May 28, 1996

Dear Condominium Owner:

We have amended the Articles of Incorporation and the By-Laws and the Condominium Declaration solely for the purpose of removing the clauses of expandability of the condominium project. Since the condominium project is being completed all at once, there is no further need for the expandability clauses.

We had originally intended to build the condominium project in three (3) phases, but due to the demand, we have built it all in one phase. Therefore, there is no more need for any expandability of the condominiums.

This will not affect your ownership or increase your cost. We appreciate your courtesy. If you have any questions regarding this matter, please contact me.

Very truly yours,

James J. Krahn

James J. Krahn

# INDEX

The following are amendments to the disclosure materials previously or simultaneously submitted to you by the declarant/seller:


1. DECLARATION. The declaration establishes and describes the condominium, the units and the common elements. The declaration begins on page ..... ii

2. BYLAWS. The bylaws contain rules which govern the condominium and affect the rights and responsibilities of unit owners. The bylaws begin on page ..... iii

3. ARTICLES OF INCORPORATION. The owner's association is a Wisconsin non-stock corporation. The articles of incorporation for the owner's association begin on page ..... vii

4. ESTIMATED 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 and utility payments. The budget begins on page ..... viii

# DECLARATION

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# THE WILLOWS, A CONDOMINIUM

## DECLARATION OF CONDOMINIUM

JAMES J. KRAHN, (the "Declarant"), hereby declares that the real estate described below is subject to the Wisconsin Unit Ownership Act. The said real estate and all the improvements now or subsequently placed thereon and the appurtenances thereto shall hereafter be known and described as THE WILLOWS, A CONDOMINIUM (the "Condominium").

1. **Description of Land.** The land which is the subject of this Declaration and upon which the buildings and improvements are and will be located is in Waukesha County, Wisconsin, more particularly described as follows:

> **THE WILLOWS** - Lot 5 in THE WILLOWS being a part of the SE 1/4 and the SW 1/4 of the SE 1/4 of Section 4, T 6 N, R 20 E, in the City of New Berlin, Waukesha County, Wisconsin.

Together with and subject to utility easements, and easements for ingress and egress through adjoining land and through the above described land and various restrictions and covenants, more fully set forth in a Declaration of Easements (the "Declaration of Easements") dated April 18, 1996 recorded in the office of the Register of Deeds for Waukesha County on May 30, 1996, as Document No. 2128954. (Exhibit B).

2. **Description of Buildings.** Eleven similar buildings are to be constructed upon the land with locations as shown on the plat of survey attached hereto as Exhibit C. The condominium dwelling units in each building are hereinafter called "units".

Each building contains 8 units. The total number of units in all eleven buildings is 88. Each building has two levels of living space and attached one car and two car garages. The principal

materials of which the buildings will be constructed are poured concrete foundation, slab on grade, wood frame, wood and concrete floors, vinyl siding and veneered brick exterior. All roofs are fiberglass dimensional shingle. Each unit has a gas-fired furnace, air-conditioning unit, electric hot water heater, stove, refrigerator, garbage disposal, dishwasher, washer, dryer and water meter.

3. **Description of Units.**

(a) The unit number of each unit and the approximate area, location, number of rooms and immediate common elements to which it has access are shown on the set of floor plans and cross-section of a typical building prepared by TDI ASSOCIATES, INC., architects, attached hereto as Exhibits A-1 through A-5 and on Exhibit C. Working drawings and general specifications for the project are on file at the office of the Declarant at 13030 West Wilbur Court, New Berlin, WI 53151.

(b) The boundaries of each unit shall consist of that part of the cubic area of each building which is enclosed as follows:

(i) The vertical or parametrial boundaries of the unit shall be the plane of the outer surfaces of the predecorated drywall and the plane of the outside faces of doors and windows bounding a dwelling extended in each case to an intersection with the upper and lower boundaries; and

(ii) The upper and lower boundaries shall be [a] lower boundary - the plane of the underside of the floor of the lowest level of living space and [b] upper boundary - the plane of the top surfaces of the predecorated drywall ceiling of the highest level of living space.

(c) If any portion of the common or limited common elements or facilities shall encroach upon any unit, or if any unit shall encroach upon any other unit or upon any portion of the

common or limited common elements or facilities as a result of the construction of the building, or as a result of settling or shifting of the building, a valid easement for the encroachment and for its maintenance shall exist so long as the building stands. In the event the building, the unit, any adjoining unit, or any adjoining common or limited common elements or facility, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment of a part of the common or limited common elements or facilities upon any unit or of any unit upon any other unit or upon any part of the common or limited common elements or facilities shall be permitted, and a valid easement for such encroachment and for its maintenance shall exist so long as the building stands. In interpreting the attached exhibits, the existing physical boundaries of a unit or of a unit which is reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the dimensions expressed in the attached exhibits, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the attached plans and those of the building.

4. **Description of Common Elements and Facilities.** The common elements and facilities shall include those matters described in section 703.02 (2) of the Wisconsin Condominium Ownership Act, and shall include, but not be limited to the following: land, road, walks, roof and space above each unit and land under each unit, central services, apparatus and equipment, and the easements described in the Declaration of Easements. The common elements and facilities shall exclude those halls, stairs and stairways, entrances, exits, storage spaces, baseboard heating equipment and other items of unit equipment which are located within the boundaries of a unit. Parking facilities which are not specifically and permanently assigned to a unit, as provided in section

5(d) of this Declaration, shall be equally available to all unit owners provided, however, that if the Board of Directors of the Association of unit owners of the Condominium (the "Association") shall deem it to be in the best interests of the Association, said Board of Directors may rent all or any portion of such nonassigned parking facilities on whatever terms and conditions it chooses.

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

(a) The balconies attached to each upper level units.

(b) The patios adjacent to each lower level unit.

(c) The garage assigned to each unit as shown on Exhibit A-2.

(d) The driveways immediately adjacent to each garage.

(e) The furnace, hot water heater, air-conditioning unit, water meter and garage door openers appurtenant to each Unit.

6. **Unit Value for Common Elements Ownership and Voting.** The percentage of undivided interest in the common elements and facilities (including limited common elements) and the number of votes appertaining to each unit and its owner shall be 1/88th. The Declarant recognizes that there are variances in the units which relate to value; however, after careful consideration of the factors relevant to maintenance, replacement and value, the Declarant believes that the foregoing formula of ownership and voting is fair and equitable as well as the most efficient for purposes of administration.

7. **Residential Use.** All units are intended for and shall be restricted to use by the owner, his family, lessees, invitees and frequenters, for residential purposes only.

8. **Service of Process.** Service of process shall be made upon the Declarant at 13030 West Wilbur Court, New Berlin, WI 53151 as to matters provided in the Wisconsin Unit Ownership Act until all units have been sold, conveyed and paid for or until the first meeting of the unit owners, at which time the Association may designate a successor by vote of a simple majority of a quorum present at any meeting (members or Board of Directors) of the Association.

9. **Damage or Destruction.** In the event the Condominium is destroyed or damaged in an amount in excess of $10,000.00, action by the Association by vote of more than 50% of the authorized votes of all unit owners taken within 90 days after such damage or destruction shall be necessary to determine to rebuild, repair, restore or sell the property as more fully described in section 3, Article V of the By-Laws of THE WILLOWS, A CONDOMINIUM (the corporation serving as the Association; the "By-Laws"). Damage or destruction to a lesser extent shall be repaired and restored pursuant to arrangement by the Board of Directors of the Association as provided in said section of the By-Laws.

10. **Further Matters.**

(a) All present and future owners of units, tenants of such owners and any other occupants of units, employees of owners, or any other persons that in any manner use or come upon the Condominium or any part thereof shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation of the Association (the "Articles"), and the By-Laws and rules and regulations adopted pursuant thereto, as these instruments may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an acceptance of the provisions of such instruments, as they may be amended from time to time, by such owner, tenant or occupant. The provisions contained

in such instruments shall be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof. The enforcement thereof may be by such judicial proceedings as the Board of Directors of the Association may deem appropriate as well as by the provisions of the Wisconsin Unit Ownership Act.

(b) The Declarant hereby reserves the right for a period of ten (10) years from date hereof to cause one or more of the units it owns to be maintained as a model unit and to display such models and the common elements of the Condominium for purposes of selling units in the Condominium or in other projects of the Declarant.

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

(d) The Declarant hereby reserves for the Association acting by and in the discretion of its Board of Directors, the right to grant to the City of New Berlin, Wisconsin, or public or semi-public utility companies, easements and rights-of-way for the erection, construction and maintenance of all poles, wires, pipes and conduits for the transmission of electricity, gas, water, telephone and for other purposes, for sewers, storm water drains, gas mains, water pipes and mains, and similar service, and for performing any public or quasi-public utility function that said Board of Directors may deem fit and proper for the improvement and benefit of the Condominium. Such easements and rights-of-way shall be confined, so far as possible, to underground pipes or other

conduits, with the necessary rights of ingress and egress therefrom and with the rights to do whatever may be necessary to carry out the purposes for which this easement is created. The Declarant hereby further reserves for itself and its successors and assigns access to and the right to connect to any such underground pipes or other conduits for the improvement and benefit of other property owned by the Declarant.

(e) The Declarant hereby reserves for itself and successor owners and for lessees, invitees and frequenters thereof, an easement of access to, in an unlimited manner, the roadways and utilities commencing at the east boundary of the Condominium and running to its west and north boundary.

11. **Amendment of Declaration.**

(a) This Declaration may be amended by the Declarant until all units have been sold, conveyed and paid for solely in order to correct any errors or omissions herein (including changes in the buildings as finally constructed), or by the vote of at least 75% of the authorized votes of all unit owners cast in person or by proxy by unit owners at a meeting duly held in accordance with the provisions of the By-Laws or by the unanimous vote of all members of the Board of Directors of the Association at a meeting duly held in accordance with the provisions of the By-Laws; provided, however, that the provisions of section 703.06(2) of the Wisconsin Unit Ownership Act shall apply on any vote to change or alter the percentage of ownership in the common or limited common elements or facilities; and further provided that section 12 of this Declaration shall not be amended unless all holders of first mortgage liens on individual units have given their prior written approval. Copies of any such amendments shall be certified by the President and Secretary of the Association.

(b) At any time within ten years from the date of this Declaration, the Declarant may disclaim any rights reserved under sections 10 or 11 of this Declaration by an instrument delivered to the Condominium at its then address for service of process at which time said rights shall terminate.

12. **Additional Rights of Mortgage Holders.**

(a) As to the holder of any mortgage of a unit which has notified the Association in writing delivered or mailed by certified mail to the place for service of process stated in section 8 of this Declaration:

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

(ii) The Board of Directors of the Association shall give such mortgage holder by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-Laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice to any unit owner.

(iii) The Board of Directors of the Association shall notify such mortgage holder of physical damage to structure, fixtures or equipment of a unit in an amount exceeding $1,000 when such damage is known to the Board of Directors and shall notify all mortgage holders of units if common elements or facilities of the Condominium are damaged in an amount exceeding $10,000.

(b) Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association shall not:

(i) Change the pro rata interest or obligation of any unit for purposes of levying assessments and charges and determining the shares of the common elements and proceeds of the Condominium;

(ii) Partition or subdivide any unit or the common elements of the Condominium; or

(iii) By act or omission seek to abandon the condominium status of the Condominium except as provided in section 9 of this Declaration in case of substantial loss to the units and common elements of the Condominium.

IN WITNESS WHEREOF, this document has been executed this 24th day of May, 1996.

By: James J. Krahn
James J. Krahn, Declarant

STATE OF WISCONSIN )
) SS
MILWAUKEE COUNTY )

On this 24th day of May, 1996, before me personally appeared James J. Krahn who acknowledged that he executed the foregoing instrument by signing his name and for the purposes therein contained.

Theresa L. Trombino
Notary Public, State of Wisconsin Theresa L. Trombino
My Commission ~~is permanent~~. expires 2-9-97

There is no mortgage presently on the premises.

This Instrument was drafted by Thomas G. Duggan and John H. Pellmann

EXHIBIT A-1

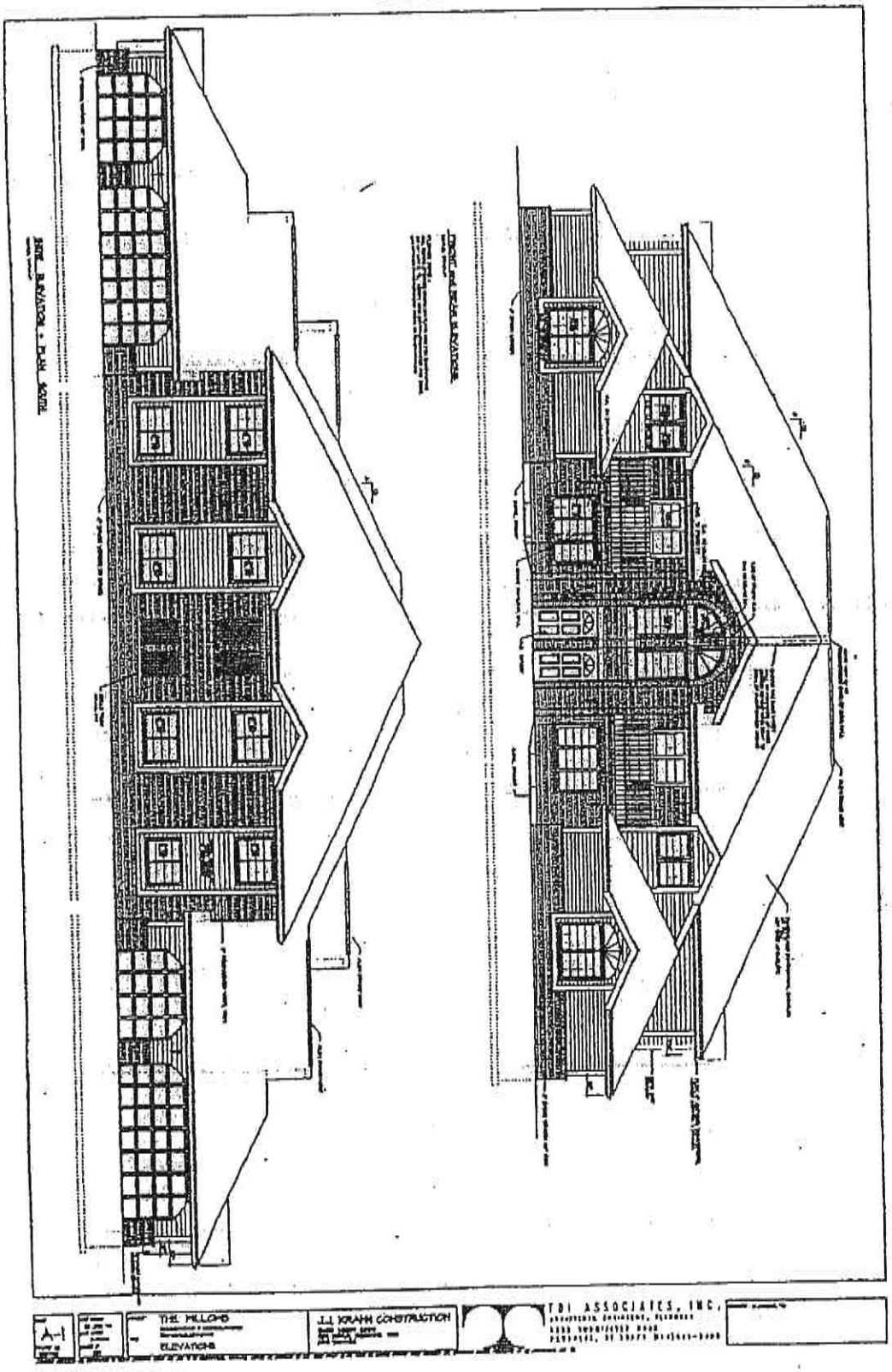
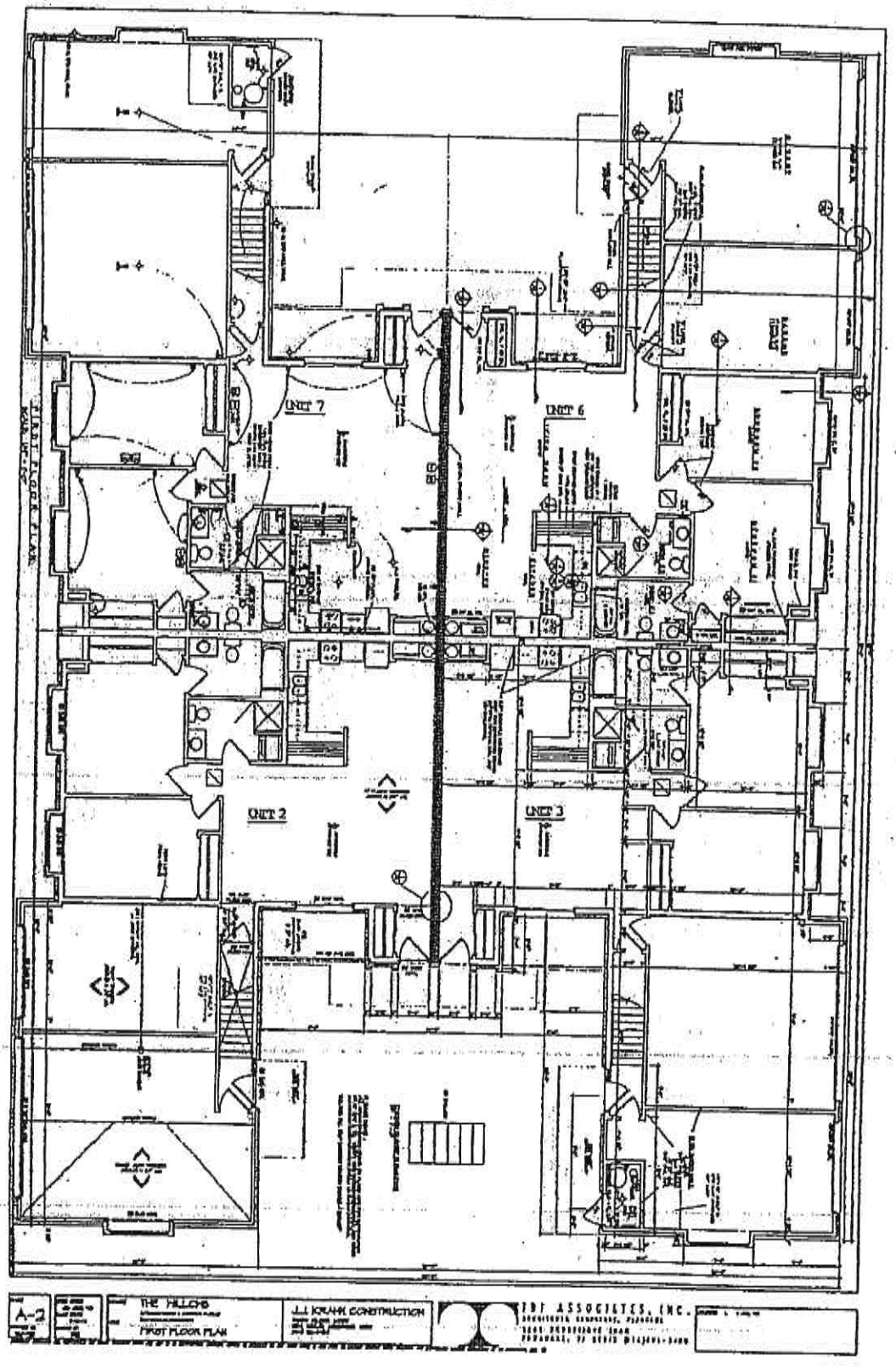
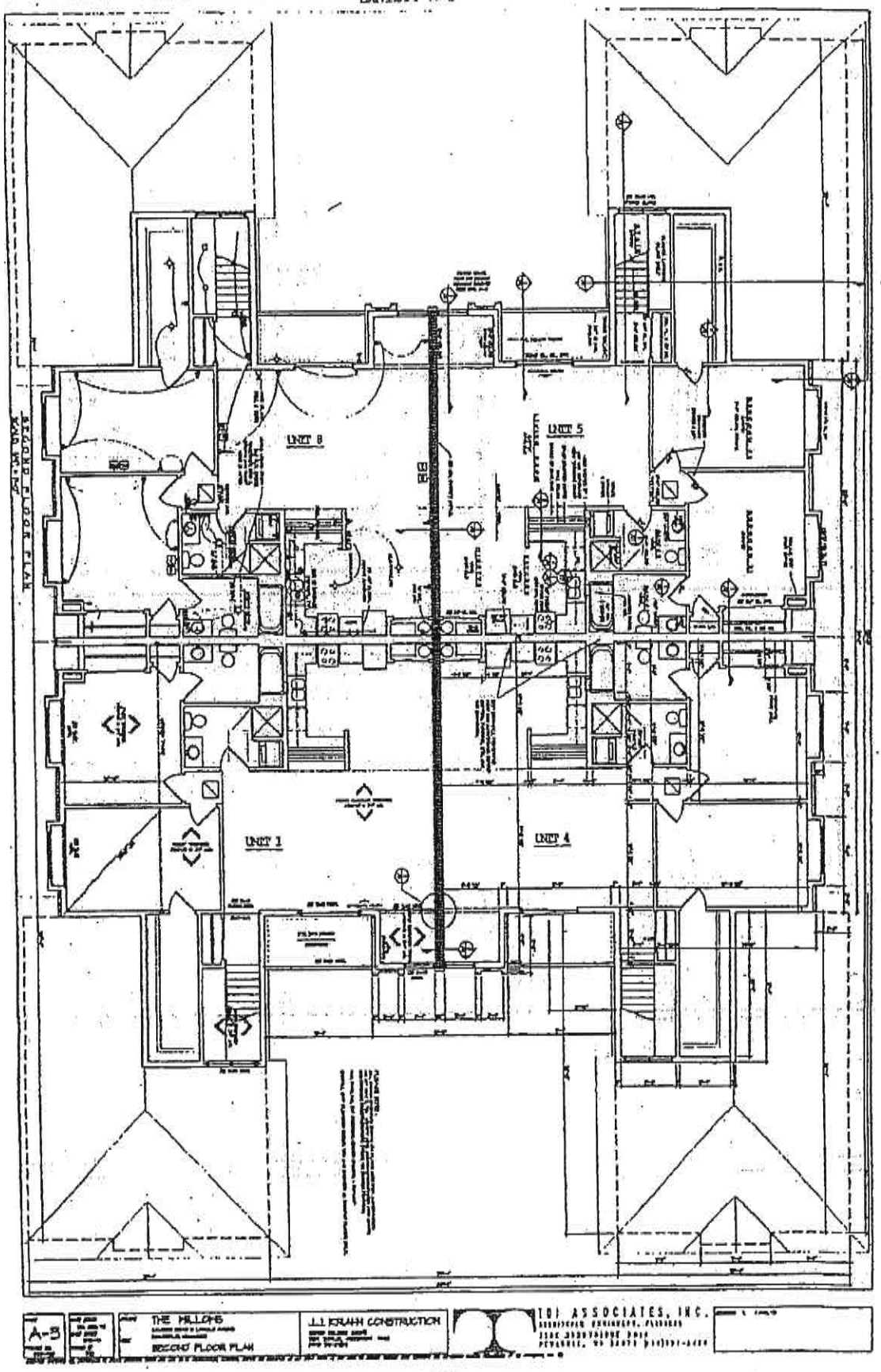

THE HILLCREST
ELEVATIONS
J.J. KRAHN CONSTRUCTION
TDI ASSOCIATES, INC.

EXHIBIT A-2




FIRST FLOOR PLAN FOR BUILDINGS 1 THROUGH 11

EXHIBIT A-3




SECOND FLOOR PLAN FOR BUILDINGS 1 THROUGH 11

EXHIBIT A-4

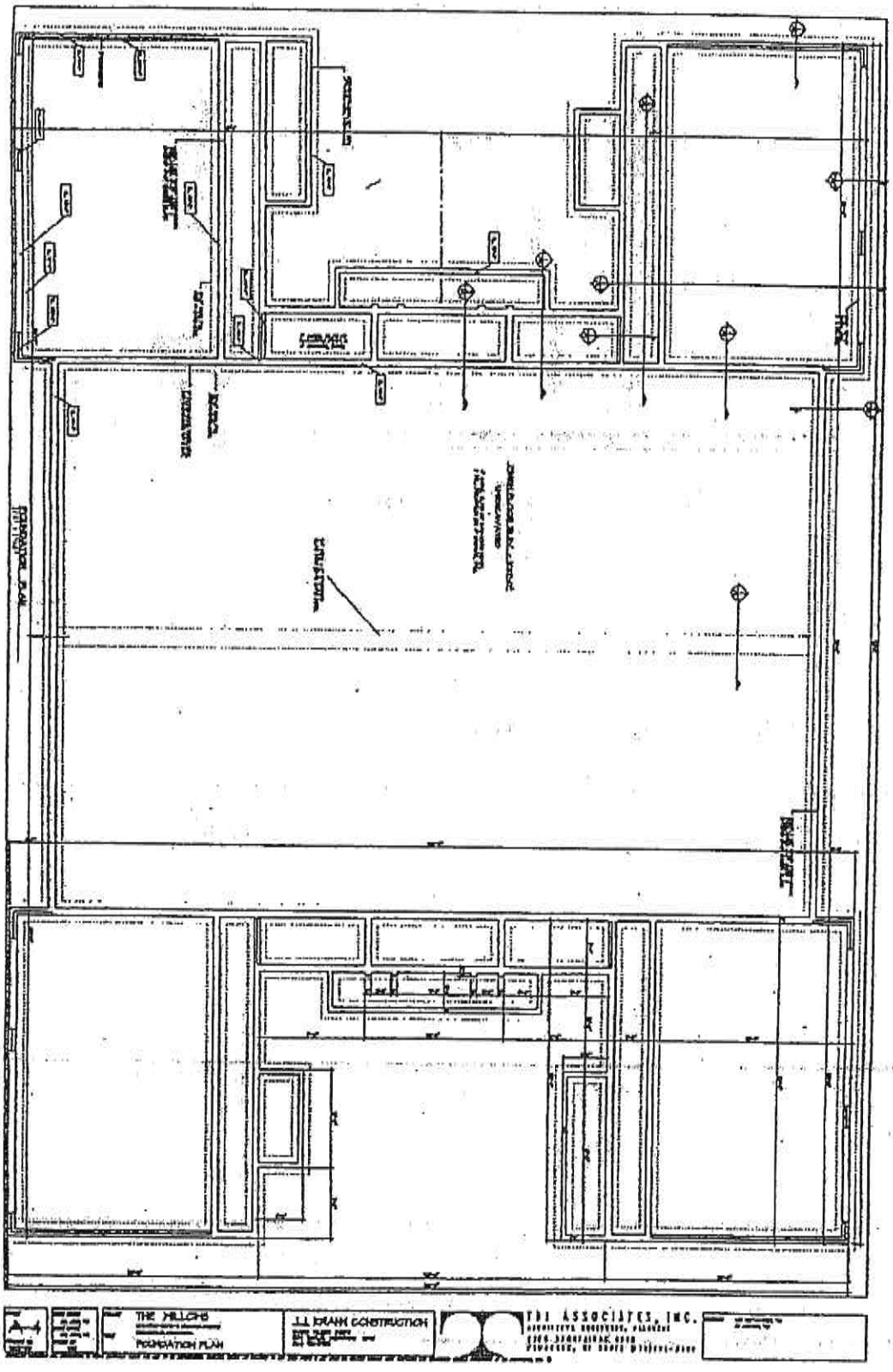
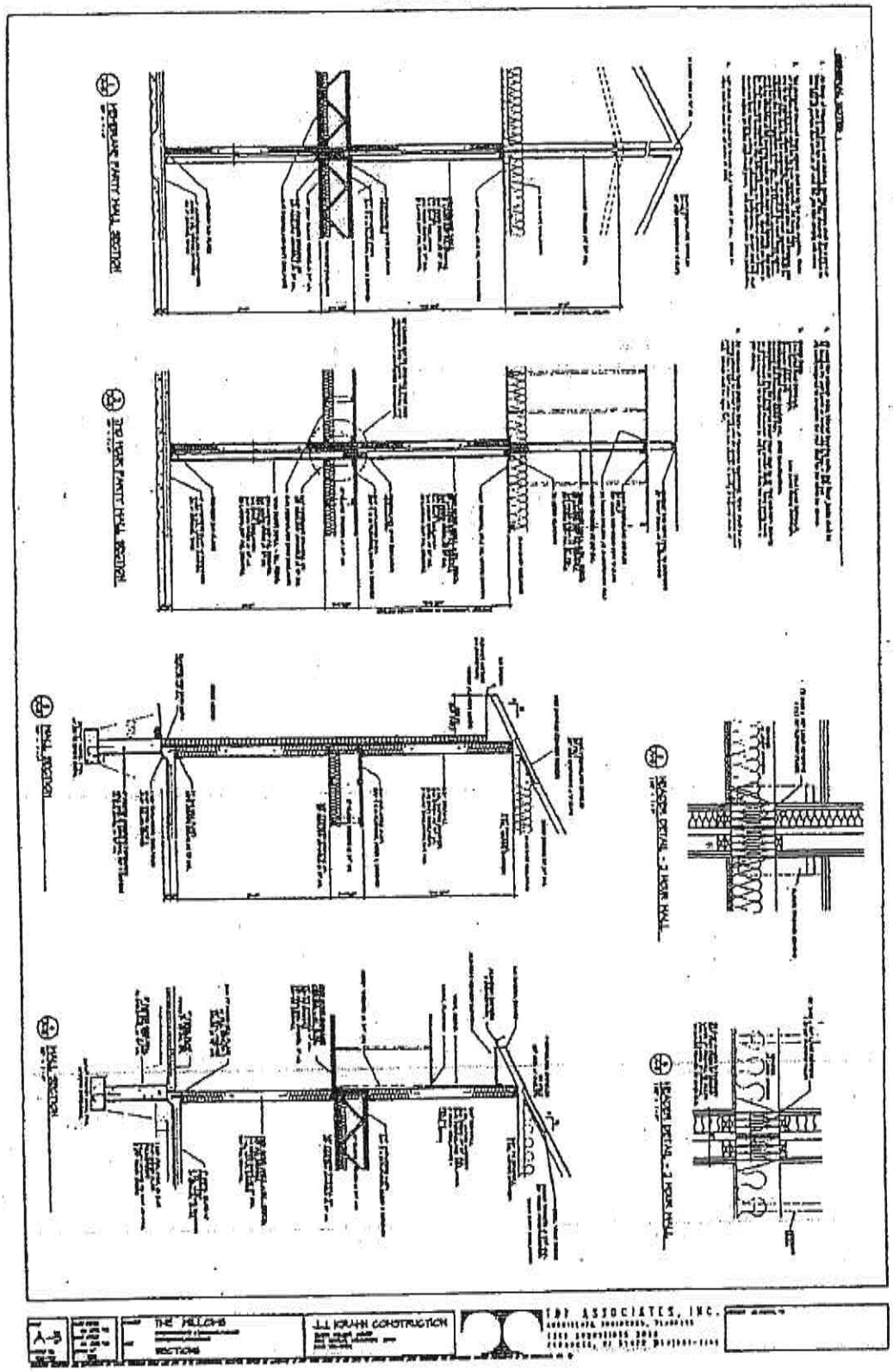

THE HELICHS
FOUNDATION PLAN
J.J. KRAHN CONSTRUCTION
TBI ASSOCIATES, INC.

EXHIBIT A-5



## EXHIBIT B
## DECLARATION OF EASEMENTS

James J. Krahn (the "Declarant"), hereby declares the following utility easements and easements for ingress and egress through adjoining land and through the land described in the Declaration of Condominium:

1. Easement to The Milwaukee Electric Railway and Light Company dated October 7, 1925 and recorded April 3, 1926 in Volume 199, Page 80 as Document No. 143099.

2. Easement to The Milwaukee Electric Railway and Light Company dated February 28, 1930 and recorded April 23, 1930 in Volume 223, Page 129 as Document No. 173029.

3. Easement to The Milwaukee Electric Railway and Light Company dated November 18, 1924 and recorded January 20, 1925 in Volume 191, Page 355 as Document No. 136191.

4. Easement to The Milwaukee Electric Railway and Light Company dated September 17, 1941 and recorded October 22, 1941 in Volume 311, Page 570 as Document No. 244594.

5. Right of Way Contract to Michigan-Wisconsin Pipe Line Company dated February 16, 1949 and recorded February 26, 1949 in Volume 487, Page 460 as Document No. 323209.

6. Right of Way Contract to Michigan-Wisconsin Pipe Line Company dated May 24, 1956 and recorded July 9, 1956 in Volume 711, Page 260 as Document No. 441572.

7. Right of Way Grant to Michigan-Wisconsin Pipe Line Company dated April 3, 1956 and recorded April 18, 1956 in Volume 700, Page 493 as Document No. 436404.

8. All easements shown on Exhibit B1 attached hereto.

The developer further reserves the sole and exclusive right to amend this Declaration of Easements from time to time as needed for the provision of utilities and ingress and egress to adjoining land and the land described in the Declaration of Condominium.

In witness whereof, this document was executed this 18th day of APRIL, 1996.

James J. Krahn

Subscribed and sworn to before
me this 18th day of April, 1996.

Notary Public, State of Wisconsin
My commission ~~expires~~ is permanent.

EXHIBIT B1

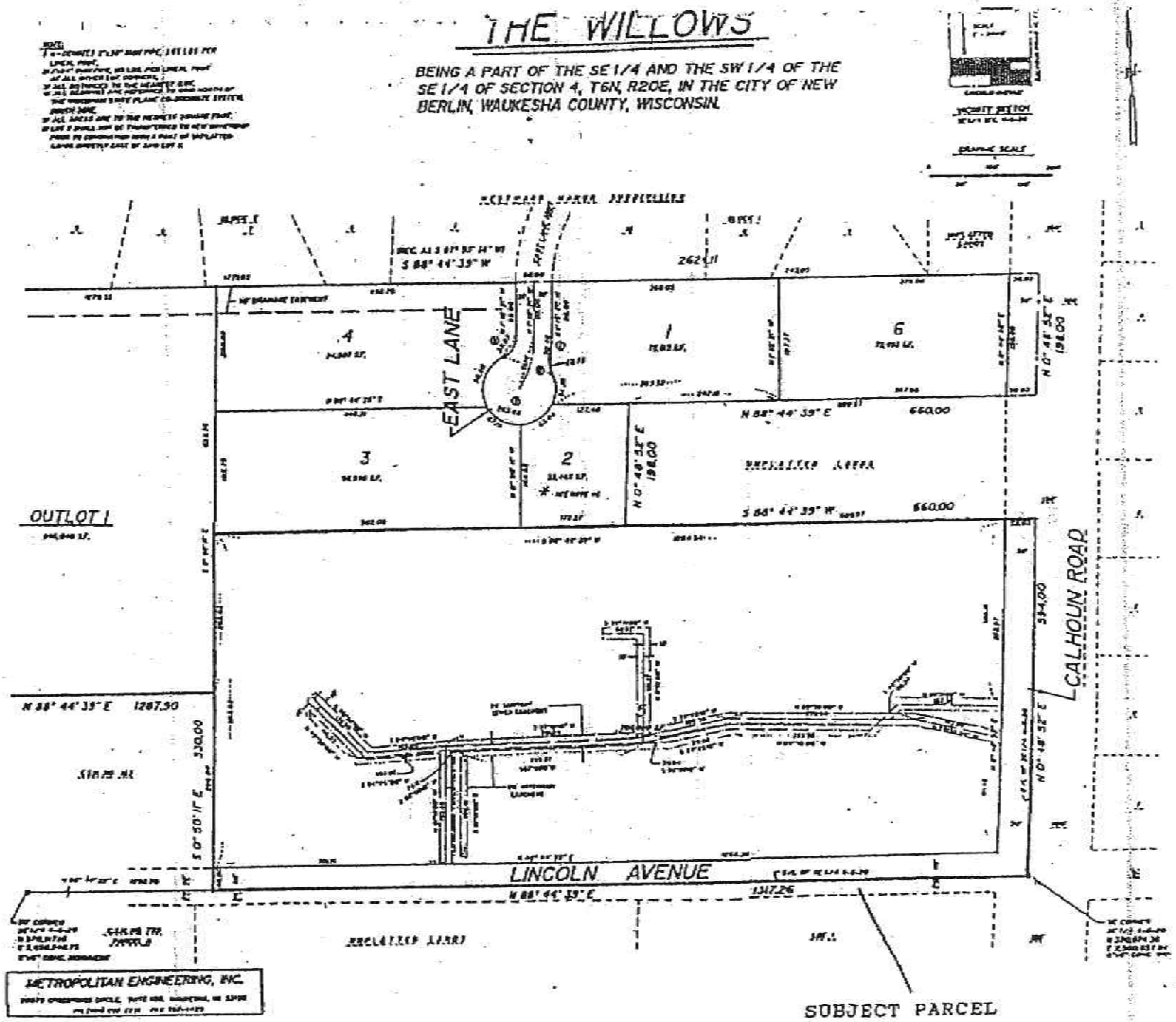
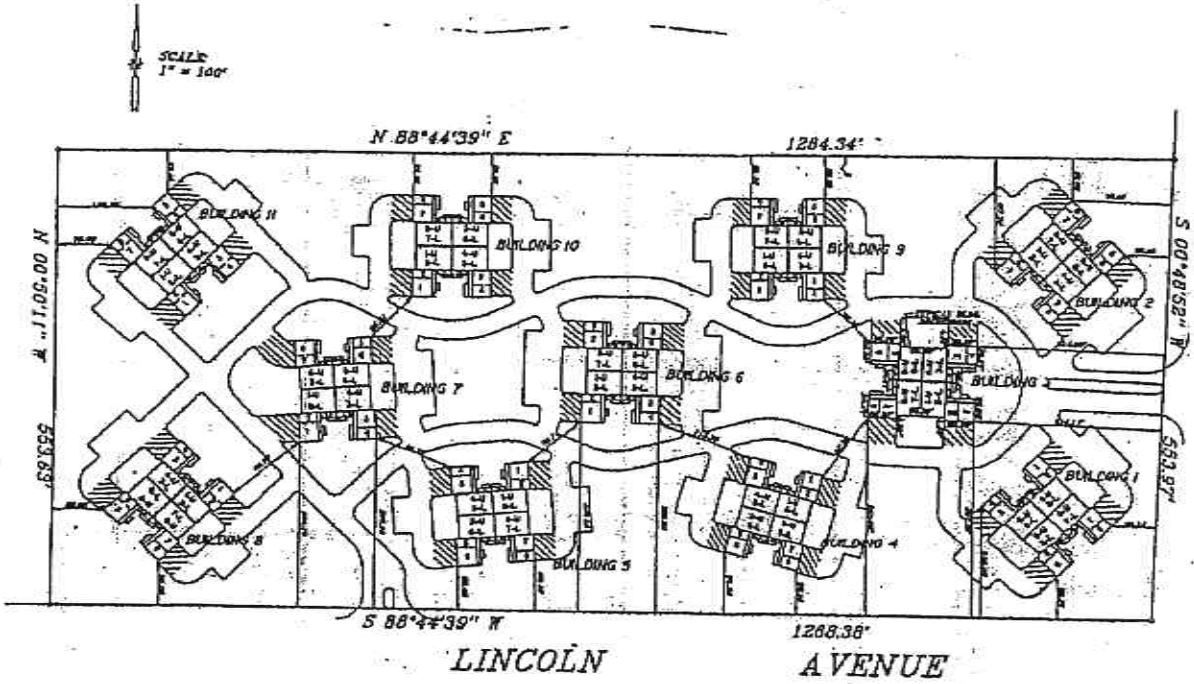

THE WILLOWS
BEING A PART OF THE SE 1/4 AND THE SW 1/4 OF THE SE 1/4 OF SECTION 4, T6N, R20E, IN THE CITY OF NEW BERLIN, WAUKESHA COUNTY, WISCONSIN.
EAST LANE
OUTLOT 1
CALHOUN ROAD
LINCOLN AVENUE
N 88° 44' 39" E 1287.50
S 0° 50' 11" E 330.00
N 88° 44' 39" E 660.00
S 88° 44' 39" W 660.00
N 0° 48' 52" E 198.00
N 88° 44' 39" E 1317.26
METROPOLITAN ENGINEERING, INC.
SUBJECT PARCEL

EXHIBIT C

# THE WILLOWS CONDOMINIUM

## CITY OF NEW BERLIN, WAUKESHA COUNTY
## STATE OF WISCONSIN
## CONDOMINIUM PLAT

LEGAL DESCRIPTION: Being all of Lot 5 in THE WILLOWS, being a part of the SE 1/4 and the SW 1/4 of the SE 1/4 of Section 4, T 5 N, R 20 E, in the City of New Berlin, Waukesha County, Wisconsin..




CERTIFICATE OF SURVEYOR

I, Christopher J. Kunkel, a registered land surveyor, authorized to practice that profession in the State of Wisconsin, do hereby certify that there is shown in the foregoing Condominium Plat for the WILLOWS CONDOMINIUM, a correct representation of condominium described in the Declaration. The identification and location of each unit and the common elements whether as constructed or proposed can be determined from the Plat of Survey and the other documents and drawings attached. The undersigned surveyor makes no certification as to the accuracy of diagrammatic floor plans of the condominium building(s) and units contained in the plat or the approximate dimensions of the floor areas thereof.

Christopher J. Kunkel, RLS S-1755

Dated this 26TH day of _____, 1996.

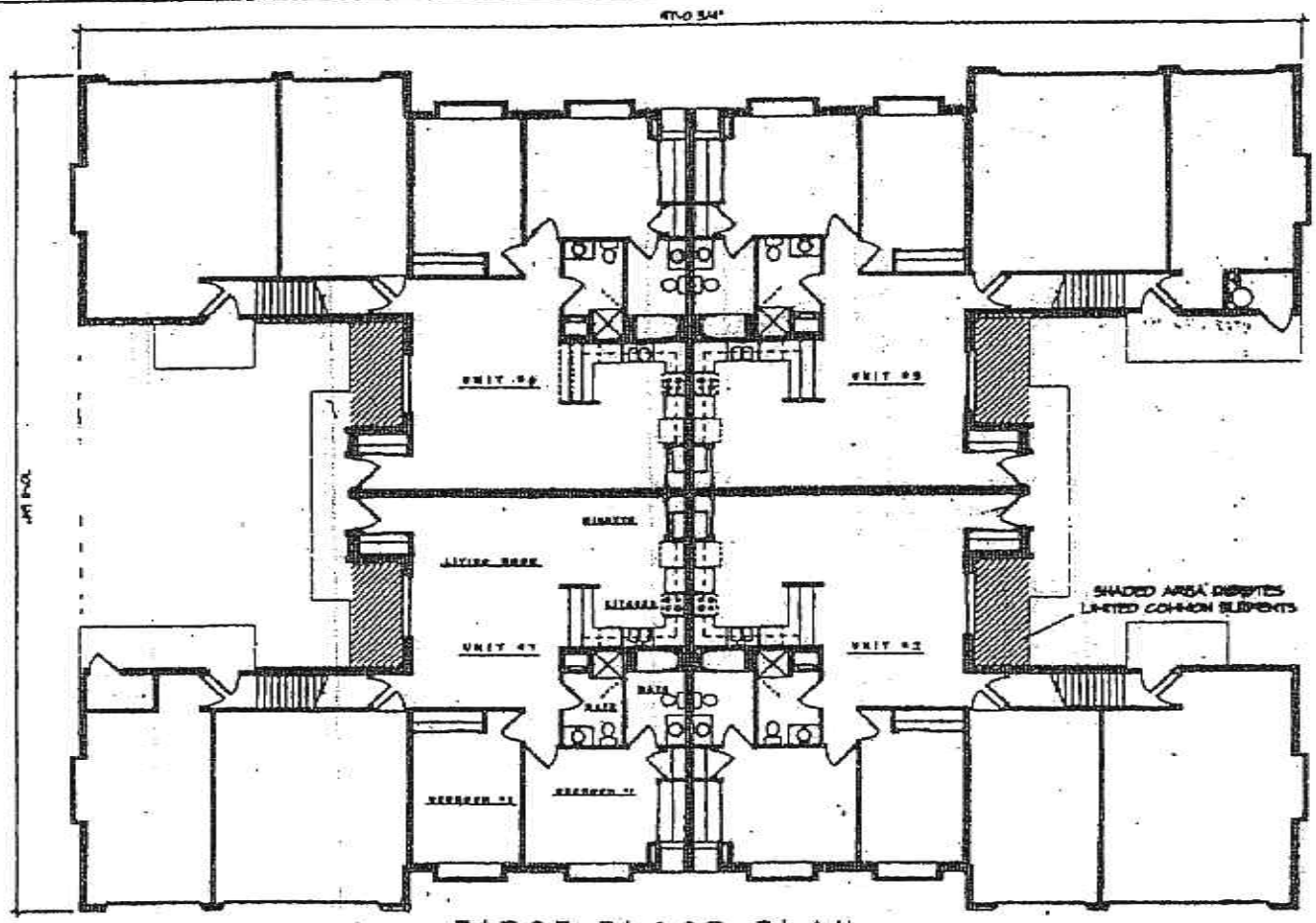
WISCONSIN CHRISTOPHER J. KUNKEL S-1755 REGISTERED LAND SURVEYOR

U = DENOTES UPPER UNIT
L = DENOTES LOWER UNIT
DENOTES LIMITED COMMON AREA

METROPOLITAN ENGINEERING, INC.

SHEET 1 OF 3

EXHIBIT C



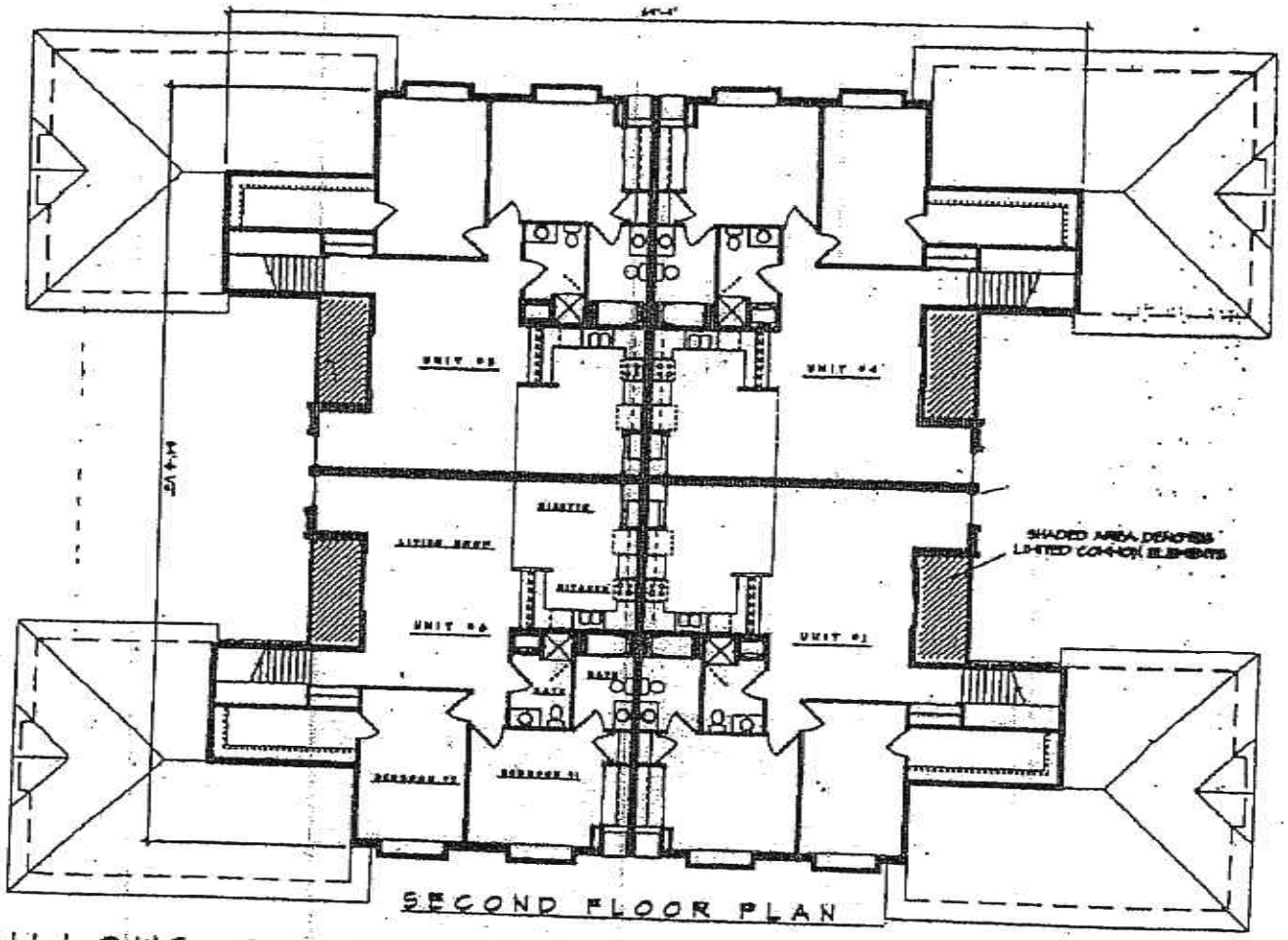

FIRST FLOOR PLAN

THE WILLOWS CONDOMINIUMS - 8 UNIT BUILDING

CITY OF NEW BERLIN, COUNTY OF WAUKESHA, STATE OF WISCONSIN

SCALE

EXHIBIT C




SECOND FLOOR PLAN

THE WILLOWS CONDOMINIUMS - 8 UNIT BUILDING

CITY OF NEW BERLIN, COUNTY OF WAUKESHA, STATE OF WISCONSIN

SCALE

BYLAWS OF

THE WILLOWS CONDOMINIUM ASSOCIATION, INC.

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BYLAWS OF
THE WILLOWS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership.

The property located in the City of New Berlin, County of Waukesha, State of Wisconsin (the "Property"), known as THE WILLOWS A CONDOMINIUM, has been submitted to the provisions of The Wisconsin Condominium Ownership Act by the Declaration of Condominium (the "Declaration"), recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, on the 30th day of May, 1996, on Reel 2242 at Images 849 to 867, inclusive, as Document No. 2128955.

Section 2. Applicability of Bylaws.

These Bylaws are adopted as the Bylaws of THE WILLOWS CONDOMINIUM ASSOCIATION, INC., a Wisconsin nonstock, nonprofit corporation formed to serve as the Association of Unit Owners for the Property as provided in The Wisconsin Condominium Ownership Act. The terms "Corporation" and "Association" are used interchangeably in these Bylaws to refer to said nonstock corporation. The provisions of these Bylaws are applicable to the Property, and any other real estate which becomes subject to the jurisdiction of the Association and to the use and occupancy thereof.

Section 3. Definitions.

The term, "Property", and other terms used in these Bylaws shall, unless the context or the Declaration or Articles of Incorporation require otherwise, have the same meanings as the definitions contained in Section 703.02 of The Wisconsin Condominium Ownership Act.

Section 4. Office.

The office of the Condominium and of the Corporation shall be located at 13030 West Wilbur Court, New Berlin, WI 53151.

ARTICLE II

Board of Directors

Section 1. Number and Qualification.

The affairs of the Association and of the Property shall be governed by the Board of Directors. Until the election of a new Board of Directors by the unit owners pursuant to Section 1,

Article III of these Bylaws, the Board of Directors shall consist of such persons not exceeding three in number as shall have been designated by the Declarant. Thereafter, the Board of Directors shall be composed of three persons all of whom shall be owners.

Section 2. Powers and Duties.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property, except such powers and duties as by law or by the Declaration of by these Bylaws may not be delegated to the Board of Directors by the unit owners. The Board of Directors shall have full powers and authority necessary for or desirable for complete enforcement and administration of the Property and the provisions of The Wisconsin Condominium Ownership Act, the Declaration, these Bylaws and rules and regulations hereunder.

Section 3. Managing Agent and Manager.

The Board of Directors may employ for the Property a managing agent which may be Declarant or a related party and a manager at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

Section 4. Election and Term of Office.

At the first annual meeting of the unit owners, the term of office of one member of the Board of Directors shall be fixed at one (1) year, the term of the office of one member of the Board of Directors shall be fixed at two (2) years, and the term of the office of one member of the Board of Directors shall be fixed at three (3) years. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of the Board of Directors.

At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of

any such vacancy even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Section 7. Organization Meeting.

The first meeting of the members of the Board of Directors following the annual meeting of the unit owners shall be held within ten days thereafter, at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telegraph, at least three business days prior to the day named for such meeting.

Section 9. Special Meetings and Notice.

Special meetings of the Board of Directors may be called by the President on three business days' notice to each member of the Board of Directors, given by mail or telegraph, which notices shall state the time, place and purpose for the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Board of Directors.

Section 10. Waiver of Notice.

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors.

At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board

of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds.

The Board of Directors shall obtain adequate fidelity bonds of all officers and employees of the Property handling or responsible for funds. The premiums on such bonds shall constitute a common expense.
The bonds shall name the Association as obligee, contain waivers of the issuer of all defenses based on the exclusion of persons serving without compensation from the definition of "employee" and shall provide that they may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and each mortgagee or land contract vendor.

Section 13. Compensation.

No member of the Board of Directors shall receive any compensation from the Association for acting as such, except by specific resolution of the membership.

Section 14. Liability of the Board of Directors.

The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common elements and facilities bears to the interest of all the unit owners in the common elements and facilities. Every agreement made by the Board of Directors or by the managing agent, or by the manager on behalf of the Association, shall provide that the members of the Board of Directors, or the managing agent or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements and facilities bears to the interests of all unit owners in the common elements and facilities. The Board of Directors may obtain and maintain at the expense of the Association director's liability insurance consistent with the provisions of this section in an amount or amounts it deems advisable.

Section 15. Informal Action.

Any action which is required to be taken at a meeting of the Board of Directors, or which may be taken at such a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members of the Board of Directors entitled to vote with respect to the subject matter. Such consent shall have the same force and effect as a unanimous vote.

## ARTICLE III

## Unit Owners

Section 1. Annual Meetings.

(a) Until the first annual meeting of the unit owners as described below, until the Declarant designates otherwise, or until the unit owners elect a member of the Board of Directors pursuant to this section prior to the first annual meeting of the unit owners, the initial Board of Directors named in the Articles of Incorporation of the Association shall serve as the Board of Directors.

(b) Prior to the conveyance of twenty five percent (25%) of the undivided percentage interest in the common elements, the Declarant shall call a meeting of the unit owners. At such meeting, one of the designees of the Declarant on the Board of Directors shall resign and the unit owners, other than the Declarant, shall elect a successor by vote of a majority of those unit owners. Prior to the conveyance of fifty per cent (50%) of the undivided percentage interest in the common elements, the Declarant shall call a meeting of the unit owners. At such meeting, owners other than the Declarant shall elect at least thirty three and one-third percent (33 1/3%) of the Board of Directors by a vote of majority of those unit owners. Each Director shall serve until the first annual meeting of the unit owners. If such successor shall resign prior to the first annual meeting of the unit owners, a successor to him shall be elected in the same manner.

(c) Thirty days after seventy-five percent (75%) of the units shall have been sold and conveyed by the Declarant, or such earlier time as determined by the Declarant, but not later than three (3) years from the date the first unit is conveyed by the Declarant, the Declarant shall call the first annual meeting of the unit owners. At such meeting, the designees of the Declarant and any other members of the Board of Directors elected by the unit owners shall resign as members of the Board of Directors, and all unit owners, including the Declarant, shall elect a new Board of Directors. Thereafter, the annual meeting of the unit owners shall be held on the third Monday of July of each succeeding year. At such meetings, the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4, Article II of these Bylaws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting.

Meetings of the unit owners shall be held at the principal office of the Association, or at such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Special Meetings.

It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors, or upon a petition signed and presented to the Secretary by unit owners having thirty-three percent (33%) of the total authorized votes of all unit owners. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings.

The Secretary shall mail to each unit owner of record, or cause to be delivered to each unit owner, a notice of each annual or special meeting of the unit owners, at least ten, but not more than twenty days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, at the building or at such other address as such unit owner shall have designated by notice of writing to the Secretary. The mailing or delivery of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. Adjournment of Meetings.

If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to such time as a quorum is obtained without further notice.

Section 6. Title to Units.

Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation, limited liability company or partnership, or any other entity which is a legal entity in the State of Wisconsin.

Section 7. Voting.

The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Each unit owner (including the Declarant and the Board of Directors, if the Declarant, or the Board of Directors or its designee, shall then hold title to one or more units) shall be entitled to cast at all meetings of the unit owners one vote for each unit owned.

Section 8. Majority of Unit Owners.

As used in these Bylaws, the term "majority of unit owners" shall mean those unit owners having more than fifty percent (50%) of the authorized votes of all unit owners present, in person or by proxy, and voting at any meeting of the unit owners determined in accordance with the provisions of Section 7 of this Article III.

Section 9. Quorum.

Except as otherwise provided in these Bylaws, the presence in person or by proxy of unit owners having thirty-three and a third percent of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote.

The vote of those unit owners having more than fifty percent (50%) of the total authorized votes present, in person or by proxy, and voting at a meeting at which a quorum shall be present, shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws.

Section 11. Action by Unanimous Consent.

Any action required to be taken or which may be taken at a meeting of unit owners may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all unit owners entitled to vote thereon. The signature required in each instance shall be that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership.

(a) All unit owners shall be members of the Association. The foregoing is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. As between contract buyer and seller of a unit, the person entitled to legal possession shall be deemed owner. Membership shall be appurtenant to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Waukesha County. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Waukesha County of a deed or other instrument establishing a change of record title to a unit and the delivery to the Association of a certified copy of such instrument. The new owner designated by such instrument shall thereby become a member of the Association and the membership of the prior owner shall thereby be terminated.

## ARTICLE IV

## Officers

Section 1. Designation.

The principal officers of the Association shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice-President must be members of the Board of Directors.

Section 2. Election of Officers.

Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers.

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

Section 4. President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including but not limited to the power to appoint from among the unit owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Property.

Section 5. Vice-President.

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on a interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 7. Treasurer.

The Treasurer shall have the responsibility for Association funds and securities, and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of the Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 8. Agreements, Contracts, Deeds, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association, or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers.

No officer shall receive any compensation from the Association for acting as such, except by specific Resolution of the Membership.

## ARTICLE V

## Operation of the Property

Section 1. Determination of Common Expenses and Common Charges.

The Board of Directors shall, from time to time, and at least annually, prepare a budget for the Property, determine the amount of the common charges required to meet the common expenses of the Property, and allocate and assess such common charges against the unit owners according to their respective common interests. The common expenses shall include, among other things, the costs of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of this Article V. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital, for

a general operating reserve, for a reserve fund for replacements and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise each unit owner in writing of the amount of common charges payable by him, and shall furnish copies of each budget on which such common charges are based to all unit owners and to their mortgagees.

Section 2. Insurance.

The Board of Directors shall be required to obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsement, insuring all buildings (including all of the units and all of the fixtures initially installed therein by the Declarant, but not including furniture, furnishings, fixtures or other personal property supplied or installed by unit owners), together with all air-conditioning equipment and other service machinery contained therein; and all limited common elements and facilities. Such insurance shall cover the Property, the Association, the Board of Directors and all unit owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Board of Directors or the insurance trustee as provided herein as trustee for all unit owners and their mortgagees as their interest may appear.

All such policies shall provide that adjustment of loss shall be made by the Board of Directors with the approval of the insurance trustee, and that the net proceeds thereof, if Ten Thousand Dollars or less, shall be payable to the Board of Directors, and if more than Ten Thousand Dollars, shall be payable to the insurance trustee.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all lenders of units at least ten days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a fire insurance company, or otherwise, of the full replacement value of the buildings, including all of the units and all of the common and limited common elements and facilities, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, and each unit

owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year. Until the first meeting of the Board of Directors following the first annual meeting of the unit owners, such public liability insurance shall be in a single limit of One Million Dollars covering all claims for bodily injury or property damage arising out of one occurrence.

Unit owners or their lenders shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Board of Directors.

Section 3. Repair and Reconstruction After Damage.

(a) In the event of any damage to or destruction of the Property in the amount of $10,000 or less whether or not the insurance proceeds, if any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction (including any damaged units, and any fixtures initially installed therein by the Declarant, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners in the units), and the Board of Directors or the insurance trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or reconstruction in excess of the appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Article III, Section 11 of these Bylaws, and shall constitute the determination by the Association to repair, reconstruct or rebuild as required by The Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the Association, then the affirmative vote of the unit owners having more than two percent (2%) of the authorized votes of all unit owners shall be sufficient to determine to repair and reconstruct.

(b) In the event the Property is destroyed or damaged in an amount in excess of $10,000, and insurance proceeds, if any, are insufficient to complete repair and reconstruction, the Association, by vote of more than fifty percent (50%) of the authorized votes of all unit owners, shall determine within ninety days after such damage or destruction whether to proceed with repair or reconstruction. If the Association determines to repair or reconstruct, the Board of Directors shall arrange for such repair or reconstruction in accordance with the preceding paragraph of this section.

If the Association, within ninety days after such damage or destruction, fails to make a determination of whether to repair or reconstruct, the Property shall be deemed to be owned in common by the unit owners in the same percentages as previously owned by each unit owner in common elements and be subject to an action for partition at the suit of any unit owner, in which event, the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective interests in common, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each unit owner, in the order of priority of such liens.

(c) In the event the Property is destroyed or damaged in an amount in excess of $10,000, and insurance proceeds, if any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized and shall arrange for such repair or reconstruction in accordance with Paragraph (a) of Section 3 Article V.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Section 11, Article III of these Bylaws, and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by The Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct. In the case of partition and sale the net proceeds of sale, together with the net insurance proceeds, shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective undivided percentage interests in the common elements, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the unit and the undivided percentage interest in the common elements owned by each unit owner.

Section 4. Payment of Common Charges.

All unit owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article at such time or times as the Board of Directors shall determine. A late charge of up to Ten Dollars may be imposed by the Board of Directors against a unit owner if any balance in common charges remains unpaid by the fifth day of the month when due.

No unit owner shall be liable for the payment of any part of the common charges which shall be assessed against his unit subsequent to a sale, transfer or other conveyance by him thereof (made in accordance with the provisions of Article VII of these Bylaws). A purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition by him of such Unit except that, if the Board of Directors or the Manager furnishes a statement setting forth pursuant to 703.16(5), an amount due for common charges, such liability shall be limited to the

amount set forth therein, except that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Each unit owner shall be obligated to pay common charges hereunder, notwithstanding the fact that he may have a pending dispute with the Association on any matter.

Section 5. Collection of Assessments.

The Board of Directors shall assess common charges against the unit owners from time to time and at least annually, and shall take prompt action to collect from a unit owner any common charge due which remains unpaid by him for more than thirty days from the due date for its payment.

Section 6. Default in Payment of Common Charges.

In the event of default by any unit owner in paying to the Board of Directors the assessed common charges, such unit owner shall be obligated to pay interest at a rate to be set by the Board of Directors, but not to exceed the highest rate permitted by law per year on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceedings, including attorneys' fees, in an action brought against such unit owner, or by foreclosure of the lien on such unit granted by Section 703.16 of The Wisconsin Unit Ownership Act.

Section 7. Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges.

The Board of Directors shall promptly provide any unit owner, who makes a request in writing, with a written statement of his unpaid common charges.

Section 9. Abatement and Enjoining of Violations.

The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 10. Maintenance and Repair.

(a) All maintenance of and repairs to any unit (including replacement of window panes and glass doors, if any), structural or nonstructural, ordinary or extraordinary, shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any other unit and to the common and limited common elements resulting from his negligence, misuse, misconduct or neglect. Without in any way limiting the foregoing and without regard to whether the foregoing is a limited common area or part of the Unit, each Unit Owner shall be responsible for the maintenance, repair or replacement of doors and windows (including any broken or cracked glass), garage door transmitter, skylights, screens, interior lighting fixtures, refrigerators, ranges, heating and air conditioning equipment (including compressor and equipment), plumbing fixtures, dishwashers, disposals, laundry equipment such as washers and dryers, water heaters, interior electrical wiring and fixtures, water meters, and all interior and exterior light bulbs, door bells, inside antennas and other equipment which may be in, or connect with, his Unit.

(b) All maintenance, repairs and replacements to the common and limited common elements except those limited common elements enumerated above in Section 10(a) (unless necessitated by the negligence, misuse, misconduct or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board of Directors and be charged to all the unit owners as a common expense.

Section 11. Use of Property.

In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be subject to the following limitations:

(a) The units shall be used for residences only.

(b) The common and limited common elements and facilities shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of units.

(c) No nuisances shall be allowed on the Property, nor shall any use or practice be allowed which is a source of annoyance to its residents or which interfere with the peaceful possession or proper use of the Property by its residents.

(d) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) Parking on the private streets on the Property is not permitted at any time. Guests may park only in those areas designated by the Association.

Section 12. Additions, Alterations or Improvements by Board of Directors.

Whenever in the judgment of the Board of Directors the common and limited common elements and facilities shall require additions, alterations, or improvements costing in excess of Ten Thousand Dollars, and the making of such additions, alterations, or improvements shall have been approved by a majority of the unit owners and by those lenders holding financial instruments constituting first liens upon at least a majority of the units, the Board of Directors shall proceed with such additions, alterations, or improvements, and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations or improvements costing Ten Thousand Dollars or less may be made by the Board of Directors without approval of the unit owners or any lenders of units, and the cost thereof shall constitute a common charge.

Section 13. Structural Additions, Alterations or Improvements by Unit Owners.

A unit owner may make additions, improvements or alterations within his unit which do not impair the structural integrity or lessen the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to the exterior of his unit or of any portion of the Property. The Board of Directors shall not be liable to any contractor, subcontractor or materialman, or to any person sustaining personal injury or property damage for any claim arising in connection with such additions, alterations or improvements. The provisions of this Section 13 shall not apply to units owned by the Declarant until such units shall have been conveyed by the Declarant.

Section 14. Rules and Regulations.

Rules and regulations concerning the use of the common and limited common elements or facilities may be promulgated and amended by the Board of Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 15. Utilities.

(a) The units subject to this Declaration have individual hot water heaters, air-conditioning units, water meters and heating units. All expenses of those utilities shall be paid directly by the unit owner and shall not be a common expense.

(b) Utilities, if any, shall be supplied by the applicable public utility company for the common elements and facilities, and the Board of Directors shall pay the bills for the utilities, if any, consumed in the common elements and facilities as a common expense.

## ARTICLE VI

### Financing Instruments

Section 1. Financing of Units.

Each unit may be separately mortgaged or purchased on a land contract. The mortgagee or land contract vendor shall hereinafter be known as a "Lender".

Section 2. Notice to Board of Directors.

A unit owner who mortgages his unit, or purchases his unit on a land contract, shall notify the Board of Directors of the name and address of his Lender, and shall file a conformed copy of the note and mortgage, or land contract, with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Lender of Units".

Section 3. Notice of Unpaid Common Charges.

The Board of Directors, whenever so requested in writing by a Lender of a unit, shall promptly report any then unpaid common charges or other default by the owner of the financed unit.

Section 4. Notice of Default.

The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each Lender covering such unit whose name and address has theretofore been furnished to the Board of Directors.

Section 5. Examination of Books.

Each unit owner and each Lender of a unit shall be permitted to examine the books of account of the Property at reasonable times, on business days, but not more often than once a month.

## ARTICLE VII

### Sales and Leases of Units

Section 1. Sales and Leases.

No unit owner may sell or lease his unit, or any interest therein, except by complying with this Article. A unit owner's sale of his unit shall include the sale of (a) the undivided interest in the common and limited common elements and facilities appurtenant thereto; (b) the interest of such unit owner in any units theretofore acquired by the Board of Directors, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the Property, hereinafter collectively called the "appurtenant interests".

Section 2. No Severance of Ownership.

No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of, except as a part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all units.

Section 3. Financing of Purchase of Units by Board of Directors.

Acquisition of units by the Board of Directors, or its designee, on behalf of all unit owners, may be made from the working capital and common charges in the hands of the Board of Directors, or if such funds are insufficient, the Board of Directors may borrow money to finance the acquisition of such unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit so to be acquired by the Board of Directors.

Section 4. Waiver of Right of Partition with Respect to Units Acquired by Board of Directors.

In the event that a unit shall be acquired by the Board of Directors, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 5. Rental.

Unit owners may rent their units by written lease for a minimum period of six (6) months to whomever and on whatever terms and conditions as they so desire provided the Association is given notice of the name and permanent address of the tenants, and further provided that the lease specifically obligates the tenant to abide by the Declaration, these Bylaws and rules and regulations promulgated thereunder.

Section 6. Payment of Assessments.

No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his unit and until he shall have satisfied all unpaid liens against such unit, except permitted financing instruments.

Section 7. Membership.

Upon the sale of a unit, the purchaser shall become a member of the Association. If a unit owner leases his unit, he shall continue to be a member of the Association.

## ARTICLE VIII

## Condemnation

Section 1. Common Elements.

In the event of a taking in condemnation or by eminent domain of part or all of the common elements of the Property exclusive of any of the units, the award made for such taking shall be payable to the Association if such award amounts to $10,000 or less, otherwise, it shall be payable to the insurance trustee. The Association shall promptly undertake to restore the common elements. The proceeds of the award shall be disbursed to effect such restoration and any costs in excess of the award shall be a common expense. The Board of Directors shall effect such restoration in accordance with Paragraph (a) of Section 3, Article V of these Bylaws.

Section 2. Units.

In the event of a taking in condemnation or by eminent domain of any of the units, exclusive of the common elements or of any of the units and a portion of the common elements, the Association by vote of a majority of unit owners of the Condominium within ninety days of payment of the award (or other payment if conveyed in lieu of such taking) shall determine whether to proceed with repair or reconstruction. If the Association determines to repair or reconstruct, the Board of Directors shall effect such repair or reconstruction in accordance with Paragraph (a) of Section 3, Article V of these Bylaws. Any cost of repair or reconstruction in excess of the award shall be a common expense. If

the Association determines not to repair or reconstruct, or fails to vote within said 90-day period, the entire net proceeds shall be disbursed to those unit owners whose units have been taken in proportion to the percentage of interest in the common elements appertaining to their respective units. If any such unit owner is in default in paying common expenses, the amount of said common expenses shall be deducted from his share of the proceeds. Upon receipt of his share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association of their undivided percentage interest in the common elements, and shall thereafter no longer be considered a unit owner. The interests of the remaining unit owners in the common elements shall be recomputed by the Board of Directors, whose decision shall be final, to reflect said release.

## ARTICLE IX

## Records

Section 1. Records and Audits.

The Board of Directors, or the managing agent, shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records and books of account of the Property, including a chronological listing of receipts and expenditures, as well as a separate account of each unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Property shall be rendered by the Board of Directors to all unit owners at least quarter-annually. In addition, an annual report of the receipts and expenditures of the Property, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all unit owners and to all Lenders of units who have requested the same, promptly after the end of each fiscal year.

## ARTICLE X

## Miscellaneous

Section 1. Notices.

All notices to the Board of Directors shall be sent by registered or certified mail, c/o the managing agent, or if there is no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any unit owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices to Lenders of units, shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity.

The invalidity of any part of these Bylaws shall not impair, or affect in any manner, the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender.

The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver.

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee.

The insurance trustee shall be the Board of Directors of the Unit Owners Association. In the event that the insurance trustee shall resign, the new insurance trustee shall be a bank in the Counties of Milwaukee or Waukesha, designated by the Board of Directors and having a capital, surplus and undivided profits of Ten Million Dollars or more. The Board of Directors shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense.

## ARTICLE XI

## Amendments to Bylaws

Section 1. Amendments to Bylaws.

Except as hereinafter provided otherwise, these Bylaws may be modified or amended by the vote of sixty-six and two-thirds percent in number and in common interest of all unit owners at a meeting of unit owners duly held for such purposes, but only with the written approval of those Lenders holding financing instruments constituting first liens upon at least a majority of the units; however, Section 1, Article II, insofar as it provides that Declarant shall designate the directors until all units shall have been sold and conveyed by it, and this Section 1 of this Article may not be

amended without the consent in writing of the Declarant, so long as the Declarant shall be the owner of one or more units.

## ARTICLE XII

## Conflicts

Section 1. Conflicts.

These Bylaws are set forth to comply with the requirements of Section 703.15 of The Wisconsin Unit Ownership Act. In case any of these Bylaws conflict with the provisions of such Act or of the Declaration, the provisions of such Act or of the Declaration, as the case may be, shall control; and in case of any conflict between the provisions of such Act and the Declaration as relates to these Bylaws or otherwise, the provisions of the statute shall control.