

River's Edge Condominium  
Declaration of Condominium

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**RIVER'S EDGE CONDOMINIUM  
DECLARATION OF CONDOMINIUM**

RIVER'S EDGE OF SHEBOYGAN, LLC (the "Declarant"), does hereby declare that the real estate described below is subject to the Wisconsin Condominium Ownership Act. The said real estate and all the improvements now or subsequently placed thereon and all appurtenant rights shall be known and described as RIVER'S EDGE CONDOMINIUM (the "Condominium"). The address of the Condominium shall be 504-510 North Water Street, Sheboygan, Wisconsin.

1. Description of Land. The land which is the subject of this Declaration and upon which the buildings and improvements are and will be located (the "Property") is in Sheboygan County, Wisconsin, and is more particularly described on Exhibit A, attached hereto. A survey of the Property, showing the boundaries of the Condominium, is contained in the River's Edge Condominium Plat (the "Condominium Plat").

2. Description of Buildings. One building (the "Building") containing a total of 4 units is in the process of construction or has been constructed upon the land located as shown on the Condominium Plat filed for record in the office of the Register of Deeds for Sheboygan County, Wisconsin and incorporated herein by reference. The Condominium dwelling units in the Building are called "units."

3. Description of Units.

(a) Units are identified by number as indicated on the Condominium Plat. Each unit and the approximate area, location, number of rooms, appurtenant limited common elements and immediate common area to which it has access are shown on the survey and set of floor plans included in the Condominium Plat. Working drawings and general specifications for the project are on file at the office of Declarant.

(b) The boundaries of each unit shall consist of that part of each Building as follows:

(i) The vertical or perimetrical boundaries of the unit shall be the plane of the outer surface of the drywall (being the first layer of double drywall as to common walls between units) and the plane of the outside faces of doors (including the garage door) and windows contained in such vertical

boundaries, extended in each case to an intersection with the upper and lower boundaries; and

(ii) The upper boundary of the unit shall be the plane of the outer surface of the ceiling drywall of the highest level of the unit (and the undersurface of the garage roof) and the lower boundary shall be the plane of the upper surface of the basement concrete slab (and the plane of the upper surface of the garage slab).

(c) Any utility lines and heating, mechanical and plumbing equipment located outside of units, and any utility lines and heating, mechanical and plumbing equipment contained inside the boundaries of a particular unit but which service a different unit, are common elements and shall be repaired and maintained by and at the expense of River's Edge Condominium Association, Inc. (the "Association"), except as otherwise provided in this Declaration or the By-Laws of the Association. The furnace and water heater for each unit are part of the respective unit serviced by said items and shall be repaired and maintained by and at the expense of the owner of said unit.

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

4. Description of Common Elements. The common elements shall include all of the Condominium except its units. The common elements shall be operated, repaired and maintained by and at the expense of the Association, except as otherwise provided in this Declaration or the By-Laws of the Association.

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

(a) If installed pursuant to section 8, the boat slips identified by unit numbers on the Plat shall be appurtenant to the unit to which its number corresponds.

(b) The paved walkway extending from the driveway or garage to the front door of each unit and the related stoop or porch shall be appurtenant to the unit or units served by such walkway and stoop or porch.

(c) The patio and/or area wooden deck adjacent or attached to each unit shall be appurtenant to the unit served by such patio area and/or wooden deck.

6. Percentage Interests, Voting and Assessments.

(a) The undivided percentage interest in the common elements (including limited common elements) appurtenant to each unit shall be 25%.

(b) There shall be one vote in the Association appurtenant to each unit.

(c) All funds for the payment of common expenses and for the creation of reserves for the payment of future common expenses shall be obtained by equal assessments against the owner of each unit except as otherwise provided in the By-Laws. Notwithstanding the foregoing, units owned by the Declarant shall not be subject to, and Declarant shall have no obligation to pay, assessments for common expenses and reserves until all of the units which may be added to the Condominium pursuant to section 13(b) have been added to the Condominium and Declarant owns less than three units in the Condominium, or Declarant elects to have its units become subject to assessments, whichever occurs first. Until Declarant becomes subject to assessments for common expenses, Declarant shall be responsible for the payment of the operating expenses of the Association in excess of the assessments due from units no longer owned by Declarant.

7. Residential Use. All units are intended for and shall be restricted to use for residential purposes only.

8. Boat Slips. The City owns the parcel of land between the Condominium and the Sheboygan River and has agreed to enter into a license agreement with the Declarant (the "License Agreement") permitting installation of boat slips on the river for the use of Unit owners. Declarant is attempting to

obtain such governmental permits and approvals as are necessary to permit Declarant to install boat slips, as shown on the Condominium Plat. Declarant makes no representations or guarantees, however, that Declarant will be able to obtain such governmental permits and approvals.

In the event the necessary permits and approvals are obtained, Declarant shall install piers containing from 4 to 16 boat slips. Boat slips in excess of the number of condominium units, if any, shall be limited common elements which, for consideration or as otherwise determined by Declarant, Declarant may assign by limited common element deed to a unit owner. A unit owner may convey the exclusive right to use the boat slip appurtenant to his or her unit to another unit owner by limited common element deed, which must be recorded with the Register of Deeds Office in Sheboygan County, Wisconsin. No boat slip may be used or leased or assigned to a nonunit owner and no unit owner may own more than two boat slips. The boat slips shall be used and maintained in accordance with the License Agreement. The Association may promulgate such further rules and regulations governing use of the boat slips as the Association deems necessary for the continued use and enjoyment of the Condominium.

For as long as the Declarant, or its successors and assigns, owns one or more units in the Condominium or may add additional units to the Condominium pursuant to section 13(b), any boat slips in excess of the number of units, which have not been assigned by the Declarant to unit owners, shall be appurtenant to such units owned by the Declarant. At Declarant's sole discretion, Declarant may assign any excess boat slips to the Association by recording notice of such assignment. At such time as the Declarant, or its successors and assigns, no longer owns a unit in the Condominium and no longer has the right to add units to the Condominium pursuant to section 13(b), any excess boat slips shall automatically be assigned to the Association, which may assign such boat slips as limited common elements to unit owners (for consideration or otherwise) or which may use such boat slips in any manner consistent with the provisions of this Declaration and the Association By-Laws.

The costs relating to the piers and boat slips, including without limitation, maintenance, winter storage, spring installation and fall removal, insurance premiums and replacement reserves, shall be paid by the Association as common expenses in accordance with the By-Laws.

9. Service of Process. The resident agent for the Condominium shall be the Declarant. Service of process shall be made upon the Declarant c/o Lang Group LLC, 132 West Oak Street, Lake Mills, Wisconsin 53551 as to matters provided in the Wisconsin Condominium Ownership Act until all units

have been sold, conveyed and paid for or until the first meeting of the unit owners, at which time the Association may designate a successor by vote of a simple majority of a quorum present at any meeting (members or Board of Directors) of the Association.

10. Damage or Destruction. In the event the Condominium is destroyed or damaged in an amount in excess of 20% of the replacement cost of the entire Condominium, and insurance proceeds, if any, constitute less than 80% of the cost of completing repair or reconstruction, action by the Association by vote of 75% or more of all unit owners taken within 90 days after such damage or destruction shall be necessary to determine not to repair or reconstruct the Condominium as more fully described in section 3, Article V of the By-Laws. Damage or destruction to a lesser extent, and damage or destruction to a greater extent but for which insurance proceeds are equal to or greater than 80% of the cost of completing repair or reconstruction, shall be repaired and reconstructed pursuant to arrangement by the Board of Directors of the Association as provided in said section of the By-Laws.

11. Further Matters.

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

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

(c) Rules and regulations (in addition to the By-Laws) concerning the use of the units and the common and limited common elements, including provisions concerning the keeping of pets, may be promulgated and amended by the Board of Directors of the Association. Copies of such rules and regulations shall be furnished by the Board of Directors of the Association to each unit owner prior to their effective date.

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

(e) The Declarant hereby further reserves for itself and its successors and assigns, for a period of ten years following the date of recording of this Declaration, access to and the right to connect to any of the above-described underground pipes or other conduits for the improvement and benefit of additional phases of the Condominium as described in section 13(b) of this Declaration.

(f) The Declarant hereby further reserves for itself and its successors and assigns, for a period of ten years following the date of recording of this Declaration, a right of access over, across and through the Property for purposes of transporting construction materials, for making underground or aboveground utility and conduit connections and/or for any other reasonable use related to the construction of buildings and units in additional phases of the Condominium as described in section 13(b) of this Declaration. Any exercise of this right shall not constitute a nuisance, and Declarant shall restore any common elements damaged by Declarant's exercise of such right.

(g) The Declarant hereby reserves exclusively to itself the right to separate one or more units owned by Declarant in accordance with the requirements of section 703.13(7) of the Wisconsin Condominium Ownership Act.

(h) Declarant hereby further reserves the right to change the number of units to be contained in a Building and to make adjustments to the location of the Buildings, the configuration of common elements and the size and/or floor plans of any unit during the course of construction of the Buildings and the units. In the event the actual number of units in a Building or the actual location of any Building, the configuration of common elements or the size and/or floor plans of any unit, as constructed, is materially different from what is shown in the Condominium Plat, Declarant shall file an amendment to the Condominium Plat showing the actual number of units in a Building or actual location of such Building and/or dimensions and floor plans for each unit.

(i) All terms used in this Declaration shall have the same meaning as used or defined in the Wisconsin Condominium Ownership Act unless the context of this Declaration requires or specifically provides otherwise.

## 12. Additional Rights of Lenders.

(a) As to the holder of any mortgage or land contract vendor or insurer or guarantor of any mortgage (the "Lender") of a unit which has notified the Association in writing delivered or mailed by certified mail to the place for service of process stated in section 9 of this Declaration that it desires to receive notice of the following matters:

(i) the Board of Directors shall give the Lender written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to this Declaration, the Articles or the By-Laws;

(ii) the Board of Directors shall give the Lender by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-Laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice to any unit owner which shall be not later than within 30 days of such failure;

(iii) the Board of Directors shall notify the Lender of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;



(iv) the Board of Directors shall notify the Lender of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$10,000 when such damage is known to the Board of Directors and shall notify all Lenders if common elements of the Condominium are damaged in an amount exceeding \$20,000. The Board shall also notify the Lender in writing of any condemnation proceedings concerning the Condominium; and

(v) the Board of Directors shall permit the Lender to examine during normal business hours books and records of the Association (including current copies of this Declaration, Association By-Laws, and all rules and regulations promulgated thereunder) and upon request shall furnish the Lender annual reports and such other financial data (including audited financial statements) as it sends to unit owners.

(b) Unless two-thirds of the number of holders of first mortgages on units (based on one vote for each mortgage held) and all owners of affected units have given their prior written approval, or unless the Association obtains such higher proportion of consent as may be required by the Wisconsin Condominium Ownership Act, the Association shall not:

(i) change the undivided percentage interest in the common elements of the Condominium appertaining to each unit (except as provided in section 13(b) of this Declaration);

(ii) partition or subdivide any unit of the Condominium;

(iii) by act or omission, seek to partition, subdivide, encumber, sell or transfer the common elements, except that the transfer of the water system to a public or quasi-public body or the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause; or

(iv) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such condominium property.

(c) Unless all holders of first mortgages on units shall have given their prior written approval, the Association shall not by act or

omission seek to abandon the condominium status of the Condominium except as provided in section 9 of this Declaration.

(d) Notwithstanding the provisions of section 13 of this Declaration, this section shall not be amended unless all Lenders have given their prior written approval.

### 13. Amendment of Declaration.

(a) Except as provided in subparagraph (b), below, this Declaration may be amended with the written consent of at least two-thirds of the unit owners (based upon one vote for each unit), provided that the holder of a mortgage on a unit (if any) must also consent to an amendment in order to render the consent of the owner of such unit effective.

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

Declarant presently intends to construct a maximum of two additional Buildings upon the Property and land located adjacent to the Property described in Exhibit B attached hereto and shown on the Condominium Plat (the "Expansion Land") in one or more phases containing a maximum of eight additional units (such that the maximum number of Buildings in the Condominium shall be three and the maximum number of units in the Condominium shall be twelve). If added to the Condominium, the general design and quality of construction of the buildings shall be substantially similar to the Buildings included in this Declaration. The buildings shall be located upon the Property and the Expansion Land generally as shown on the Condominium Plat (provided, however, that the actual number, size and location of buildings constructed by Declarant, and the number of units contained therein, may vary significantly from the number of buildings shown on the Condominium Plat).

Without making any representation hereby that Declarant or any other party can or will undertake such construction of such units and notwithstanding the provisions of section 13(a) hereof, Declarant reserves the absolute and unqualified right for Declarant, its successors and assigns on behalf of each unit owner of the Condominium to amend this Declaration at any time and from time to time within ten years from date hereof to add to the Condominium all or any part of the Expansion Land and the units constructed or under construction thereon, if any. In the event of any such addition, the undivided percentage

interest in the common elements (after addition of units) appurtenant to each of the units in the Condominium shall be determined by the following formula:

$$\frac{1}{\text{total number of units}} \times 100 = \text{undivided percentage interest appurtenant to unit}$$

Declarant shall determine such percentage after the addition and its determination shall be final and binding on all parties.

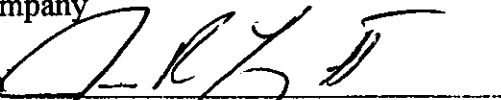
Liabilities for common assessments, rights to common surpluses and the number of votes appertaining to units added to the Condominium pursuant to this provision shall be the same as for those units declared to be a part of the Condominium by this Declaration. Declarant may assign in whole or in part, absolutely or for purposes of security, by a written assignment for that purpose, all such powers of amendment. Each unit owner, by acceptance of a condominium deed to a unit, shall thereby appoint Declarant and its successors and assigns as attorney-in-fact with irrevocable power coupled with an interest to execute and deliver an amendment in accordance with the foregoing provisions.

14. Successors and Assign. All rights granted to or reserved by Declarant hereunder shall be similarly granted to or reserved by and for the benefit of Declarant's successors and assigns.

IN WITNESS WHEREOF, this document has been executed this 29th day of November, by Declarant.

RIVER'S EDGE OF SHEBOYGAN,  
LLC, a Wisconsin limited liability  
company

BY

  
JAMES R. KANG II

State of Wisconsin )  
: SS  
Sheboygan County )

Acknowledged before me this 29 day of November,  
by James R. Lang II, as Manager of River's Edge of  
Sheboygan, LLC.

Michelle L. Kolberg  
( Michelle L. Kolberg )  
Notary Public, State of Wisconsin  
My commission 1-12-03

This instrument was drafted by David M. Sanders, Esq.



## EXHIBIT A

## Legal Description of Phase I

Part of Block 156, Original Plat, City of Sheboygan, Sheboygan County, Wisconsin, described as follows:

Commencing at the southeast corner of Block 149, Original Plat, City of Sheboygan, thence S 37°28'32" E along the west line of Water Street, 15.26', thence S 13°59'28" E along said west line, 79.63' to the point of beginning, thence continuing S 13°59'28" E, 291.31' to a vision corner, thence Southwesterly along a vision line, 37.42' along an arc of a curve to the right with a radius of 52.00', a chord bearing of S 44°34'59" W, and a chord length of 36.62' to a vision corner, said corner on the north line of Pennsylvania Avenue, thence S 88°28'36" W along said north line, 92.15, thence N 03°55'14" W, 97.96', thence N 31°13'08" W, 95.68', thence N 05°20'56" W, 129.59', thence N 88°42'17" E, 115.79' to the point of beginning.

## EXHIBIT B

## Legal Description of Expandable Area

Part of Block 156, Original Plat, and part of vacated Center Avenue adjacent to said Block, City of Sheboygan, Sheboygan County, Wisconsin, described as follows:

Commencing at the southeast corner of Block 149, Original Plat, City of Sheboygan, said point being the point of beginning, thence S 37°28'32" E along the west line of Water Street, 15.26', thence S 13°59'28" E along said west line, 79.63', thence S 88°42'17" W, 115.79', thence N 05°20'56" W, 0.64', thence N 22°21'50" W, 52.89', thence N 33°12'40" W, 47.12 to the north line of vacated Center Avenue, thence N 88°42'17" E along said north line, 133.25' to the point of beginning.