insurance, repair, maintenance and other expenses of the Common Elements and Limited Common Elements, and the common services provided to the Unit Owners shall be paid for by the Association. The Association shall make assessments against the Unit Owners, except the Declarant, as well as the Units themselves, for such common expenses and for the creation of reserves for the payment of future common expenses with each Unit subject to said assessment paying an equal share of the assessment. The Declarant shall pay the assessment in accordance with the formula stated below. With each phase of development, the share shall change accordingly. It being the intent of the Declarant that the share shall initially be, after construction of the initial phase, one/sixth ($1/6^{\text{th}}$) per Unit, and upon the conclusion of the total envisioned project, the share shall be one/thirty-second ($1/32^{\text{nd}}$) per Unit. Any Unit Owner or mortgagee gaining an interest in any Unit, prior to completion of all intended phases, consents to the automatic alteration of this fraction, from time to time, using the aforementioned formula.

A Unit Owner, except Declarant, shall be liable for all assessments, or installments thereof, coming due while owning a Unit, including any assessments coming due during the pendency of any claim by the Unit Owner against the Association, or during any period in which the Unit is not occupied by the Unit Owner, or is leased or rented to any other person. In a voluntary grant, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his or her share of the common expenses up to the time of the voluntary grant for which a statement of condominium lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

No Unit Owner may exempt himself or his Unit from liability for his contribution toward the common expenses by waiver of the use or enjoyment of the Common Elements or Limited Common Elements or services or by the abandonment of his Unit.

The Declarant, as a Unit Owner, shall not be liable for any annual or special assessments as assessed by the Association. The Declarant shall be liable for assessments on a Unit commencing with the occupancy of said Unit. The Declarant shall be liable for assessments on an unoccupied Unit in accordance with the following formula:

A. Units within a completed building wherein at least one (1) unit has been sold shall be assessed as follows:

1. Thirtythree and one-third percent ($33 \frac{1}{3}\%$) of the assessments on a Unit for the first twelve (12) months following the sale of the first Unit within that building.
2. Sixty six and two-thirds percent ($66 \frac{2}{3}\%$) of the assessments on a Unit for the second twelve (12) months following the sale of the first Unit within that building.
3. One hundred percent (100%) of the assessments on a Unit after twenty-four (24) months following the sale of the first Unit within that building.

B. Units within an uncompleted building wherein no Units have been sold shall not pay assessments.

C. The Declarant shall be responsible for the operating deficit of the Association until eighty percent (80%) of the Units are sold or until the Homeowners Association becomes self-sufficient, whichever shall occur first.

All common expenses and assessments, when due, shall immediately become a personal debt of the Unit Owner and also a lien, against the Unit to which the charges are assessed, until paid, if a statement of lien is filed within two years after the date the assessment becomes due. The lien is effective against a Unit at the time the assessment became due regardless of when within the two year period it is filed. The Association must serve the Declarant with a notice of dues within thirty (30) days of assessment.

A lien for delinquent common expenses that the Association assesses against a Unit will be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the delinquent assessment was due. In addition, a lien for common expenses will not be affected by the sale or transfer of a Unit unless a foreclosure of a first mortgage is involved, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but will not release any subsequent Unit Owner from paying any further assessments.

The Association is granted the power to collect levied assessments from the Unit Owners in accordance with legal remedies available if the assessments are not paid when they are due. The assessments, including interest at Twelve percent (12%) annum, costs and reasonable attorneys fees, shall become a lien against the Unit.

All sums assessed by an association, but unpaid for, regarding the share of the common expenses chargeable to any Unit constitutes a lien on the Unit and on the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto prior to all other liens except:

- A. Liens of general and specific taxes;
- B. All sums unpaid on a first mortgage recorded prior to the making of the assessment;
- C. Mechanics liens filed prior to the making of the assessment;
- D. All sums unpaid on any mortgage loan made under Section 45.80 (1989 Stats.) of the Wisconsin Statutes;
- E. A lien under Section 292.31(8)(i) or 292.81 of the Wisconsin Statutes.

The common surpluses resulting from the operation of the Condominium shall be credited to the Unit Owner's assessments for common expenses, or shall be used for any other purpose as the Association decides, or shall be refunded to the Unit Owners with each Unit

receiving a share of said surplus in proportion to the dues paid by the Unit Owner during the preceding twelve (12) month period.

A grantee of a Unit is entitled to a statement from the Association, or the Board of Directors, setting forth the amount of unpaid assessments against the grantor of a Unit. The grantee of a Unit is not liable for, nor shall the Unit conveyed be subject to a lien that is not filed for, any unpaid assessment against the grantor in excess of the amount set forth in the statement. If the Association, or the Board of Directors, does not provide such a statement within ten (10) business days after the grantee's request, the Association is barred from claiming under any lien that is not filed prior to the request for the statement against the grantee.

16. PARTITION OF COMMON ELEMENTS PROHIBITED

There shall be no partition of the Common Elements and Limited Common Elements through judicial proceedings or otherwise until this agreement is terminated and the property is withdrawn from its terms or from the terms of the applicable statutes regarding unit ownership or 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 contained herein shall be deemed to prohibit a voluntary or judicial partition of said single Units as between such co-owners. Ownership shall be limited to 4 or fewer co-owners as tenants in common or as joint tenants.

17. CONVEYANCE TO INCLUDE INTEREST IN COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The percentage of the undivided interest in the Common Elements and Limited Common Elements shall not be separated from the Unit to which it appertains. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to such Unit without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements and Limited Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

18. EASEMENTS, RESERVATIONS AND ENCROACHMENTS

18.1 UTILITIES. Easements are hereby declared and granted for the benefit of the Unit Owners and the Association and reserved for the benefit of the

Declarant for utility purposes, including the right to install, lay, maintain, repair and replace water mains and pipes, heating ducts and piping, sewer lines, gas mains, telephone wires and equipment, master television antenna system wires and equipment, cable television equipment, and electrical conduits and wires and equipment, including power transformers, over, under, along and on any part of the Common Elements and Limited Common Elements.

18.2 PERMITS, LICENSES AND EASEMENTS. The Association and the Declarant shall have the right to grant permits, licenses and easements over the common elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the property.

The Declarant hereby reserves the unqualified right of access or ingress and egress across the property set forth in Section 2.1 to the Expansion Lands as set forth in Section 2.3. Said easement shall run with the land and inure to the benefit of the Declarant, its successors and assigns. In no event shall the Declarant be required to expand the Condominium or add any portion of the Expansion Real Estate thereto. In the event the Declarant shall not add to the Condominium all or any portion of the Expansion Real Estate, the Declarant nevertheless shall have the right to construct on, renovate, or remodel all or any portion of any improvements on the Expansion Real Estate and to operate the same without restriction.

18.3 ENCROACHMENTS. In the event that by reason of the construction, reconstruction, settlement, or shifting of any building, or the design or construction of any Unit, any part of the Common Elements, or Limited Common Elements, encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements, Limited Common Elements, or any portion of any Unit encroaches upon any part of any other Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit so long as all or any part of the building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any Unit or in favor of the owner or owners of the Common Elements or Limited Common Elements, if such encroachments occurred due to the willful conduct of said owner or owners.

18.4 BINDING EFFECT. All easements and rights described herein are easements appurtenant, running with the land, and are subject to the reasonable control of the Association. All easements and rights described herein are granted

and reserved to, and shall inure to the benefit of and be binding on, the undersigned, its successors and assigns, and on all Unit Owners, purchasers and mortgagees and their heirs, executors, administrators, successors and assigns. The Association shall have the authority to execute all documents necessary to carry out the intent of this Section 18.

19. FAILURE OF ASSOCIATION TO INSIST ON STRICT PERFORMANCE NOT WAIVER

The failure of the Association to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions 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 hereof, 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.

20. AMENDMENTS TO DECLARATION

Except as otherwise provided by the Act, this declaration may be amended with the written consent of at least Sixty-seven percent (67%) of the aggregate votes of the Unit Owners. A Unit Owner's written consent is not effective unless it is approved in writing by the first mortgagee of the Unit, or the holder of an equivalent security interest, if any. Approval from the first mortgage lender or equivalent security interest holder, or the person servicing the first mortgage loan, or its equivalent on a Unit, constitutes approval of the first mortgagee or equivalent security interest holder under this Paragraph. The documents submitting the amendment for recording shall state that the required consents and approval for the amendment were received. A copy of the amendment shall be recorded with the Register of Deeds for Washington County and a copy of the amendment shall also be mailed or personally delivered to each Unit Owner at his address on file with the Association. In addition to the foregoing, this Declaration may be amended in any other manner provided under the Act. No action to challenge the validity of an amendment under this Section may be brought more than one (1) year after the amendment is recorded.

21. VOLUNTARY TERMINATION OF CONDOMINIUM

Upon the written consent of all Unit Owners, all or any part of the property may be removed from the provisions of the Act by an instrument to that effect, duly recorded with the Register of Deeds for Washington County, provided that the holders of all liens affecting any of the Units consent thereto or agree, in either case by instrument duly recorded with the Register of Deeds of Washington County, that their liens be transferred to the percentage of the undivided interest of the Unit Owner in the property. Upon removal of any property from the act, the property shall be deemed to be owned in common by the Unit Owners. The undivided interest in the property owned in common which appertains to each Unit Owner shall be the percentage of undivided interest previously owned by the owner in the Common Elements.

22. NOTICES

22.1 NOTICES TO UNIT OWNERS. All notice and other documents required to be given by this Declaration or the Bylaws of the Association shall be sufficient if given to one (1) registered owner of a Unit regardless of the number of owners who have an interest therein. All Unit Owners shall provide the Secretary of the Association with an 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 the giving of notice by mailing it or having it delivered personally to such address as is on file with him.

22.2 NOTICES TO FIRST LIEN HOLDERS. A holder, insurer or guarantor of a first mortgage (an eligible mortgage holder), upon written request to the Association will be entitled to timely written notice of:

A. Any proposed amendment of the Condominium Declaration affecting a change in (1) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (2) the interest in the Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto, (3) the number of votes in the Association appertaining to any Unit, (4) the purposes to which any Unit or the Common Elements are restricted; (5) in assessments that raise the previous assessed amount by more than Twenty five percent (25%), (6) the reserves for maintenance, repair and replacement of common elements which results in a reduction, (7) expansion or contraction of the project or the addition, annexation, or withdrawal of property to or

from the project, (8) imposition of any restrictions on the leasing of Units, (9) imposition or restriction on a Unit Owner's right to sell or transfer his Unit, or (10) the restoration or repair of the project in a manner other than specified in the document.

B. Any proposed termination of the Condominium regime;

C. Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

D. Any delinquency in the payment of assessments or charges owned by a Unit Owner or a Unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days;

E. Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

23. 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, and the Bylaws 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 of occupancy of any Unit shall constitute an acceptance of the provisions of such instruments, as they may be amended from time to time, by such owner, tenant or occupant. The provisions contained in such instrument 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 Act.

B. The Declarant hereby reserves the right to cause one or more of the Units it owns to be maintained as a model unit and to display such models and the Common Elements of the Condominium. The Declarant further reserves the right to maintain signs offering the sale of Units in the Condominium until all Units are sold at which time "For Sale" or "For Lease" signs shall be prohibited.

C. If entered into before the officers elected by the Unit Owners pursuant to the Bylaws take office, any management contract, lease of recreational or parking areas or facilities, any contract or lease to which a Declarant or any person affiliated with the Declarant is a party and any contract or lease which is not bona fide or which was not commercially reasonable to Unit Owners, when entered into under the circumstances then prevailing may be terminated by the Association or its Board of Directors at any time without penalty upon not less than ninety (90) days notice to the other party thereto.

24. RESIDENT AGENT

The resident agent shall be Keith J. Streitenberger, W288 N8419 North Bay Road, Hartland, Wisconsin 53029, or such other person as may be designated from time to time by the Board of Directors of the Association, which designation shall be filed with the Wisconsin Department of Financial Institutions.

25. 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.

26. CAPTIONS

The captions and section headings herein are inserted only as matters of convenience and for reference, and in no way define nor limit the scope or intent of the various provisions hereof.

27. SEVERABILITY

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of the remaining portion of said provisions or of any other provision hereof.

28. CONFLICTS IN PROVISIONS

If there is any conflict between any provision and this Declaration and the provisions of the Condominium Plat or any provisions of the Bylaws, the provisions of this Declaration shall control. If there is any conflict between any provisions of any condominium instruments and any provisions of any Bylaws, the provisions of the condominium instruments shall control. If there is any conflict between any provisions of any condominium instruments or any provisions of any Bylaws and any provisions of Wisconsin Statutes Chapter 703, the provisions of Wisconsin Statutes Chapter 703 shall control.

29. HOMESTEAD

This is not homestead property.

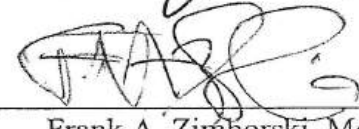
IN WITNESS WHEREOF, the said Declarant, Northbay Ventures, LLC, a Wisconsin limited liability company, has caused this Declaration to be executed at WAUKESHA, Wisconsin, this 5TH day of JANUARY, 2005.

NORTHBAY VENTURES, LLC

By: _____


Keith J. Streitberger, Member

By: _____


Frank A. Zimborski, Member

STATE OF WISCONSIN)

SS

WAUKESHA COUNTY)

On this 5th day of JANUARY, 2005, before me personally came Northbay Ventures, LLC, by Keith J. Streitenberger and Frank A. Zimborski, Members, to me known to be the persons described in and who executed the foregoing instrument and said persons acknowledged that said persons executed the same freely and voluntarily, for the uses and purposes therein expressed.


JOSEPH G. BOGENBERGER

Notary Public, State of Wisconsin

My Commission: EXPIRES 12-24-06

MY COMMISSION EXPIRES 3-18-07