

The Courts At St. Peter's

a Condominium

Kenosha, Wisconsin

DISCLOSURE MATERIALS

The Courts at St. Peter's, a Condominium

Kenosha, Wisconsin

Declarant: Sanjarco Homes, L.L.C.
11720 - 26th Avenue
Kenosha, WI 53143

Declarant's Agent: Joseph E. Jaraczewski
11720 - 26th Avenue
Kenosha, WI 53143

1. 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.
2. 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.
3. YOU MAY AT ANY TIME WITHIN 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.

INDEX

The disclosure materials the Declaration is required by law to provide to each prospective condominium purchaser contain the following documents and exhibits:

1. Declaration. The Declaration establishes and describes the Condominium, the units and the common elements. The Declaration begins on page iii

2. By-Laws. The By-Laws contain rules which govern the Condominium and affect the rights and responsibilities of unit owners. The By-Laws begin on page v

3. Articles of Incorporation. The operation of the Condominium is governed by the Association, of which each unit owner is a member. Powers, duties, and operations of the Association are specified in the Articles of Incorporation of the Association. The Articles of Incorporation begin on page viii

4. Annual Operating Budget. The Association incurs expenses for the operation of the Condominium which are assessed to the unit owners. The operation budget is an estimate of those charges which are in addition to mortgage and utility payments. The budget begins on page ix

5. Expansion Plans. The Declaration has reserved the right to expand the Condominium in the future to add up to 16 additional units on contiguous land. A description of the plans for expansion and its effect on unit owners is set forth in paragraph 11 of the Declaration and in the Condominium Plat.

DECLARATION

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THE COURTS AT ST. PETER'S
a Condominium

DECLARATION OF CONDOMINIUM

Sanjarco Homes, L.L.C. ("Declarant"), hereby declares that the real estate described in Section 1 of this Declaration is owned by the declarant and is subject to Wisconsin Condominium Ownership Act ("Act"). The real estate and all the buildings and other improvements located on the real estate shall be known and described as The Courts of St. Peter's, a condominium ("Condominium"). The condominium's address shall be 3021 - 24th Street to 3063 - 24th Street, Kenosha, Wisconsin 53144.

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 the City of Kenosha, Kenosha County, Wisconsin, and is more particularly described as Phase 1 in Exhibit A attached to this declaration.

2. Description of Buildings.

Four buildings, three of which shall contain four units and one of which shall contain two units, are in the process of construction or will be constructed with the location shown on the plat of survey attached to this declaration as Exhibit A. The condominium dwelling units in each building are called "Units", and their boundaries are described in Section 3 of this declaration.

Building D-1 shall contain two (2) units on one level of living space. One of such units, being Type D-1, shall contain three bedrooms, two baths and basement, with approximately 1650 square feet. The other of such units, being Type D-2, shall contain two bedrooms, bath and basements with approximately 1450 square feet.

The remaining three buildings shall each contain four units. Each of these three buildings shall contain two levels of living space. None of these buildings shall have a basement. These three buildings shall contain units of four different types.

Type 3 - two bedrooms, two baths and having approximately 1450 square feet.

Type 4 - two bedrooms, two baths and having approximately 1610 square feet.

Type 5 - two bedrooms, two baths and having approximately 1380 square feet.

Type 6 - two bedrooms, two baths and having approximately 1370 square feet.

The buildings are constructed principally of concrete block, foundations and concrete footings, wood frame, brick, aluminium, wood or wood product exteriors, wood and concrete floors. The roofs are asphalt shingle. Each unit is connected to the municipal water system and has an individual hot water heater and individual heating and air conditioning systems. All utilities for each unit will be separately metered, but charged for sewer service and water service will be charged to the Association.

3. Description of Units.

A. Each unit has a number, and the approximate area, location, number of rooms and immediate common area to which it has access are shown on the survey and floor plan attached to this declaration as Exhibits. Working drawings and general specifications for the units are on file at the office of the declarant, P.O. Box 321, Pleasant Prairie, Wisconsin 53158.

B. The boundaries of each unit, including any garage space belonging to the unit, shall consist of that part of the cubic area of the building enclosed as follows:

(1) Horizontal Boundaries

(a) The upper boundaries of the unit shall be the plane of the undecorated finished ceiling including the first layer of drywall and extended to an intersection with the vertical boundaries; and

(b) The lower boundaries of the unit shall be the plane of the undecorated finished floor extended to an intersection with the vertical boundaries.

(2) Vertical Boundaries

(a) The vertical boundaries of the unit shall be the plane of the undecorated finished interior of the perimeter walls including the first layer of drywall and extending to intersections with each other and with the upper and lower boundaries.

C. Each unit shall include the inner surfaces of the finished walls, ceilings, and floors. Windows, mouldings, window frames and doors (including all glass in doors and garage doors) shall be included as part of a unit.

D. all units contain a living room, dining area, kitchen, hall, and utility room.

E. The structural portions of each building, exterior light fixtures, all smoke detectors and fire alarms and the exterior surface of the garage door shall be common elements except as described in Section 3C of this declaration. Utility lines and plumbing equipment located outside of the units shall be repaired and maintained by and at the expense of the Association. The heating and air conditioning system and water heater for each unit shall be considered part of the unit and repaired and maintained by and at the expense of the unit owner.

F. If any portion of the common or limited common elements shall encroach upon any unit, or if any unit shall encroach upon any other unit or upon a portion of the common or limited common elements as a result of the construction, reconstruction or repair 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. The existing physical boundaries of a unit or common elements constructed or reconstructed in substantial conformity with the condominium plat shall be conclusively presumed to be the boundaries of the unit, regardless of the shifting, settlement or lateral movement of the building and regardless of minor variation between the physical boundaries described in this declaration or shown on the condominium plat and the existing physical boundaries of any such unit or common element.

4. Description of Common Elements.

The common elements shall include, but not be limited to the following:

- A. Land within the condominium;
- B. Walls, ceilings, and floors other than specifically included in each unit;
- C. Components of plumbing, heating, electrical, telephonic or cable television systems serving more than one unit, and smoke and fire alarm systems;
- D. Walks, driveways, parking areas, and fences;
- E. All other parts of the condominium, necessary or convenient to its existence, maintenance and safety, or normally in common use.

5. Description of Limited Common Elements.

The following common elements are permanently assigned to and limited to the use of units as follows:

A. The "limited common elements"

- (1) The patio or balconies, which are adjacent to the unit as indicated on the drawings contained as Exhibit A;
- (2) Outdoor parking space reserved to each unit and so designated on Exhibit A by P followed by the unit number.

6. Unit Value for Common Element Ownership and Voting.

Each unit and its owner shall have 1/14 undivided interest in common with all other units and unit owners in the common and limited common elements, subject to modification in the event of expansion of the condominium as provided under Section 11 of this declaration. 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, the owner's family, lessees, invitees and frequenters, for residential purposes only. The building containing the unit is intended for and restricted to use for residential purposes only.

8. Service of Process.

The resident agent for the condominium shall be Sanjarco Homes, L.L.C. Services of process shall be made upon the declarant at 11720 - 26th Avenue, Kenosha, Wisconsin 53143, as to matters provided for in the 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 simply majority of a quorum present at any meeting of the Association.

9. Damage or Destruction.

In the event the condominium is destroyed or damaged in an amount in excess of \$10000.00 and insurance proceeds less an amount not exceeding \$10000.00 are insufficient to complete repair and reconstruction, action by the Association by a vote of majority of unit owners, as defined in the by-laws, taken within 90 days after the damage or destruction shall be necessary to determine to repair or reconstruct the condominium as more fully described in Section 3, Article V of the by-laws. Damage or destruction to a lesser extent, and to a greater extent if insurance proceeds (less an amount not exceeding \$10,000.00) are sufficient to complete repair and reconstruction, shall be repaired and reconstructed pursuant to arrangement by the Board of Directors of the Association as provided in that Section of the by-laws.

10. Further Matters.

A. All present and future owners of units, tenants of those owners and any other occupants of units, employees of owners, or any other persons who in any manner use or come upon the condominium or any part of the condominium shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation of

the Association ("Articles") and the by-laws and rules and regulations adopted pursuant to those instruments, as those instruments may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an acceptance by the owner, tenant or occupant of the provisions of those instruments, as they may be amended from time to time. The provisions contained in the instruments shall be covenants running with the land and shall bind any person having at any time any interest or estate in the unit, as though the provisions were recited and fully stipulated in each deed, conveyance or lease. The enforcement may be by such judicial proceedings as the Board of Directors of the Association may deem appropriate as well as by provisions of the Act.

B. The declarant reserves the right for a period of 10 years from the date of this declaration to cause one or more of the units it owns to be maintained as a model unit and office and to display any models and the common elements of the condominium for purposes of selling units in the condominium or in other projects of the declarant, together with appropriate signs located in the common elements identifying the declarant and its agents and locating and giving any information regarding any model unit and office.

C. Rules and regulations (in addition to the by-laws) concerning the use of the units and the common and limited common elements, including provisions limiting keeping of animals and other pets, may be established and amended by the Board of Directors of the Association. Copies of these rules and regulations shall be furnished by the Board of Directors of the Association to each unit owner prior to the effective date of the rules and regulations.

D. The declarant hereby reserves for the Association acting by and in the discretion of its Board of Directors, the right to grant the City of Kenosha, Wisconsin, or public or semipublic 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 main, and similar service, and for performing any public or quasi-public utility function that the Board of Directors may deem fit or proper for the improvement and benefit of the condominium. These easements and rights-of-way shall be confined, so far as possible, in underground pipes or conduits, with the necessary rights of ingress and egress and the rights to do whatever may be necessary to carry out the purposes for which this easement is created.

11. Amendment of Declaration.

A. This declaration may be amended with the written consent of at least two-thirds (2/3) of the unit owners, provided that the approval of the owner of any unit which is encumbered by a mortgage or land contract vendor interest shall not be effective unless it is approved by such mortgage or land contract vendor.

B. This declaration may also be amended by the declarant alone to change or alter the percentage of ownership in the common or limited common elements where the declarant alters the percentage in accordance with this section.

Declarant owns or has the right to acquire certain land ("Phase 2") described in Exhibit A attached to this declaration. Declarant plans to construct 4 buildings on the real estate described in Exhibit A and presently intends to construct 4 additional buildings upon Phase 2 in one or more stages with a maximum of 16 units in the 4 buildings. The general design of the buildings shall be substantially similar to those included in this declaration but may include basements at the option of the Declarant. The buildings shall be located upon Phase 2 generally as shown on the plat attached to this declaration as Exhibit A. Declarant reserves the right to change the design, location and number of buildings and units to be constructed on Phase 2 so long as the maximum number of units on the Phase 2 land does not exceed 16.

Without making any representation in this declaration that declarant or any other person can or will undertake the construction and notwithstanding the provisions of Section 11A of this declaration, declarant reserves the absolute and unqualified right for itself and its successors and assigns on behalf of each unit owner of the condominium to

amend this declaration at any time and from time to time within 7 years from the date of this declaration to add to the condominium all or any part of Phase 2 and the units constructed on Phase 2, if any. In the event of any such addition, each unit owner shall have an undivided interest in common with all other units and unit owners in the common and limited common elements equal to the number one (1) divided by the total number of units after completion of the part of Phase 2 added to the condominium. Declarant may assign in whole or part, absolutely or for purposes of security, by a written assignment for that purpose, all power of amendment. The unit owners, by acceptance of a condominium deed to a unit, appoint declarant and declarant's successors and assigns as attorney in fact with irrevocable power coupled with an interest to execute and deliver an amendment in accordance with the provisions stated in this Section B.

C. This declaration may also be amended by declarant to interchange the types of units prior to the actual conveyance of any such unit and to change location of parking space serving a building prior to the initial conveyance of any unit in the building. The unit owners, by acceptance of a condominium deed to a unit, consent to the interchange of type units and the relocation of parking space as provided in this Section C and appoint declarant and declarant's successors and assign as attorney in fact with irrevocable power coupled with an interest to execute and deliver an amendment in accordance with these provisions.

12. Additional Rights of Lenders.

A. As to the holder of any mortgage and as to any land contract vendor ("Lender") of a unit which has notified the Association in writing delivered or mailed by certified mail to the place for service of process stated in Section 8 of this declaration that it desires to receive notice of the following matters;

(1) The Board of Directors of the Association shall give the lender written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to this declaration, the articles or the by-laws;

(2) The Board of Directors of the Association shall give the lender by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this declaration, the articles or the bylaws and rules and regulations, at the time of notice to any unit owner; and

(3) The Board of Directors of the Association shall notify the lender of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$10000.00 when such damage is known to the Board of Directors and shall notify all lenders if common elements of the condominium are damaged in an amount exceeding \$10000.00 or if the common elements become the subject of condemnation or eminent domain proceedings.

B. Unless all lenders have given their prior written approval, the Association shall not:

(1) Change the undivided percentage interest in the common elements of the condominium relating to the unit;

(2) Partition or subdivide any unit or abandon, partition, subdivide, encumber, or convey the common elements of the condominium, except to grant easements for public utilities;

(3) 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 damage to or destruction of the condominium; or

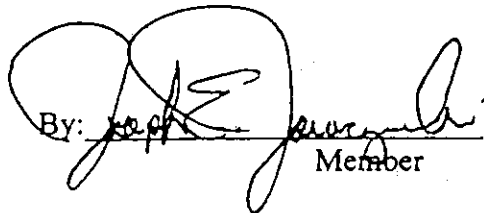
(4) Use hazard insurance proceeds for losses to the condominium property for other than the repair of the property, except as authorized by law.

C. A lender who comes into possession of a unit pursuant to the remedies provided in the mortgage or land contract, a foreclosure of the mortgage or land contract, or a deed (or assignment) in lieu of foreclosure, shall take the unit free of any claims for unpaid assessments or charges in favor of the Association against the unit which accrued prior to the time the lender came into possession of the unit.

D. Notwithstanding Section 11 of this declaration, this Section 12 shall not be amended unless all lenders have given their prior written approval.

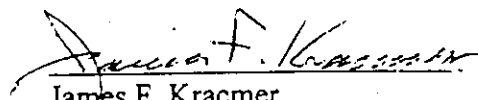
Signed August 16, 1995.

Sanjarco Homes, L.L.C.

By:  Member

STATE OF WISCONSIN)
)SS
COUNTY OF KENOSHA)

Personally came before me this 16th day of August, 1995, Joseph E. Jaraczewski, a member of Sanjarco Homes, a Wisconsin Limited Liability Company, to me known to be the person who executed the foregoing instrument and acknowledged the same as the act of the said limited liability company, by its authority.

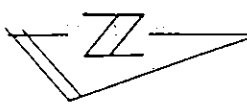
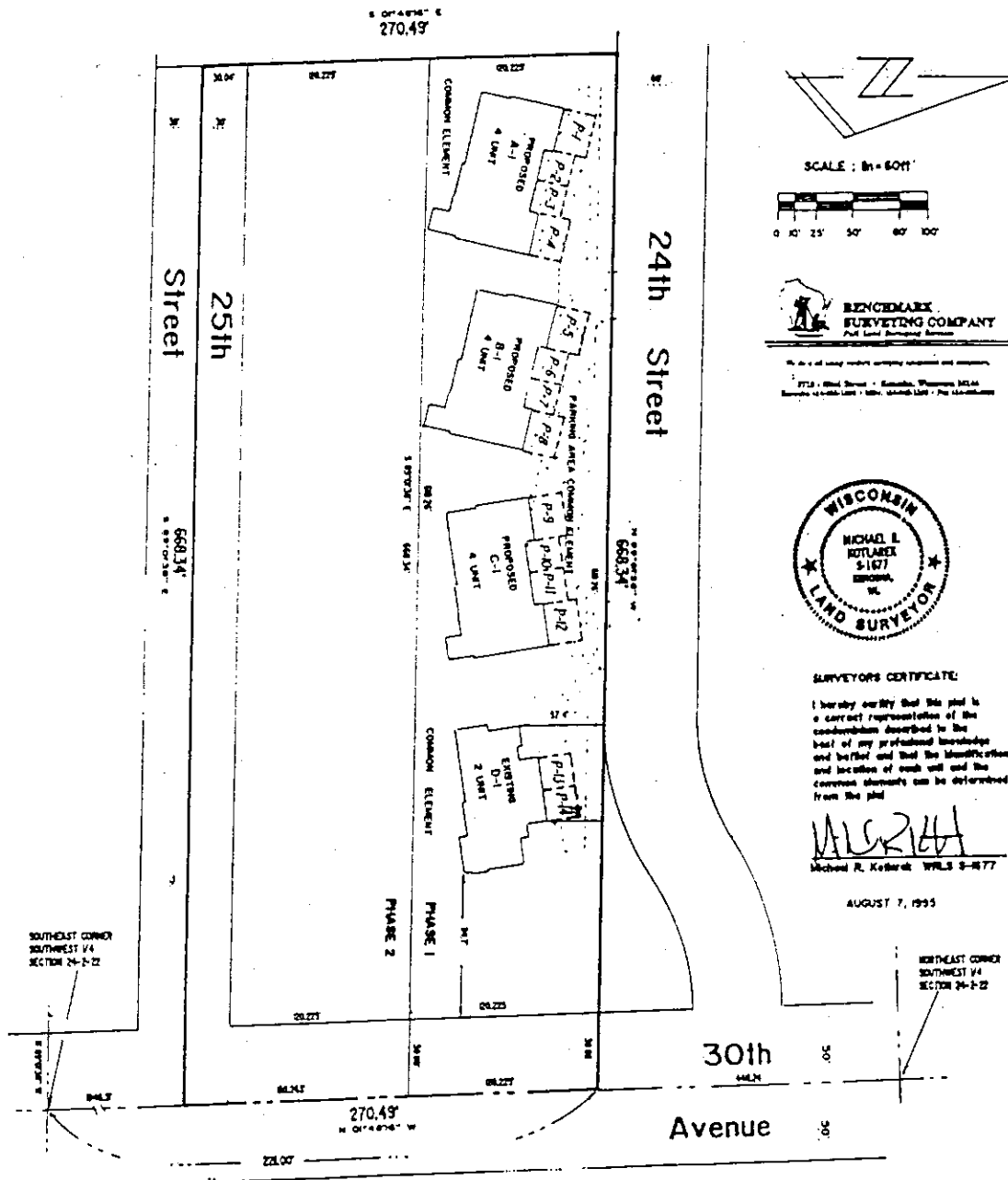

James F. Kracmer
Notary Public
Kenosha County, Wisconsin
My commission is permanent

This instrument was drafted by:
JAMES F. KRACMER
Attorney at Law
5401 - 60th Street
Kenosha Wisconsin 53144

THE COURTS AT ST. PETER'S A CONDOMINIUM

PHASE 1:
Part of the Southwest Quarter of Section 24, Town 2 North, Range 22 East of the Fourth Principal Meridian, lying and being in the City of Kenosha, Kenosha County, Wisconsin, and being more particularly described as: Beginning on the east line of said quarter section at a point 221.1 feet North from the southeast corner of said quarter section; thence west parallel to the south line of said quarter section 468.34 feet; thence south parallel to the east line of said quarter section 120.225 feet; thence east parallel to the south line of said quarter section 468.34 feet to the east line of said quarter section; thence north along the east line of said quarter section 120.225 feet to the point of beginning, subject to 26th Avenue over the entire east 34 feet of the above described; also subject to future 25th Street over the entire south 30 feet of the above described.

PHASE 2:
Part of the Southwest Quarter of Section 24, Town 2 North, Range 22 East of the Fourth Principal Meridian, lying and being in the City of Kenosha, Kenosha County, Wisconsin, and being more particularly described as: Beginning on the east line of said quarter section at a point 2058.775 feet North from the southeast corner of said quarter section; thence west parallel to the south line of said quarter section 468.34 feet; thence south parallel to the east line of said quarter section 150.265 feet; thence east parallel to the south line of said quarter section 668.34 feet to the east line of said quarter section; thence north along the east line of said quarter section 150.265 feet to the point of beginning, subject to 26th Avenue over the entire east 34 feet of the above described; also subject to future 25th Street over the entire south 30 feet of the above described.



SCALE: 1" = 60'

0 10 20 30 40 50 60 70 80 90 100

BENCHMARK SURVEYING COMPANY
Full Land Surveying Services

712 S. Main Street - Kenosha, Wisconsin 53140
Phone: (920) 398-1000 - Fax: (920) 398-1001



SURVEYOR'S CERTIFICATE:

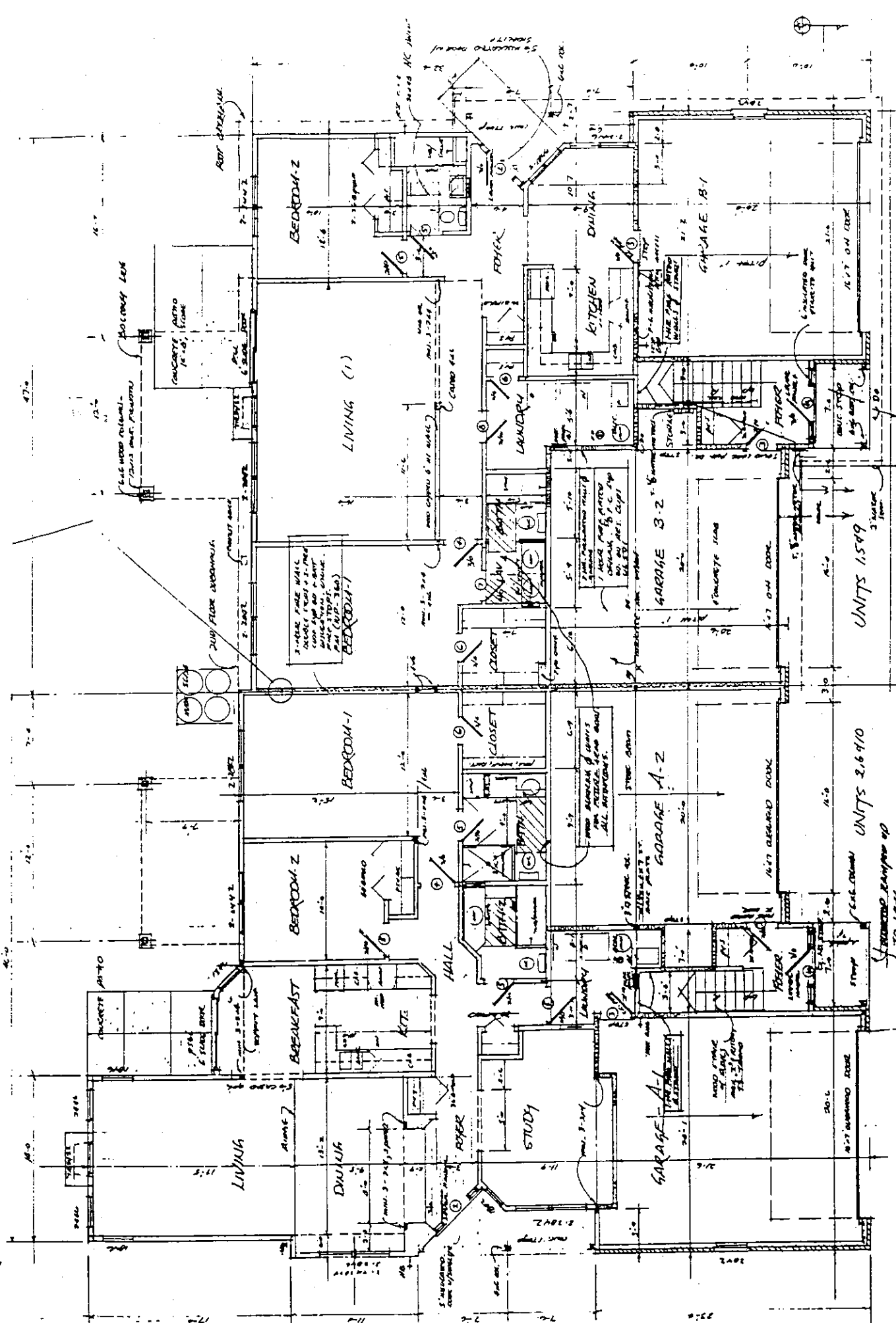
I hereby certify that this plat is a correct representation of the condominium described in the text of my professional knowledge and belief and that the identification and location of each unit and the common elements can be determined from the plat.

Michael R. Kefauver
Michael R. Kefauver WLS 5-1677

AUGUST 7, 1993

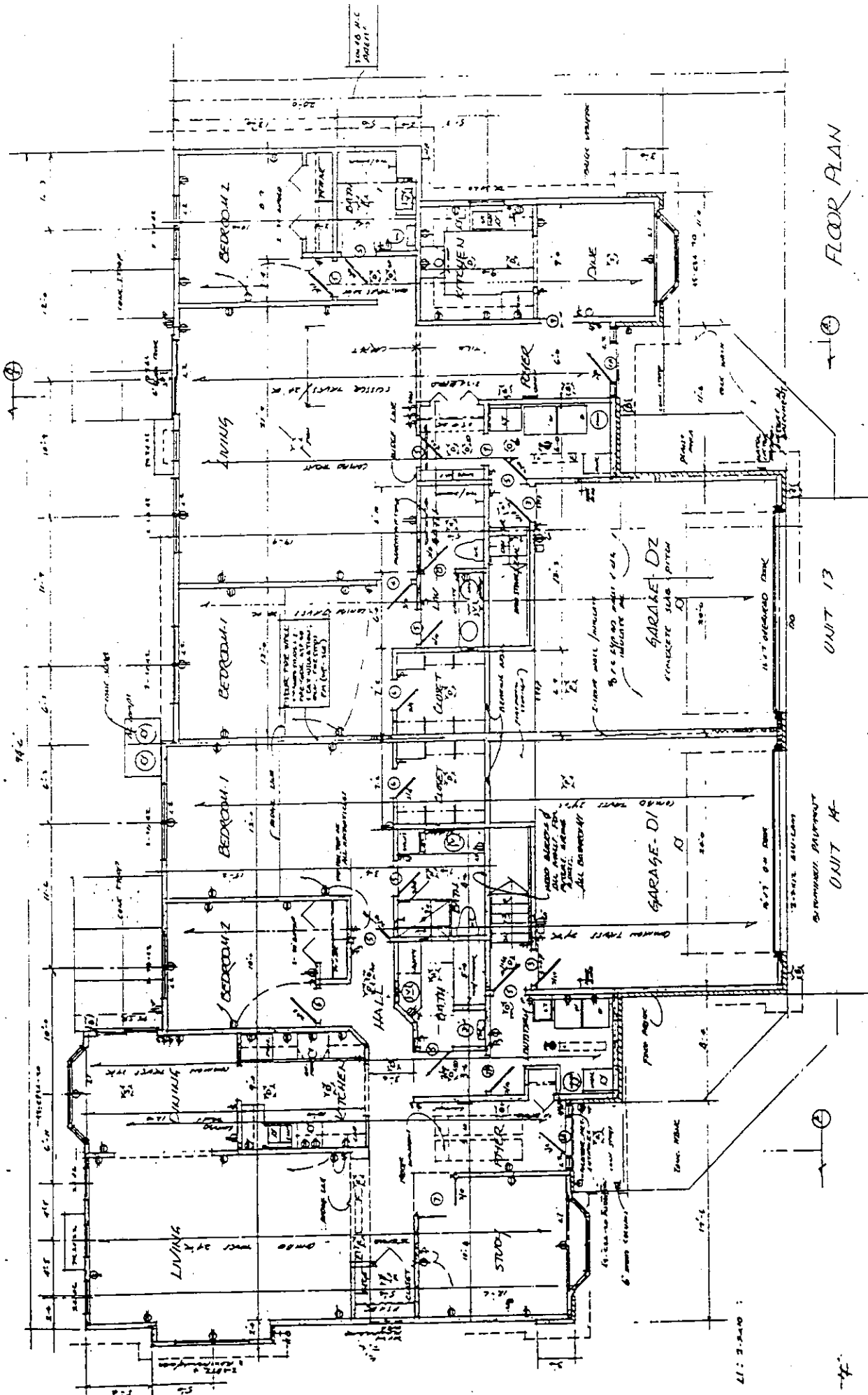
NORTHEAST CORNER
SOUTHWEST 1/4
SECTION 24-T-22

SOUTHWEST CORNER
SOUTHWEST 1/4
SECTION 24-T-22



FIRST FLOOR PLAN
COURT HOMES

DATE	DESIGNED BY	PLANNED BY	DATE
10/1/78	J. H. WILSON	ARCHITECT	10/1/78
10/1/78	J. H. WILSON	ARCHITECT	10/1/78
10/1/78	J. H. WILSON	ARCHITECT	10/1/78



FLOOR PLAN

UNIT 13

UNIT 14

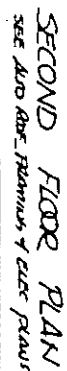
COURT HOMES

APRIL 1955

PIN A

21: 3-24-50

SECOND FLOOR PLAN
SEE ALSO ABOVE PLANS & ELEC. PLANS



COURT HOUSE

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**BY-LAWS OF
THE COURTS AT ST. PETER'S, INC.**

**Article I
Plan of Unit Ownership**

Section 1. Condominium Unit Ownership.

Certain property located in the City of Kenosha, Kenosha County, State of Wisconsin, ("Property") known as the Courts at St. Peter's, a condominium, has been submitted to the provisions of the Wisconsin Condominium Ownership Act ("Act") by a Declaration of Condominium ("Declaration") recorded in the office of the Register of Deeds for Kenosha County on August 16, 1995, as Document No. 998765.

Section 2. Adoption of By-laws and Applicability of Definitions.

These By-laws are adopted as the By-laws of The Courts at St. Peter's, Inc. ("Association"), a Wisconsin Corporation organized under the Wisconsin Nonstock Corporation Law to serve as an association of unit owners under the Act. The provisions of these By-laws apply to the Property and to the use and occupancy of this Property. The terms used in these By-laws shall, unless the context or the Declaration requires otherwise, have the same meaning as the definitions contained in section 703.02 of the Act.

Section 3. Office and Mailing Address.

The office and mailing address of the Association and of the Board of Directors of the Association ("Board of Directors") shall be located at 11720 - 26th Avenue, Kenosha, Wisconsin 53143.

**ARTICLE II
Board of Directors**

Section 1. Number and Qualifications.

Until election of a new Board of Directors by unit owners, pursuant to Section 1(c), Article III of these By-laws, the Board of Directors shall consist of those persons named as directors in the Articles of Incorporation, or such other persons as the Declarant shall name to replace them, or those persons elected as provided in Section 1(b), Article III of these By-laws. Thereafter the Board of Directors shall be composed of three persons, each of whom shall be owners of units, fiduciary owners, members or employees

of partnership owners, or officers, stockholders or employees of corporate owners, and one of whom may be the spouse of a unit owner or a mortgagee of a unit, a fiduciary mortgagee, a member or employee of a partnership mortgagee or an officers stockholder or employee of a corporate mortgagee.

Section 2. Powers and Duties.

The affairs of the Association and of the Property shall be governed by the Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association of the Property, except those powers and duties as by law or by the Declaration or by these By-laws may not be delegated to the Board of Directors by the unit owners or have been specifically reserved by or to the unit owners. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Property and the provisions of the Act, the Declaration, these By-laws, and the rules and regulations.

Section 3. Managing Agent and Manager.

The Board of Directors may employ for the Property a managing agent at a compensation established by the Board of Directors to perform the 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 three years, the term of office of one member of the Board of Directors shall be fixed at two years, and the term of office of one member of the Board of Directors shall be fixed at one year. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve a term of three 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 or 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 authorized votes of all unit owners, and a successor may be elected to fill the vacancy created. Any member of the Borad 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 Dirctors caused by any reason other than the removal of a member by a vote of the unit owners, shall be filled by a 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 the vacancy even though the members present at the meeting may be 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 is elected at the next annual meeting of the unit owners.

Section 7. Organizational Meeting.

The first meeting of the members of the Board of Directors following the first annual meeting of the unit owners shall be held within ten days after the annual meeting, at a time and place fixed by the unit owners at the meeting at which the Board of Directors has been elected, and notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute the meeting, providing a majority of the whole Board of Directors will be present at the meeting.

Section 8. Regular Meetings.

Regular meetings of the Board of Directors may be held at the time and place as determined from time to time by a majority of the members of the Board of Directors. 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 48 hours prior to the time of the meeting.

Section 9. Special Meetings.

Special meetings of the Board of Directors may be called by the President on written notice of forty eight (48) hours to each member of the Board of Directors, given by mail or telegraph, and the notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manners and on like notice on the written request of at least one member 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 the waiver shall be deemed equivalent to the giving of the notice. Attendance by a member of the Board of Directors at any meeting of the Board shall be a waiver of notice of the time and place of the meeting. 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 the meeting.

Section 11. Quorum of Board of Directors.

At all meetings of the Board of Directors, a majority of the members 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 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 fidelity bonds for all officers and employees of the Association handling or responsible for funds. The bonds shall be in amounts not less than one and one-half times the anticipated annual common expenses and reserves for the Property, as reflected on the budget adopted by the Board of Directors. The premiums on the bonds shall constitute a common expense.

Section 13. Compensation.

No member of the Board of Directors shall receive any compensation from the Association for acting as a Director.

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, failure to adhere to the provisions of the Declaration or these By-laws, 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 contract shall have been made in bad faith. 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 the unit owners 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 shared equally by all of the unit owners, and the liability of any single unit owner shall be limited to any equal proportionate share of the total liability. At the option of the Board of Directors, Directors' liability insurance may be obtained and shall be paid for as a common expense.

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 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 Directors entitled to vote with respect to the subject matter. The 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 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 50% of the undivided percentage interest in the common elements, the Declarant shall call a similar meeting, if necessary, to provide for an additional resignation and elections required, such that unit owners other than the Declarant shall have elected one-third of the total directors. Any successor shall serve until the first annual meeting of the unit owners. If the successor shall resign prior to the first annual meeting of the unit owners, a successor shall be elected in the same manner.

(c) On the earlier of thirty days after 75% of the undivided percentage interest in the common elements shall have been sold and conveyed by the Declarant, or five years after the recording of the Declaration, or such earlier time as determined by the Declarant, the Declarant shall call the first annual meeting of the unit owners. At this 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 the unit owners, including the Declarant, shall elect a new Board of Directors. Thereafter the annual meetings of the unit owners shall be held on the second Tuesday of May of each succeeding year. At such meetings of the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-laws. The unit owners may transact other business at the meetings as may properly come before them.

Section 2. Place of Meetings

Meetings of the unit owners shall be held at the principal office of the Association or at any other suitable place convenient to the unit 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 25% 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 10 but not more than 20 days prior to the meeting, stating the purpose of the meeting as well as the time and place where it is to be held.

Section 5. Adjournment of Meeting.

Any meeting of unit owners at which a quorum has or has not attended may be adjourned at the option of the unit owners by vote of a majority of the authorized votes of the unit owners who are present, either in person or by proxy, at the meeting.

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, partnership, limited liability company, or in the name of a fiduciary.

Section 7. Voting.

Each unit owner shall furnish the Association with the owner's name and current mailing address. No unit owner may vote at meetings of the Association until this information is furnished. The owner or owners of each unit, or some person designated by the owner or owners to act as proxy and who need not be an owner, shall be entitled to cast the vote belonging to the unit at all meetings of unit owners. The designation of any 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. Any proxy shall be effective only for a maximum period of 180 days following its issuance unless granted to a mortgagee, land contract vendor or lessee of a unit. 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 the vote belonging to each unit owned. Where ownership is in the name of two or more persons, the vote may be cast by any one joint owner; provided, however that if any joint owner protests promptly the casting of the vote to the person presiding over the meeting or files a written statement with the Secretary stating that thereafter the vote must be cast prorata in accordance with each joint owner's interest in the unit, then the vote shall thereafter be cast prorata by all joint owners in accordance with their interests in the unit. Where a unit is leased, the lessor shall be entitled to exercise the vote belonging to the unit (where there are two or more vendees, they shall be considered joint owners). Notwithstanding the provisions of this section, if the

Association has recorded a statement of condominium lien on a unit and the amount necessary to release the lien has not been paid at the time of the meeting, this unit owner may not vote at the meeting.

Section 8. Majority of Unit Owners.

As used in these By-laws, the term "majority of unit owners" shall mean those unit owners having more than 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 on these By-laws, the presence in person or by proxy of unit owners having one third of the 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 a majority of unit owners 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 specifically required by law, by the Declaration or by these By-laws.

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 taken shall be signed by all unit owners entitled to vote. 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. This is not intended to include persons who hold an interest in unit merely as security for the performance of an obligation. Land contract vendors shall not be members; land contract vendees shall be members. Membership shall belong 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 Kneosha County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Kenosha County of a deed or other conveyance establishing a change of record title to a unit or the recording in that office of a land contract. A certified copy of the instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferee designated by the instrument or

the vendee shall then become a member of the Association, and the membership of the prior owner or vender shall then be terminated. Until the delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of unit owners. The Association shall maintain a current roster of names and addresses of every unit owner to whom notice of meetings of the Association must be sent.

ARTICLE IV Officers

Section 1. Number and Titles.

The principal officers of the Association shall be a president, a vice-president, a secretary, and a treasurer, each of whom shall be appointed by the Board of Directors.

Section 2. Appointment, Tenure, and Compensation.

The officers shall be appointed by the Board of Directors, or to the extent authorized in these By-Laws, by another duly appointed officer. Each officer shall hold office until his or her successor shall have been duly appointed or until the officer's prior death, resignation, or removal. The Board of Directors or a duly authorized committee of the board shall fix the compensation of each officer, if any.

Section 3. Removal.

The Board of Directors may remove any officer.

Section 4. Resignations.

Any officer may resign at any time by giving written notice to the Association, the Board of Directors, the president, or the secretary. Any such resignation shall take effect when the notice of resignation is delivered, unless the notice specifies a later effective date and the Board of Directors accepts the later effective date. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or other reason shall be filled in the manner prescribed for regular appointments to the office.

Section 6. Powers, Authority, and Duties.

Officers of the Association shall have the powers and authority conferred and the duties prescribed by the Board of Directors in addition to and to the extent not inconsistent with those specified in other sections of this Article IV.

Section 7. The President.

The president shall be the chief executive officer and, subject to the Board of Directors' control, shall:

1. superintend and manage the business of the Association;
2. coordinate and supervise the work of its other officers;
3. preside at membership meetings of the Association;
4. perform all functions of a general manager of the business of the Association;
5. have authority to sign, execute, and deliver in the name of the Association instruments either when specifically authorized by the Board of Directors or when required or deemed necessary or advisable by the president in the ordinary conduct of the normal business of the Association, except in cases where the signing and execution of the instruments shall be expressly delegated by these By-Laws or by the Board to some other officer of the Association or shall be required by law or otherwise to be signed or executed by some other officer; and
6. in general, perform all duties incident to the office of the president and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 8. Vice President.

The Vice President shall take the place of, and perform the duties of, the President 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 an interim basis. The Vice President shall also perform such other duties as shall from time to time be requested by the Board of Directors or by the President.

Section 9. Secretary.

The Secretary shall keep the minutes of all meetings of the unit owners and the Board of Directors, have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties of Secretary of a stock corporation

organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association.

Section 10. Treasurer.

The Treasurer shall be responsible for Association funds and securities and 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. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all the duties of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 11. Agreements, Contracts, Deeds, Checks, Etc.

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

Section 12. Compensation of Officers.

No officers shall receive any compensation from the Association for acting as an officer.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses.

The Board of Directors shall, at least annually, prepare a budget for the Property, determine the amount of the common expenses for the forthcoming year and allocate and assess the common expenses against the unit owners according to their respective undivided percentage interests in the common elements as described in the Declaration. The assessment for common expenses for the entire year shall be effective as of January of each year but shall be payable at such time or times as the Board of Directors shall determine. The common expenses shall include, among other things, the cost 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 the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital (which for the initial months of operation shall be equal to two months' assessment collected upon the first sale of each unit), for a general operating reserve, for a reserve fund for replacement, and for making up any deficit in the common expenses for any prior year, sewer service, and water consumed or used in or in connection with the Property. The initial contribution to the working capital

fund is not refundable to, or assignable by, the unit owner. 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 expenses payable by the unit owner, and shall furnish copies to all unit owners of each budget on which the common expenses are based.

Section 2. Insurance.

The Board of Directors shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings (including all of the units and the bathroom and kitchen fixtures initially installed by the Declarant, but not including furniture, furnishings or other personal property supplied or installed by unit owners), together with all air-conditioning equipment and other service machinery contained in the units, and all limited common elements. The insurance shall cover the Property and shall name as insureds the Association, and all unit owners and their mortgagees, as their interests may appear, in an amount equal to not less than the replacement value of the buildings, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Association or the insurance trustee as provided in these By-laws as trustee for all unit owners and their mortgagees or land contract vendors as their interests may appear. All such policies shall provide that adjustment of loss shall be made by the Association, and that the net insurance proceeds, if \$10,000 or less, shall be payable to the Association, and if more than \$10,000, 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 the policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds. Prior to obtaining any policy of fire insurance or any renewal of the policy, the Association 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 without deduction for depreciation, for the purpose of determining the amount of fire insurance to be purchased.

The Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, and each unit owner and appropriate fidelity bond coverage for any person handling Association funds. The public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review the insurance limits once each year. Until the first meeting of the Board of Directors following the first annual meeting of the unit owners, the public liability insurance shall be in a single limit of at least \$1,000,000 covering all claims for bodily injury or property damage arising out

of one occurrence. The Association may obtain and maintain worker's compensation insurance to the extent necessary to comply with any applicable laws.

Unit owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, and that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any additional insurance. The insurance obtained by the Association will not cover the contents of units or public liability claims arising out of occurrences happening within the boundaries of the units.

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 damage units, and any kitchen or bathroom fixtures initially installed 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 shall disburse any insurance proceeds to the contractors engaged in the repair and reconstruction in appropriate progress payments. Any cost of repair and reconstruction in excess of the insurance proceeds shall be a common expense, and the Board of Directors may assess all the unit owners for the deficit as part of the common expenses.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Section 11, Article III of these By-laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Act. If, notwithstanding the foregoing provisions, a determination to repair and reconstruct 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.

(b) In the event that Property is destroyed or damaged in an amount in excess of \$10,000 and insurance proceeds, if any, less an amount not exceeding \$10,000 are insufficient to complete repair or reconstruction, the Association by vote of a majority of unit owners shall determine within 90 days after the damage or destruction whether to proceed with repair, reconstruction or sale. If the Association determines to repair or reconstruct, the Board of Directors shall arrange for the repair or reconstruction in accordance with the preceding paragraph of this section. If the Association, within 90 days after such damages or destruction in excess of \$10,000 fails to make a determination of whether to repair, reconstruct or sell, 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 the common elements and be subject to an action for partition at the suit of any unit owner. In the event of a partition action, 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 interests in common elements, 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.

(c) In the event the Property is destroyed or damaged in an amount in excess of \$10,000 and insurance proceeds less an amount not exceeding \$10,000, are sufficient to complete repair or reconstruction, the Board of Directors is authorized and shall arrange for the repair or reconstruction in accordance with paragraph (a) of Section 3, Article V.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and directing shall be deemed continuous action by the Association by unanimous consent pursuant to Section 11, Article III of these By-laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Act. If, notwithstanding the foregoing provisions, 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.

Section 4. Payment of Common Expenses.

All unit owners shall pay the common expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article as such time or times as the Board of Directors shall determine. A late charge of up to \$20 may be imposed by the Board of Directors against a unit owner if any balance in common expenses remains unpaid by the 10th day of the month when due.

No unit owner shall be liable for the payment of any part of the common expenses assessed against the unit after a sale, transfer or other conveyance of the unit by the owner (made in accordance with the provisions of Section 1, Article VII of these By-laws). A purchaser of a unit shall be liable for the payment of common expense assessed against the unit before the acquisition by the purchaser of the unit, except that if the Association or Board of Directors furnishes a statement pursuant to the Act, the liability shall be limited to the amount set forth in the statement.

Each unit owner shall be obligated to pay common expenses under these By-laws notwithstanding the fact that the unit owner may have a pending dispute with the Association or the Board of Directors on any matter.

Section 5. Collection of Assessments.

The Board of Directors shall assess common expenses against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any assessment due which remains unpaid by the unit owner for more than 30 days from the due date for its payment.

Section 6. Default in Payment of Common Expenses.

In the event of default by any unit owner in paying to the Board of Directors the assessed common expenses, the unit owner shall be obligated to pay interest at the rate of 18% per year, or the highest rate allowed by law if less than 18% per year, on the common expenses from the due date, together with all expenses including attorney fees, incurred by the Board of Directors in any proceeding brought to collect the unpaid common expenses. The Board of Directors shall have the right and duty to attempt to recover the common expenses, together with interest, and the expenses of the proceedings, including attorneys' fees, in an action brought against the unit owner, or by foreclosure of the lien on the unit granted by the Act. The Board of Directors shall also have the right to prohibit a unit owner from voting at a meeting of the Association if the Association has recorded a statement of condominium lien on the unit, and the amount necessary to release the lien has not been paid at the time of the meeting.

Section 7. Foreclosure of Liens for Unpaid Common Expenses.

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

Section 8. Statement of Common Expenses.

The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of the unit owner's unpaid common expenses.

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 By-law, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition any other rights set forth in these By-laws: (a) to enter the unit in which the violation or breach exists and to abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist in the unit contrary to the intent and meaning of the provisions of this section. The Board of Directors shall not be deemed guilty in any manner of trespass in so acting; or (b) to enjoin, abate or remedy the thing or condition by appropriate legal proceedings.

Section 10. Grievance Procedure.

(a) Any unit owner may file a written complaint with the Secretary of the Association against another unit owner for violation of the Act, the Declaration, these

By-Laws and the rules and regulations. Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties for the violation and the hearing procedure to the unit owner complained of by personal delivery or by regular mail. The unit owner complained of may within five days of delivery or mailing of the notice file a written answer with the Secretary admitting or denying the allegations in the notice. If, within the time period allowed, the unit owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If, within the time period allowed, the unit owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held not less than 14 or more than 30 days after delivery or mailing of a notice of hearing to the parties.

(b) Upon the delivery or mail of of the notice of hearing, the President of the Association shall appoint the Greivance Committee. The Grievance Committe shall consist of three unit owners who are not members of the Board of Directors, relatives of the unit owner complaining or complained of, witnesses at the hearing or persons otherwise interested in the hearing.

(c) The hearing shall be conducted by the Grievance Committee. The Board of Directrs shall represent the complaining unit owner. The parties and the Grievance Committee shall be entitled to representation at the hearing by counsel and shall be entitled to examine and cross-examine witnesses. When summoned by the Grievance Committee to do so, it shall be the obligation of each unit owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal, and conformity to the legal rules of evidence shall not be required. Within seven days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary which shall be binding upon the unit owners.

(d) Upon a determination by the Grievance Committe that a violation has occurred, the Board of Directors shall, without limiting any other rights set forth in the By-Laws, impose a fine against the defaulting unit owner in the amount of \$25 for the first violation and \$50 for later violations which, if not paid within three days, shall bear interest at the rate of 18% per year, or the highest rate permitted by law if less than 18% per year, and shall be a lien against the unit until paid in full.

Section 11. 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 the unit. Each unit owner shall be responsible for all damages to any other unit and to the common and limited common elements resulting from the unit owner's negligence, misuse or misconduct.

(b) All maintenance, repairs and replacements to the common and limited common elements (unless necessitated by the negligence, misuse or misconduct or a unit

owner, in which case the expense shall be charged to the unit owner) shall be made by the Board of Directors and be charged to all the unit owners as a common expense.

Section 12. 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 Property shall be subject to the following limitations:

(a) The units shall be used for residential purposes only. Any garage space shall not be used for any purpose other than as a garage. Each unit owner shall park his/her vehicle in his/her garage.

(b) The common and limited common elements shall be used only for the purposes for which they are reasonably suited and which are incidentally to the use and occupancy of units provided, however, that one or more unit owners may reserve the common elements for a temporary special use with the permission of the Board of Directors.

(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 interferes 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, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property shall be followed. 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 the affected portion of the Property.

(e) A unit owner shall not place any furniture, packages or objects in common elements unless permitted by the Board of Directors. A unit owner shall place only those items on the patio, balcony, or parking space assigned to the unit as approved by the rules and regulations adopted by the Board of Directors. The unit owner shall not park or store any vehicle, other than vehicles which may be licensed as automobiles in the State of Wisconsin, or perform any repair work of any sort upon any type of vehicles, (except in the case of an emergency) on any part of the common elements or limited common elements, including but not limited to outside parking areas.

(f) No animals, livestock or poultry of any kind used or intended to be used for commercial purposes shall be raised, bred, or kept on the property. Dogs, cats and other household pets may be kept by the unit owners in the living area of their respective units, but no pet shall be allowed which weighs in excess of fifteen pounds. All pets shall be carried or kept on a leash at all times when not in the units. No pets shall be permitted to cause a nuisance or unreasonable disturbance. Any pet which causes such a nuisance or disturbance to a unit owner shall be permanently removed from the unit at the order of the Board of Directors. All unit owners and occupants shall promptly and regularly clean up the excrement of their pets.

(g) No signs, including but not limited to signs advertising sale or rental of units, shall be allowed in the common elements, limited common elements, or units, except as specifically authorized by the Board of Directors and except as provided in Section 10 B of the Declaration.

Section 13. Additions, Alterations or Improvements by Board of Directors.

Whenever in the judgment of the Board of Directors the common and limited common elements require additions, alterations or improvements costing in excess of \$10,000 and the making of the additions, alterations or improvements have been approved by a majority of unit owners, the Board of Directors shall proceed with the additions, alterations or improvements and shall assess all unit owners for the cost as a common expense. Any additions, alterations or improvements costing \$10,000 or less may be made by the Board of Directors without approval of the unit owners, and the cost shall constitute a common expense.

Section 14. Structural Additions, Alterations or Improvements by Unit Owners.

A unit owner may make additions, improvements or alterations within the unit which do not impair the structural integrity or reduce the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to, the exterior of the building containing the 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 the additions, alterations or improvements. The provisions of this section shall not apply to units owned by the Declarant until such units have been conveyed by the Declarant.

Section 15. Rules of Conduct.

Rules and regulations concerning the use of the units and the common and limited common elements may be made and amended by the Declarant for periods prior to the first meeting of members, and thereafter by the Board of Directors with the approval of a majority of unit owners. Copies of the rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 16. Water and Sewer Charges.

Municipal water and sewer services shall be supplied to all of the units and the common elements. The sewer charge and water charge imposed by the City of Kenosha for each of the units shall be paid by each individual unit owner. The Board of Directors shall pay the bills for water consumed or used in or in connection with the common elements, including any charge for fire hydrants located on the Property, as a common expense.

Section 17. Electricity.

Electricity required to service the units and the common elements is supplied by the public utility companies serving the area. The Board of Directors shall pay the bills for electricity consumed or used in or for the common elements as a common expense. Electricity is separately metered for each unit. Each unit owner shall pay the bills for electricity consumed or used in or for the unit.

Section 18. Right to Access.

A unit owner shall grant a right of access to the unit to the manager, the managing agent, and any other person authorized by the Board of Directors, the manager or the managing agent to make inspections, to correct any condition originating in the unit and threatening another unit or the common or limited common elements, to install, alter or repair mechanical or electrical services or other common or limited common elements in the unit or elsewhere in the building, and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for entry shall be made in advance, and entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, the right of entry shall be immediate, whether the unit owner is present at the time or not.

ARTICLE VI
Mortgages

Section 1. Mortgage of Units.

Each unit may be separately mortgaged.

Section 2. Notice to Board of Directors.

A unit owner who mortgages a unit shall notify the Board of Directors of the name and address of the mortgagee.

Section 3. Notice of Unpaid Common Expenses.

The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report any unpaid common expenses or other default by the owner of the mortgaged unit.

Section 4. Notice of Default.

The Board of Directors, when giving notice to a unit owner of a default in paying common expenses or their default, shall send a copy of the notice to each holder of a mortgage covering the unit whose name and address have previously been furnished to the Board of Directors.

Section 5. Examination of Books.

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

Section 6. Land Contracts.

For purposes of these By-laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

ARTICLE VII
Sales and Leases of Units

Section 1. Sales and Leases.

Unit owners may sell or lease their units or any interest in the units provided that not more than thirty (30%) percent of all units shall be occupied by tenants at any time, and further provided that the provisions of this Article are followed. A unit owner's sale of the unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements belonging to the unit; (b) the interest of the unit owner in any units previously acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease of those units, if any; and (c) the interest of the unit owner in any other assets of the Association.

Section 2. No Severance of Ownership.

No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to a unit without including the interest described in Section 1 of this Article VII, it being the intention to prevent any severance of the combined ownership. Any deed, mortgage or other instrument purporting to affect one or more of these interests, without including all 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. No part of these 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 in which the interests belong, or as part of a sale, transfer or other disposition of that part of these interests belonging to all units.

Section 3. Financing of Purchase of Units by Association.

Acquisition of units by the Association or its designee, on behalf of all unit owners, may be made from the working capital and assessments for common expenses possessed by the Board of Directors, or if those funds are insufficient, the Association may borrow money to finance the acquisition of the 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 Association. Title to any real or personal property acquired by the Association shall be taken in the name of the Association. The Association shall act to borrow money, and acquire and convey property in the same manner as corporations formed under Chapter 181, Wisconsin Statutes.

Section 4. Waiver of Right of Partition With Respect to Units Acquired by Association.

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

Section 5. Rental.

Unit owners may rent their units by written lease 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 of the unit owner and further provided that the lease specifically obligates the tenant to abide by the Declaration, these By-laws and the rules and regulations. No unit owner may, however, rent any garage space belonging to that unit for a period greater than one year at a time, or provide automatic renewal of a lease for a garage space for a period longer than one year. Pursuant to Article VII, Section 1 of these By-Laws, no unit shall be rented or leased if such rental or lease is such that more than thirty (30%) percent of all units shall be occupied by tenants.

Section 6. Payment of Assessments.

No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease a unit unless and until the unit owner shall have paid in full to the Association all unpaid common expenses previously assessed by the Board of Directors against the unit.

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, the award made for the taking shall be payable to the Association if the 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 the restoration, and any cost in excess of the award shall be a common expense. The Board of Directors shall effect the restoration in accordance with paragraph (a) of Section 3, Article V of these By-laws.

Section 2. Units.

In the event of a taking in condemnation or by eminent domain of any of the units, the Association by vote of a majority of unit owners of the Condominium within 90 days of payment of the award (or other payment if conveyed in lieu of the taking) shall determine whether to proceed with repair or reconstruction. If the Association determines to repair or reconstruct, the Board of Directors shall effect the repair or reconstruction in accordance with paragraph (a) of Section 3, Article V of these By-Laws. 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 the 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 belonging to their respective units. If any unit owner is in default in paying common expenses, the amount of the common expenses shall be deducted from the owner's share of the proceeds. Upon receipt of the share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association, of that owner's 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 the releases. The unit owner's rights to a share of the proceeds shall be subject to rights of all holders of liens of the unit.

ARTICLE IX Records

Section 1. Records and Reports.

The Boards of Directors shall keep detailed records of the actions of the Association and the Board of Directors, minutes of the meetings of the Board of Directors, 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 Association. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all unit owners at least semiannually. In addition, an annual report of the receipts and expenditures of the Association, prepared by the public accountant, shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units who have requested it within a reasonable time after the end of each fiscal year.

ARTICLE X Miscellaneous

Section 1. Notices.

All notices to the Board of Directors or the Association shall be sent by registered or certified mail 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. Except when delivered in

person, all notices to any unit owner shall be mailed or hand delivered to the unit or to such other address as may have been designated by the owner from time to time, in writing, to the Board of Directors. All notices to mortgages of units shall be mailed or hand delivered to their respective addresses, as designated by the unit owners 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. Notices to the unit owners or their mortgagees need not be mailed by registered or certified mail.

Section 2. Invalidity.

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

Section 3. Captions.

The captions in these By-Laws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the By-Laws or the intent of any provisions of these By-Laws.

Section 4. Singular - Plural.

The use of the singular in the By-Laws shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver.

No restrictions, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure of enforcement, regardless of the number of violations or breaches which may occur.

Section 6. Insurance Trustee.

The insurance trustee shall be a bank in the State of Wisconsin, designated by the Board of Directors and have a capital, surplus and undivided profits of \$500,000 or more. The Board of Directors shall pay the fees and disbursements of any insurance trustee, and the fees and disbursements shall constitute a common expense.

ARTICLE XI Conflicts

Section 1. Control of Conflicts.

These By-Laws are set forth to comply with the requirements of the Act. In case of any of these By-Laws shall conflict with the provisions of the Act, the provisions of the Act shall control. In case any of these By-Laws conflicts with the provision of the Declaration or Articles of Incorporation, as applicable, shall control.

ARTICLE XII
Fiscal Year

Section 1. Adoption of Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIII
Amendments to By-laws

Section 1. Amendments to By-laws.

These By-laws may be modified or amended by vote of at least two thirds of the authorized votes of all unit owners, which vote shall be taken at a meeting of unit owners duly held for that purpose.

Section 2. Rights of Declarant.

No amendment of these By-laws shall alter or abrogate the rights of Declarant as contained in these By-laws.

ARTICLES OF INCORPORATION

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**ARTICLES OF INCORPORATION
OF
THE COURTS AT ST. PETER'S, INC.**

The undersigned, a natural person over the age of 21 years and acting as incorporator of a non-stock, non-profit corporation under the provisions of the Wisconsin Non-stock Corporation Law, Chapter 181 of the Wisconsin Statutes, hereby adopts the following as the Articles of Incorporation of the Corporation:

**ARTICLE I
Name**

The name of the Corporation shall be The Courts at St. Peter's, Inc.

**ARTICLE II
Period of Existence**

The period of existence of the Corporation shall be perpetual.

**ARTICLE III
Purposes**

The purposes of the Corporation are:

A. To serve as an association of unit owners under the Wisconsin Condominium Ownership Act ("Act") who own certain property located in Kenosha County, State of Wisconsin (the "Property") subject to the terms and conditions of the Declaration of Condominium as the Declaration may be amended from time to time (the "Declaration") for The Courts at St. Peter's, a condominium (the "Condominium") as recorded in the office of the Register of Deeds for Kenosha County, Wisconsin;

B. To serve as a means through which the unit owners may collectively and efficiently manage, maintain, operate, reconstruct and care for the Property in accordance with the Act and Declaration; and

C. To engage in any lawful activity permitted by the Act and Declaration for which a non-stock, non-profit corporation may be organized under the Wisconsin Non-Stock Corporation Law.

ARTICLE IV Powers

The Corporation shall have all of the powers enumerated in the Wisconsin Non-stock Corporation Law, to the extent not inconsistent with the Act, the Declaration and the By-laws of the Corporation, including without limitation, the following:

A. To exercise exclusive management and control of the common elements described in the Declaration;

B. To operate, repair, replace, reconstruct, protect and maintain the common elements described in the Declaration;

C. To purchase, lease or otherwise acquire units on behalf of all the unit owners and to sell, lease, mortgage, vote the votes attributed to those units and otherwise deal with the units so acquired on behalf of all the unit owners;

D. To hire, engage or employ and discharge such persons or entities as it may deem necessary or advisable to assist in the management of its affairs and the maintenance and operation of the Property;

E. To determine, levy and collect assessments against the unit owners and use the proceeds of these assessments in the exercise of its powers and duties, including without limitation, the payment of operating expenses of the Corporation and the common expenses relating to the maintenance, repair, replacement, reconstruction, operation and protection of the common elements described in the Declaration;

F. To purchase insurance on the Property and insurance for the benefit of the Corporation and its members;

G. To adopt and amend rules and regulations governing the use and operation of the Property;

H. To enforce by legal means the provisions of the Wisconsin Condominium Ownership Act, the Declaration, the By-Laws of the Corporation and any rules and regulations governing the use and operation of the Property;

I. To establish and maintain one or more bank accounts for deposit and withdrawal of the funds of the Corporation; and

J. To do all things necessary or convenient to effectuate the purposes of the Corporation.

ARTICLE V
Members

There shall be one class of members designated as "unit owners". The rights and qualifications of members are set forth in the By-Laws of the Corporation.

ARTICLE VI
Principal Office and Registered Agent

The location of the principal office of the Corporation shall be 11720 - 26th Avenue, Kenosha, Wisconsin 53143, and the initial registered agent shall be Joseph E. Jaraczewski. The address of the initial registered agent is 11720 - 26th Avenue, Kenosha, Wisconsin 53143.

ARTICLE VII
Directors

The number of directors of the Corporation shall be fixed in the By-Laws of the Corporation and in no event shall be less than three. The manner in which directors shall be selected, appointed and removed shall be set forth in the By-Laws of the Corporation.

The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the initial directors are:

Joseph E. Jaraczewski	Serafin B. Sanson	Jayne A. Jaraczewski
11720 - 26th Avenue	10719 - 47th Avenue	11720 - 26th Avenue
Kenosha, WI 53143	Kenosha, WI 53143	Kenosha, WI 53143

ARTICLE VIII
Incorporator

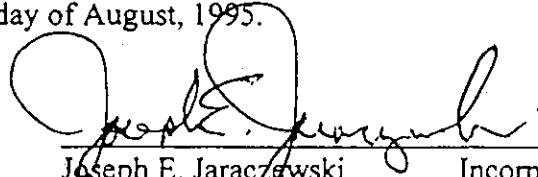
The name and address of the incorporator of the Corporation are:

Joseph E. Jaraczewski
11720 - 26th Avenue
Kenosha, WI 53143

ARTICLE IX
Dissolution

The Corporation shall not have or issue shares of stock. No dividend shall ever be paid, and no part of the net earnings, assets or surplus of the Corporation shall inure to the benefit of or be distributed to its members, directors, officers or any other private individual other than by a rebate of excess membership dues, fees or assessments. The Corporation may pay compensation or reasonable amounts to employees, members, directors or officers for services rendered and may confer benefits upon its members in conformity with its purposes and to the extent not prohibited in its By-Laws.

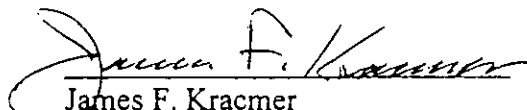
Executed in duplicate this 16th day of August, 1995.



Joseph E. Jaraczewski Incorporator

STATE OF WISCONSIN)
)SS
COUNTY OF KENOSHA)

Personally came before me this 16th day of August, 1995, the above-named Joseph E. Jaraczewski, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and he acknowledged that he executed the same for the purposes therein contained.



James F. Kracmer
Notary Public, State of Wisconsin
My commission is permanent

This instrument was drafted by
JAMES F. KRACMER
Attorney at Law
5401 - 60th Street
Kenosha, WI 53144

Please return to:
James F. Kracmer
Attorney at Law
5401 - 60th Street
Kenosha, WI 53144

The Courts At St. Peter's
a Condominium
Annual Operating Budget

The Courts at St. Peter's, Inc.
a Condominium Corporation

Estimated 1995 Budget

Rate Per Month Per Resident

	<u>1995 Budget</u>	<u>1996 Budget</u>	<u>Footnotes</u>
Income:			
Assessments	65.00	65.00	a.
Expenditures:			
Operating Expenses:			
Ground Maintenance	7.80	7.80	
Snow Removal	3.75	3.75	b.
Snow Plowing	8.62	8.62	
Building Maintenance	2.40	2.40	
Area Lighting	2.25	2.25	
Professional Management	8.75	8.75	c.
Insurance	10.05	10.05	
Water	3.55	3.55	
Sewer	3.55	3.55	
Professional Services	<u>7.13</u>	<u>7.13</u>	
Sub-Total	\$7.85	\$7.85	
Transfer to Replacement			
Reserve Account	<u>7.15</u>	<u>7.15</u>	d.
Total Expenditures	65.00	65.00	e.
Net Surplus (Deficit)	<u>-0-</u>	<u>-0-</u>	

- a. Monthly estimated rate based on an average of 14 units.
- b. Snow removal and plowing cost are based on an annual snowfall of 40 inches.
- c. Professional services are charged to cover the cost of a year-end audit prepared by auditors.
- d. Replacement reserves are for such items as a new roof and resurface driveways.
- e. Total charges (estimated) are shared equally among all 4 condominium homes with the developer picking up the charges for all unsold units.

James F. Komer
ATTORNEY AT LAW
5401 - 60TH STREET • SUITE 1 • KENOSHA, WISCONSIN 53144
TEL. 414-654-3266 • FAX 414-654-4108

THE COURTS AT ST. PETER'S,
a Condominium

ADDENDUM I TO THE DECLARATION OF CONDOMINIUM

WHEREAS Sanjarco Homes, L.L.C., the Declarant, has reserved the right to create additional units upon that certain land designated as Phase 2 on Exhibit A attached to the DECLARATION OF CONDOMINIUM recorded on August 31, 1995, as document number 1000102, Kenosha County Register of Deeds.

WHEREAS, Declarant hereby advises all purchasers that each unit owner shall hereafter hold an undivided interest in common with all of the other units and unit owners in the common and limited common elements, equal to the number one (1) divided by the total number of units after completion of the part of Phase 2 added to the condominium, such total number being 28.

NOW THEREFORE, the Declarant, as holder of title to the real estate described as Phase 2, and for the purposes set forth in the aforesaid DECLARATION OF CONDOMINIUM, states and declares as follows:

1. Description of Land.

The land which is the subject of this Addendum I and upon which the buildings and improvements are and will be located is in the City of Kenosha, Kenosha County, Wisconsin, and is more particularly described as Phase 2 in Exhibit A attached to this declaration.

2. Description of Buildings - Phase 2.

Four buildings in Phase 2, three of which shall contain four units and one of which shall contain two units, are in the process of construction or will be constructed with the location shown on the plat of survey attached to this Addendum I as Exhibit A. The condominium dwelling units in each building are called "Units", and their boundaries are described in Section 3B of this Addendum I. Buildings E and F have basements.

1 Buildings G and H do not have basements. Exhibit B, comprised of 5 pages attached to
2 this Addendum I, shows the floor plans for the units in Phase 2.

3 Building H shall contain two (2) units on one level of living space. One of
4 such units, being Type C shall contain 3 bedrooms, and 2 bathrooms, living room, dining
5 room, kitchen, laundry room and attached 2 car garage. The other of such units, being
6 Type D, shall contain 2 bedrooms and 2 bathrooms, living room, dining room, kitchen,
7 utility room and attached 2 car garage.

8 The remaining three buildings shall each contain four units. Each of these
9 three buildings shall contain two levels of living space. These three buildings shall each
10 contain four units of four different types.

11 Type A-1 without basement (Building G) - a first floor unit of two
12 bedrooms, two baths, living room, dining room, kitchen, study, laundry
room and attached 2 car garage.

13 Type A-2 with basement (Buildings E and F) - a second floor unit of two
14 bedrooms, bathroom/dressing room, living room, kitchen/breakfast room,
15 utility room, basement and attached 2 car garage.

16 Type B-1 without basement (Building G) - a first floor unit of two
17 bedrooms, two baths, kitchen, living room, dining room, laundry room
and attached 2 car garage.

18 Type B-2 with basement (Buildings E and F) - a second floor unit of two
19 bedrooms, two baths, living-dining room, kitchen/breakfast room, utility
20 room, basement and attached 2 car garage.

21 The attached plans designate A1 and B1 for first floor units and A2 and B2 for second
22 floor units. The buildings are constructed principally of concrete foundations and
23 concrete footings, wood frame, brick, aluminum, wood or wood product exteriors, wood
24 and concrete floors. The roofs are asphalt shingle. Each unit is connected to the
25 municipal water system and has an individual hot water heater and individual heating and
26 air conditioning systems. All utilities for each unit will be separately metered.
27
28

1
2 3. Description of Units.

3 A. Each unit in Phase 2 has a number, and the approximate area, location,
4 number of rooms and immediate common area to which it has access are shown on the
5 survey and floor plan attached to this Addendum I as Exhibits. Working drawings and
6 general specifications for the units are on file at the office of the declarant, 11720 - 26th
7 Avenue, Kenosha, Wisconsin 53143.

8 B. The boundaries of each unit in Phase 2, including any garage space
9 belonging to the unit, shall consist of that part of the cubic area of the building enclosed
10 as follows:

11 (1) Horizontal Boundaries

12 (a) The upper boundaries of the unit in Phase 2 shall be the
13 plane of the undecorated finished ceiling including the first layer of drywall and extended
14 to an intersection with the vertical boundaries; and

15 (b) The lower boundaries of the unit in Phase 2 shall be the
16 plane of the undecorated finished floor extended to an intersection with the vertical
17 boundaries.

18 (2) Vertical Boundaries

19 (a) The vertical boundaries of the unit in Phase 2 shall be
20 the plane of the undecorated finished interior of the perimeter walls including the first
21 layer of drywall and extending to intersections with each other and with the upper and
22 lower boundaries.

23 C. Each unit in Phase 2 shall include the inner surfaces of the finished
24 walls, ceilings, and floors. Windows, moldings, window frames and doors (including all
25 glass in doors and garage doors) shall be included as part of a unit.

26 D. All units in Phase 2 contain a living room, dining area, kitchen, hall,
27 and utility room.

28 E. The structural portions of each building, exterior light fixtures, all
smoke detectors and fire alarms and the exterior surface of the garage doors in Phase 2
shall be common elements except as described in Section 5 of this Addendum I. Utility
lines and plumbing equipment located outside of the units in Phase 2 shall be repaired

1 and maintained by and at the expense of the Association. The heating and air
2 conditioning system and water heater for each unit in Phase 2 shall be considered part of
3 the unit and repaired and maintained by and at the expense of the unit owner.

4 F. If any portion of the common or limited common elements shall
5 encroach upon any unit, or if any unit shall encroach upon any other unit or upon a
6 portion of the common or limited common elements as a result of the construction,
7 reconstruction or repair of the building, or as a result of settling or shifting of the
8 building, a valid easement for the encroachment and for its maintenance shall exist so
9 long as the building stands. The existing physical boundaries of a unit or common
10 elements constructed or reconstructed in substantial conformity with the condominium
11 plat shall be conclusively presumed to be the boundaries of the unit, regardless of the
12 shifting, settlement or lateral movement of the building and regardless of minor variation
13 between the physical boundaries described in this declaration or shown on the
14 condominium plat and the existing physical boundaries of any such unit or common
15 element.

16 4. Description of Common Elements - Phase 2.

17 The common elements shall include, but not be limited to the following:

- 18 A. Land within the condominium;
19 B. Walls, ceilings, and floors other than specifically included in each unit;
20 C. Components of plumbing, heating, electrical, telephonic or cable
21 television systems serving more than one unit, and smoke and fire
22 alarm systems;
23 D. Walks, driveways, parking areas, and fences;
24 E. All other parts of the condominium, necessary or convenient to its
25 existence, maintenance and safety, or normally in common use.
26
27
28

1
2 5. Description of Limited Common Elements - Phase 2.

3 The following common elements are permanently assigned to and limited
4 to the use of units as follows:

5 A. The "limited common elements"

6 (1) The patio or balconies, which are adjacent to the unit as
7 indicated on the drawings contained as Exhibit A;

8 (2) Outdoor parking space reserved to each unit and so designated
9 on Exhibit A by P followed by the unit number.

10 6. Unit Value for Common Element Ownership and Voting.

11 Each unit and its owner in Phase 1 and in Phase 2 shall have a 1/28 undivided
12 interest in common with all other units and with owners in the common and limited
13 common elements in both Phase 1 and Phase 2. The declarant recognizes that there are
14 variances in the units which relate to value; however, after careful consideration of
15 the factors relevant to maintenance, replacement and value, the declarant believes that
16 the foregoing formula of ownership and voting is fair and equitable as well as the most
17 efficient for purposes of administration.

18 7. Further Matters.

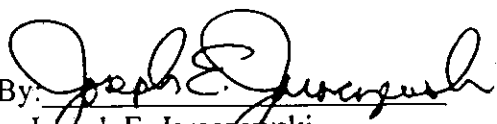
19 All present and future owners of units, tenants of those owners and any other
20 occupants of units, employees of owners, or any other persons who in any manner use or
21 come upon the condominium or any part of the condominium shall be subject to and shall
22 comply with the provisions of the Declaration, of this Addendum I, the Articles of
23 Incorporation of the Association ("Articles") and the by-laws and rules and regulations
24 adopted pursuant to those instruments, as those instruments may be amended from time
25 to time.

26 8. Continuance of Declaration.

27 All provisions of the DECLARATION OF CONDOMINIUM above described are
28 continued in full force and effect, except as herein provided.

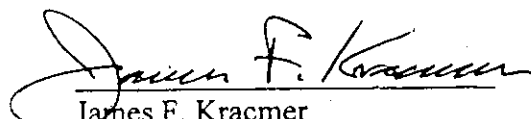
1
2 IN WITNESS WHEREOF, Sanjarco Homes, L.L.C., the Declarant has executed
3 this Addendum I.
4

5 Sanjarco Homes, L.L.C.

6
7 By: 
8 Joseph E. Jaraczewski
9 President

10 STATE OF WISCONSIN)
11)SS
12 COUNTY OF KENOSHA)

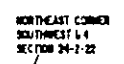
13 Personally came before me this 31st day of January, 1997, Joseph E.
14 Jaraczewski, the president of Sanjarco Homes, a Wisconsin Limited Liability Company,
15 to me known to be the person who executed the foregoing instrument and acknowledged
16 the same as the act of the said limited liability company, by its authority.
17

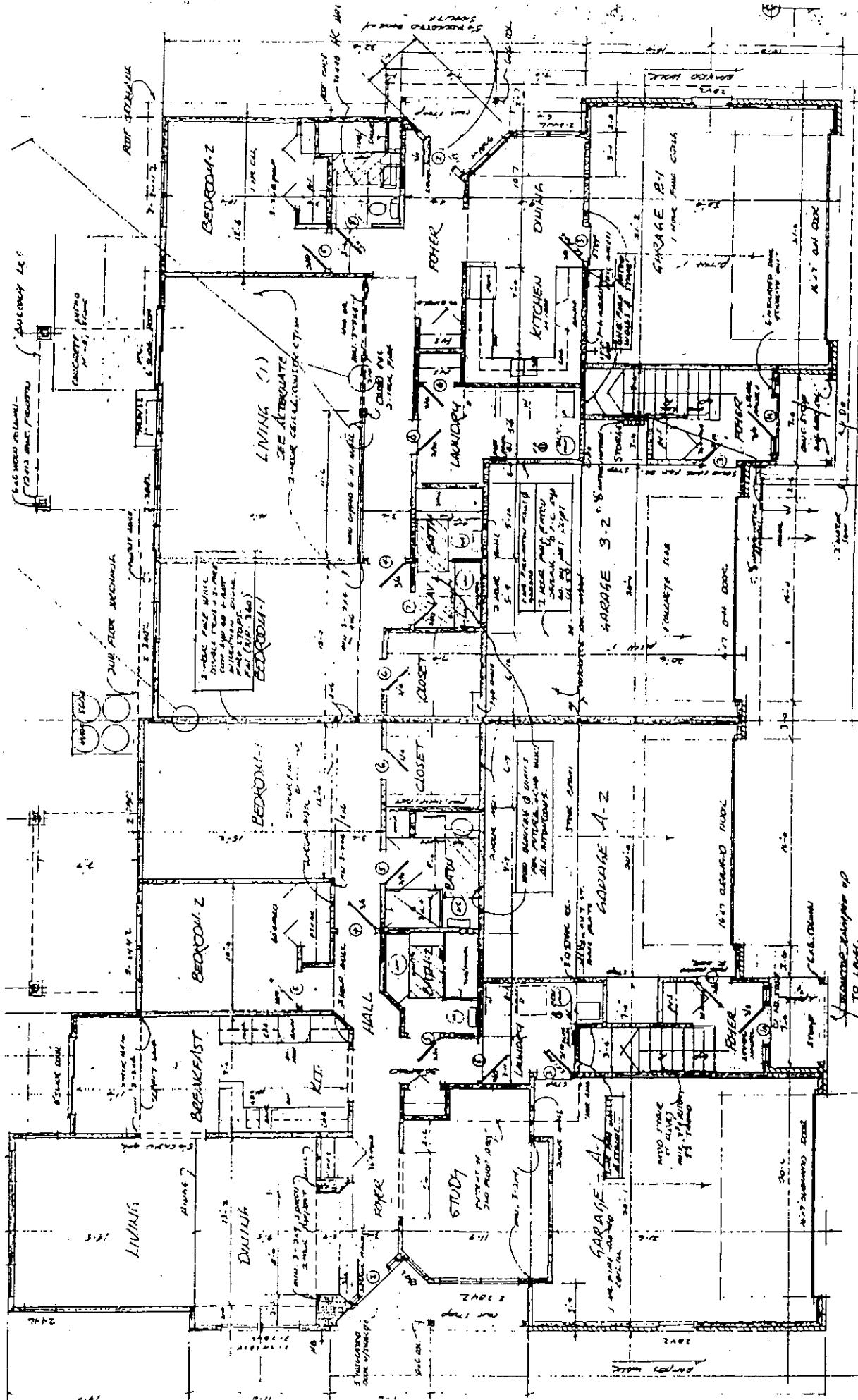
18
19 
20 James F. Kracmer
21 Notary Public
22 Kenosha County, Wisconsin
23 My commission is permanent
24

25 This instrument was drafted by:
26 JAMES F. KRACMER
27 Attorney at Law
28 5401 - 60th Street
Kenosha Wisconsin 53144

PHASE 2

PHASE 2:
Part of the Southwest Quarter of Section 24, Town 2 North, Range 22
North of the Principal Meridian, lying and being the City of
Kenosha, Kenosha County, Wisconsin, and being more particularly
described as: Beginning on the east line of said quarter section at
a point 2090.773 feet North from the southwest corner of said
quarter section; thence west parallel to the south line of said
quarter section 150.265 feet; thence south parallel to the east line
of said quarter section 150.265 feet; thence west parallel to the
south line of said quarter section 688.34 feet to the east line of
said quarter section; thence north along the west line of said
quarter section 150.265 feet to the point of beginning, subject to
the provisions of the only and sole plat of said quarter section
also subject to future 23th Street over the entire south 20 feet of
the above described.



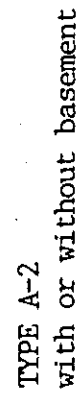


FIRST FLOOR PLAN

COURT HOMES

TYPE A-1

TYPE B-1



Rehik R - Dec 3 of 5

