

ELMWOOD TERRACE CONDOMINIUM HOMES

3. ARTICLES OF INCORPORATION
OF
ELMWOOD TERRACE ASSOCIATION, INC.

ARTICLES OF INCORPORATION
ELMWOOD TERRACE ASSOCIATION, INC.

Table of Contents

Articles

		<u>Page</u>
1.	NAME OF CORPORATION	B-1
2.	PERIOD OF EXISTENCE	B-1
3.	PURPOSES	B-1
4.	PRINCIPAL OFFICE	B-1
5.	REGISTERED AGENT	B-1
6.	ADDRESS OF REGISTERED AGENT	B-1
7.	AMENDMENT	B-1
8.	NUMBER OF DIRECTORS	B-2
9.	NAMES AND ADDRESSES OF DIRECTORS.	B-2
10.	MEMBERSHIP PROVISIONS	B-2
11.	OTHER PROVISIONS	B-2
12.	NAME AND ADDRESS OF INCORPORATOR.	B-2

ARTICLES OF INCORPORATION

Executed by the undersigned for the purpose of forming a Wisconsin corporation under Chapter 181 of the Wisconsin statutes, WITHOUT STOCK AND NOT FOR PROFIT.

Article 1.

The name of the corporation is ELMWOOD TERRACE ASSOCIATION, INC.

Article 2.

The period of existence shall be perpetual.

Article 3.

The purposes shall be to manage, operate and maintain
Elmwood Terrace Condominium Homes, located at
1250-70 Elmwood Street, Lake Geneva, WI.

Article 4.

The principal office is located in Milwaukee
and the address of such principal office is ----- County, Wisconsin,

9400 West Lincoln Avenue
West Allis, Wisconsin 53227.

The complete mailing address, including street and number, if assigned, or P.O. Box, and the ZIP code.

Article 5.

Name of the initial registered agent is Konstantine S. George, M.D.

Article 6.

Address of the initial registered agent is
(The complete address, including street and number, if assigned, and the ZIP code, must be stated.)

9400 West Lincoln Avenue
West Allis, Wisconsin 53227.

Article 7.

These articles may be amended in the manner authorized by law at the time of amendment.

-See instructions and suggestions
elsewhere on the form-

The number of directors shall be fixed by by-law but shall be not less than three.

OR

~~The number of directors shall be fixed by by-law but shall be not less than three.~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~(Not to be used)~~

(Strike out the Article 8 you do not use)

Article 9.

The names and addresses of the initial Board of Directors are:

(At least 3, with complete address, including street and number, if assigned, and the ZIP code)

Konstantine S. George, M.D.
9400 W. Lincoln Avenue, West Allis, WI

Thomas R. Pagedas, M.D.
9400 W. Lincoln Ave., West Allis, WI

Nicholas T. Christon
P. O. Box 212, Elm Grove, WI 53122

Article 10.

Membership Provisions will be set forth in the by-laws.

OR

~~Article 10.~~

~~Membership Provisions (See Instructions C)~~
~~XXXXXXXXXXXXXXXXXXXX~~

Article 11.

(Other provisions) None

Article 12.

The name and address of incorporator (or incorporators) are:

NAME

David I. Nestingen

ADDRESS

(street & number, city, state & ZIP code)

1042 East Juneau Avenue

Milwaukee, WI 53202

Executed in duplicate on the 28 day of May, 19 85

All incorporators
SIGN HERE

David I. Nestingen

PERSONALLY came before me this 28 day of May A.D., 19 85
the aforementioned incorporator(s) David I. Nestingen

to me known to be the person who executed the foregoing instrument, and acknowledged
the same.

Notary Public

My Commission expires _____

[Notarial
Seal]

This document was drafted by David I. Nestingen (See instructions)
(Name of person - please print or type)

INSTRUCTIONS AND SUGGESTIONS

CONTENT OF THE FORM

- A. *Article 1.* The name must contain "Corporation", Incorporated", or "Limited" or the abbreviation of one of those words.
- B. *Article 2.* Insert "perpetual" or insert any limitation desired, but not "indefinite"
- C. *Article 3.* May show definite purposes or may use language to the effect that the corporation may engage in any lawful activities authorized by Chapter 181 of the Wisconsin Statutes. (The statute expressly states that it is not necessary to enumerate the powers.)
- D. *Article 4.* Give complete mailing address of the corporations principal office in Wisconsin, including street name and number, city and ZIP code, and the COUNTY within which the office is located. P.O. Box addresses may be used.
- E. *Article 5 & 6.* The corporation must have a registered agent in Wisconsin. Be sure show a complete address, including street and number, city and ZIP code for the registered agent. A P.O. Box address may be included for mailing purposes.
- F. *Article 9.* Section 181.20(2) Wisconsin Statutes provides that the initial board of directors shall be named in the articles of incorporation. The number of directors shall not be less than 3. Please give complete addresses, including street and number, city and ZIP code for all directors.
- G. *Article 10.* If the membership provisions are set forth in the articles of incorporation (rather than in the by-laws) provide for A) method of accepting and discharging members; B) any denial or restriction of voting rights; and C) any classification of members, including the distinguishing features of each class.
- If the corporation is to have *NO MEMBERS*, strike out both imprinted Articles 10 and substitute the remark that "The corporation is to have no members", and further set forth the manner of election or appointment of directors.

Mail Returned Copy to:

(FILL IN THE NAME AND ADDRESS HERE)

PRIEVE, MEYER & NESTINGEN, S.C.
1042 East Juneau Avenue
Milwaukee, Wisconsin 53202

INSTRUCTIONS AND SUGGESTIONS (continued)

- H. *Article 12.* Have the INCORPORATOR SIGN before a Notary Public. The number of incorporators may be one or more, but all the incorporators listed in the articles must sign. Make sure that both of the copies have ORIGINAL SIGNATURES. Carbon copy, xerox, or rubber stamp signatures are not acceptable.
- I. Notary Public must SIGN AND AFFIX SEAL on both copies of the articles, and complete their statement in the area provided. Make sure that original signatures and seal impressions appear on both copies.
- J. If the document is executed or acknowledged in Wisconsin, Sec. 14.38(14) of the Wis. Statutes provides that it shall not be filed unless the name of the person (individual who, or the governmental agency which, drafted it is printed, typewritten, stamped or written thereon in a legible manner.

PREPARATION, FEES AND TRANSMITTAL

- K. Prepare document in DUPLICATE ORIGINAL. Furnish the Secretary of State two identical copies of the articles of incorporation. (MAILING ADDRESS: Corporation Division, Secretary of State, P.O. Box 7846, Madison WI 53707). One copy will be retained (filed) by the Secretary of State and the other copy transmitted directly to the Register of Deeds of the county within which the corporation's principal office is located, together with your check for the recording fee. When the recording has been accomplished, the document will be returned to the address you furnish on the back of the form.
- L. Two SEPARATE REMITTANCES are required.
 - 1) Send a FILING FEE of \$35 payable to SECRETARY OF STATE with the articles of incorporation. Your cancelled check is your receipt for fee payment.
 - 2) Send a RECORDING FEE of \$10 (or more) payable to REGISTER OF DEEDS OF _____ COUNTY, WISCONSIN with the articles of incorporation. Name the county within which the corporation's principal office is located. Recording fee for this standard form is \$10. If you append additional pages, add \$2 more recording fee for each additional page. Please furnish the fee for the REGISTER OF DEEDS in check form to this office and we will transmit it to the Register of Deeds with the document for recording.

ELMWOOD TERRACE CONDOMINIUM HOMES

4. BY-LAWS
OF
ELMWOOD TERRACE ASSOCIATION, INC.

DISCLOSURE MATERIALS

ELMWOOD TERRACE CONDOMINIUM HOMES
1250-1270 ELMWOOD STREET
LAKE GENEVA, WISCONSIN

DECLARANT: ELMWOOD TERRACE, INC.
A WISCONSIN CORPORATION

ASSOCIATION AGENT: TIMOTHY P. SWATEK, ATTORNEY

BUSINESS ADDRESS: 527 CENTER STREET
P.O. BOX 760
LAKE GENEVA, WI 53147-0760

NAME OF SELLER: _____

ADDRESS: _____

THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISIONS CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

YOU MAY AT ANY TIME WITHIN FIVE (5) BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

3-06-01

Please Replace prior page of your Declaration with this page.

ELMWOOD TERRACE CONDOMINIUM HOMES

DISCLOSURE MATERIALS

Table of Contents

	<u>Page</u>
1. <u>DECLARATION</u>	
The Declaration establishes and describes the Condominium, the Units, the Common Elements, Limited Common Elements, and Special Unit Elements. The Declaration begins on page	A-1
2. <u>CONDOMINIUM PLAT AND FLOOR PLANS AS EXHIBITS TO THESE DISCLOSURE MATERIALS</u>	
The Declarant has provided a Condominium Plat which shows the location of the Unit you are considering and a floor plan of the Unit being offered for sale; as well as all facilities, Common Elements, Limited Common Elements and Special Unit Elements which are part of the Condominium. The , Plat and Floor Plan Exhibits begin on page	A-43
3. <u>ARTICLES OF INCORPORATION</u>	
The operation of a Condominium is governed by the Association, of which each Unit Owner is a member. The Articles of Incorporation of the Association begin on page	B-1
4. <u>BY-LAWS</u>	
The By-Laws contain rules which govern the Condominium and the manner in which the Association is operated. Powers, duties and operation of an association are specified in the By-Laws. The By-Laws affect the rights and responsibilities of Unit Owners. The By-Laws begin on page.	C-1

ELMWOOD TERRACE CONDOMINIUM HOMES

1. DECLARATION
2. CONDOMINIUM PLAT AND FLOOR PLANS AS
EXHIBITS TO THESE DISCLOSURE MATERIALS

DECLARATION OF CONDOMINIUM OF
ELMWOOD TERRACE CONDOMINIUM HOMES

Table of Contents

<u>Sections</u>		<u>Page</u>
I.	PURPOSE	A-1
II.	DEFINITIONS	A-1
III.	SUBMISSION TO ACT	A-4
IV.	DESCRIPTION OF LAND	A-4
V.	NAME AND ADDRESS	A-4
VI.	GOVERNING BODY	A-4
VII.	VOTES OF UNIT OWNERS	A-6
VIII.	DESCRIPTIONS OF BUILDINGS AND UNITS	A-8
IX.	COMMON ELEMENTS	A-12
X.	PERCENTAGE INTEREST IN COMMON ELEMENTS	A-14
XI.	LIMITED COMMON ELEMENTS	A-15
XII.	RESTRICTIONS ON USE	A-17
XIII.	COMMON EXPENSES	A-18
XIV.	UTILITIES	A-22
XV.	REAL ESTATE TAXES	A-22
XVI.	INSURANCE	A-22
XVII.	ALTERATION AND DECORATION OF UNITS	A-25
XVIII.	EASEMENTS	A-26
XIX.	MAINTENANCE	A-27
XX.	DAMAGE OR DESTRUCTION	A-28

XXI.	NEGLIGENCE OF OWNER	A-29
XXII.	MORTGAGES	A-30
XXIII.	TRANSFERS OF UNITS	A-30
XXIV.	RESERVED RIGHTS OF DECLARANT	A-32
XXV.	ASSOCIATION RULES AND REGULATIONS	A-35
XXVI.	AGENT FOR SERVICE OF PROCESS	A-35
XXVII.	AMENDMENTS	A-36
XXVIII.	NOTICES	A-37
XXIX.	MISCELLANEOUS PROVISIONS	A-37

Exhibits:

Exhibit A	Condominium Plat - Survey and Building Locations (including Legal Description)
Exhibit B	Floor Plans (locations of Units and Common Elements)

5. RULES AND REGULATIONS

The Declarant has adopted temporary rules and regulations concerning the rights and responsibilities of Unit Owners. These rules and regulations shall remain in effect until and unless the Association of Unit Owners adopts a set of rules and regulations governing such rights and responsibilities. The temporary rules and regulations begin on page

D-1

6. ANNUAL OPERATING BUDGET

The Association incurs expenses for the operation of the Condominium which are assessed to the Unit Owners. The operating budget is an estimate of those charges which are in addition to mortgage, real estate taxes and utility payments paid by individual Unit Owners. The operating budget begins on page

E-1

7. MANAGEMENT AND SERVICES AGREEMENT

Certain services may be provided to the Condominium through a contract with individuals or private firms. The contract with regard to this Condominium begins on page

F-1

8. EASEMENTS

Property is often subject to use by persons other than Owners for purposes of access, ingress and egress, utilities and improvements. These rights are contained in easements affecting the land. This property is subject to such easements. Their description begins on page.

G-1

9.

LEASES

In some Condominiums, Units may be sold which are subject to one or more leases of property that are not a part of the Condominium. There are no such leases with regard to this Condominium.

10.

EXPANSION PLANS

A Declarant may reserve the right to expand the Condominium in the future. The Declarant has not reserved the right to expand with regard to this Condominium.

[Ultimately Single Space so
as to save recording fees]

DECLARATION OF CONDOMINIUM
OF
ELMWOOD TERRACE CONDOMINIUMS HOMES

DECLARATION made May 28, 1985 by ELMWOOD TERRACE, INC., a Wisconsin corporation. ELMWOOD TERRACE, INC. (hereafter the "Declarant") wishes to submit the property described herein to the provisions of Chapter 703, Wisconsin Statutes (1983-84), the Wisconsin Condominium Ownership Act (hereafter the "Act").

I. PURPOSE

The purpose of this Declaration is to submit the land and improvements described herein (hereafter the "Condominium") to the condominium form of ownership and use in the manner provided by the Act.

II. DEFINITIONS

The terms used herein shall have the meanings set forth in the Act and as follows, unless the context otherwise requires:

A. "Act" means the Condominium Ownership Act of the State of Wisconsin, Chapter 703, Wisconsin Statutes.

B. "Association" means Elmwood Terrace Association, Inc., a Wisconsin not for profit corporation, consisting of all of the Unit Owners acting as a group in accordance with the

Articles, By-Laws, this Declaration and the Act to govern the affairs of the Elmwood Terrace Condominiums Homes.

C. "Board" means the Board of Directors of the Association.

D. "Building" means the structures located on the Property containing one or more of the Units.

E. "By-Laws" means the By-Laws of the Association.

F. "Common Elements" means all of the Property, less the Units and Special Unit Elements, as further defined in Section IX of this Declaration. No reference in the Plat to Common Elements limits or defines Common Elements for purposes of this document.

G. "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for whatever purpose including, but not limited to, the creation and/or maintenance of reserves, and as further described in Section XIII herein.

H. "Declarant" means Elmwood Terrace, Inc., a Wisconsin corporation, its successors and assigns.

I. "Declaration" means this document by which the Property is submitted to the provisions of the Act, as it may be amended from time to time.

J. "Limited Common Elements" means all Common Elements which adjoin or exclusively serve one Unit, or one or more adjoining Units, and which the Plat, Declaration or Board

reserves the use or benefit of to the occupants of such Unit or Units, all as further defined in Section XI of this Declaration.

K. "Majority" means the Owners of more than fifty (50%) percent of the undivided ownership of the Common Elements. Any percentage of Unit Owners specified in this document similarly means the percentage of the undivided ownership of the Common Elements.

L. "Person" means any natural individual, corporation, partnership, or other legal entity which may hold legal title to real estate.

M. "Plat" means the Plats or Survey of the Property and the Units submitted according to the provisions of the Act.

N. "Property" or "Condominium" means the real estate, all easements, rights and appurtenants belonging to it, and all improvements, fixtures, equipment, and personalty intended for the mutual use and benefit of Unit Owners.

O. "Unit" means a portion of the condominium designed and further defined in Section VIII of this Declaration and intended for individual ownership and use, together with an undivided interest in the Common Elements and Limited Common Elements as may apply.

P. "Unit Owner" means the person or persons who have fee simple title to the Unit and the undivided interest in the Common Elements and Limited Common Elements as may apply. Declarant is

deemed a Unit Owner as long as it has legal title to any Unit.

III. SUBMISSION TO ACT

Declarant, as Owner in fee simple of the Property, intends to, and by the recording of this document does, submit the Property to the provisions of the Act.

IV. DESCRIPTION OF LAND

The land subject to this Declaration is owned by Declarant and is more fully described in the Condominium Plat (Exhibit A).

V. NAME AND ADDRESS

The name of the Condominium is "Elmwood Terrace Condominium Homes" and is located at 1250-1270 Elmwood Street, Lake Geneva, Wisconsin 53147.

VI. GOVERNING BODY

A. Association. An Association has been formed under the Wisconsin Nonstock Corporations Law, Chapter 181, with the name "Elmwood Terrace Association, Inc." The Association is the governing body for Unit Owners, with regard to the operation, use and management of the Condominium as provided in the Declaration, the By-Laws, and the Act.

B. Board. The Board constitutes the Board of Directors of the Association as provided for in the Act. The Board is to be elected and will serve in accordance with the By-Laws.

C. Association Activity. The Association will not

conduct a business of any kind. The Association's activities are for the sole benefit of the Unit Owners. All funds received by the Association are to be held and applied for the use and benefit of the Unit Owners, pursuant to this Declaration and the By-Laws.

No Unit Owner, except an authorized officer of the Association or authorized member of the Board, shall have any authority to act for the Association. The powers and duties of the Association shall include those set forth in the By-Laws, the Act and this Declaration, subject to the rights reserved by Declarant herein, including, but not limited to, those rights reserved by Declarant in Section VII(C) herein.

D. Condominium Administration. All Unit Owners covenant and agree that the administration of the Condominium shall be in accordance with the provisions of this Declaration, the By-Laws of the Association, and the Act. All Unit Owners, tenants of Units and other occupants shall comply with the provisions of this Declaration, the By-Laws, and the decisions and resolutions of the Association or its representatives, all as lawfully amended from time to time. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover any sums that may be due and related to such failure, for any other damages allowed by law and, if applicable, for injunctive relief.

VII. VOTES OF UNIT OWNERS

A. Membership. Each Unit Owner is automatically a member of the Association. A Unit Owner's membership automatically terminates when he or she ceases to be a Unit Owner. If the Owner sells, transfers, or in any way disposes of his or her ownership interest in the Condominium, that individual's membership in the Association will be automatically transferred to the new Owner of that Unit.

B. Voting. All voting concerning the administration of the Condominium shall be in accordance with this Section VII. Voting is on the basis of one (1) vote per living Unit. The vote for each living Unit may be cast as agreed by the persons who have an ownership interest in the living Unit, and if only one such person is present, it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event multiple owners of one Unit cannot agree on the manner in which the vote is to be cast, no vote may be accepted from that living Unit. One who holds a land contract purchaser's interest or any other such equitable interest shall be considered the Unit Owner for voting purposes. However, for purposes of being eligible to vote as a member of the Association, a land contract or other document establishing the equitable interest, or an instrument providing constructive notice of such interest, must be recorded in the Walworth County

Register of Deeds Office.

C. Declarant's Election. In the event that the Declarant is an owner of a living Unit and elects not to be assessed (the "election") for, and pay, Common Expenses pursuant to Section XIII, the Declarant shall not be entitled to cast the votes designated above for such living Unit with regard to the administration of the Condominium or any other matters referred to herein. In the event that the Declarant, as Owner of a living Unit, elects to be assessed for, and pay, Common Expenses pursuant to Section XIII, the Declarant shall be entitled to cast the vote designated above for such Unit.

D. Conditions on Voting Rights.

1. If the Association has recorded a statement of condominium lien on a Unit Owner's unit and the amount necessary to release the lien has not been paid prior to the time of an Association annual or special meeting, the Unit Owner will be prohibited from voting at such meeting.

2. Each Unit Owner must furnish the Association with his or her name and current mailing address. No Unit Owner may vote at an Association meeting until he or she has furnished such information.

VIII. DESCRIPTIONS OF BUILDINGS AND UNITS

A. Contents of Plat. A condominium Plat, enumerating the measurements, location, and other data regarding the real estate, the buildings (including each floor of the buildings) and each unit (including its perimeter dimension), is attached hereto (Exhibit A).

B. Legal Description and Use of Units. The legal description of each Unit is its identifying numbers or symbols on the Plat including identifying numbers or symbols for not only the unit, but also the storage space and garage space or spaces. Such description is good and sufficient for purposes of any deed, lease, mortgage or other legal document. No Unit Owner may, except as provided in the Act, subdivide or cause his or her Unit to be separated in any way into any parcel different than that Unit as specified in the Plat.

C. Elements of the Unit. A Unit in the Condominium shall include:

1. One or more contiguous or non-contiguous cubicles of air including the perpetual right of ingress and egress thereto. The exterior boundaries of the cubicles shall be the unfinished or uncovered interior surface of the perimeter walls surrounding the cubicle. The upper boundary of such cubicles shall be the unfinished or uncovered lower face of the ceiling

of the highest story of the Unit. The lower boundary shall be the unfinished or uncovered upper face of the floor in the Unit. The foregoing boundaries extend to the intersection with each other. It is intended that the finished surface of the boundaries (whether tiled, papered, panelled, painted, carpeted or otherwise) is included as part of the Unit.

2. Any and all appliances and other fixtures contained in the Unit and included as a part of the sale of the unit in the contract of sale, which items may include, but not be limited to, refrigerator, dishwasher, disposal, laundry equipment, water softener, furnace, range, compactor, cabinets, carpeting, and floor covering.

3. The following items serving the particular Unit although they may be outside the defined cubicle of air:

- (a) All doors and windows, their interior casements, and all of their opening, closing, and locking mechanisms and hardware;
- (b) All wall and ceiling mounted electrical fixtures and recessed junction boxes serving them;
- (c) All floor, wall, baseboard, or ceiling electrical

outlets and switches and the junction boxes serving them;

(d) All plumbing fixtures and the piping, valves, and other connecting and controlling materials and devices (serving only the Unit to be defined and not the Condominium in general) lying between the fixtures and main water or sewage lines;

(e) The cable television outlet, if any, to the Unit and the junction box serving it (unless owned by the provider of the service);

(f) If applicable, the individual furnaces or ducting, the radiator, and the piping providing heating to the Unit, and the controls for the heating system for the Unit;

(g) If applicable, the air conditioning equipment and ducting providing air conditioning to the Unit, and the controls for the air conditioning system of the Unit;

(h) The lines bringing natural gas or similar fuel to the Unit, which lines extend from the utility meter to the boundary of the Unit;

(i) The fireplace, and the fireplace flues, if any, serving the Unit;

(j) Any presently existing patios and porches directly adjacent to a Unit. However, the patios directly adjacent to Unit number 105 B shall be allowed to expand their patio space to a maximum dimension and with a style and enclosure as may be allowed by the Board.

4. Specifically included as part of the Unit are "Special Unit Elements." Special Unit Elements are those special elements unique to those Units which share a common roof, foundation or walkway. The Special Unit Elements shall be owned in common by all Unit Owners immediately adjacent thereto, and are for the special and limited use of the adjacent owners only

for the purposes for which they were intended pursuant to this Declaration, the By-Laws, and the rules and regulations adopted by the Association without hindering or encroaching upon the lawful rights of the other Unit Owners, adjacent or otherwise. The necessary work of maintenance, repair and replacement of the Special Unit Elements and the making of any additions or improvements thereto shall be the joint and equal responsibility of the adjacent Unit Owners pursuant to this Declaration, the By-Laws, and the rules and regulations adopted by the Association. Without intending to limit the term, "Special Unit Elements" expressly includes:

- (a) All of their shared roofs and crawl spaces, including shingles, from the unfinished or unlowered lower face of the ceiling of the highest story of the Unit to and including the exterior roof;
- (b) Shared perimeter walls from the unfinished or uncovered interior surfaces of the perimeter walls surrounding the Unit to and including the exterior finished perimeter walls (including siding material);
- (c) The foundation wall in the lowest level from the inner face of the foundation wall of the building to and including the exterior foundation wall of the building;
- (d) Entry walkways and any roof or covering thereto attached to the Units connecting the individual Units.
- (e) Partition walls, load bearing interior walls and columns, and those structural and mechanical components

of the Units shared by adjacent owners.

5. Specifically not included as part of the Unit are those structural components of the building and any portions of the mechanical systems of the building not specifically included in the Unit under (3) and (4) above, which lie within the cubicle or cubicles of air comprising the Unit.

IX. COMMON ELEMENTS

A. Definition. Without intending to limit the term, "Common Elements" expressly includes all of the Condominium except the Units and Special Unit Elements and specifically includes, but is not limited to:

1. The land on which the Building or Units are located;

2. Walls, hallways, stairs, lobby, mechanical equipment areas;

3. Roads, driveways, exterior pedestrian walks, private road parking, yards, gardens, play areas, swimming pools and any other recreational facilities, if any;

4. Installation of central services, if any, providing services for more than one Unit, such as heating and cooling, incinerators, sewer, power, light,

gas and water;

5. Such community and commercial facilities as may be provided for in this Declaration, if any;

6. All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use except as otherwise limited herein;

7. The Limited Common Elements, hereafter described in Section XI, as subject to the usage and maintenance limitations particularly set out therein.

8. All other portions of the Condominium not included in the definition of the Unit and/or Special Unit Elements as described above.

B. Utilities and Structural Systems. No Unit Owner shall own any pipes, wires, conduits, public utility lines or other structural components running through his/her Unit and serving more than his/her Unit, whether or not such items shall be located in the floors, ceilings, or perimeter or interior walls of the Unit.

C. Use of Common Elements. Each Unit Owner may use the Common Elements in accordance with the purposes for which they were intended pursuant to this Declaration, the By-Laws, and rules and regulations adopted by the Association without hindering or encroaching upon the lawful rights of the other Unit

owners.

D. Maintenance. The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in this Declaration, the By-Laws, and rules and regulations of the Association.

X. PERCENTAGE INTEREST IN COMMON ELEMENTS

A. Undivided Interest. All one bedroom Units and the Unit Owners have an ownership factor of .85. All two bedroom Units and the Unit Owners have an ownership factor of 1. Each unit and the Unit Owner has an undivided percentage interest in the Common Elements equal to the ratio of that Unit's ownership factor to the sum total of ownership factors for all Units. Except as provided herein, and subject to the By-Laws of the Association and any rules and regulations adopted pursuant thereto, the Common Elements are available for the use and enjoyment of, or service to, all Unit Owners. This percentage interest is appurtenant to the Unit, and is not subject to partition as long as this Declaration is in effect. The percentage of undivided interest in the Common Elements appurtenant to any Unit shall not be changed except with the unanimous consent of all of the Unit Owners in the Association. Such consent shall be expressed in an amendment to this Declaration duly executed by all such owners and recorded.

B. Legal Documents. Any deed, mortgage, lease or other instrument purporting to effect a conveyance of a Unit without including also the Unit Owner's interest in the Common Elements shall be deemed and interpreted to include the interest so omitted even though the latter is not expressly mentioned or described therein.

XI. LIMITED COMMON ELEMENTS

A. Definition. "Limited Common Elements" shall mean those Common Elements identified in this Declaration and on the Condominium Plat (Exhibit A) as reserved for the exclusive use of at least one but less than all, of the Unit Owners. The use of the patio and balcony Limited Common Elements is reserved to the Unit to which they are attached or adjacent. The use of the garage space and storage space Limited Common Elements is reserved to the Unit which takes legal title thereto by deed or other legal transfer. Limited Common Elements include pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units, and parts of the perimeter walls, floors, ceilings, doors, windows and entry ways (and fixtures and structures located in them) which are outside the boundaries of the Units.

B. Use of Limited Common Elements. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Elements if direct access is provided outside of

and adjoining his or her respective Unit, or if it is otherwise reserved to the use of his or her Unit. Unless and until such time as the Board determines to the contrary, each Unit Owner shall be responsible for repair, maintenance and appearance of the Limited Common Elements, the exclusive use and possession whereof is extended hereby, at his or her own expense including, without limitation, responsibility for breakage, damage, malfunction and ordinary wear and tear. However, the Association shall be responsible for lawn maintenance and snow removal as further determined by the Board. A Unit Owner shall not paint, or otherwise decorate or adorn or change the appearance of any such Limited Common Element in any manner contrary to such rules and regulations as may be established by the Board. Each Unit Owner shall be responsible for the decoration, furnishing, housekeeping, general cleanliness and presentability of his or her Limited Common Elements.

C. Transfer of Title. Pursuant to Section 703.14, Wisconsin Statutes, as may be amended, any Unit Owner of a Unit to which the use of any Limited Common Element is restricted may grant by deed, subject to the rights of any existing mortgagee or secured party, the use of the Limited Common Element to any other Unit Owner. Such deed must be recorded in the Walworth County Register of Deeds Office and a copy thereof must be provided to the Association. After any such grant, the grantor shall have no

further right to use such specified Limited Common Element except as specified in the deed.

D. Right to Use. Except as otherwise provided herein, the manner of use of the Limited Common Elements shall be determined solely by the Unit Owner or Owners who have the exclusive use of such Limited Common Elements.

XII. RESTRICTIONS ON USE

The Units, Special Unit Elements, Common Elements, and Limited Common Elements of the Condominium, shall be used for residential purposes only, by the Unit Owners, their respective family members, guests and approved tenants, and shall not be used for any trade or business. The Units shall not be leased or rented by the Unit Owner for transient or hotel purposes, which shall be defined as rental for any initial terms of less than three months and any subsequent term or less than 30 days.

So long as a Unit Owner abides by the foregoing, he or she shall have the absolute right to lease his or her Unit, provided that the lease is made subject to the covenants and restrictions contained in this Declaration, the By-Laws, the rules and regulations of the Association, and is approved by the Association.

Notwithstanding anything to the contrary contained herein, the use of the Units, Special Unit Elements, Common

Elements, and Limited Common Elements shall comply with all applicable ordinances and any other restrictions as contained in the Association By-Laws and any rules and regulations adopted by the Association. No use may unreasonably interfere with the use and enjoyment of the Common Elements by other Unit Owners. There shall be no storage of material, and there shall be no conduct of any activity, which would increase the insurance rates on the Condominium.

Any and all attorney fees and other expenses incurred by the Association in the enforcement of this provision shall be reimbursed by the Unit Owner in violation and may be assessed against such Owner's Unit. Use is further restricted by any rules and regulations adopted by the Association.

XIII. COMMON EXPENSES

A. Declarant's Election. ^(N/A) Each Unit Owner shall be liable for the share of expenses ("~~Common Expenses~~") of the Association assessed against such Owner's Unit. Notwithstanding this, the Declarant may elect (the "~~election~~") in writing to not be assessed for Common Expenses. Such election shall be deemed to be made by the Declarant, unless the Declarant gives notice otherwise in writing to the President or Secretary of the Association, in which case the Declarant shall be assessed Common Expenses effective the first day of the month after receipt by the President or Secretary of such notice. In the event the

Declarant makes the election referred to above, the Declarant shall be responsible for all expenses and costs associated with the Unit including, but not limited to, maintenance, snow removal, insurance, lawn care, and pest control, which would otherwise be paid by the Association. The Association shall have no liability for Common Expenses or such other items as may be assessed as Common Expenses with regard to units for which the Declarant has made the election. This election is available only to the Declarant as defined herein.

B. Responsibility for Common Expenses. Common Expenses shall be allocated among the Units in the proportions specified in Section X above. No Unit Owner may exempt himself or herself from liability for contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his or her Unit, except as provided in Section XIII(A).

C. Payment of Common Expenses. Except for items such as insurance premiums which must be prepaid in one lump sum, assessments shall be paid in the form of a monthly maintenance fee, paid on the first day of each month and determined by a budget of Common Expenses prepared by the Association. Special assessments for items not provided for in the budget shall be paid at such time or times, in a lump sum, or in such installments, as the Association may determine.

D. Lien on Units. The assessment of Common Expenses, together with such interest as the Association may impose in the By-Laws for delinquencies, along with costs of collection and actual attorney fees, constitute a lien on the Units against which they are assessed. Attachment, filing, effectiveness, priority, and enforcement of the lien shall be as provided in Section 703.16, Wis. Stats., or as amended. Provided, however, that any such lien shall be inferior and subordinate to the lien for all sums payable to any first mortgagee of record.

E. Suspension of Voting Rights. If any assessment of Common Expenses is delinquent and a statement of condominium lien as described in Section 703.16(9), Wis. Stats., or as amended, has been recorded against a Unit, the Association may suspend the voting rights of the delinquent Unit Owner. A delinquency resulting in the filing of a statement of Condominium lien against a Unit shall constitute an act of default under any mortgage secured by the Unit.

F. Joint and Several Liability. Except as otherwise provided herein, unpaid Common Expenses assessed against a Unit shall be a joint and several liability of the seller and purchaser in a voluntary transfer of the Unit.

G. Foreclosure. The Association shall have a lien, from the date an assessment is made, upon any Unit for assessments made against that Unit, which assessments remain unpaid. The

lien shall secure payment of the assessment, interest, and costs of collection, including reasonable attorneys fees. The lien may be recorded in the Walworth County Register of Deeds Office by an instrument executed by the Association and may be foreclosed. The Unit Owner shall be personally liable for all unpaid assessments, interest, costs of collection and attorneys fees. This liability shall not terminate upon transfer of ownership or upon abandonment of the Unit by the Unit Owner. When any lien is foreclosed, if the Unit Owner remains in possession of the Unit, he or she shall pay a reasonable rental value of the Unit. The Association shall be entitled to the appointment of a receiver of the Unit, as a matter of strict right. Assessments shall be paid without offset or deduction. No Unit Owner may withhold payment of any assessment or any part thereof because of any dispute which may exist among a Unit Owner, the Association, the Declarant, or any of them. The Unit Owner shall pay all assessments pending resolution of any dispute.

H. Successors Liability. In the event the mortgagee of a first mortgage of record or any other purchaser of the Unit obtains title to the Unit as a result of foreclosure of a mortgage, or as a result of a conveyance in lieu of foreclosure, such purchaser or his or her successors and assigns shall not be liable for the total share of Common Expenses or assessments by the Association pertaining to such Unit or chargeable to the

former Unit Owner, which Common Expenses or assessments became due prior to the acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expense collectible proportionately from all of the Unit Owners except the mortgagee or any other purchaser of Unit who obtained title to the Unit as a result of foreclosure of a mortgage, or as a result of a conveyance in lieu of foreclosure.

XIV. UTILITIES

Each Unit Owner shall pay for his or her own telephone, electrical, and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expense.

XV. REAL ESTATE TAXES

Each Unit, and the percentage ownership interest of the Common Elements allocated to it, will be separately taxed for real estate taxes. If real estate taxes for the property are not separately assessed in any year, then such taxes shall be a Common Expense.

XVI. INSURANCE

A. Units and Special Unit Elements. Each Owner shall obtain and maintain insurance for his or her Unit(s), and Special Unit Elements, covering the perils of fire, extended coverage, vandalism, and malicious mischief on a repair and replacement

cost basis, of an amount not less than the full replacement value of the insured property. The Association, Unit Owners and mortgagees of Units shall be named as insured as their interests appear. For purposes of this provision and for the Declaration, "mortgagee" shall mean the holder of any recorded mortgage encumbering one or more Units or a land contract seller.

B. Personal Property. Each Unit Owner shall also carry personal property contents and public liability insurance on his or her own Unit in accordance with such reasonable requirements as the Association may by By-Law or rule or regulation establish.

C. Common Elements and Limited Common Elements. The Association shall obtain and maintain insurance for the Common Elements, including Limited Common Elements, covering the perils of fire, extended coverage, vandalism, and malicious mischief on a repair and replacement cost basis, for an amount not less than the full replacement value of the insured property. In addition, the Association shall maintain comprehensive general liability insurance against all claims commonly insured against in such amounts as the Association shall deem suitable; provided, however, the minimum limits for bodily injury and property damage shall be \$1,000,000.00. The policies shall include standard coverage for the errors and omissions of directors and officers of the Association. Such policies shall also contain "severability of interest" endorsements which shall preclude the

insurer from denying the claim of a Unit Owner because of negligence on the part of the Association or other Unit Owners.

D. Additional Coverage. Maintenance of insurance by the Association does not relieve nor prohibit Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with regard to risks not insured by it. Unit Owners are encouraged to submit copies of their Condominium Disclosure Materials to their insurance carriers in order to ensure adequate property and liability coverage on their personal property, Units and Special Unit Elements.

E. Fidelity Coverage. The Association shall maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. The Association shall be the named insured, and the insurance shall be in an amount of not less than one hundred-fifty percent (150%) of the Association's annual operating expenses and reserves.

F. Payment of Premiums. Any and all premiums associated with the insurance purchased by the Association shall be a Common Expense to be paid by quarterly assessments levied by the Association against Unit Owners; and such payments shall be held in a separate escrow account of the Association and used solely for the payment of the premiums of the insurance to be maintained by the Association hereunder. The Association shall act as the

trustee for the purpose of obtaining insurance coverage and for the receipt, application, and disbursement of proceeds.

XVII. ALTERATION AND DECORATION OF UNITS

A. Improvements and Alterations. A Unit Owner may make improvements or alterations within his or her Unit; provided however, that such improvements or alterations do not impair the structural soundness or integrity or lessen the support of any portion of the Condominium, do not reduce the value of the Condominium, and do not impair any easement. A Unit Owner may not change the exterior appearance of a Unit, Special Unit Element, or any portion of the Common Elements, including Limited Common Elements, without obtaining the written permission of the Association's Board of Directors. Any improvement or alteration which changes the floor plan or room dimensions of a Unit must be approved in writing by the Board, and evidenced by the recording of a modification to the Condominium Plat before it shall be effective. Furthermore, any approved improvement or alteration must be accomplished in accordance with applicable laws and regulations, must not unreasonably interfere with the use and enjoyment of other Units, Special Unit Elements, Common Elements or the Limited Common Elements, and must not be in violation of any underlying mortgage, land contract, or similar security interest.

B. Liability for Expense. All expenses involved in

making improvements or alterations, including expenses to the Association, which it may charge as a special assessment to the affected Units, shall be borne by the Unit Owners involved.

XVIII. EASEMENTS

A. Description. Easements are reserved over, through and under the Common Elements for ingress and egress and for present and future utility services, including but not limited to, easements for water pipes, sanitary sewer pipes, emergency sewer lines, storm drainage pipes, electrical wires, television wires, security wires, and street lights, whether or not shown on Exhibit A attached hereto. Easements for such utility services are reserved to the Declarant and Unit Owners. Easements for ingress and egress are reserved to the Association in, over, and under the Units, Special Unit Elements and Limited Common Elements, their ceilings, floors, and walls for the purpose of making any repairs which are the obligation of the Association. The Association shall be responsible for any damage resulting from such easements and any costs related thereto shall be assessed as a Common Expense.

B. Easements Appurtenant. All easements and rights set forth in this Declaration run with the land and are subject to the control of the Association. No Unit Owner shall commit any act which would jeopardize the soundness or safety of the Property subject to this Declaration, reduce the value thereof,

or impair any easement or hereditament.

XIX. MAINTENANCE

A. Responsibility. Each Unit Owner is responsible for the decoration, furnishing, housekeeping, repair and maintenance of that Owner's Unit and Special Unit Elements and the general cleanliness and presentability of the Limited Common Elements reserved to the Unit. The Association is responsible for the decoration, furnishing, housekeeping, repair, garbage collection, and maintenance of the Common Elements, and snow removal of the common driveways. In meeting its responsibilities hereunder or otherwise, the Unit Owner may not alter the appearance or design of the exterior of the buildings or use a Unit, Special Unit Elements, the Limited Common Elements reserved to it, or the Common Elements in a manner which adversely affects the exterior appearance of the building. The Association may enter into management agreements providing for necessary maintenance, repair and replacement of Common Elements, the making of any additions or improvements thereto, snow removal and garbage collection.

B. Access to Units. The Association may enter any Unit, Special Unit Elements, and Limited Common Elements at reasonable times and under reasonable conditions when necessary in connection with any maintenance, construction, or repair of public utilities and for any other matter for which the Association is responsible. Prior notice to the Unit Owners

shall be attempted, and the entry shall be made with as little inconvenience to the Unit Owner as possible under the circumstances. Any damage caused thereby shall be repaired by the Association and shall be treated as a Common Expense.

XX. DAMAGE OR DESTRUCTION

In the event the Common Elements are totally destroyed or sustain more than Ten Thousand Dollars (\$10,000.00) in damage at any one time, the Association shall within fifteen (15) days of the date of damage determine whether the Condominium is damaged to an extent exceeding the available insurance proceeds. Once determined, the Association shall promptly notify the Unit Owners in writing of the adequacy or inadequacy of the insurance coverage. Within ten (10) days of receipt of any notice that insurance proceeds are inadequate, the Unit Owners shall have the opportunity to decide whether the Condominium should be partitioned. Partition shall only occur by the affirmative vote of Unit Owners representing at least seventy-five percent (75%) of the votes available in the Association. In case of such partition, the net proceeds of sale, together with the net proceeds of insurance, shall be considered as one fund and shall be divided among all Unit Owners in proportion to their percentage interests in the Common Elements and shall be distributed in accordance with the priority of interests in each Unit.

In the event the required seventy-five percent (75%) affirmative votes are not cast within the ten day period, or in the event the damage sustained is less than or equal to Ten Thousand Dollars (\$10,000.00), the Association shall promptly undertake to repair or reconstruct the damaged property to a condition compatible with the remainder of the Condominium. Upon reconstruction, the Association may vary the design, plan, and specifications of the Common Elements from that of the original; provided, however, that the number of square feet of any Unit may not vary by more than five percent (5%) from the number of square feet for such Unit as originally constructed and, provided further, that the location and floor plan of any damaged buildings shall be substantially the same as they were prior to the damage. In the event the insurance proceeds are insufficient to pay the estimated or actual costs of reconstruction, the shortage shall be considered a Common Expense, and the Association shall have the responsibility and the right to levy assessments against the Unit Owners as provided herein.

XXI. NEGLIGENCE OF OWNER

If, due to the negligence or act of omission of a Unit Owner, a member of his or her family, a household pet, or a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements, to a Unit or Units owned by other Unit Owners, or Special Unit Elements, or

maintenance, repairs, or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage, maintenance, repairs, and replacements as may be determined by the Board, subject to the rules, regulations and By-Laws of the Association.

XXII. MORTGAGES

Each Unit Owner may subject his or her Unit and the percentage ownership interest in the Common Elements allocated to it, but only his or her Unit and such percentage interest, to a mortgage or other lien.

XXIII. TRANSFERS OF UNITS

A. Association's First Option. Except as provided in Section XII herein, whenever a Unit Owner wishes to sell or otherwise transfer an ownership interest, in whole or in part, in his or her Unit, he or she shall give the Association written notice at least sixty (60) days prior to the proposed transfer. The notice must include a copy of the proposed contract, or other transfer document. The Association has the right, for thirty (30) days from receipt of such notice, to purchase or otherwise acquire the Unit on the same terms described in the notice.

The Association's first right to purchase shall equally apply to any transfer by gift or operation of law, except as provided in Section XXIII(D). The purchase price in such event will be the fair market value of the Unit, as established

by agreement of the Association and the proposed transferee or, absent agreement, by appraisal.

B. Election Not to Purchase. The Board has the authority, on behalf of the Association, to elect not to purchase or lease a Unit pursuant to its rights under Section XXIII. In such event it will give prompt written notice to the Unit Owner.

If the Board elects not to purchase or otherwise acquire a Unit, or if the thirty (30) day period during which it has a right to elect to purchase or acquire expires, then the Unit Owner may, thereafter, transfer his or her Unit, in accordance with his or her notice to the Association, during a period of ninety (90) days. If the transfer does not occur during the ninety (90) day period, then the Unit Owner once again becomes subject to the Association's first option rights as provided in this Section XXIII.

C. Election to Purchase. If the Board votes to recommend that the Association elect to purchase or otherwise acquire a Unit, the Board shall call a meeting of Unit Owners. An affirmative vote of seventy-five (75%) percent of the Unit Owners' ownership of the Common Elements is required to exercise the Association's first option to purchase or acquire a Unit. The Association shall hold title to the Unit for the sole benefit of all Unit Owners.

D. Unrestricted Transfers. A Unit Owner may freely

transfer his or her Unit to his or her spouse, child(ren), parent(s), brother(s), sister(s), and/or descendants, or to a trustee of a trust in which the Unit Owner or any one or more of such persons is the sole beneficiary. The Board must be furnished notice of any such transfer when the transaction is completed.

E. Financing. The Board may make such financing arrangements, including mortgages or special assessments among Unit Owners, as it deems necessary and desirable to purchase or lease any Unit pursuant to this paragraph. No mortgage or other encumbrance, however, may be placed on other than the Unit being purchased and the percentage interest in the Common Elements allocated to it.

XXIV. RESERVED RIGHTS OF DECLARANT

A. Nature and Term of Rights. Except as provided in Section 703.15(2)(d), Wis. Stats., or as amended, Declarant reserves the right to appoint and remove officers and directors of the Association and to exercise the powers and responsibilities of the Association, its members and its directors until the earlier of either of the following shall occur:

1. expiration of three (3) years from the date this Declaration is recorded; or

2. thirty (30) days after conveyance to purchasers of Units entitled to cast seventy-five percent (75%) of the votes available in the Association.

During this period, Declarant shall have the full and exclusive right to take all action on behalf of the Association, including but not limited to, the right to enter into leases of Units, make contracts and agreements on behalf of the Association for the maintenance, operation, and management of the Condominium, determine, levy, and collect assessments, grant easements, and enact and enforce rules and regulations concerning the use of the Condominium.

Any contracts or agreements entered into by Declarant on behalf of the Association with Declarant or an affiliate of Declarant shall not extend for a period exceeding one (1) year; provided, however, that such contracts or agreements may be automatically renewable if a reasonable period for giving notice of termination is provided at the end of each term. Furthermore, any such contracts or agreements shall provide for termination by either party without cause and without payment of a termination fee upon at least ninety (90) days prior written notice. Notwithstanding the foregoing, this provision shall not apply to any lease, the termination of which would terminate the Condominium.

B. Reservation of Specific Rights. Notwithstanding any provision to the contrary, Declarant reserves the following rights:

1. to continue any unfinished development work on any unsold Unit, and on the Limited Common Elements and Common Elements (including obtaining any necessary easements thereto);

2. to conduct promotional and sales activities using unsold Units, Special Unit Elements, Limited Common Elements and Common Elements, which activities shall include but are not limited to maintaining sales and management offices, model Units, parking areas, and advertising signs; and

3. to do all other acts Declarant shall deem reasonably necessary in connection with the development and sale of the remaining Units.

4. to grant easements over, through, or under any part of the Condominium for the benefit of the Condominium as a whole or any part thereof.

However, any such acts shall not violate the rights of the Unit Owners or their mortgagees or unreasonably interfere with the use and enjoyment of the Units, Special Unit Elements, Limited Common Elements, or Common Elements. Furthermore, Declarant shall be responsible for any damages resulting from the

exercise of such rights.

C. Assignment/Delegation of Rights. The Declarant may assign or delegate any or all of the Declarant's rights and duties hereunder, including the rights granted pursuant to this Section XXIV, by recording an instrument reciting such assignment or delegation with the Register of Deeds of Walworth County, Wisconsin.

D. Access to Property. Declarant, and persons it may select, shall have the right of ingress and egress over, upon and across the Property and the right to store materials thereon and make such other use thereof as may be reasonably necessary incident to construction, development, and sales of the Units and operation of the Units, Special Unit Elements, Common Elements or Limited Common Elements in connection with the Condominium and the overall development of which the Property is a part.

XXV. ASSOCIATION RULES AND REGULATIONS

The Association may from time to time promulgate such reasonable rules and regulations as are deemed necessary and desirable to carry out the purposes and intent of this Declaration, to promote the harmonious usage of the Common Elements, and to cause each Unit Owner to be free from any unreasonable interference with the peaceful use of his or her Unit and its appurtenances.

XXVI. AGENT FOR SERVICE OF PROCESS

Service of process on the Condominium or the Association may be made on Konstantine S. George, M.D., 9400 West Lincoln Avenue, West Allis, Wisconsin 53227. The Board of the Association may, however, at any time designate a different person to receive service of process. The designation of a different person to receive service of process shall become effective upon being filed with the Register of Deeds for Walworth County, Wisconsin.

XXVII. AMENDMENTS

A. Approval Required. This Declaration may be amended by written instrument, duly acknowledged, enumerating the amendment and signed by Unit Owners owning seventy-five (75%) percent of the ownership interest in the Common Elements. If the Act, Declaration, or By-Laws require all Unit Owners, or lien holders, to consent, then all Unit Owners, or lien holders, must sign the amendment. Notwithstanding the foregoing, no such amendment may substantially impair the security of any unit lien holder of record. Such lien holders of record shall be given written notice of any amendment, and an affidavit of the notice, certified by the Association's Secretary, will be made a part of the signed amendment. Moreover, no amendment to this Declaration affecting the status or rights of the Declarant may be adopted without the written consent of Declarant.

B. Effective Upon Recording. An amendment of this

Declaration is effective upon recording of an instrument, as described in Section XXVII(A), with the Walworth County Register of Deeds.

C. Declarant's Rights. Declarant is hereby vested with the right to amend and supplement this Declaration and the Plat and floor plans as may be reasonably necessary or desirable to facilitate the practical, technical, administrative, or functional integration of the Condominium.

XXVIII. NOTICES

All notices must be in writing and, if addressed to the Association, Condominium or its Board, shall be sent to the Registered Agent, as noted in Section XXVI herein, or such other address as the Board may designate by written notice to all Unit Owners. All notices to a Unit Owner shall be sent to the mailing address of his or her Unit or to such other address as he or she may designate by written notice to the Association. Notices are deemed given when mailed or delivered in person. On written request to the Association, the Association will give a mortgagee of any Unit a copy of notices sent to the Unit Owner.

XXIX. MISCELLANEOUS PROVISIONS

A. Impairment of Structural Integrity of Building. Nothing shall be done in any Unit, Special Unit Element or in, on, or to the Common Elements which will impair the structural integrity of the Property or which would structurally change the

Property except as is otherwise provided herein. No Unit Owner shall overload the electrical wiring in the Property or operate any machines, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

B. Compliance. Each Unit Owner shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration, the deed to his or her Unit, the By-Laws and the rules and regulations adopted pursuant thereto, as the same are amended from time to time. Failure to comply with any of the same shall be grounds for action to recover sums due, for damages or injunctive relief or both, maintainable by the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved Unit Owner. Furthermore, all Unit Owners, tenants of such owners, employees of owners and tenants, or any other persons that in any manner uses the Property or any part thereof shall be subject to the Wisconsin Condominium Ownership Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, and any rules and regulations adopted pursuant thereto.

C. Display of Model by Declarant. Until all Units are sold, Declarant may occupy or grant permission to any person or entity to occupy, with or without rental, as determined by the Declarant, one or more Units for business or promotional

purposes, including clerical activities, sales offices, model Units for display and the like; provided that the activities in the Units so occupied do not unreasonably interfere with the quiet enjoyment of any other Unit Owner or occupant.

D. Severability and Interpretation. The invalidity of any covenant, restriction, condition, limitation, or any other provision of this Declaration or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration. The intent of this Declaration is to comply with Wisconsin Statutes and the provisions hereof shall be interpreted in the light of this expressed indication of intent.

E. Execution of Certificates. All certificates stating facts in regard to the Condominium or any of its Units, including statements of condominium lien, statements regarding unpaid assessments against any Unit or the then-current status of documents related to the Condominium, shall be signed on behalf of the Association by its secretary or assistant secretary.

F. Encroachments. If any portion of a Unit, Special Unit Element, Limited Common Element, or Common Element encroaches upon another, an easement for the encroachment and its maintenance shall exist. In the event all or a portion of the Condominium is damaged and subsequently reconstructed, the Unit Owners shall allow encroachments on the Units, Limited Common

Elements, or on the Common Elements during construction, and easements for such encroachments and their maintenance shall exist.

G. Remedies. If any Unit Owner fails to comply with any provisions of the Act, this Declaration, Association Articles of Incorporation or By-Laws, or any rules and regulations promulgated by the Association, the Unit Owner may be sued for damages caused by the failure or for injunctive relief, or both, by the Association or by any other Unit Owner. In the event no damages are capable of being accurately determined, liquidated damages of One Hundred Dollars (\$100.00) may be assessed for each violation. Each day of violation shall constitute a separate violation for purposes of this Section. Any and all attorney fees and other expenses incurred by the Association in enforcing this provision shall be reimbursed by the Unit Owner in violation and may be assessed against such Owner's Unit. Individual Unit Owners shall have similar rights of action, but not reimbursement, against the Association.

H. Eminent Domain. In the event of a taking of any of the Common Elements under the power of eminent domain, the provisions of Section 703.19, Wis. Stats., or as amended, shall control; and provided, further, if Limited Common Elements are taken, such Limited Common Elements shall be reconstructed by the Association if practical to do so.

I. Conflict in Condominium Documents. In the event a conflict exists among any provisions of this Declaration, the Articles of Incorporation, or the By-Laws, or any administrative rules and regulations, or between any of them, this Declaration shall be considered the controlling document.

J. Warranties. The Declarant has made no warranty or representation in connection with the Condominium, except as may be specifically set forth in this Declaration. No person shall rely upon any warranty or representation unless contained in this Declaration. Any estimates of Common Expenses, taxes or other charges made by the Declarant and provided to any person shall be considered estimates only, and no warranty or guarantee of such amounts shall be made or relied upon.

K. Declarant Bound. So long as the Declarant, its successors and assigns, owns one or more of the Units, the Declarant and its successors and assigns shall be subject to the provisions of this Declaration.

L. Captions. The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this document to

be signed this 28th day of May, 1985.

ELMWOOD TERRACE, INC.

By: Konstantine S. George, M.D.
President

Thomas C. Pagedas, M.D.
Secretary

[CORPORATE SEAL]

STATE OF WISCONSIN)
) ss.
COUNTY OF MILWAUKEE)

Personally came before me this 28th day of May, 1985, the above named Konstantine S. George, M.D., and Thomas C. Pagedas, M.D., to me known to be the same persons who executed the foregoing and acknowledged the same as Officers of ELMWOOD TERRACE, INC.

Notary Public, State of Wisconsin
My Commission _____

Drafted By: Attorney David I. Nestingen
Milwaukee, Wisconsin

EXHIBIT A

PLAT

BY-LAWS

ELMWOOD TERRACE ASSOCIATION, INC.

Table of Contents

<u>Articles</u>		<u>Page</u>
I.	IDENTITY	C-1
II.	MEMBERS	C-1
III.	BOARD OF DIRECTORS	C-4
IV.	OFFICERS	C-9
V.	ASSESSMENTS AND BENEFITS	C-12
VI.	USE AND OCCUPANCY.	C-15
VII.	AMENDMENT TO BY-LAWS	C-16
VIII.	MISCELLANEOUS	C-16

ELMWOOD TERRACE ASSOCIATION, INC.

BY-LAWS

ARTICLE I

IDENTITY

Section 1 - Association.

These are the By-Laws of Elmwood Terrace Association, Inc. (hereafter the "Association"), a corporation not for profit under the laws of the State of Wisconsin. The Articles of Incorporation were filed in the office of the Secretary of State on May 28, 1985.

Section 2 - Mailing Address.

The mailing address of the Association shall be at ~~1400 West Lincoln Avenue, West Allis, County of Milwaukee, Wisconsin 53227.~~

P.O. Box 308. Lake Geneva, WI. 53147

ARTICLE II

MEMBERS

Section 1 - Members of the Association.

The Members of the Association are the individual Unit Owners of the property known as "Elmwood Terrace Condominium Homes" (hereafter the "Condominium"), located at 1250-1270 Elmwood Street, Lake Geneva, Wisconsin, and as defined in the Declaration of Condominium for the Condominium (hereafter the "Declaration"). The Declaration will be recorded in the Office of the Register of Deeds, Walworth County, Wisconsin.

Section 2 - Termination of Membership.

A Unit Owner's membership in the Association ends when that individual is no longer a Unit Owner. If the Owner sells, transfers, or in any way disposes of his or her ownership interest in the Condominium, that individual's membership in the Association will be automatically transferred to the new Owner of that Unit.

Section 3 - Annual Meeting.

The annual meeting of Members shall be held on the ~~third Friday of February of each year at 9:30 P.M.~~, or at such other date and time as shall be stated in the notice of the meeting. At the annual meeting, the Members shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 4 - Special Meetings.

Special meetings of the Members may be held whenever called by the President, by a majority of the Board of Directors, or by the Members entitled to cast one-third (1/3) of the votes of the entire Membership.

Section 5 - Meetings on Waiver or by Consent.

Whenever notice is generally required, a written waiver by any Member not receiving notice, whether signed before or after the time of the meeting, shall be deemed equivalent to the giving of such notice.

When all of the Members of the Association are present at any meeting, however notified or called, and shall sign a written consent to the holding of such meeting on the records thereof, they may transact any business at such meeting which is specified in the notice or consent and which could lawfully be transacted at any meeting of the Members of this Association regularly called and notified.

Action may also be taken without a meeting, as provided in Sec. 181.72 of the Wisconsin Statutes, by unanimous consent.

Section 6 - Place of Meetings.

All meetings of Members shall be held at Elmwood Terrace Condominium Homes or at such other place, either within or without the State of Wisconsin, as is stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 7 - Notice of Members' Meetings.

Unless otherwise provided, written notice stating the place, date and time of a meeting held at a time and place other than as stated in this Article, and in case of a special meeting the purpose for which the meeting is being called, shall be delivered to each Member of record entitled to vote at such

meeting not less than ten (10) nor more than thirty (30) days before the date of the meeting either personally or by mail, at the direction of the President or the persons calling the meeting. When mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the books or similar records of this Association, with postage thereon prepaid.

No unintentional irregularity or failure in the giving of a notice of any annual meeting shall affect the validity of such annual meeting or any of the proceedings that may be taken at such meeting.

Section 8 - Quorum.

At any meeting of Association Members, a quorum consists of 50% of the votes entitled to be cast.

Section 9 - Voting.

(a) Number of votes. The total number of votes of all Unit Owners is 42. This is divided among Unit Owners on the basis of one vote per living unit.

(b) Special vote requirement. If, at any time, 3 or fewer Unit Owners own over 50% of the undivided ownership of the common elements, then any percentage approval of Unit Owners required in the Wisconsin Condominium Act, or the Declaration of Condominium Ownership, or these By-Laws is deemed to require approval by the specified percentage of Unit Owners (rather than the number of votes held by each).

(c) Co-Owners and trustees. If a Unit is owned by more than one person, the voting rights attached to that Unit will not be divided. A trustee may exercise all voting rights attached to Units owned by the trustee.

(d) Percentage vote requirement. The following matters require approval of not less than 75% of the votes of Members:

(i) Purchases or sale on behalf of all. The purchase or sale of land or Units on behalf of all Unit Owners.

(ii) Sale or pledge of the property. The sale, lease, mortgage, exchange, or other disposition of all or substantially all of the property or assets of the Association.

(e) Liens. If the Association has recorded a Statement of Condominium Lien on a Unit Owner's Unit and the amount necessary to release the lien has not been paid prior to the time of an Association annual or special meeting, the Unit Owner will be prohibited from voting at such meeting.

(f) Current information. Each Unit Owner must furnish the Association with his or her name and current mailing address. No Unit Owner may vote at Association meetings until he or she has furnished such information.

Section 10 - Proxies.

A Member of this Association entitled to vote may vote either in person or by a proxy appointed in writing by the Member or by his or her duly authorized attorney-in-fact. No proxy shall be valid after 180 days from the date of its issuance, unless otherwise provided in the proxy or unless the proxy is granted to a mortgagee or lessee of a Condominium Unit. All proxies must be filed with the Secretary of the Association before they become effective. The proxy of any Member executed by his or her attorney-in-fact must be accompanied by such Member's duly executed power of attorney authorizing the execution of such proxy.

ARTICLE III

BOARD OF DIRECTORS

Section 1 - Number.

The number of Directors is hereby fixed by the By-Laws at 3. The number of Directors may be increased or decreased from time to time by amendment to these By-Laws.

Section 2 - Election of Directors.

Directors will be elected by the Members at the regular annual meetings. Those who receive the greatest number of votes of Members will be elected.

Section 3 - Term of Office and Qualification.

The initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of Association Members. Thereafter, the Directors will be elected for a term of one (1) year consistent with Section 703.15(2),

Wisconsin Statutes, as amended, and until their respective successors are elected and qualify or until their resignation or removal. Except as provided in Section 703.15(2), Wisconsin Statutes, as amended, not more than one Director may be a non-Unit Owner. If a Director, during his or her term, no longer meets this qualification, he or she, at that point, ceases to be a Director and the position is deemed vacant.

Section 4 - Resignation.

A Director may resign at any time by filing his or her written resignation with the Secretary. Such resignation shall take effect at the time of filing, unless some other time is fixed in the resignation and the Board agrees to this other time.

Section 5 - Removal.

Any Director may be removed from office at any time by a vote of the Owners of 75% of the Members of the Association at a specially called meeting.

Section 6 - Vacancies in Board.

The Board of Directors may fill any vacancy in their Board occurring after any regular annual election, or any vacancy created by an increase in the authorized number of Directors, by an affirmative vote of a majority of Directors then in office. A Director elected or appointed to fill a vacancy will hold office for the unexpired term of the Director succeeded or for the length of the term created.

Section 7 - Regular Meetings.

Regular meetings of the Board of Directors shall be held immediately following the annual meeting of the Members and at such other times as the Board of Directors may by resolution determine. No notice of regular meetings of the Board of Directors shall be necessary.

Section 8 - Special Meetings.

Special meetings of the Board of Directors may be held whenever called by the President, or upon the written request of any two (2) Directors. It shall be the duty of the Secretary to give sufficient notice of such meetings in person, by telephone or by mail to enable the Directors to attend such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Director with postage

thereon prepaid.

Section 9 - Meetings on Waiver or by Consent.

Meetings of the Board of Directors may be held at any time or place where all of the Directors are present and consent to the holding of such meeting.

Action may also be taken without a meeting, as provided in Section 181.72 of the Wisconsin Statutes, by unanimous consent.

Section 10 - Place of Meetings.

Unless otherwise specified in the notice or waiver of notice, or unless otherwise designated by the Board, all meetings of the Board of Directors shall be held at the principal office of the Association.

Section 11 - Quorum.

A majority of the Directors shall constitute a quorum for the transaction of business; but if at any meeting of the Board, there is less than a quorum present, a majority of those present may adjourn the meeting until a quorum is present.

Section 12 - Voting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 13 - Conflict of Interest.

Inasmuch as the Directors of this corporation may be persons of large and diversified interests, and may be connected with other corporations with which this corporation may have business dealings, no contract or other transaction between this corporation and any other corporation shall be affected by the fact that Directors of this corporation are interested in, or are Directors or officers of such other corporation, if, at the meeting of the Board, or of any committee of this corporation, making, authorizing or confirming such contract or transaction, there is present a quorum of Directors not so interested; and any Director individually may be a party to, or may be interested in, any contract or transaction of this corporation, provided that such contract or transaction is approved or ratified by the affirmative vote of at least a majority of the Directors not so

interested.

Section 14 - Compensation.

The Directors may, by affirmative vote of a majority thereof, establish reasonable compensation for their service to the corporation and a policy of reimbursement for their expenses incurred in such service.

Section 15 - Powers and Duties.

The Board has the following powers and duties:

- (a) Elect and Remove Officers. To elect and remove the officers of the Association.
- (b) Adopt Rules and Regulations. To adopt rules and regulations governing the administration, management, operation, and use of the property and the common elements (and to amend those rules and regulations from time to time).
- (c) Committees of the Board. To appoint committees of the Board and delegate to the committees the Board's authority to carry out certain duties of the Board.
- (d) Administration. To administer the Association's affairs and the property, and to formulate policies for the administration, management, and operation of the property and the common elements.
- (e) Employ a Managing Agent. To employ an agent (Managing Agent) to maintain, repair, replace, administer, and operate the property, or any part of it, for all Unit Owners, on terms, for compensation and with authority as the Board may approve.
- (f) Employees. To provide for the hiring and removal of employees and other personnel, including accountants and attorneys, and engage or contract for their services.
- (g) Custodian's Apartment. To make arrangements and enter agreements for a custodian apartment, on terms as the Board may approve.
- (h) Maintenance of Common Elements. To provide for the maintenance, repair, and replacement of the common elements, and approve payment vouchers, or delegate approval to the officers or the Managing Agent, and to make purchases for the maintenance,

repair, replacement, administration, management, and operation of the property and the common elements, and delegate those powers to the Managing Agent (and any employees of the Managing Agent).

(i) Establish Fiscal Year. To determine the fiscal year of the Association, and to change that fiscal year from time to time as the Board deems advisable.

(j) Annual Budget and Assessments. To estimate the annual budget, and assess and provide the manner of collecting the Unit Owners' respective share of estimated expenses.

(k) Comply With Resolutions of Unit Owners. Unless otherwise provided in these By-Laws or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as that majority is defined in the Declaration) expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners.

(l) Purchase Unit at Foreclosure Sale. To bid for and purchase, on behalf of the Association, any Unit (or an interest in a Unit) at a sale pursuant to a foreclosure of the lien for common expenses, or at any other private or public sale, upon the consent or approval of Unit Owners owning not less than 66-2/3% of Members of the Association, provided that the consent sets forth a maximum price that the Board or its duly authorized agent may bid and pay for the Unit.

(m) Financing and Assessments for Unit Purchases by the Association. To make mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other financing arrangements (as the Board may deem desirable) in order to purchase or lease a Unit, or an interest in a Unit, on behalf of the Association (provided, however, that no financing arrangement is secured by an encumbrance on any interest in the property other than the Unit, or interest in it, to be purchased, and the percentage interest in the common elements appurtenant to it).

(n) Acquire Interest in Realty. To bid for and purchase, or otherwise acquire, hold, encumber and convey any right, title or interest in or to real property on behalf of the Association.

(o) Contract. To enter into contracts (including guarantees), incur liabilities, borrow money at such rates of interest as the Directors determine and to secure any of its obligations by mortgage, pledge or other financing arrangement

involving Association property on behalf of the Association.

(p) Other Powers and Duties. To exercise all other powers and duties of the Board of Directors referred to in the Condominium Act of the State of Wisconsin, and all powers and duties of a Board of Managers or a Board of Directors referred to in the Declaration or these By-Laws.

Section 16 - Committees.

The Directors may, by affirmative vote of a majority thereof, designate one or more standing or ad hoc committees and name the Directors or other persons to serve thereon. Each committee shall continue at the pleasure of the Board, shall fix its own rules and shall report to the Board at the Directors' request.

Section 17 - No Delegation Contrary to Law. Nothing in these By-Laws will be deemed to grant the Board, officers of the Association, or the Association any powers or duties which are delegated to the Unit Owners by law.

ARTICLE IV

OFFICERS

Section 1 - Executive Officers.

The executive officers of the corporation shall be a President, a Vice President, or more than one Vice President, a Treasurer and a Secretary. All officers shall be elected by the Board of Directors, immediately after each annual meeting of Members and shall be subject to the control of the Board. The Board of Directors may appoint other officers as they may deem necessary, who shall have such authority and shall perform such duties as may be prescribed by the Board. Such officers shall hold office for the term of one (1) year, until their successors are elected, or until their resignation or removal. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice President. In its discretion, the Board, by the vote of a majority thereof, may leave any office unfilled except that of President, Treasurer or Secretary.

Section 2 - Powers and Duties of the President.

The President shall preside at all meetings of the

Members and of the Board of Directors. Subject to the control of the Board of Directors, he or she shall have general supervision of the property, business and affairs of the Association. He or she shall freely consult with the Board of Directors concerning the business of the Association in his or her charge. He or she shall have authority to sign and deliver on behalf of the Association all deeds, mortgages, bonds, stock certificates, contracts, leases and documents necessary or proper to be executed in the course of the Association's regular business, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the By-Laws.

Section 3 - Powers and Duties of Vice President.

The Vice President shall, under the supervision of the President, and subject also to the authority of the Board of Directors, assist the President in the general management and direction of the business and affairs of the Association. He or she shall have such further and specific powers and duties as may be prescribed for him or her by the Board of Directors or by the President with the approval of the Board.

In case the President, from absence or any other cause, shall, in the judgment of the Board of Directors, be unable at any time to attend to any duties of the office of President requiring attention, or in case of his or her death, resignation or removal from office, the Vice President shall act temporarily as President. In such event the powers and duties of the President shall devolve upon the Vice President. If there is more than one Vice President, the Board shall designate which one is to so serve.

Section 4 - Powers and Duties of Other Officers.

(a) Secretary. The principal duties of the Secretary shall be to countersign all deeds and all other contracts and documents which, by law, require the countersignature of a corporate Secretary. The Secretary shall also keep a record of all the proceedings at the meetings of the Members and Directors, shall count all votes taken at meetings of the Members and Directors, and shall safely and systematically keep all books, papers, records and documents belonging to the Association or pertaining to the business thereof, including but not limited to, a current roster of names and addresses of every Unit Owner to which notice of meetings of the Association will be sent. He or she shall perform such additional or different duties as may be imposed by the Board of Directors or as may be prescribed by the By-Laws.

(b) Treasurer. The principal duties of the Treasurer shall be to keep and account for all monies, credits and property of every nature of the Association, which shall come into his or her hands, and keep an accurate account of all monies received and disbursed and proper vouchers for monies disbursed. The Treasurer shall also render such accounts, statements, and inventories of monies received and disbursed and of money and property on hand and generally of all matters pertaining to his or her office as may be required by the Board of Directors, the Members of the Association, or by law.

(c) Additional Officers. The Board of Directors shall have the power to elect or appoint assistants to the general officers of the corporation and to elect or appoint such other officers, including a Chairman of the Board of Directors, agents and servants as it may deem necessary. Anyone so appointed or elected shall perform such duties as may be imposed or required by the Board of Directors or as may be prescribed from time to time by the By-Laws.

Section 5 - Delegation of Duties.

In case of the absence or inability to act of any officer of the corporation, the Board of Directors, or the President, during the interim between meetings of the Board, may delegate for the time being the duties of such officer to any other officer or to any Director.

Section 6 - Resignation.

An officer may resign at any time by filing his or her written resignation with the Secretary. Such resignation shall take effect at the time of filing, unless some other time is fixed in the resignation and the Board agrees to this other time.

Section 7 - Removals.

Any officer, agent or employee elected or appointed by the Board of Directors may be removed by a majority of the Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 8 - Vacancies.

The Board may provide for carrying on the duties of any vacant office or fill any vacancy in any office by an affirmative vote thereof.

Section 9 - Compensation.

The officers will receive no compensation for their services as officers, unless a duly adopted resolution of the Members explicitly authorizes compensation.

ARTICLE V

ASSESSMENTS AND BENEFITS

Section 1 - Annual Budget.

The Board will cause an estimated annual budget to be prepared for each fiscal year, and will adopt an estimated annual budget. The budget will provide for a reserve for contingencies, including improvements and deferred maintenance, and for replacement, in reasonable amounts as determined by the Board. The budget shall take into account estimated common expenses of the Condominium, income and cash requirements (including a working capital fund, salaries, payroll taxes, legal and accounting fees, materials, parts, supplies, service, maintenance, repairs, replacements, landscaping, snow removal, insurance, fuel, utilities and all other common expenses), any surplus or deficit from the preceding year, and any net income from the lease, operation, or use of the common elements.

The annual budget will indicate the allocation and assessment of these common charges against Unit Owners according to their respective ownership of the common elements. In addition, the Board shall specifically advise each Unit Owner in writing of the amount of common expenses payable by them and furnish them copies of each budget upon which these common expenses are based.

Section 2 - Supplemental Budget.

(a) Need for supplemental budget. If during any year it appears to the Board that the annual assessments are not sufficient to cover common expenses for the balance of the year, or if there is a non-recurring common expense or a common expense not set forth in the annual budget, then the Board will prepare and approve a supplemental budget covering the estimated deficiency and provide a copy to each Unit Owner.

(b) Supplemental assessments. A supplemental assessment of the proportionate share of the supplemental budget will be established for each Unit Owner. The following rules govern supplemental assessments:

(i) Separate assessments. Any non-recurring common expense or limited common expense, any common expense or limited common expense not set forth in the budget as adopted, and any increase over the amount adopted in the annual budget shall be separately assessed against all Unit Owners in the same manner as set out in Section 1.

(ii) Vote required for adoption. The budget and assessments therefor may be amended at any time by the Board of Directors if the items of the amended budget do not exceed any limitation placed on the original budget for that year. Any item which does exceed such limitation shall be subject to the approval of a majority of the Membership.

Section 3 - Assessments.

(a) Payment. Each Unit Owner must pay 1/12th of his or her proportionate share of the common expenses, as shown in the annual budget, each month. Payment must be made to the Managing Agent or such other person as the Board may direct, on or before the first day of each month of the year covered by the annual budget.

(b) Share of each Unit Owner. Each Unit Owner's assessment must be a proportionate share in accordance with his or her respective ownership interest in the common elements, as set forth in the Declaration for this Condominium.

(c) Delays in approving a budget. If the Board does not approve an estimated annual budget or fails to set new monthly assessments for any fiscal year before the beginning of the fiscal year, each Unit Owner is to continue to pay the last established monthly assessment.

(d) Failure to use. No Unit Owner is relieved of their obligation to pay the assessment if he or she does not use or otherwise abandons the Unit or the common elements or limited common elements.

(e) Occupancy for part of a year. No Unit Owner shall be liable for the payment of any part of the assessment against his or her Unit subsequent to a sale, transfer, or other conveyance by them made in accordance with Section 2 of Article II of these By-Laws. Each successor Unit Owner is responsible for the Unit's assessment for the remaining period in the fiscal year from and after such Owner's occupancy of the Unit.

Section 4 - Common Surpluses.

All common surpluses of the Association shall be held by the Board and spent for the purposes provided in these By-Laws. All such funds shall be held by the Board for the benefit and account of all the Unit Owners in the percentages provided in these By-Laws.

Section 5 - Annual Statement.

The Board will furnish to each Unit Owner an annual statement within a reasonable time after the end of each fiscal year. The statement will contain an itemized accounting of the common expenses paid for the preceding year and a tabulation of all sums collected, will state the net excess or deficit of income over expenditures plus reserves, and will contain any other information as the Board deems desirable.

Section 6 - Expenditures and Contracts.

Except for expenditures and contracts specifically authorized by the Declaration and these By-Laws, prior approval of 66-2/3% of Members is required before the Board may:

(a) Contracts. Enter into any contract for more than one (1) year.

(b) Expenditures. Approve any one time expenditure in excess of \$10,000.00, unless required for emergency repair, protection, or operation of the common elements or limited common elements.

Section 7 - Lien for Assessments.

(a) Duty of Unit Owner. Every Unit Owner has the duty to pay his or her proportionate share of the common expenses and limited common expenses, as provided in the Declaration, and as assessed in accordance with this Article V.

(b) Lien for unpaid assessment. If any Unit Owner fails or refuses to pay any assessment when due, the amount of the assessment, plus interest at the rate of 14% per year and actual costs of collection, shall become a lien on the interest of the Unit Owner in the property and shall be enforceable by the Board.

(c) Rights of the Board and Association. The Board, or its agents, have the right to maintain a suit to foreclose upon

any liens for unpaid assessments in the same manner, and subject to the same requirements as a foreclosure on real property in the State of Wisconsin. Costs of the suit and other fees and expenses, together with legal interest and actual attorneys' fees will be added to the amount due. In addition, the Board or the Association has the authority to exercise and enforce any and all rights and remedies as provided for in the Condominium Ownership Act, the Declaration, or these By-Laws, or as otherwise available at law or in equity for the collection of all unpaid assessments.

Section 8 - Statement of Accounts.

On receipt of ten (10) days written notice to the Board or Association, the Board will furnish to any Unit Owner a statement of the account of that Owner, with the amount of any unpaid assessment or charge due and owing from such Owner.

ARTICLE VI

USE AND OCCUPANCY

Section 1 - Maintenance and Repair.

(a) Units. All maintenance of and repairs to any Unit, structural or nonstructural, ordinary or extraordinary, will be made by the Unit Owner. Each Unit Owner shall be responsible for all damages to any other Unit and to the common elements resulting from his or her failure to effect such maintenance and repairs or from his or her negligent maintenance and repair.

(b) Common Elements. All maintenance, repairs, and replacements to the common elements, located inside or outside of the Units, (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such expense shall be charged to the Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

Section 2 - Rules of Conduct.

Rules and regulations concerning the use and occupation of the Units and the common elements may be promulgated and amended by the Board with the approval of more than 50% of the Members. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to their effective date. Initial rules and regulations, which shall be effective until amended by the Board with the approval of more than 50% of the Members, are attached hereto and made a part hereof as Schedule A.

ARTICLE VII

AMENDMENTS TO BY-LAWS

These By-Laws may be amended by action or approval of not less than 66-2/3% or more of the Members.

ARTICLE VIII

MISCELLANEOUS

Section 1 - Contracts.

Every agreement made by the Directors, Officers, or Managing Agent on behalf of the Unit Owners must provide that the person or entity is acting solely as agent for the Unit Owners and has no personal liability (except as a Unit Owner if applicable) and that each Unit Owner's liability is limited to a percentage, if applicable, of the total liability equal to his or her percentage ownership interest in the common elements.

Section 2 - Indemnification.

The Association will indemnify and hold harmless each of its Directors, Officers, member of any committee, or Managing Agent against all liabilities arising from:

(a) Status. Their status as Directors, Officers, committee members, or Management Agent; or

(b) Contracts. All contracts made by and all other acts of each person or entity authorized by and on behalf of the Association according to the terms of these By-Laws. However, the Association will not indemnify or hold harmless any person or entity if the contract or act in question was made or done fraudulently, or with criminal intent or gross negligence.

Section 3 - Definitions.

The terms used in these By-Laws are to have the same definition as contained in the Declaration of Condominium Ownership, to the extent they are defined in the Declaration or this Condominium.

Section 4 - Other Powers.

In addition to and in furtherance of the powers contained in these By-Laws, the Association has all other powers permitted and/or granted to not-for-profit corporations under the Wisconsin Statutes Chapter 181, Non-Stock Corporation Law.