Document 11

Filed 01-27-2025

Page 1 of 35

**FILED** 

01-27-2025

2025CV000015

**Clerk of Circuit Court Manitowoc County, WI** 

797624

Document Number

Declaration of condominium AND Time- share Instrument For Fox Hills condominum vacation Dwnership Plan Document Title

VOL 1248 PAGE 702

STATE OF WISCONSIN - MANITOWOC COUNTY PRESTON JONES, REGISTER OF DEEDS RECEIVED FOR RECORD

10/20/1997 9:33:30 AM

Name and Return Address FH Reboit Limited Partnership

P.D. Box 129 michicat, wi 54702 7111

Recording Area

Parcel Identification Number (PIN)

# **DO NOT REMOVE**

This page is part of this legal document

This information must be completed by subminizer. document title, name & return address, and EUN (if required). Other information such as the granting clauses, legal description, etc. may be placed on this first page of the document or may be placed on additional pages of the document. Nate: Use of this cover page adds one page to your document and \$2.00 to the recording tee. Wisconsin Statutes, 59.517. WROA 2796

**EXHIBIT** 

#### DECLARATION OF CONDOMINIUM AND TIME-SHARE INSTRUMENT FOR FOX HILLS CONDOMINIUM VACATION OWNERSHIP PLAN

FH Resort Limited Partnership hereby declares it is the sole owner of the real property described in Exhibit A (the "Real Property") and, except as set forth below, subjects the Real Property to the Condominium form of ownership as provided in Chapter 703 of the Wisconsin Statutes, as amended, and to the Time-Sharing form of ownership as provided in Chapter 707 of the Wisconsin Statutes, as amended, and further subjects the Real Property to this Declaration of Condominium and Time-Share Instrument (the "Declaration/Time-Share Instrument"). The Declaration/Time-Share Instrument provides for the construction of thirty buildings on the Real Property subjected to the Declaration/Time-Share Instrument. The Plat reflects each building to be constructed and Real Property surrounding such building (hereinafter a "Parcel"). It is not intended to create separate Parcels. Such Parcels are set forth in the Plat solely as a method to define and describe the total Real Property which shall revert or be transferred to the Developer free and clear of this Declaration/Time-Share Instrument as set forth below. In the event construction of a building on a Parcel is not completed within five (5) years from the date of recording of this Declaration/Time-Share Instrument pursuant to Wisconsin Statutes 703.07 (the "Recording Date"), title to the Real Property subjected to this Declaration/Time-Share Instrument less and except any Parcel upon which a building has been constructed shall, as of the day preceding the fifth annual anniversary of the Recording Date, revert to the Developer free and clear of this Declaration/Time-Share Instrument without: (i) any action by Developer (ii) consent from or action by any other person or entity or (iii) any conveyance by Developer or any other person or entity. Such Real Property shall thereupon be removed from and shall not be part of this Declaration/Time-Share Instrument. Developer may, but is not required to, record an instrument identifying the legal description of the property removed from the Declaration/Time-Share Instrument. Further, Developer may, at any time, convey, to itself, Real Property subjected to this Declaration/Time-Share Instrument less and except any Parcel upon which a building has been constructed free and clear of this Declaration/Time-Share Instrument by recording an instrument declaring that the purpose of the instrument is to release and remove the Real Property described from this Declaration/Time-Share Instrument and identifying the legal description of the Real Property. Title to such Real Property shall, as of the recording of such instrument, revert to the Developer free and clear of this Declaration/Time-Share Instrument and such Real Property shall, as of such recording, be removed from and shall not be part of this Declaration/Time-Share Instrument. Developer's right to convey Real Property to itself as described above may only be exercised by Developer one time such that only one parcel of Real Property is conveyed to Developer. This Declaration/Time-Share Instrument is intended to be and constitutes a Declaration of Condominium recordable under Chapter 703, Wisconsin Statutes and a Time-Share Instrument recordable under Chapter 707 of the Wisconsin Statutes and shall be presumed to have been recorded initially as a condominium under Chapter 703 and then recorded as a Time-Share Instrument under Chapter 707. This instrument is dated this 1th day of October, 1997, by FH Resort Limited Partnership, the

Developer. The name and address of the Property are Fox Hills Condominium Vacation Ownership Plan, 250 Church St., Mishicot, Wisconsin 54228.

#### 1. DEFINITIONS

The terms used herein shall have the following meanings:

- "Act" means Chapter 707 and Chapter 703 of the Wisconsin Statutes, as amended from time to time
- "Association" means Fox Hills Owners Association, Inc., a non-(b) stock, non-profit corporation organized and existing pursuant to Chapter 181 of the Wisconsin Statutes, its successors and assigns, which is the means through which the Owners, acting as a group, shall administer, manage, operate and control the Property. The Association shall be the managing agent as designated by the Act.
- (c) "Board of Directors" means the Board of Directors of the Association.
- (d) "Common Elements" means all of the Property, except the Units and except and subject to any improvements installed by or for public utilities, including, but not limited to, the following:
- The land and all improvements with respect to the Property (i) not included within the Units which are not Limited Common Elements;
- (ii) Easements through the Units for conduits, ducts, plumbing, wiring and other apparatus for furnishing utility services to the various Units and to the Common Elements:
- All structural beams, posts and members within a Unit, and (iii) an easement of support in every portion of a Unit which contributes to the support of the building and all outside walls, roof, and landscaping;
- (iv) All utility areas and installations and all utility services which are available to more than one Unit or available to the Common Elements;
- All parking areas and all driveways, sidewalks and entrance (v) ways and all other means of egress and ingress within and across the Property;
- All electrical apparatus, wiring, plumbing, pipes and apparatus, telephone and other ducts, conduits, cables, wires or pipes which are outside the

boundaries of the Unit which are available to or which serve more than one Unit or the Common Elements;

- (vii) The hallways, stairways, landings and lobbies, if any, located in the buildings containing the Units;
- (viii) All tangible personal property required for the maintenance and operation of the Property;
- The storage buildings, if any, for equipment owned by the (ix) Association or by the company maintaining the Common Elements.
- "Common Furnishings" means the personal property in a Time-Share (e) Estate or located in the Limited Common Elements, including the furniture, tableware, cooking utensils, appliances, decorative items, and bedding and as thereafter replaced and/or augmented from time to time.
- (f) "Developer" means FH Resort Limited Partnership, its successors and assigns.
- "Even Year Time-Share Estate" means a Time-Share Estate in which (g) the first day of the Time-Share Estate is in a year ending with an even number. An Even Year Time-Share Estate is created by the recording of a deed or land contract conveying title to a Time-Share Estate identifying the Time-Share Estate as an Even Year Time-Share Estate.
- (h) "Exchange User" means a person who properly reserves and uses a Time-Share Week pursuant to an exchange agreement entered into between an Owner and an entity which operates a time-share exchange program.
- "Limited Common Elements" means those Common Elements, if any, identified in the Declaration/Time-Share Instrument or the Plat as reserved for the exclusive use of one or more but less than all of the Owners. Reference herein to Common Elements shall include all Limited Common Elements unless the context would prohibit it or it is otherwise expressly provided. At present, there are no Limited Common Elements included within the Property.
- (j) "Majority" means the Owners with more than fifty percent (50%) of the votes assigned to the Units and/or Time-Share Estates.
- "Mortgagee" means the holder of any recorded mortgage encumbering one or more Units or Time-Share Estate or a land contract vendor of a Unit or Time-Share Estate.

Document 11

- **(l)** "Occupancy Expenses" means costs and expenses incurred in connection with the use and occupancy of a Time-Share Week, including, but not limited to, the following expenses: (i) all costs of long distance and local telephone charges and operator assisted charges, at the fee charged by the Developer; (ii) all costs of the repair or replacement of damaged or missing Property, including but not limited to the Common Furnishings and the Unit, arising during the occupancy of Owner or a Permitted User (Each Owner and Permitted User shall be given an inventory of the Common Furnishings of the Unit upon check-in which shall be presumed to be accurate and the Common Furnishings and Unit shall be presumed to be free from damage unless inaccuracies to the inventory and damage to a Unit are identified on the inventory and Unit check-in form, in writing, and a Management Company employee acknowledges, in writing, receipt of such form within 24 hours after check-in.); (iii) all extraordinary expenses with respect to cleaning of a Time-Share Estate including, but not limited to, removing trash and refuse and (iv) all expenses, including reasonable attorney fees of trial and appeal, incurred in connection with enforcing the terms of the Declaration/Time-Share Instrument, the Act, the Bylaws of the Associations and these Rules and Regulations.
- "Odd Year Time-Share Estate" means a Time-Share Estate in which (m) the first day of the Time-Share Estate is in a year ending with an odd number. An Odd Year Time-Share Estate is created by the recording of a deed or land contract conveying title to a Time-Share Estate identifying the Time-Share Estate as an Odd Year Time-Share Estate.
- "Owner" means a person, combination of persons, or any entity, (n)including Developer, who, individually or in conjunction with other persons or entities, owns a Time-Share Estate or who has equitable ownership of a Time-Share Estate as a land contract vendee.
- "Permitted User" means any person, other than an Exchange User (0)and the Owner, occupying a Unit including, but not limited to, a member of such Owner's family, tenants, guests, licensees or invitees.
  - (p) "Plat" means the plat of survey conforming to the Act.
- "Property" means all the property, including the Time-Share Estates, (q) Units, Common Elements and Limited Common Elements.
  - "Time-Share Owner" means an Owner as defined herein. **(r)**
- "Time-Share Estate" means (i) with respect to all Owners, other than (s) Owners of Odd Year Time-Share Estates and Even Year Time-Share Estates, fee simple title to a specific Time-Share Week in a specific Unit and, with respect to an Even Year Time-Share Estate Owner and an Odd Year Time-Share Estate Owner, fee simple title to a specific Time-Share Week in a specific Unit during alternative odd or even years; and (ii) the nonexclusive right to use and enjoy the Common Elements in the Property. Reference to a Time-Share Estate shall include

Document 11

an Odd Year Time-Share Estate and an Even Year Time-Share Estate unless otherwise indicated. A Time-Share Estate, as defined herein, is a Time-Share Estate created under either or both Chapter 703 and/or Chapter 707.

- "Time-Share Assessment" means: (i) the expenses and projected expenses of administration, operation, and management of the Association and costs of the Association in fulfilling its duties set forth herein or in the Bylaws; (ii) expenses and projected expenses of repair, replacement, maintenance or improvement of the Units, the Common Elements, Limited Common Elements, Common Furnishings and other property owned by the Association; (iii) telephone and costs of utilities supplied to the Units; (iv) real property, and other taxes and assessments levied by government or quasi-government authority against the Units or Time-Share Estates (if not assessed directly to an Owner), Common Elements, Common Furnishings or other property owned by the Association; (v) insurance as set forth in this Declaration/Time-Share Instrument; (vi) housekeeping; (vii) all costs of the repair or replacement of Common Furnishings and the Property, including the Units or components thereof, or other property owned by the Association damaged during occupancy as a result of either intentional conduct or negligent conduct by an Exchange User; (viii) the cost of other services contracted for by the Association; (ix) other sums lawfully assessed by the Association and (x) establishing reasonable reserves for the foregoing items as determined in the sole discretion of the Board of Directors. All items constituting Time-Share Assessments are the direct liability of Time-Share Owners and shall be collected by the Association only as agent of Time-Share Owners.
- (u) "Time-Share Week" means a period consisting of seven (7) days beginning at 4:00 p.m. on the first day of the week designated on the deed or land contract until 11:00 a.m. on the last day. Each Unit is divided into 52 Time-Share Estates measured by a Time-Share Week. With respect to each Unit (a Time-Share Week in one Unit may begin on a different day than the Time-Share Week in another Unit), Time-Share Week No. 1 is the seven (7) day period commencing on the first day of the week in each calendar year designated on the deed or land contract. Additional weeks up to and including Time-Share Week No. 51 are computed in a like manner. Time-Share Week No. 52 is the seven (7) day period following the end of Time-Share Week No. 51 without regard to the month or year plus any days in the following year comprising that week. Notwithstanding that the Time-Share Week extends for the term stated in this Section, the check-in and check-out times shall be as set forth herein which times may be modified from time to time as reasonably deemed appropriate by the Board of Directors of the Association and identified in the Rules and Regulations.
- "Unit" means a unit as defined by Chapter 703 subject to the boundary descriptions set forth in the Declaration/Time-Share Instrument and Plat. Reference to a Unit shall also mean all the Time-Share Estates comprising the Unit.

#### 2. IDENTIFICATION OF UNITS AND TIME-SHARE ESTATES

The Units and Time-Share Estates subject to this Declaration/Time-Share Instrument are identified in Exhibit B by reference to the building, Unit number and Time-Share Week. Each Time-Share Estate will consist of a living room, kitchen and two (2) bedrooms, each with bathrooms. Thirty (30) buildings comprised of Four (4) Units per building and Two Hundred Eight (208) Time-Share Estates per building are included in the Property.

#### 3. CREATION/DESCRIPTION OF THE TIME-SHARE PROPERTY

- Creation of a Unit and creation of Time-Share Estates shall occur simultaneously upon recording of the Declaration/Time-Share Instrument. All Time-Share Estates are fee simple interests. Each Unit shall be divided into fifty-two (52) Time-Share Estates and fifty-two (52) Time-Share Weeks. Each Time-Share Estate shall have an equal share of ownership of and right to use Common Elements. The Common Elements shall remain undivided and no action for partition or division shall be brought. Use of Common Elements shall be limited as may be set forth in the Rules and Regulations. The Developer may, however, post signs or advertising materials on the Common Elements in connection with the sale of Time-Share Estates.
- A Time-Share Estate shall be identified by reference to the building. Unit number, Time-Share Week and a date identifying the commencement day of the Time-Share Week. Each Time-Share Estate is subject to this Declaration/Time-Share Instrument and is bound by the provisions thereof, the Articles, Bylaws and the Rules and Regulations of the Association. The Property is operated by the Association. Each Owner is a member of the Association.
- Although, at present, the Developer intends that all Units shall be two bedroom units, the Developer reserves the right to construct either an efficiency Unit, one bedroom Unit or three bedroom Unit. The effect of a change of Unit shall impact sharing of Time Share Assessments and Common Elements as follows: An efficiency Time-Share Assessment and percentage interest in Common Elements shall be forty percent (40%) of the Time-Share Assessment of a two bedroom Unit. A one bedroom Unit Time-Share Assessment and percentage interest in Common Elements shall be seventy percent (70%) of the Time-Share Assessment of a two bedroom Unit. A three bedroom Unit Time-Share Assessment and percentage interest in Common Elements shall be one hundred sixteen percent (116%) of the Time-Share Assessment of a two bedroom Unit. Assessments shall be rounded to the next dollar. Further, Developer reserves the right, prior to sale of any Time-Share Estate within a building, to reduce the size of a Unit and change the interior configuration of a Unit. Such change shall not affect a Unit's Time-Share Assessments and share of Common Elements. Modifications shall be reflected by amendment to the Plat.

#### 4. OWNERSHIP OF TIME-SHARE ESTATES

Each Time-Share Estate, together with all appurtenances thereto, shall for all purposes constitute a separate parcel of real property, which is owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real Case 2025CV000015

property.

of the Unit:

- 4.2 The boundaries of each Unit shall be determined as follows:
- (a) The upper horizontal boundary shall be the plane of the lower surface of the unfinished ceiling;
- (b) The lower horizontal boundary shall be the plane of the upper surface of the unfinished floor;
- (c) The vertical boundaries shall be extended to an intersection with the horizontal boundaries and shall be:
  - (i) Exterior Building Walls the unfinished inside wall surface
- (ii) Interior Building Walls the center line of the common wall separating the Units; and
- (d) Where there are apertures in any boundary, including but not limited to windows, doors and sky lights, such boundaries shall be extended to include the interior unfinished surfaces of such apertures including all frameworks thereof. Exterior surfaces made of glass or other transparent material and all framing and casings therefor, shall be included in the boundaries of the Unit. All installations for providing power, light, gas, hot and cold water, heating, refrigerating and air conditioning exclusively to one Unit shall be considered a part of that Unit.
- 4.3 If real property taxes are not assessed against a Time-Share Estate, then real property taxes assessed against a Unit shall be divided among the Owners of Time-Share Estates comprising such Unit based upon a 1/52nd allocation to each Time-Share Estate owned and 1/104th allocation to each Odd Year Time-Share Estate and Even Year Time-Share Estate owned. The Association shall provide notice by mail of the assessment and the amount of the property tax to the Time-Share Owners.
- 4.4 Ownership of a Time-Share Estate does not give the Owner any right with respect to modification of the Unit, paint, wall paper, furniture and furnishings, putting holes in the walls, hanging anything on the walls or any other matter with respect to the Property. The Association shall exercise all rights with respect to the Property.

#### 5. ASSOCIATION OF TIME-SHARE OWNERS

5.1 The Association shall be incorporated and shall have all of the powers of a non-stock corporation as presently enumerated in the Wisconsin Non-Stock Corporation Law, Chapter 181 of Wisconsin Statutes and all of the powers of an Association, absolute and

Case 2025CV000015

conditional, as presently enumerated in the Act. The Association is the managing entity. The Association shall act as agent for Time-Share Owners and on their behalf: (i) shall manage the Property, Common Furnishings and other property owned by the Association; (ii) may establish rules and regulations regulating use of the Property and the Common Furnishings; (iii) may prescribe fines, penalties, and/or special assessments for any violation of the Declaration/Time-Share Instrument, the Bylaws or the Rules and Regulations; (iv) shall furnish such Rules and Regulations in writing to the Owners who shall be bound thereby; (v) shall have exclusive management and control of the Property; (vi) be responsible for carrying out the provisions of this Declaration/Time-Share Instrument; and (vii) may enter into a management agreement with a managing entity of its choice, including, without limitation, an affiliate of the Developer and may contract with such management agent to provide all those services which the Association is permitted to delegate under the Act. The Association may not adopt, amend and repeal Bylaws. Only the members, as provided herein and by statute may adopt, amend or repeal Bylaws. No Bylaws, Rules or Regulations may be adopted which interfere with the Developer's ownership, rental sale and use of Time-Share Estates.

- Owners shall be entitled to and shall automatically be members of the Association, Each Time-Share Owner, Permitted User and Exchange User shall abide by and be subject to all provisions of this Declaration/Time-Share Instrument, the Bylaws and the Rules and Regulations of the Association.
- The Association shall have two (2) classes of voting Owners. Class A Owners shall be all Owners, except the Developer. Each Class A Owner shall have one (1) vote per Time-Share Estate owned whether constructed or not and each Class A Owner of an Odd Year Time-Share Estate and Even Year Time-Share Estate shall have one-half (1/2) vote per Odd Year Time-Share Estate and Even Year Time-Share Estate owned whether constructed or not with respect to matters governed by both Chapter 703 and Chapter 707. The vote of any Owner which is a partnership or comprised of more than one person shall be cast by one designated partner or owner, except that no designation shall be required for those Time-Share Estates owned by a husband and wife which may be voted by either of them but not both. A designation shall not be required for Time-Share Estates owned by one individual. A required designation must be in writing signed by all partners of the partnership or all of the persons owning the Time-Share Estate and if such duly executed designation is not filed with the Association secretary prior to the commencement of the Association meeting in which the vote(s) may be exercised, the vote(s) of the Time-Share Owner shall not be cast. The designation may be drawn to apply to a specific meeting or to any and all meetings until revoked by the owners of the Time-Share Estate. The vote(s) of a Time-Share Estate owned by an entity not provided for herein shall be cast in accordance with the applicable provision of the Wisconsin General Corporation Act. The vote of a Time-Share Estate is not divisible. The Class B member shall be the Developer. Developer, its successors and assigns shall be entitled to one (1) vote per each Time-Share Estate owned, whether constructed or not and one-half (1/2) vote per Odd Year Time-Share Estate and Even Year Time-Share Estate owned whether constructed or not with respect to matters governed by both Chapter 703 and Chapter 707.

Page 10 of 35

- 5.4 Subject to the limitations set forth herein, Developer, its successors and assigns, shall have the right at its option to appoint and remove the officers of the Association and to exercise the powers and responsibilities otherwise assigned by the Declaration/Time-Share Instrument, the Act, or the Bylaws to the Association or its officers. All present and future Owners, mortgagees and land contract vendees of Time-Share Estates shall be deemed, by acceptance of any deed to or mortgage on any Time-Share Estate or by entering into a land contract or lease affecting a Time-Share Estate or by the act of occupancy of a Time-Share Estate, to agree, approve and consent to the right of Developer to so control the Association. Notwithstanding the preceding, two of the five directors shall always be Class A Owners elected by Owners other than Developer. Under all circumstances, when Time-Share Owners, other than Developer own fifteen percent (15%) or more of all Time-Share Estates, the Association shall hold a meeting and the Owners, other than the Developer, shall elect at least one-third (1/2) of the directors of the Board of Directors. Owners, other than Developer, may elect no less than a majority of the members of the Board of Directors when the first of any of the following occurs:
- (a) Three (3) years after fifty percent (50%) of the Time-Shares in a Time-Share Property have been conveyed to purchasers.
- (b) Thirty (30) days after the conveyance of seventy-five percent (75%) of the Common Element to purchasers.
- (c) Three (3) months after ninety percent (90%) of the Time-Shares in a Time-Share Property have been conveyed to purchasers.
- (d) Ten (10) years from the date of the first conveyance by Developer to any purchaser.
- (e) All of the Time-Shares that will ultimately be operated by the Association have been completed, some of them have been conveyed to purchasers, and none of the others is being offered for sale by the Developer in the ordinary course of business.
- (f) Some of the Time-Shares have been conveyed to purchasers and none of the others is being constructed or offered for sale by the Developer in the ordinary course of business.

Directors shall be classified with respect to the terms for which they hold office by dividing them into two (2) classes as follows:

- (a) Three (3) directors whose terms will expire after one (1) year from date of this Declaration/Time-Share Instrument at the next annual meeting of the Association.
- (b) Two (2) directors whose terms will expire after two (2) years from date of this Declaration/Time-Share Instrument, at the second annual meeting of the Association.

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of two (2) years and until their successors are duly elected and qualified, or until any of said directors shall have been removed in the manner hereinafter provided, so that the term of one (1) class shall expire in each year.

5.5 The Association may obtain and pay for the services of any person or entity to manage its affairs to the extent it deems advisable, may retain a person or company to furnish any services it deems in the best interest of the Owners, and may hire such other personnel as it shall determine to be necessary or advisable for the proper operation of the Property.

#### 6. MAINTENANCE, ALTERATION, REPAIR AND MANAGEMENT

- 6.1 The Association shall be responsible for keeping the Property, including but not limited to each Time-Share Estate, the Limited Common Elements, if any, and Common Elements, and all Common Furnishings and property owned by the Association in good order, condition and repair and in a clean and sanitary condition except with respect to a Unit during occupancy by an Owner, Permitted User or Exchange User. Maintenance of the Time-Share Estate and Common Furnishings shall occur between the check out by an Owner and check in by the next Owner.
- 6.2 The Association shall have the sole and exclusive right to paint, repaint, rile, panel, paper or otherwise refurnish and decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of each Unit and all walls, ceilings, floors and doors within such boundaries, and to erect partition walls of a nonstructural nature, provided that the Association shall take no action which in any way will materially change any common walls, except as otherwise provided herein with reference to relocation of boundaries.
- 6.3 The Association shall have access to each Unit during reasonable hours as may be necessary to fulfill its obligations hereunder, and shall have such rights of access in emergencies as are necessary to prevent damage to the Unit.
- 6.4 The Association may make improvements or alterations to the Property and the Common Furnishings as the Board of Directors shall deem necessary or appropriate. No Owner shall make any improvements, alterations or additions to a Unit or the Property.
- **6.5** The Association may contract for services and may purchase property it deems necessary or beneficial for the Owners, the Units or operation of the Association.
- 6.6 The Association shall acquire Common Furnishings and may acquire and hold other property for the use and benefit of all of the Owners and may dispose of the same by sale or otherwise. The Association may make reasonable Rules and Regulations governing the use of the Common Furnishings and each Time-Share Estate. The Association may exercise any other right or privilege given to it expressly herein or by law and every other right or privilege

reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Any Time-Share Assessments not spent during a year shall be used to repay outstanding debt of the Association, if any. If there is no outstanding debt of the Association, the Association shall determine the expenditure or allocation of the funds.

#### 7. INSURANCE

- The Association shall be designated the insurance trustee as provided in Wisconsin Statutes § 707.35(4). The Association shall procure insurance for the Property, Common Furnishings and other property owned by the Association against all risks of direct physical loss commonly insured against for not less than full replacement value of the property insured and a liability policy, including medical payments insurance, in an amount determined by the Association but not less than any amount required by law, covering all claims commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Property, Common Furnishings and other property. Each Insurance policy shall provide all of the following:
- That each Owner is an insured person under the policy whether (a) designated as an insured by being named individually or as part of a named group or otherwise, as the time-share owner's interest may appear.
- (b) That the insurer waives its right to subrogation under the policy against any Owner or members of the Owner's household.
- That an act or omission by any Owner shall not void the policy or be a condition to recovery by any other person under the policy unless the Owner is acting within the scope of his or her authority on behalf of the association.
- That the policy is primary insurance not contributing with any other insurance in the name of a Owner covering the same risk covered by the policy, and the other insurance in the name of a Owner applies only to loss in excess of the primary coverage.
- Any portion of the Property damaged or destroyed shall be repaired or replaced promptly subject to the terms of the Act.
- The Board of Directors may also obtain casualty and public liability insurance covering the Association and property owned by the Association in such amounts as may be determined in the discretion of the Board of Directors. The Board of Directors shall also obtain worker'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 or desirable.

## 8. LIABILITY FOR TIME-SHARE ASSESSMENTS AND OCCUPANCY EXPENSES

- 8.1 Each Owner of a Time-Share Estate shall be assessed his Proportionate Share of Time-Share Assessments and shall be assessed for his Occupancy Expenses. Each Owner of an Even Year Time-Share Estate and each Owner of an Odd Year Time-Share Estate shall be assessed his Proportionate Share of Time-Share Assessment during the year in which the Owner has title to an Even Year Time-Share Estate or Odd Year Time-Share Estate. Proportionate Share shall be determined as follows: each two bedroom Time-Shares Estate shall receive an equal assessment with each other two bedroom Time-Share Estate. No Owner shall be exempt from a Time-Share Assessment by waiver of the use of enjoyment of a Time-Share Estate, the Common Elements or Limited Common Elements or by the abandonment of a Time-Share Estate; and each Owner shall be jointly, severally and personally liable along with grantees of an Owner's Time-Share Estate for Time-Share Assessments and other expenses chargeable to such Owner incurred prior to and as of the date of sale of a Time-Share Estate. If any expense is incurred by the Association caused by the misconduct of an Owner or Permitted User of an Owner, the Association may assess that expense exclusively against that Owner's Time-Share Estate.
- **8.2** All Time-Share Assessments and Occupancy Expenses, penalties, fines, interest at the rate determined by the Association on unpaid sums and all actual costs of collection shall immediately become a personal debt of the Owner and also a lien, until paid, against the Time-Share Estate to which charged and may be collected and/or enforced as provided in the Act. The Association shall perfect and enforce said lien in the manner provided in the Act.
- **8.3** Unless modified by the Board of Directors, each Time-Share Assessment with respect to a Time-Share Estate shall be due and payable to the Association in semi-annual installments in advance. If necessary to cover unanticipated expenditures which may be incurred during the fiscal year, the Board of Directors of the Association may, as provided in the Bylaws, levy special assessments against Owners.
- **8.4** Notwithstanding anything herein stated, a mortgagee of a Time-Share Estate shall not be liable for Time-Share Assessments levied against a Time-Share Estate prior to the date the mortgagee of the Time-Share Estate acquires title to such Time-Share Estate.
- **8.5** An Owner, including Developer, shall be responsible for all Occupancy Expenses arising during occupancy or use by an Owner and his Permitted User. All Occupancy Expenses are payable at check-out time. Those expenses which cannot be ascertained immediately are due upon receipt of an invoice.

#### 9. FAILURE TO VACATE

9.1 If any Owner or Owner's Permitted User fails to vacate a Time-Share Estate at the end of the Time-Share Week he is entitled to occupy or otherwise, without authorization,

uses or occupies a Time-Share Estate or damages a Time-Share Estate such that it is not, in the sole discretion of the Association, usable for occupancy (such Owner is hereinafter referred to as the "Detaining Owner"), such Owner or Permitted User shall (a) be subject to immediate removal, eviction or ejection from the Time-Share Estate wrongfully used or occupied and (b) be deemed to have waived any notice required by law with respect to any legal proceedings regarding removal, eviction or ejection (to the extent that such notices may be waived under applicable law). The Owner shall: (a) reimburse the Association and the person who would otherwise have occupied such Time-Share Estate (the "Detained "Party") for all costs and expense incurred by Detained Party and by the Association as a result of such action(s) including, but not limited to, costs of alternative accommodations, travel costs, court costs and reasonable attorneys' fees incurred in connection with removing, evicting or ejecting the Detaining Owner from such Time-Share Estate and costs (including reasonable attorneys' fees) incurred in collecting such reimbursement(s); and (b) pay to the Detained Party entitled to use and occupy the Time-Share Estate during such wrongful occupancy, as liquidated damages (in addition to the costs and expenses set forth above), a sum equal to two hundred percent (200%) of the fair rental value per day of the Time-Share Estate for each day or portion thereof, including the day of surrender, during which the use and occupancy of the Time-Share Estate is unavailable to the Detained Party. The Association shall be responsible for determining the "fair rental value" of a Time-Share Estate. "Fair rental value" for a Time-Share Estate shall be based upon the costs of renting comparable accommodations located in the Property. The Association shall use reasonable efforts to attempt to remove the Owner or Permitted User from the Time-Share Estate and/or to assist the Detained Party in finding alternate accommodations during such holdover period; to secure, at the expense of the Association (to be charged to and reimbursed by the Detaining Owner), alternative accommodations for any Detained Party which alternate accommodations shall be as near in value to the Detained Party's Time-Share Estate as possible. In the event that the Association, in its sole discretion, deems it necessary to contract for a period greater than the actual period for which the use is prevented in order to secure alternate accommodations as set forth above, the cost of the entire period shall be assessed to the Detaining Owner. By accepting any conveyance of a Time-Share Estate, each Owner agrees that, in the event of a wrongful occupancy or use by him or any Permitted User, damages would be impractical or extremely difficult to ascertain and that the measure of liquidated damages provided for herein constitutes a fair compensation to those who are deprived of occupancy. For the purposes of this Paragraph, the act or negligence of a Permitted User shall be deemed to be the act or negligence of the Owner.

#### 10. EASEMENTS, RESERVATIONS AND ENCROACHMENTS

10.1 Developer and Developer's duly authorized agents, representatives and employees shall have the right to maintain two (2) model Units selected from Units in the Property and up to three (3) sales offices on the Property (which may be relocated periodically) and to use those model Units and the sales offices during the period that any Units have not been constructed and/or sold. The size of each sales office shall be no larger than 7,800 square feet. Developer shall have the right to use signs, flags or other types of devices to promote the construction and sale of the Units. Developer and Developer's duly authorized agents, representatives and

employees shall have the right of ingress and egress in, over and across the Common Elements and the Limited Common Elements and the right to store materials thereon and make such other use thereof as may be reasonably necessary or incident to construction of buildings, installation of utilities and other improvements, development of the Common Elements, installations of Common Furnishings, sales of Time-Share Estates and operation of the Property.

- Developer shall have the right to rent Time-Share Estates owned by Developer to the general public for any term, sell or otherwise dispose of Time-Share Estates by deed, land contract or other form of installment sale, or by such other means of conveyance as it may choose, and in the event that Developer shall reacquire any Time-Share Estate, by purchase, foreclosure or otherwise, such Units may be utilized or sold as set forth herein.
- 10.3 Easements are hereby declared and granted for the benefit of the Owners and the Association and reserved for the benefit of the Developer for utility purposes, including, but not limited to, the right to install, lay, relocate, maintain, repair and replace wells, water mains and pipes, sewer lines, gas mains, telephone wires and equipment, master television antenna and/or cable television system wires and equipment, and electrical conduits and wires and equipment, including power transformers, over, under, along and on the Property including but not limited to any part of the Units, Common Elements and Limited Common Easements, to service the Time-Share Estates.
- 10.4 An irrevocable right and easement is hereby granted and declared for the benefit of the Association to enter Units and to maintain and/or make repairs to Units during occupancy by an Owner, Permitted User or Exchange User when such maintenance and repairs reasonably appear necessary or to prevent damage to other portions of the Property. No entry by the Association for the purposes herein stated may be considered a trespass.
- 10.5 An easement is hereby reserved for the benefit of the Developer and the invitees, licensees, employees and representatives of Developer to use all or any portion of the land subjected to the Declaration/Time-Share Instrument on which a building has not been constructed for any purpose related to the business of operating a resort and golf course development including, but not limited to, golf paths, driving range and maintenance of adjoining properties. Developer shall not have any obligation to restore or maintain land as a result of this reservation of easement.
- 10.6 An easement is hereby reserved for the benefit of the Developer and the invitees, licensees, employees and representatives of Developer for ingress and egress over and upon any portion of the land described as Common Elements to and from property owned by Developer. No fencing or other impediments to entering land described as Common Elements from property owned by Developer shall be constructed without the written consent of Developer. Developer shall not have any obligation to restore or maintain land as a result of this reservation of easement.

Page 16 of 35

- 10.7 All easements and rights described herein are perpetual easements appurtenant to and 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, all Owners, purchasers, vendees, mortgagees, lessees and occupants and their heirs, executors, administrators, successors and assigns. Execution of instruments and documents by the Association to effectuate the provisions of this Article shall bind all Owners, mortgagees and other parties having an interest in the Property.
- 10.8 Developer reserves the right, prior to sale of any Time-Share Estate within a building, to reduce the size of a Unit and change the interior configuration of a Unit. Such change shall not affect a Unit's Time-Share Assessments and share of Common Elements. Modification shall be reflected by amendment to the Plat.

#### 11. MANAGEMENT CONTRACT

11.1 The Association has entered into a management contract with Manitowoc Timeshare Management LLC, granting it the right and power to determine the budget, make assessments for Time-Share Assessments, collect Time-Share Assessments, Occupancy Expenses and any special assessments, fines, expenses and interest charged hereunder. Manitowoc Timeshare Management LLC is owned or controlled by the Developer and an entity owned or controlled by a limited Partner of the Developer.

#### 12. EXPANSION

12.1 Developer reserves the right, for a term of ten (10) years from date of recording of this Declaration/Time-Share Instrument to expand the Condominium/Time-Share project by adding up to twenty-one buildings, containing four (4) Units each, totaling Eighty-four (84) Units and four thousand three hundred sixty-eight (4,368) additional Time-Share Estates to this Declaration/Time-Share Instrument and by adding the existing Time-Share Estates set forth in this Declaration/Time-Share Instrument to the Declaration/Time-Share Instrument if they have reverted to the Developer or been conveyed to the Developer hereunder and therefore are disclosed hereunder as part of the right of expansion. The sum of Two Hundred Four (204) Units and Ten Thousand Six Hundred Eight (10,608) Time-Share Estates are the total of Units and Time-Share Estates which may exist hereunder except that the number may be doubled in the event all Time-Share Estates are divided into Odd Year Time-Share Estates and Even Year Time-Share Estates. The legal description of each parcel of property which may be added to the Declaration/Time-Share Instrument is set forth in Exhibit C. The Plat includes, in general terms, the outlines of the land, buildings, and Common Elements of new property that may be added to the Declaration/Time-Share Instrument. The new land, buildings, Common Elements and Time-Share Estates to be added shall be accomplished by the Developer filing an amendment to this Declaration/Time-Share Instrument which describes the additional Property pursuant to the terms of the Act, identifies the type of building and Units to be constructed and sharing of liabilities after such addition. The Developer may add all or part of the Property periodically in its sole

discretion. Each Owner of an expansion Time-Share Estate shall be entitled to the same voting rights as set forth herein regardless whether the expansion Unit is an efficiency, one bedroom, two bedroom or three bedroom Unit. Time-Share Assessments and the percentage interests in the Common Elements shall be allocated utilizing the two bedroom Unit as a base. An efficiency Time-Share Assessment and percentage interest in Common Elements shall be forty percent (40%) of the Time-Share Assessment of a two bedroom Unit. A one bedroom Unit Time-Share Assessment and percentage interest in Common Elements shall be seventy percent (70%) of the Time-Share Assessment of a two bedroom Unit. A three bedroom Unit Time-Share Assessment and percentage interest in Common Elements shall be one hundred sixteen percent (116%) of the Time-Share Assessment of a two bedroom Unit. Assessments shall be rounded to the next dollar.

#### 13. AMENDMENTS TO DECLARATION/TIME-SHARE INSTRUMENT

13.1 This Declaration/Time-Share Instrument may be amended as provided by the Act. Notwithstanding the preceding, no amendment may modify or terminate any rights of Developer contained herein. 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 Manitowoc County.

#### 14. NOTICES

14.1 Notices and other documents to be served upon Developer shall be given to the Registered Agent specified for receipt of process herein. All Owners shall provide the Association with an address for the mailing or service of any notice or other documents and the Association shall be deemed to have discharged its duty with respect to the giving of notice by mailing it or having it delivered personally to such address as is on file with it.

#### 15. SERVICE OF PROCESS

15.1 The person to receive service of process shall be the Registered Agent for the Association, which designation and any changes thereof shall be filed with the Secretary of State of the State of Wisconsin. The initial Registered Agent is Donald G. Miller c/o Fox Hills Resort & Conference Center 250 W. Church St., Mishicot, Wisconsin 54228.

#### 16. NUMBER AND GENDER

16.1 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.

#### 17. CAPTIONS

17.1 The captions and section headings herein are inserted only as a matter of convenience and for reference and in no way define or limit the scope or intent of the various provisions hereof.

#### 18. SEVERABILITY

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

#### 19. SUCCESSORS AND ASSIGNS

19.1 The rights, reservations, obligations and duties of Developer and any Time-Share Estate shall be binding upon and inure to the benefit of Developer and each Time-Share Estate and their successors and assigns.

### 20. GOVERNING LAW

20.1 This Declaration/Time-Share Instrument, the Articles of Incorporation of the Association, the Bylaws of the Association and the Rules and Regulations established thereunder shall be governed by and construed under the laws of the State of Wisconsin.

> FH RESORT LIMITED PARTNERSHIP, Developer

This document was drafted by:

Patrick J. O'Neil, Esq. O'Neil, Cannon & Hollman, S.C. Suite 1400, Bank One Plaza 111 East Wisconsin Avenue Milwaukee, Wisconsin 53202 (414) 276-5000

IN WITNESS WHEREOF, this said FH Resort Limited Partnership, a Wisconsin limited partnership, the Declarant, has caused this Declaration to be executed as of the date and year first above written.

FH RESORT LIMITED PARTNERSHIP, a Wisconsin limited partnership

By: FHR, Inc., a Delaware corporation,

its general partner

By: William A. Meyer, President

STATE OF FLORIDA

} } ss.

COUNTY OF PALM BEACH }

Personally came before me this 3rd day of October. 1997, the above named William A. Meyer. President FHR, Inc., a Delaware corporation, its general partner, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public

My Commission expires

Barbara Ricksen

Notary Public, State of Florida
Commission No. CY: 65290

orns My Commission Exp. 07/27/2001

1-800-3-NOTARY - Fia Notary Service & Bonding Co

ATTEST:

Michael J. Jacobson, Secretary

IN WITNESS WHEREOF, this said FH Resort Limited Partnership, a Wisconsin limited partnership, the Declarant, has caused this Declaration to be executed as of the date and year first above written.

FH RESORT LIMITED PARTNERSHIP, a Wisconsin limited partnership

By: FHR, Inc. a Delaware corporation, its general partner

\_ .

William A Meyer, President

STATE OF FLORIDA

} ss.

COUNTY OF PALM BEACH }

Personally came before me this 3rd day of October. 1997, the above named William A. Meyer. President FHR, Inc., a Delaware corporation, its general partner, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public

My Commission expires

1-800-J-NOTARY - Fla. No

Barbara Rickser

ATTEST:

Michael J. Jacobson, Secretary

STATE OF Massachusetts } ss.

Personally came before me this 4 day of October, 1997, the above named Michael J. Jacobson, Secretary FHR, Inc., a Delaware corporation, its general partner, to me known to be the person who executed the foregoing instrument and acknowledged the same

Notary Public

My Commission expires:

JAY A. EASTMAN NOTARY PUBLIC Geograms Supplies May 1, 2003

## CONSENT

The undersigned, Anchor Bank, S.S.B., hereby consents to the subjection of the property, described in Exhibit A attached hereto, to Chapter 703 and 707 of Wisconsin Statutes by recording of a Declaration of Condominium and Time-Share Instrument.

Date: October 654 1997

Anchor Bank, S.S.B.

David L. Weimer

STATE OF WISCONSIN

DANE COUNTY

Personally came before me this bay of October, 1997, the above named David L. Weimert, First Vice President of AnchorBank, S.S.B., toping known to be the person who executed the above and foregoing instrument and acknowledged the same.

Notary Public, State of Wiscon

My Commission;

SUSAN 6 BACH

THIS INSTRUMENT WAS DRAFTED BY:

Patrick J. O'Neil O'Neil, Cannon & Hollman, S.C. 111 East Wisconsin Avenue, Suite 1400 Milwaukee, Wisconsin 53202 414-276-5000 Fax 276-6581

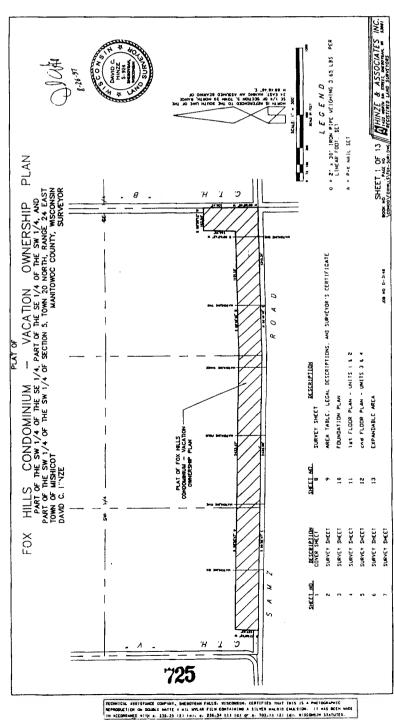
## EXHIBIT A

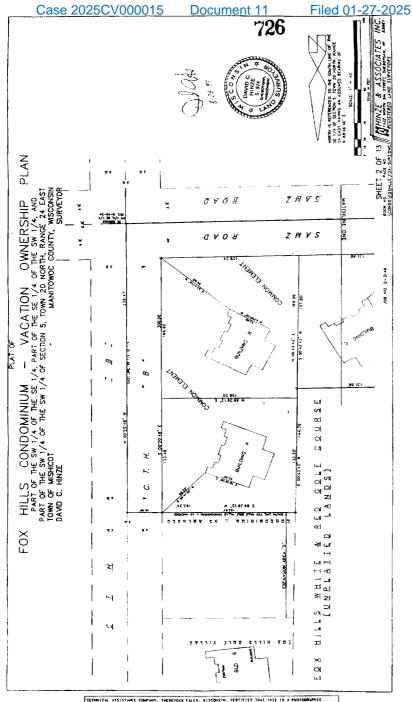
#### LEGAL DESCRIPTION:

Part of the SW ¼ of the SE ¼, part of the SE ¼ of the SW ¼, and part of the SW ¼ of the SW ¼ of Section 5, Town 20 North, Range 24 East, Town of Mishicot, Manitowoc County, Wisconsin, described as follows:

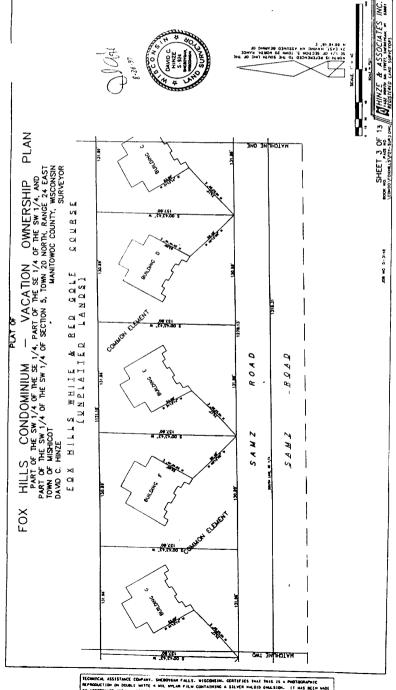
Commencing at the SW corner of said Section 5, also being the point of beginning, thence N 88°46'46" E along the south line of the SE ¼ of said Section 5, 1318.31' to the SE corner of the SW ¼ of the SE ¼ of said Section 5, thence N 00°20'48" W along the east line of the SW ¼ of the SE ¼ of said Section 5, thence N 00°20'48" W along the east line of the SW ¼ of the SE ¼ of said Section 5, 464.47', thence S 89°39'12" W, 191.20', thence S 00°43'43" W, 269.78', thence S 88°46'46" W, 1121.18', thence N 88°58'47" W, 2423.47', thence S 02°58'10" W, 197.82' to the south line of the SW ¼, thence S 88°58'47" E along said south line, 2434.06' to the point of beginning.

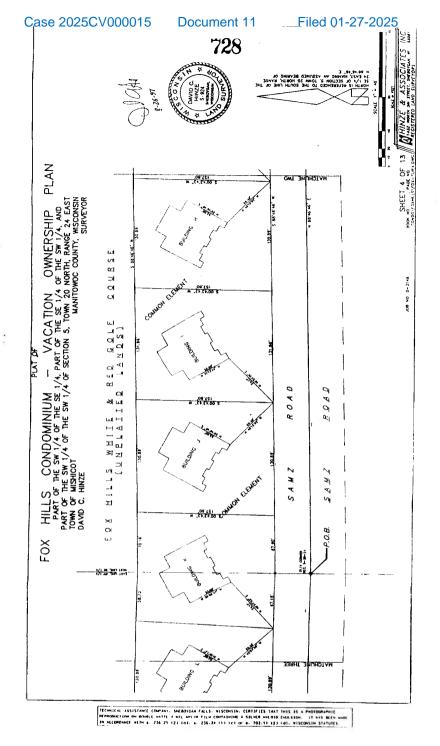
Document 11

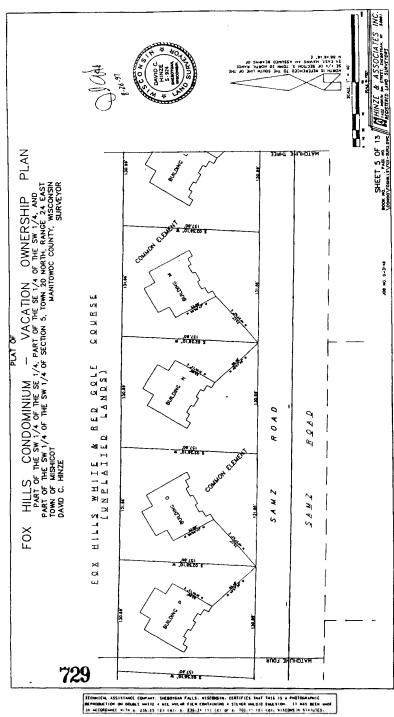


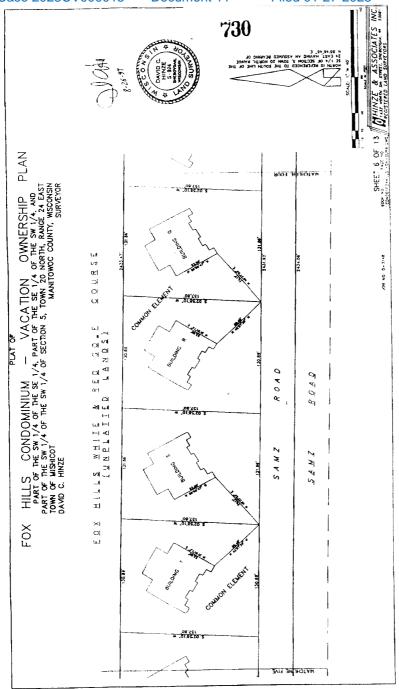


TECHNICAL ASSISTANCE COMMAND. SECROTICAR PALES. RESCRICTION CRETIFIES THAT THIS IS A PROTORMANIC REPRODUCTION ON DOUBLE MITS. 4 MIL METAL FILL CONTAINING. STILVER PAROTE BALASTON. IT HAS BEEN MOT IN ACCOMPANCE VITH 8. 236-25 (11 tol. s. 236-25 (11 tol. c. 236-

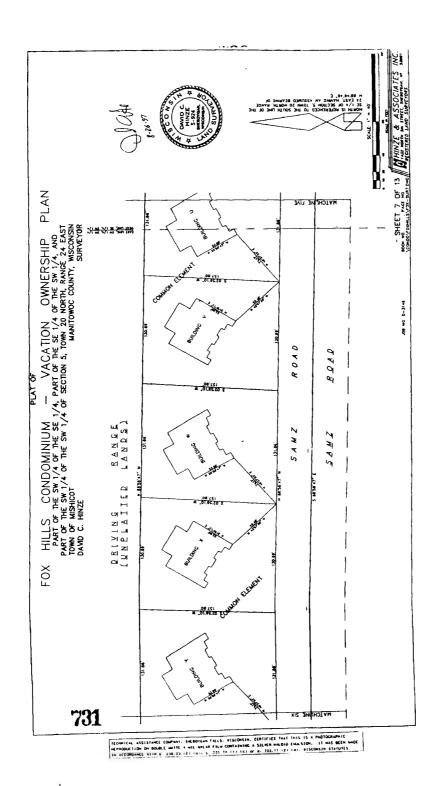


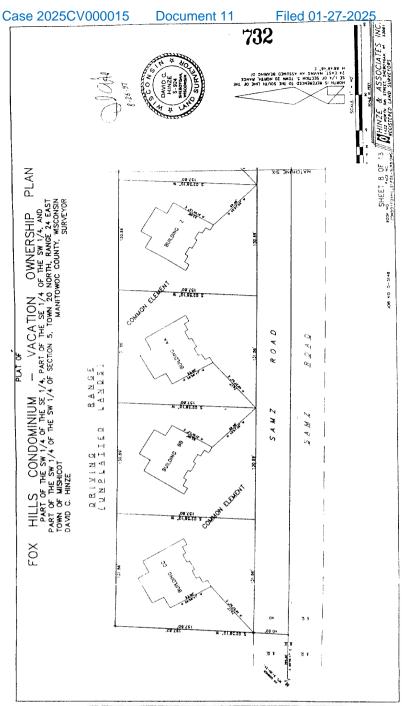






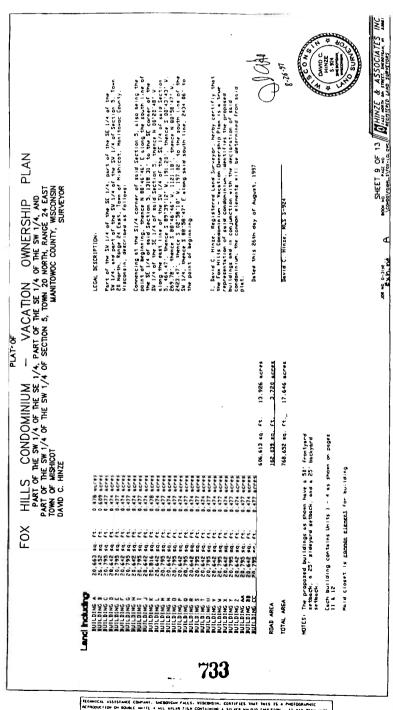
PECINICAL INSISTANCE CONTAIN, SURBOYGAN FALLS, VISCONSIN, CERTIFICS THAT THIS IS A PROTOGRAPHIC REPRODUCTION ON BOUGH WITH A MIL WILLIA FILM CONTAINING A SILVER MACID CHARSION, IT HAS BEEN MADE IN ACCORDANCE WITH A 232-25 (2) 1-01, 8, 234-24 (1) 1c) or 4, T03-11 (2) 10), VISCONSIN STATUTES.



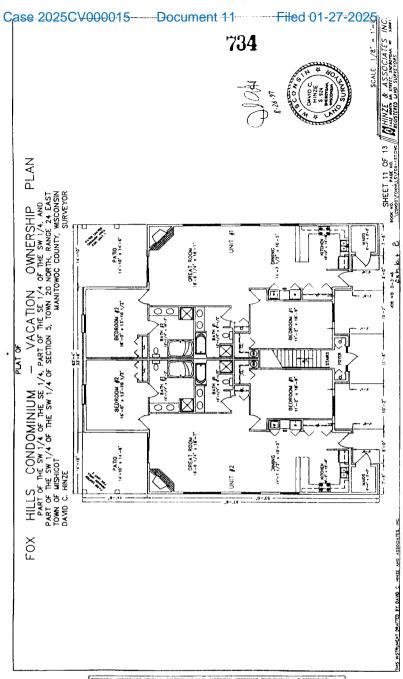


. 1

Document 11

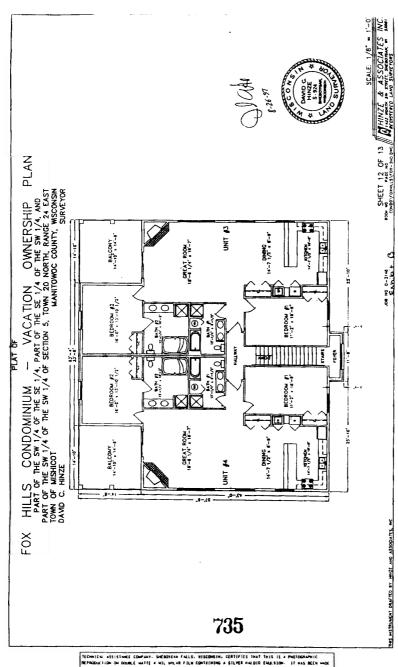


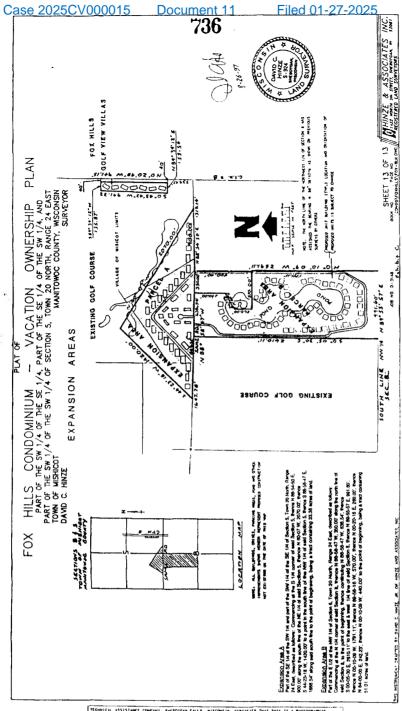
RECOMMICA ASSISTANCE COMMANT. SUCROSCOM PALS. VISCONSTIN. CERTIFIES THAT THIS IS A PRODUCEMENT. REPRODUCTION OF BOOKE WITH 4 MIL MILLOR FILL CONTAINING A STIVE WARDID EMASION. 11 MAS BEEN LIA ACCORDANCE WITH A 736-25 171 101. 0. 284-34 11) (c) or a. 103-11 (2) (0). WISCONSTA STATULE.



TECHNICAL ASSISTANCE COMPANY, SHERVICAN PALLS, RISCOMEIN, CERTIFIES HAT THIS IS A PROTOGRAPHIC MEMORITOR ON DOUBLE MATT & MILL WITH FILM CONTAINING SILVER MACID TRANSITION, IT TAKE BETN MODE ACCORDANCE SILVER ALL STREAM, STATE SILVER ACCORDANCE SILVER, STATE SILVER ACCORDANCE SILVER

Document 11





TECHNICAL ASSISTANCE COMPANY, SHERDYGAN FALLS, VISCONSIN, CERTIFIÉS THAT THIS IS A PHOTOGRAPHIC REPRODUCTION ON DOUBLE MATE & MIT WEAR FILM CONTAINING A SILVER MAJOTO CHASSION. IT WAS BEEN MADE