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**DECLARATION OF CONDOMINIUM FOR**  
[ ]

Return to:  
Brion T. Winters  
von Briesen & Roper s.c.  
411 E. Wisconsin Ave., Ste. 1000  
Milwaukee, WI 53202

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Parcel Number

**This is not a conveyance under Section 77.21(1), Wis. Stats. and is not subject to the Wisconsin real estate transfer fee or return.**

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## DECLARATION OF CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM (this "Declaration"), is made this \_\_\_\_ day of \_\_\_\_\_, 2024, by Inspired Holdings LLC, a Wisconsin limited liability corporation (the "Declarant").

### ARTICLE I

#### DECLARATION

Declarant hereby declares that it is a ground lessee under a "Ground Lease" with the Redevelopment Authority of the City of Sheboygan dated contemporaneously herewith (the "Ground Lease") on the Land (as defined in Section 2.02), together with all easements, rights and appurtenances pertaining thereto (the "Property"), with express permission to make this Declaration, and further declares that the Declarant's interest in the Property is hereby submitted to the condominium form of ownership as provided in Chapter 703, Wisconsin Statutes (the "Condominium Ownership Act").

### ARTICLE II

#### NAME; DESCRIPTION OF PROPERTY

2.01 Name. The name of the condominium created by this Declaration (the "Condominium") is "[\_\_\_\_\_]."

2.02 Legal Description. The land comprising the Property (the "Land") is located in the City of Sheboygan, County of Sheboygan, State of Wisconsin, and is legally described on **Exhibit A** attached hereto and made a part hereof.

2.03 Address. The address of the Condominium is [\_\_\_\_\_, Sheboygan, WI 53081.]

### ARTICLE III

#### DESCRIPTION OF UNITS

3.01 Identification of Units. The Condominium shall consist of twelve units (individually a "Unit" and collectively the "Units") with four Units located in each of the three buildings (the "Buildings") identified on the condominium plat recorded in the office of the register of Deeds for Sheboygan County, Wisconsin (the "Condominium Plat"), together with the Common Elements as described in Article IV. The Condominium Plat shows the boundaries and dimensions of each Unit. The Units shall be identified as Unit 1 to Unit 12, as labeled on the Condominium Plat. Each owner of a Unit is referred to as a "Unit Owner." If a Unit has been sold under a land contract, the purchaser (and not the vendor) shall be the Unit Owner for purposes of this Declaration.

3.02 Boundaries of Units. The boundaries of each Unit shall be as follows:

(a) Upper Boundary. The upper boundary of each Unit shall be the plane of the under surface of the chords of the roof rafters, roof trusses, or ceiling joists, such that all drywall, ceiling tile, and other ceiling materials shall constitute a part of the Unit.

(b) Lower Boundary. The lower boundary of each Unit shall be the plane of the upper surface of the unpainted concrete floor.

(c) Vertical Boundaries. The vertical boundaries of each Unit shall be the exterior plane of the material constituting the wall surface material of the exterior perimeter walls of the unit, the unpainted interior surface of the perimeter basement block walls, and the plane of the outside faces of doors and windows for the Unit such that all drywall, paneling and wall coverings and all doors, patio doors, door casements, interior door framing, windows, window glass, and screens shall constitute a part of the Unit.

It is intended that the surface of each plane described above (be it brick, siding or exterior finish) is included as part of each defined Unit.

3.03 Additional Items Included as Part of Unit. The Unit shall also include each of the following items that serve such Unit exclusively, whether or not located within the boundaries described in Section 3.02:

(a) Windows and doors (with all opening, closing and locking mechanisms and all hardware) which provide direct access to or within the Unit.

(b) Floor, wall, baseboard, or ceiling electrical outlets and switches and the junction boxes serving them.

(c) Telephone, cable television, computer, internet, stereo or other sound systems, if any, including outlets, wiring, cables, switches, hardware and other appurtenances serving them.

(d) Plumbing fixtures, hot water heaters, fire sprinklers, if any, water softeners, if any, and the piping, valves, and other connecting and controlling mechanisms and devices lying between the fixture and water or sewage lines serving more than one (1) Unit.

(e) The heating, ventilating and air conditioning system, including the furnaces, air conditioning equipment, the control mechanisms, all vents from the Unit to the exterior of the Condominium, including vents for furnaces, clothes dryer, range hood, all other exhaust fans, and such other vents appurtenant to each Unit, condensers and all connections thereto serving each Unit.

Specifically not included as part of a Unit are any portion of the plumbing, electrical or mechanical systems of the Building serving more than one (1) Unit, even if located

within the Unit. Any plumbing, electrical, mechanical and public or private utility lines running through a Unit that serve more than one Unit are Common Elements.

ARTICLE IV

COMMON ELEMENTS; LIMITED COMMON ELEMENTS

4.01 Common Elements. The common elements (the "Common Elements") are all of the Condominium except for the Units. The Common Elements include, without limitation, the following:

- (a) The Land located beneath the lower boundary of each Unit;
- (b) That part of the fire sprinkler system, if any, and its associated piping and operating mechanisms serving more than one Unit;
- (c) Roofs;
- (d) Bearing walls;
- (e) Foundations;
- (f) Beams and supports; and
- (g) Walks, driveways, parking areas, recreation areas, and landscaping.

4.02 [Limited Common Elements]. Certain Common Elements as described in this Section 4.02 shall be reserved for the exclusive use of the Unit Owners of one or more but less than all of the Units. Such Common Elements shall be referred to collectively as "Limited Common Elements." The following Common Elements shall be reserved for the exclusive use of one or more Unit Owners as described herein:

- (a) The landscaped yard located in the southeast corner of the Land as shown on the Condominium Plat shall be reserved for the exclusive use of Unit 1;
- (b) The exterior area on the southwest corner of the Land as shown on the Condominium Plat shall be reserved for the exclusive use of Unit 2;
- (c) \_\_\_\_\_.

4.03 Conflict Between Unit Boundaries; Common Element Boundaries.

(a) If any portion of the Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the 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, then the existing physical boundaries of such Units or Common Elements shall be conclusively presumed to be the boundaries of such Units or Common Elements, regardless of the variations between the physical boundaries described in Sections 3.02 and 3.03 or elsewhere in this Declaration or shown on the

Condominium Plat and the existing physical boundaries of any such Units or Common Elements.

(b) If any portion of the Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the 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, then a valid easement for the encroachment and for its maintenance shall exist so long as such Building stands; provided, however, that if any such encroachment or easement materially impairs any Unit Owner's enjoyment of the Unit owned by such Unit Owner or of the Common Elements in the judgment of the board of directors of the Association (as defined below), such encroachment shall be removed or just compensation shall be provided to each injured Unit Owner within ninety (90) days of the discovery of the encroachment.

(c) Following any change in the location of the boundaries of the Units under this Section 4.03, the square footages of all affected Units or Common Elements shall continue to be determined by the square footages as shown on the Condominium Plat, if any, for all purposes under this Declaration.

## ARTICLE V

### PERCENTAGE INTERESTS; VOTING

5.01 Percentage Interests. Each Unit Owner shall own an undivided interest in the common areas and facilities and limited common areas as a tenant in common with all other unit owners (each a "Percentage Interest") and, except as otherwise limited in this Declaration, shall have the right to use and occupy the common areas and facilities and limited common areas for all purposes incident to the use and occupancy of their Unit as a place of residence, and such other incidental uses permitted by this Declaration, which rights shall be appurtenant to and run with their Unit.

5.02 Conveyance or Encumbrance of Percentage Interest. Any deed, mortgage or other instrument purporting to convey or encumber any Unit shall be deemed to include the Unit Owner's Percentage Interest in insurance proceeds or condemnation awards even though such interest is not expressly described or referred to therein.

5.03 Voting. Each Unit shall have one (1) vote appurtenant to such Unit at meetings of the Association (as defined in Article VII).

5.04 Multiple Owners. If there are multiple owners of any Unit, their votes shall be counted in the manner provided in the Condominium By-Laws.



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## ARTICLE VI

### CONDOMINIUM ASSOCIATION

6.01 General. All Unit Owners shall be entitled and required to be a member of an association of Unit Owners known as "\_\_\_\_\_ Association" (the "Association"), which shall be responsible for carrying out the purposes of this Declaration, including exclusive management and control of the Common Elements and facilities of the Condominium. The Association shall be a non-statutory unincorporated association and shall be governed by the Condominium By-Laws dated \_\_\_\_\_ (the "Condominium By-Laws"). The powers and duties of the Association shall include those set forth in the Condominium By-Laws, the Condominium Ownership Act and this Declaration. A Unit Owner may delegate to any resident of a Unit all or any portion of such Unit Owner's rights as a member of the Association by written notice to the Association. All Unit Owners, residents of Units and all other persons and entities that in any manner use the Property or any part thereof shall abide by and be subject to all of the provisions of this Declaration and Condominium By-Laws.

6.02 Small Condominium. The Condominium established by this Declaration is a small condominium as defined in Wis. Stats. § 703.02(14m). In accordance with § 703.365 of the Condominium Ownership Act: [(a) the obligation to establish a statutory reserve account is hereby waived, and no statutory reserve account will be established for this Condominium;] and (b) Wis. Stats. § 703.365(8) regarding disclosure requirements shall not apply to this Condominium. Pursuant to Wis. Stats. § 703.365(3)(a), the Condominium Association shall delegate to its board of directors the operation, management and duties of the Condominium Association including, but not limited to all responsibility for carrying out the purposes of this Declaration and the Condominium By-Laws.

#### 6.03 Maintenance and Repairs.

(a) By Association. Except as provided in Sections 6.04(b) and 6.04(c) below, the Association shall be responsible for the management and control of the Common Elements and shall maintain the same in good, clean and attractive order and repair, and shall have an easement over the entire Condominium for the purpose of carrying out these responsibilities. The Association shall be responsible for replacing when necessary any Common Elements.

(b) By Unit Owner. Each Unit Owner shall be responsible for, and shall pay for, the maintenance, repair, and replacement of all other improvements constructed within the Unit (including the electrical, heating and air conditioning systems serving such Unit, and including any ducts, vents, wires, cables or conduits designed or used in connection with such electrical, heating or air conditioning systems), the maintenance of all sidewalks, parking areas, landscaping and other outdoor improvements located in their Unit, including without limitation, snow plowing and all Limited Common Elements appurtenant to their Unit, except to the extent any repair cost for any of the foregoing is paid by the Association's insurance policy described in Section 8.01 below. [Each Unit

and its appurtenant Limited Common Elements shall at all times be kept in good condition and repair.] If any Unit, portion of a Unit or a Unit's appurtenant Limited Common Elements for which a Unit Owner is responsible falls into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or a condition that results in damage to the Common Elements, the Association, upon fifteen (15) days' prior written notice to the Unit Owner of such Unit, shall have the right to correct such condition or to restore the Unit or Limited Common Elements to its condition existing prior to the disrepair, or the damage or destruction if such was the cause of the disrepair, and to enter into such Unit for the purpose of doing so, and the Unit Owner of such Unit shall promptly reimburse the Association for the cost thereof. All amounts due for such work shall be paid within thirty (30) days after receipt of written demand therefor, or the amounts may, at the option of the Association, be levied against the Unit as a Special Assessment under Section 6.06 below.

(c) Damage Caused by Unit Owners. To the extent (i) any cleaning, maintenance, repair or replacement of all or any part of any Common Elements or the Unit is required as a result of the negligent, reckless or intentional act or omission of any Unit Owner, tenant or occupant of a Unit, or (ii) any cleaning, maintenance, repair, replacement or restoration of all or any part of any Common Element or the Unit is required as a result of an alteration to a Unit by any Unit Owner, tenant or occupant of a Unit, or the removal of any such alteration (regardless of whether the alteration was approved by the Association or any committee thereof) or (iii) the Association is required to restore the Common Elements or the Unit following any alteration of a Common Element or Limited Common Element required by this Declaration, or the removal of any such alteration, the Unit Owner that committed the act or omission or that caused the alteration, or the Unit Owners of the Unit occupied by such tenant or occupant or responsible for such guest, contractor, agent or invitee, shall pay the cost of such cleaning, maintenance, repair, replacement and restoration.

6.04 Common Expenses. Any and all expenses incurred by the Association in connection with the management, maintenance, repair and replacement of the Condominium, maintenance of the Common Elements (but not the Limited Common Elements) and other areas described in Section 6.03 above and administration of the Association shall be deemed to be common expenses (the "Common Expenses"), including, without limitation, expenses incurred for: improvements to the Common Elements; common grounds security lighting; municipal utility services provided to the Common Elements; insurance as required by this Declaration; and maintenance and management salaries and wages.

6.05 General Assessments. The Association shall levy general assessments (the "General Assessments") against the Unit Owners for the purpose of maintaining a fund from which Common Expenses may be paid. The General Assessments against the Unit Owners shall be assessed in proportion to their respective Percentage Interests. General Assessments shall be due in advance on the first day of each month, or in such other manner as the Association may determine. Any General Assessment not paid when due shall bear interest until paid, as set forth in the Condominium By-Laws and, together with interest, collection costs, and reasonable attorneys' fees, shall constitute a lien on the Unit

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on which it is assessed if a statement of condominium lien is filed within two (2) years after the assessment becomes due as provided in the Condominium Ownership Act.

6.06 Special Assessments. The Association may, whenever necessary or appropriate, levy special assessments (the "Special Assessments") against the Unit Owners, collectively, for deficiencies in the case of destruction or condemnation as set forth in Section 9.05 and Section 10.05 for defraying the cost of improvements to the Common Elements or for any other purpose for which the Association may determine a Special Assessment is necessary or appropriate for the improvement or benefit of the Condominium. In addition, the Association may levy Special Assessments against individual Unit Owners for the collection of monies owed to the Association under any provision of this Declaration, including, without limitation, Section 6.04 above and ARTICLE XIII below. Special Assessments shall be paid at such time and in such manner as the Association may determine. Any Special Assessment or installment not paid when due shall bear interest until paid, as set forth in the Condominium By-Laws and, together with the interest, collection costs and reasonable attorneys' fees, shall constitute a lien on the Unit on which it is assessed if a statement of condominium lien is filed within two (2) years after the Special Assessment becomes due as provided in the Condominium Ownership Act.

6.07 Common Surpluses. In the event that the surpluses of the Association (the "Common Surpluses") should be accumulated, other than surpluses in any construction fund as described in Section 9.06 and Section 10.06, such Common Surpluses may be credited against the Unit Owners' General Assessments in proportion to their respective Percentage Interests or may be used for any other purpose as the Association may determine.

6.08 Certificate of Status. The Association shall, upon the written request of an owner, purchaser or Mortgagee (as defined below) of a Unit, issue a certificate of status of lien. Any such party may conclusively rely on the information set forth in such certificate.

6.09 Management Services. The Association shall have the right to enter into a management contract with a manager selected by the Association (the "Manager") under which services may be provided to the Unit Owners. The management contract shall be subject to termination by the Association under Section 703.35 of the Wisconsin Statutes.

## ARTICLE VII

### ALTERATIONS AND USE RESTRICTIONS

#### 7.01 Unit Alterations.

A Unit Owner may make improvements and alterations within its Unit; provided, however, that such improvements or alterations shall not impair the structural soundness or integrity or lessen the structural support of any portion of the Condominium, and shall not impair any easement. A Unit Owner may not change the dimensions of or the exterior appearance of any portion of the Common Elements without obtaining the prior written permission of the Association, which

permission may be denied in the sole discretion of the Association. Any approved improvement or alteration which changes the exterior dimensions of a Unit must be evidenced by recording a modification to this Declaration and the Condominium Plat before it shall be effective and must comply with the then applicable legal requirements for such amendment or addendum. Furthermore, any improvements or alterations must be accomplished in accordance with applicable laws and regulations, must not unreasonably interfere with the use and enjoyment of the other Units and the Common Elements, and must not be in violation of the Ground Lease, any underlying mortgage, land contract or similar security interest.

7.02 Relocation of Boundaries.

(a) If the Unit Owners of adjoining Units desire to relocate their mutual boundary, the affected Unit Owners shall prepare and execute all necessary and appropriate documents and instruments, provided such documents and instruments do not violate the Ground Lease and are approved by the Association, which such approval shall not be unreasonably withheld, conditioned or delayed.

(b) An amendment to the Declaration and an addendum to the Condominium Plat shall identify the Units and shall state that the boundaries between those Units are being relocated by agreement of the Unit Owners thereof. The amendment shall contain words of conveyance between those Unit Owners, and when recorded shall also be indexed in the name of the grantor and grantee, if applicable. If not stated, the prior allocation shall govern, until such time as the Unit Owners shall record an amendment to that effect with the Sheboygan County Register of Deeds.

(c) Plats and plans showing the altered boundaries and the dimensions thereof between adjoining Units, and their identifying numbers or letters, shall be prepared. The plats and plans shall be certified as to their accuracy in compliance with Subsection 703.13(6) of the Wisconsin Statutes, by civil engineer, architect, or licensed land surveyor authorized to practice his or her profession in the State of Wisconsin.

(d) No boundaries of any Units may be relocated without the written consent of the Mortgagees of the Units affected.

(e) After appropriate instruments have been prepared and executed, those instruments shall become effective when the adjoining Unit Owners and the Association have executed them and they have been recorded with the Sheboygan County Register of Deeds. The recording thereof shall be conclusive evidence that the relocation of boundaries did not violate this Declaration, the Condominium By-Laws or any other documents related to the governance of the Condominium or the Association.

7.03 Expenses. All expenses involved in any improvements, alterations boundary changes or Unit separations approved by the Association or permitted under this ARTICLE VII, whether or not completed, including all expenses to the Association,

shall be borne by the Unit Owner or Unit Owners involved and may be charged as a special assessment to the affected Units in accordance with Section 6.06.

7.04 Use and Restrictions on Use of Unit. No unlawful use shall be made of the Property or any part thereof. All Units shall be used for residential housing. Neither the Property nor any Unit thereon shall be used in any way prohibited by the Ground Lease.

7.05 Nuisances. No nuisances shall be allowed upon the Property, nor any use or practice that is unlawful or interferes with the peaceful possession and proper use of the Condominium by the Unit Owners or that would cause an increase in the premiums for insurance required to be maintained by the Association under Section 8.01. All parts of the Condominium shall be kept in a clean and sanitary condition, and no fire or other hazard shall be allowed to exist. No Unit Owner shall permit any use of its Unit or of the Common Elements that increases the cost of insuring the Condominium.

7.06 Lease of Units. Each Unit or any part thereof may be rented by written lease, provided that such lease does not violate the terms of the Ground Lease (including, without limitation, such lease is not a Sub-Lease (as defined below) and is not a Short-Term Rental (as defined below)) and such lease contains a statement obligating all tenants to abide by this Declaration and the Condominium By-Laws, and providing that the lease is subject and subordinate to this Declaration and the Condominium By-Laws. **ANY AMENDMENT TO THIS SECTION 7.06 OR ANY OTHER PROVISION IN THIS DECLARATION TO ALLOW FOR A SUB-LEASE OR A SHORT-TERM RENTAL SHALL BE CONSIDERED A DEFAULT UNDER THE TERMS OF THE GROUND LEASE AND SUBJECT THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ALL UNITS THEREON) TO ANY AND ALL REMEDIES AVAILABLE TO THE GROUND LESSOR UNDER THE GROUND LEASE (INCLUDING, WITHOUT LIMITATION, REVERSION OF ALL OWNERSHIP INTERESTS IN THE PROPERTY AND ALL UNITS THEREON TO THE GROUND LESSOR).**

7.07 Signs. Subject to Section 703.105 of the Wisconsin Statutes, no sign of any kind shall be displayed to the public view on any Unit without the written consent of the Association.

## ARTICLE VIII

### INSURANCE

8.01 Fire and Extended Loss Insurance. The board of directors of the Association shall, obtain and maintain fire, casualty, and special form insurance coverage for the Units, the Common Elements and for the Association's service equipment, supplies and personal property. Insurance coverage for the Units and Common Elements shall be reviewed and adjusted by the board of directors of the Association from time to time to ensure that the required coverage is at all times provided. The insurance, if any, maintained by the Association shall be written on the Condominium's Units and Common Elements in the name of the Association as insurance trustee for the individual Unit Owners in their respective Percentage Interests, and may list each Unit Owner as an

insured with respect to its Unit. The policy shall contain the standard mortgagee clause, which shall be endorsed to provide that any proceeds shall be paid to the Association, as insurance trustee, for the use and benefit of any Mortgagee as its interest may appear. All premiums for such insurance shall be Common Expenses. In the event of damage to or destruction of all or part of the Condominium insured hereunder, the proceeds of the insurance shall be paid to the Association, as insurance trustee, for the Unit Owners and the Mortgagees and distributed as provided in ARTICLE IX below.

8.02 Public Liability Insurance. The board of directors of the Association shall obtain and maintain a comprehensive liability insurance policy insuring the Association, its officers, directors, and the Unit Owners against any liability arising out of the maintenance, repair, ownership, or use of the Common Elements. Liability coverage shall be for at least [\$2,000,000] per occurrence for personal injury and/or property damage or such higher limit as may be adopted from time to time by the Association. The insurance coverage shall be written on the Condominium in the name of the Association as insurance trustee for the Association, its directors and officers, and for the individual Unit Owners in their respective Percentage Interests. Such insurance policy shall contain a "severability of interest" or cross-liability endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners. All premiums for such insurance shall be Common Expenses. Each Unit Owner shall have the right to insure its own Unit for personal benefit.

8.03 Fidelity Insurance. The Association may elect to maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. All premiums for such insurance shall be Common Expenses.

8.04 Directors' and Officers' Insurance. The Association may elect to maintain insurance on behalf of any person who is or was a director or officer of the Association against liability asserted against or incurred by him or her in any such capacity or arising out of his or her status as such in an amount to be determined in the discretion of the Association to comport with the prevailing commercial practice.

8.05 Unit Owners' Insurance. Each Unit Owner shall insure all of its own personal property (whether or not such personal property is stored within the Unit owned by such Unit Owner or any Common Element or Limited Common Element) and any insurable portion of the Unit not covered by the Association's insurance as specified herein, and shall also maintain in effect at all times a comprehensive liability policy. Each such policy shall name the Association as an additional insured. The liability policy shall provide for coverage in the minimum amount of at least [\$2,000,000] per occurrence for personal injury and/or property damage or such higher minimum as is needed in the discretion of the Association to comport with the prevailing commercial practice. Nothing shall prohibit Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks; provided, however, that each Unit Owner's own property insurance coverage shall be excess coverage only and the insurance obtained by the Association, as required under Section 8.01 above, shall at all times be primary coverage. Unit Owners are encouraged

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to submit copies of the disclosure materials for the Condominium to their insurance carriers in order to ensure adequate property and liability coverages.

8.06 Mutual Waiver of Subrogation. Nothing in this Declaration shall be construed so as to authorize or permit any insurer of the Association or a Unit Owner to be subrogated to any right of the Association or a Unit Owner arising under this Declaration. The Association and each Unit Owner hereby release each other to the extent of any perils to be insured against by either of such parties under the terms of this Declaration or the Condominium By-Laws, whether or not such insurance has actually been secured, and to the extent of their respective insurance coverage for any loss or damage caused by any such casualty, even if such incidents shall be brought about by the fault or negligence of either party for whose acts, omissions or negligence the other party is responsible. All insurance policies to be provided under this ARTICLE VIII by either the Association or a Unit Owner shall contain a provision that they are not invalidated by the foregoing waiver. Such waiver shall, however, cease to be effective if the existence thereof precludes either the Association or a Unit Owner from obtaining such policy.

## ARTICLE IX

### RECONSTRUCTION, REPAIR OR SALE IN THE EVENT OF DAMAGE OR DESTRUCTION

9.01 Determination to Reconstruct or Repair. If all or any part of the Condominium becomes damaged, or is destroyed, by any cause, the damaged portion shall be repaired or reconstructed except as provided otherwise in this Section 9.01. Any decision not to repair or reconstruct shall be subject to any and all then-existing easement rights.

(a) Damage Less Than Five Percent of Replacement Cost. If the cost to repair or reconstruct the damaged portion of the Condominium is less than five percent of the replacement cost of all improvements constituting the Condominium, the damaged portion of the Condominium shall be repaired or reconstructed even if the cost of such repair or reconstruction exceeds the available insurance proceeds. Acceptance by a Unit Owner of a deed to a Unit shall be deemed to be consent to the authorization to the Association to repair or reconstruct, as may in the future be needed from time to time, up to such stated amount. If such authorization is challenged, whether through action taken at a meeting of the Unit Owners or otherwise, the issue of whether to repair or reconstruct shall be put to a vote of all of the Unit Owners entitled to vote, and such repair or reconstruction shall be deemed approved if all votes appurtenant to any one (1) Unit are cast in favor of such repair or reconstruction.

(b) Damage Equal to or Greater Than Five Percent of Replacement Cost; Insurance Not Available. If the cost to repair or reconstruct the damaged portion of the Condominium is equal to or greater than five percent (5%) of the replacement cost of all improvements constituting the Condominium and insurance proceeds are insufficient to complete such repair or reconstruction, the damaged Condominium shall be repaired or reconstructed unless within thirty (30) days of the date the Association receives repair or reconstruction estimates, all of the Unit

Owners consent in writing to not repair or reconstruct the damaged portion of the Condominium.

9.02 Plans and Specifications. Any reconstruction or repair shall, as far as is practicable, be made in accordance with the maps, plans, and specifications used in the original construction of the Condominium, unless (a) the Unit Owners having at least a majority of the votes approve of the variance from such plans and specifications; (b) the board of directors of the Association authorizes the variance; and (c) in the case of reconstruction of or repair to any of the Units, the Unit Owners of the damaged Units authorize the variance. In the event that a variance is authorized from the maps, plans, and specifications contained in the Condominium Plat or this Declaration, an amendment shall be recorded by the Association setting forth such authorized variance.

9.03 Responsibility for Repair. In all cases after a casualty has occurred to the Condominium (except as otherwise provided in Section 9.01 above and below), the Association has the responsibility of reconstruction and repair, and immediately shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.04 Insurance Proceeds and Construction Fund. Insurance proceeds held by the Association as trustee pursuant to Section 8.01 shall be disbursed by the Association for the repair or reconstruction of the damaged portion of the Condominium. Unit Owners and Mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless there is a surplus of insurance proceeds after the damaged portion of the Condominium has been completely restored or repaired as set forth in Section 9.06.

9.05 Assessments For Deficiencies. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair by the Association, a Special Assessment shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to the Condominium shall be in accordance with each Unit Owner's Percentage Interest. All assessed funds shall be held and disbursed by the Association as trustee for the Unit Owners and Mortgagees involved.

9.06 Surplus in Construction Funds. All insurance proceeds, condemnation awards and Special Assessments held by the Association as trustee for the purpose of rebuilding or reconstructing any damage to the Condominium are referred to herein as "Construction Funds." It shall be presumed that the first monies disbursed in payment of costs of reconstruction or repair are insurance proceeds. If there is a balance in the Construction Funds after payment of all costs of reconstruction or repair, such balance shall be divided among the Unit Owners according to their respective Percentage Interests.

9.07 Partition and Sale Upon Consent. If (a) following damage or destruction described in Section 9.01(b), all of the Unit Owners consent to subject the Condominium to an action for partition, and (b) the Mortgagees of the mortgaged Units agree to an action for partition, the Association shall record with the office of the Register of Deeds for Sheboygan County, Wisconsin, a notice setting forth such facts, and upon the recording of such notice, the Condominium shall be subject to an action for partition, in



which event the net proceeds of sale together with any amounts held by the Association as Construction Funds shall be considered as one (1) fund and shall be divided among the Unit Owners according to the Percentage Interest that is appurtenant to each Unit.

9.08 Mortgagees' Consent Required. No approval, consent or authorization given by any Unit Owner under this ARTICLE IX shall be effective unless it is consented to by the Mortgagee (if any) holding the first lien against the Unit.

## ARTICLE X

### CONDEMNATION

10.01 Allocation of Award. Any damages for a taking of all or part of the Condominium shall be awarded as follows:

(a) If all of a Unit is taken, and the Association determines that it shall repair or restore the Condominium as described in Section 10.02 below, the award for the partial taking of the Unit shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award, plus any award for equipment, fixtures or improvements located therein, and for consequential damages to the Unit or the improvements located therein shall be allocated to the Unit Owner.

(b) If only a part of a Unit is taken, then, if the Association determines that it shall repair or restore the Unit as described in Section 10.02 below, the award for the partial taking of the Unit shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award, plus any award for equipment, fixtures or improvements located therein and for consequential damages to the Unit or the improvements located therein, shall be allocated to the Unit Owner.

(c) If part of the Common Elements are taken, then, if the Association determines that it shall repair or restore the Condominium as described in Section 10.02, below, the award for the partial taking of the Common Elements shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award shall be allocated to all Unit Owners in proportion to their respective Percentage Interests.

(d) If the entire Condominium is taken, then any award for the taking of any Unit shall be allocated to the respective Unit Owner, and any award for the taking of the Common Elements shall be allocated to all Unit Owners in proportion to their Percentage Interests.

10.02 Determination to Reconstruct Condominium. Following the taking of any part of the Condominium, then, if the Association determines that the Condominium can be restored to a useable whole, the Condominium shall be restored or reconstructed.

10.03 Plans and Specifications for Condominium. Any reconstruction shall, as far as is practicable, be made in accordance with the maps, plans and specifications used in the original construction of the Condominium.

10.04 Responsibility for Reconstruction. In all cases of restoration of the Condominium following a partial taking, the responsibility for restoration and reconstruction shall be that of the Association and it shall immediately obtain reliable and detailed estimates of the cost to rebuild.

10.05 Assessments for Deficiencies. If the condemnation award for the taking of the Condominium is not sufficient to defray the costs of reconstruction by the Association, Special Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Special Assessments shall be in proportion to each Unit Owner's respective Percentage Interest and shall constitute a Common Expense.

10.06 Surplus in Construction Fund. It shall be presumed that the first monies disbursed in payment of costs of reconstruction or restoration shall be from the award for taking. If there is a surplus of Construction Funds after payment of all costs of construction, such balance shall be divided among all Unit Owners in proportion to their respective Percentage Interests.

10.07 Percentage Interests Following Taking. Following the taking of all or any part of any Unit, the Percentage Interests appurtenant to any Unit shall be equitably adjusted to reflect the respective relative values of the remaining Units (or portions thereof) to all of the Units, determined without regard to the value of any improvements located within the Units except for those improvements that were part of the Unit as originally constructed. The Association shall promptly prepare and record an amendment to the Declaration reflecting the new Percentage Interests appurtenant to the Units.

10.08 Partition and Sale Upon Consent. If pursuant to Section 10.02, the Association determines that, following a taking of any part of the Condominium, the Condominium cannot be restored to a usable whole, then, if all of the Unit Owners and their Mortgagee, if any, consent to subject the Condominium to an action for partition, the Association shall record with the office of the Register of Deeds for Sheboygan County, Wisconsin, a notice setting forth such facts, and upon the recording of such notice, the Condominium shall be subject to an action for partition, in which event the net proceeds of sale together with any amounts held by the Association as Construction Funds shall be considered as one (1) fund and shall be divided among the Unit Owners according to their respective Percentage Interests.

## ARTICLE XI

### MORTGAGES

11.01 Notice. Any holder of a recorded mortgage or any vendor under a recorded land contract encumbering a Unit (a "Mortgagee") or any guarantor of a recorded mortgage or land contract encumbering a Unit that has so requested of the

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Association in a writing received by the Association's agent for service of process shall be entitled to receive timely written notice of the following matters:

- (a) 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 Condominium By-Laws;
- (b) Any default under, any failure to comply with, or any violation of, any of the provisions of this Declaration, the Articles or Condominium By-Laws or the Rules and Regulations by the Unit Owner whose Unit is subject to the mortgage or land contract;
- (c) Any physical damage to the Condominium in an amount exceeding five percent (5%) of its replacement value;
- (d) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage or land contract;
- (e) Any sixty (60)-day delinquency in the payment of any charges and assessments owed under ARTICLE VI above by the owner of any Unit securing the mortgage or land contract;
- (f) A lapse, cancellation, or material modification of any insurance policy maintained by the Association or land contract; and
- (g) Any proposed action that requires the consent of a specified percentage of Mortgagees.

11.02 Amendment of Provisions Affecting Mortgagees. Notwithstanding the provisions of ARTICLE XII of this Declaration, neither Section 11.01 nor any other Section of this Declaration requiring the approval of any Mortgagee to any action shall be amended unless all Mortgagees have given their prior written approval. The Mortgagees of Units to which not less than Fifty-one Percent (51%) of the Percentage Interest is appurtenant must consent to an amendment that is materially adverse to the Mortgagees' interests. If a Mortgagee does not respond within sixty (60) days after receipt of proper notice of any written proposal to amend this Declaration, such amendment shall be deemed approved by that Mortgagee, provided such notice was delivered to the Mortgagee by certified or registered mail with a "return receipt" requested.

11.03 Owners of Unmortgaged Units. Except as otherwise set forth in Section 11.02 above, whenever any provision contained in this Declaration requires the consent or approval (whether by vote or in writing) of a stated number or percentage of Mortgagees to any decision, each Unit Owner of any unmortgaged Unit shall be considered a "Mortgagee" as well as a "Unit Owner" for purposes of such provision.

11.04 Condominium Liens. Any Mortgagee who obtains title to a Unit under the remedies provided in the mortgage or land contract against the Unit or through foreclosure shall not be liable for more than six (6) months of the Unit's unpaid dues and assessments accrued before the date on which the holder acquired title.

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## ARTICLE XII

### AMENDMENT

Except as otherwise provided by the Condominium Ownership Act, or as otherwise provided in this Declaration, this Declaration may be amended with the written consent of not less than the number of Unit Owners who together hold at least eighty percent (80%) of the total voting interests held by all Unit Owners. No Unit Owner's consent shall be effective without the consent of the first mortgagee of such Unit. Copies of amendments shall be certified by the president and secretary of the Association in a form suitable for recording. A copy of the amendment shall be recorded with the Register of Deeds for Sheboygan County, and a copy of the amendment shall also be mailed or personally delivered to each Unit Owner at its address on file with the Association.

## ARTICLE XIII

### REMEDIES

The Association shall have the sole right to enforce the provisions hereof or any of its orders by proceedings at law or in equity against any person or persons violating or attempting to violate any provision of the Declaration, either to restrain or cure the violation or to recover damages, or both, for a period which shall include thirty (30) days from the date of the filing with the Association of a petition by any person who shall be a Unit Owner subject to this Declaration on the date of the filing, petitioning the Association to redress the violation or attempted violation of any of the provisions of this Declaration by any other persons. Liability among multiple owners of a Unit shall be joint and several. (Nothing herein shall be deemed to limit the rights of the City of Sheboygan or the County of Sheboygan to enforce any zoning codes, ordinances, regulations or other requirements which may be identical or similar to the requirements of this Declaration.) Such period of thirty (30) days shall be considered to be a period for the consideration of the petition by the Association and in the event the Association denies or fails to act upon the petition to the satisfaction of the petitioner within the thirty (30) day period, thereafter petitioner shall have the right to enforce the provisions hereof (except for the collection of charges and assessments under Article VI), to the extent that he or she shall so have petitioned, by proceedings at law or in equity against any person or persons violating or attempting to violate the provisions of this Declaration, either to restrain the violation or to recover damages, or both, provided, however, that any such person shall be a Unit Owner and commence such proceedings against such other person or persons within a period of sixty (60) days from (a) the date of the Association's denial of such petition, or (b) the passage of the aforementioned thirty (30) day period for consideration of the petition by the Association. The Association or the petitioning Unit Owner(s), as the case may be, shall have the right to recover court costs and reasonable attorneys' fees in any successful action brought against another Unit Owner to enforce, or recover damages for a violation of, this Declaration. Any damages collected by the Association shall be distributed, first, to pay for all costs of enforcement, and secondly to the owners of the Units damaged by the violation pro rata. Notwithstanding the foregoing, if any Unit Owner fails to comply with the terms and conditions of this

Declaration, and such failure continues beyond any applicable cure period, the Association shall have the right to cure on behalf of the Unit Owner and such Unit Owner shall promptly reimburse the Association for the cost thereof within ten (10) days after receipt of written demand therefor. Alternatively, the Association may, at the option of the Association, levy such amounts against the Unit as a Special Assessment under ARTICLE VI.

#### ARTICLE XIV

##### GENERAL

14.01 Utility Easements. The Declarant hereby reserves for the Association acting by and in the discretion of its board of directors, the rights to grant to the City of Sheboygan and County of Sheboygan, public or semi-public utility companies or adjacent property owners, 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, stormwater drains, gas mains, water pipes and mains, and similar services and for performing any public or quasi-public utility function or for providing access or similar rights to adjacent property owners that the board of directors of the Association may deem fit and proper for the improvement and benefit of the Condominium or otherwise appropriate. Such easements and rights-of-way for utilities 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.

14.02 Right of Entry. By acceptance of a Condominium Deed, each Unit Owner shall have granted a right of entry and access to its Unit to the Association to correct any condition originating in its Unit and threatening another Unit or the Common Elements, to install, alter or repair mechanical or electrical services or other Common Elements in its Unit or elsewhere in the Condominium, and to maintain and repair Common Elements and other areas as described in Section 6.04. Such entry shall be made with prior notice to the Unit Owners, and shall be scheduled for a time reasonably convenient to the Unit Owners, except in the case of an emergency when injury or property damage will result in delayed entry. Such entry shall be done with as little inconvenience to the Unit Owners as practical, and any damage caused thereby shall be repaired by the Association and treated as a Common Expense, except as allocable to an individual Unit or Units for cause in the discretion of the board of directors of the Association.

14.03 Notices. All notices and other documents required to be given by this Declaration or by the Condominium By-Laws 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. Notices and other documents to be served upon Declarant shall be given to the agent for service of process specified in Section 14.06. All 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 or her 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 or her.

14.04 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 unenforceability of the remaining portion of said provision or of any other provision hereof.

14.05 Declarant Access During Construction of Improvement. During any period in which (a) Declarant is constructing Buildings and other improvements on the Property, (b) Declarant is performing any warranty work, or (c) Declarant is replacing or repairing any Common Elements or Limited Common Elements, the Declarant, the Declarant and its contractors, and subcontractors, and their respective agents and employees, shall have an access easement to all parts of the Condominium as may be required in connection with said work.

14.06 Agent for Service of Process. The Declarant shall be the agent for service of process in any action against the Association or brought under the Condominium Ownership Act. Service may be made upon the Declarant by serving \_\_\_\_\_; provided, however, that the board of directors of the Association may at any time by duly-adopted resolution designate a successor registered agent for service of process.

14.07 Assignment of Declarant's Rights. The rights granted to the party named as "Declarant" in this Declaration may be assigned by a written, recorded instrument to any other party who assumes such rights, and, upon the recording of any such instrument, such assignee shall become, and succeed to all rights and powers granted to, "Declarant" under this Declaration.

14.08 Conflicts. In the event a conflict exists among any provisions of this Declaration and the Condominium By-Laws, the Declaration shall prevail over the Condominium By-Laws and Rules and Regulations; and the Condominium By-Laws shall prevail over the Rules and Regulations.

14.09 Ground Lease. The terms of the Ground Lease (which is attached hereto and made a part hereof as **Exhibit B**) have priority over the terms of this Declaration and are binding upon the Property, the Association and all the Unit Owners.

**IN NO INSTANCE SHALL THIS DECLARATION CONFLICT WITH, AND THE ASSOCIATION OR ANY UNIT OWNER VIOLATE, THE TERMS OF THE GROUND LEASE IN ANY WAY (INCLUDING, WITHOUT LIMITATION, USING OR PERMITTING THE USE OF THE PROPERTY OR ANY UNIT IN SUCH A WAY THAT IS PROHIBITED IN THE GROUND LEASE, INCLUDING, WITHOUT LIMITATION, ENTERING INTO (A) A "SUB-LEASE", OR (B) A "SHORT-TERM RENTAL."**

For purposes of this Declaration, a "Sub-Lease" means a lease, contract or agreement of any kind (whether written or oral) entered into by a tenant of a Unit or any other portion of the Property with another party regarding the use, occupancy or granting of any right related to such Unit or any other portion of the Property that is already subject to a lease, contract or agreement or any kind related to such Unit or other portion of the Property. For purposes of this Declaration, a "Short-Term Rental" means the lease or use of any

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Unit or other portion of the Property for a period shorter than 365 consecutive calendar days (or 366 consecutive calendar days in a leap year), whether such lease or use is evidenced by a lease, contract or agreement of any kind (whether written or oral).

[Execution Page Follows]

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EXHIBIT A  
LEGAL DESCRIPTION

[INSERT LEGAL DESCRIPTION HERE]

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EXHIBIT B  
GROUND LEASE

See attached.