

BYLAWS
OF
WATERFRONT PLACE CONDOMINIUM
OWNERS ASSOCIATION, INC.
(a Wisconsin nonstock corporation)

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**BYLAWS
OF
WATERFRONT PLACE CONDOMINIUM
OWNERS ASSOCIATION, INC.
(a Wisconsin nonstock corporation)**

ARTICLE I. OFFICES

1.1 Principal and Business Offices. The principal office of Waterfront Place Condominium Owners Association, Inc. (the "Association") shall be located at 2927 South Fish Hatchery Road, Madison, Wisconsin 53711. Such address shall be the Association's mailing address and is subject to change to another location within Dane County, Wisconsin as the Board of Directors may designate.

1.2 Registered Office. The registered office of the Association required by the Wisconsin Statutes to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors. The business office of the registered agent of the Association shall be identical to such registered office.

ARTICLE II. MISCELLANEOUS

2.1 Capitalized Terms. Capitalized terms not defined in these Bylaws shall have the definitions given to such terms in the Declaration of Condominium for Waterfront Place Condominium, a condominium located in the City of Monona, Dane County, Wisconsin (the "Declaration").

2.2 Binding Effect. These Bylaws shall be binding upon the Unit Owners, their heirs, successors and assigns and shall govern the use, occupancy, operation and administration of the Condominium.

2.3 Interpretation. These Bylaws are subject to all provisions of the Declaration, the Articles of Incorporation, the Condominium Ownership Act and Chapter 181 of the Wisconsin Statutes. In the case of any conflict Chapter 181 of the Wisconsin Statutes shall control. If any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association to conduct or engage in any active business for profit on behalf of any or all of the Unit Owners.

ARTICLE III. MEMBERS

3.1 Membership. The members of the Association shall be the Unit Owners. The membership of the Association shall include land contract vendees, but shall not include land contract vendors. Persons holding an interest in a Unit merely as security for the performance of an obligation (including Mortgagees) shall not be members of the Association.

3.2 Commencement and Termination. Membership shall commence upon acquisition by a Unit Owner of an ownership interest in a Unit of the Condominium. Membership shall terminate upon such Unit Owner's conveyance of the ownership interest. If a Unit Owner dies and such Unit Owner's ownership interest passes to the Unit Owner's personal representative or to a Trustee, the personal representative or Trustee receiving such interest shall become a member of the Association.

3.3 Withdrawal or Expulsion. A Unit Owner may not voluntarily withdraw or be expelled from membership in the Association.

3.4 Membership Certificates. Membership certificates shall not be issued by the Association.

3.5 Membership List. The Association shall maintain a current membership list which shall contain the following information: (i) the name and address of each Unit Owner, (ii) the Mortgagee of each Unit, if any, and (iii) in the case of multiple owners of a Unit, the person, if any, designated to vote on behalf of such Unit under Section 5.05 of the Declaration.

3.6 Transfer of Membership. Each membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically upon transfer of the Unit. Any Unit Owner causing a transfer of a Unit shall, as soon as possible thereafter, provide the Association with written notice of the transfer. The notice shall identify the Unit so transferred and shall state the following (i) the name and address of the new owner, (ii) the date of transfer, (iii) the name of the person designated to vote on behalf of the Unit, if any, (iv) in the case of multiple owners, the percentage of ownership for each owner, and (v) the mortgagee of the Unit, if any. The Association shall, upon receipt of the foregoing information, make appropriate changes to the membership list. A Unit Owner shall not be entitled to vote at meetings of the Association until the requirements of this paragraph are satisfied.

3.7 Effect of Condominium Lien. A Unit Owner shall not be entitled to vote on any matter submitted to a vote of the Unit Owners if a statement of condominium lien on the Unit has been recorded by the Association and the amount necessary to release the lien has not been paid by the Unit Owner prior to the vote.

3.8 Annual Meeting. The first annual meeting of the Unit Owners shall be held on the second Monday of the first March after the Declarant has ceased to control the Association as provided in Section 7.02 of the Declaration. The meeting shall be at a time determined by the Board of Directors and shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting. Thereafter, annual meetings of the Unit Owners shall be held on the forth Monday in June of each succeeding year. Such meetings shall be for the purpose of electing directors and for the transaction of such other business as may come before the meetings.

3.9 Special Meetings of Unit Owners. Special meetings of the Unit Owners may be called at any time by the President of the Association and shall be called by the President or Secretary upon receipt of a written request for a meeting by Unit Owners holding at least twenty-five percent (25%) of the votes entitled to be cast at such meeting. The business to be transacted at a special meeting of the Unit Owners shall be limited to the objects stated in the notice of such meeting.

3.10 Notice, Waiver. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be communicated or sent not less than 10 nor more than 50 days before the date of the meeting, unless a different time is provided in Chapter 181 of the Wisconsin Statutes, the Articles of Incorporation or these Bylaws. The notice shall be delivered either personally or by mail, by or at the direction of the President or the Secretary to each Unit Owner. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the Unit Owner at the Unit Owner's address as it appears on the records of the Association, with postage thereon prepaid. Whenever any {notice whatever is required to be given to a Unit Owner under the Articles of Incorporation, these Bylaws or any provision of law, a waiver thereof, in writing, signed at anytime, whether before or after the time of meeting, by the Unit Owner entitled to such notice, shall be deemed equivalent to the giving of such notice. Such waiver shall contain the same information as would have been required in such notice, except that the time and place of the meeting need not be stated. The attendance of a Unit Owner at a meeting shall constitute a waiver of notice of such meeting, except where a Unit Owner attends a meeting solely to object to the holding thereof because the meeting has not been lawfully called or convened.

3.11 Quorum; Voting Rights. Unit Owners holding one-half of the votes entitled to be cast, present in person or represented by proxy, shall constitute a quorum at a meeting of Unit Owners. Each Unit shall have one vote on any matter submitted to a vote of the Unit Owners.

3.12 Manner of Acting. The act of a majority of the votes entitled to be cast by Unit Owners present in person or represented by proxy at a meeting at which a quorum is present shall be the act of the Unit Owners, unless a greater proportion is required by the Articles of Incorporation, Chapter 181 or Chapter 703 of the Wisconsin Statutes, or these Bylaws.

3.13 Conduct of Meetings. The President or, in his or her absence, any Unit Owner chosen by a majority of the Unit Owners present, shall call meetings of the Unit Owners to order and shall act as the Chairperson of such meetings. The Chairperson may appoint any Unit Owner to act as Secretary of the meeting. The Secretary of the meeting shall be responsible for, among other things, counting the votes cast by Unit Owners on matters voted upon.

3.14 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Meeting called to order.
- (b) Roll call of Unit Owners and certification of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees (if appropriate).
- (g) Election of directors (if appropriate).
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

3.15 Presumption of Assent. A Unit Owner who is present at a meeting of the Unit Owners at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Unit Owner who voted in favor of such action.

3.16 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation, these Bylaws, or any provision of law to be taken by the Unit Owners at a meeting may be taken without a meeting if a consent in writing setting forth the actions so taken is signed by all the Unit Owners.

ARTICLE IV. BOARD OF DIRECTORS

4.1 Powers and Duties. Except for those powers and duties specifically given to or required of the Unit Owner, all of the powers and duties of the Association under the Declaration, the Articles of Incorporation, these Bylaws, the Condominium Ownership Act and Chapter 181 of the Wisconsin Statutes shall be exercised by the Board of Directors. The powers and duties of the Board of Directors shall include, without limitation, the power or duty to:

- (a) Adopt budgets for revenues, expenditures and reserves.

(b) Levy and collect General Assessments and Special Assessments against Unit Owners and disburse funds in payment of the Association's expenses.

(c) Manage, maintain, repair, replace, improve, operate and regulate the Common Elements.

(d) Grant easements through or over the Common Elements.

(e) Hire and supervise any manager, managing agent, agent, employee, attorney, accountant or any other independent contractor whose services the Board of Directors determines are necessary or appropriate.

(f) Sue on behalf of all Unit Owners.

(g) Make contracts and incur liabilities.

(h) Purchase, take, receive, rent or otherwise acquire and hold any interest in real or personal property, including any Unit of the Condominium.

(i) Sell, convey, mortgage, encumber, lease, exchange, transfer or otherwise dispose of any interest in real or personal property, including any Unit of the Condominium; provided the Board of Directors shall not by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements without prior written approval of two-thirds (2/3) of the Unit Owners other than the Declarant.

(j) Receive any income derived from payments, fees or charges for the use, rental or operation of the Common Elements.

(k) Adopt and amend rules and regulations governing the operation, maintenance and use of any portion of the Condominium and the personal conduct of any person upon or with regard to Condominium property, including the imposition of charges for the use of Common Elements and penalties for infractions of the rules and regulations of the Association. Such rules and regulations may also be adopted, amended and repealed by the Unit Owners having sixty-seven percent (67%) or more of the votes of the Association. Rules and regulations which are adopted, amended or repealed by the Unit Owners may not thereafter be amended, repealed or readopted by the Board of Directors.

(l) Insure the Condominium property against loss by fire and other casualty and the Association and Unit Owners against public liability as provided in the Declaration and purchase such other insurance as the Board of Directors may deem advisable.

(m) Keep all of the books and records and prepare accurate reports of all transactions of the Association.

(n) Appoint committees to carry out any tasks which the Board of Directors deems necessary or appropriate.

(o) Designate depositories and establish accounts for the funds of the Association and determine which officers or agents shall be authorized to withdraw and transfer funds deposited in such accounts.

(p) Delegate any or part of the powers and duties of the Board of Directors or Association officers to a manager or managing agent.

4.2 Manager. The Board of Directors may hire a manager or managing agent at a compensation rate established by the Board to perform such duties and services as the Board shall authorized including, without limitation, the duties enumerated in Section 4.1.

4.3 Number and Membership in Association. The initial Board of Directors shall be composed of three directors selected by Declarant. At such time as the Declarant has conveyed twenty-five percent (25%) of the Common Element interest of the Condominium to purchasers, the number of directors on the Board of Directors shall be increased to four (4). At such time as the Declarant has conveyed fifty percent (50%) of the Common Element interest of the Condominium to purchasers, the number of directors on the Board of Directors shall be increased to six (6). At such time as the Declarant has ceased control of the Association as provided in Section 7.02 of the Declaration, the number of directors on the Board of Directors shall be decreased to three (3), only one of whom may be a person who is not a Unit Owner. No more than one director at any given time may be a person who is not a Unit Owner; provided, however, that during the period of Declarant control as provided in Section 7.02 of the Declaration, any person named by the Declarant to the Board of Directors shall be deemed to be a "Unit Owner" for purposes of this requirement only. At no time shall the number of directors be less than three (3).

4.4 Term of Office. The initial board of directors shall serve until the Declarant has conveyed twenty-five percent (25%) of the Common Element interest of the Condominium to purchasers. Prior to the conveyance of twenty-five percent (25%) of the Common Element interest, a meeting of the Unit Owners shall be called, and the Unit Owners other than the Declarant shall elect one director to serve on the Board of Directors. The Declarant shall elect the remaining three (3) directors. Such Board of Directors shall take office upon the conveyance of twenty-five percent (25%) of the Common Element interest and shall serve until the Declarant has conveyed fifty percent (50%) of the Common Element interest of the Condominium to purchasers. Prior to the conveyance of fifty percent (50%) of the Common Element interest of the Condominium to purchasers, a meeting of the Unit Owners shall be called, and the Unit Owners other than the Declarant shall elect two (2) directors to serve on the Board of Directors. The Declarant shall elect the remaining four (4) directors. Such Board of Directors shall take

office upon the conveyance of fifty percent (50%) of the Common Element interest and shall serve until the next election upon expiration of the period of Declarant control. Not later than forty-five (45) days after the expiration of the period of Declarant control, a special meeting of the Unit Owners shall be called, and the Unit Owners shall elect all three (3) directors on the Board of Directors. Such directors shall take office upon such election and shall serve until the first annual meeting of the Unit Owners as provided in Section 3.8. Thereafter, each director shall take office at the annual meeting and shall serve for a term of one (1) year and until his or her successor shall be elected or until his or her prior death, resignation or removal.

4.5 Election of Directors. Prior to each annual meeting of the Unit Owners, the Secretary of the Association shall mail all Unit Owners a notice setting a deadline for nominations for the Board of Directors. All nominations shall be returned to the Secretary. Unit Owners must obtain the prior consent of any person they nominate and they may nominate themselves. If the number of nominees is equal to the number of directors to be elected, the nominees shall automatically be elected as directors and shall take office at the annual meeting. If the number of nominees is less than the number of directors to be elected, the Secretary shall solicit further nominees by mail. If the number of nominees exceeds the number of directors to be elected, the Secretary shall conduct an election by mail with all written ballots due prior to the deadline set by the Secretary. Each Unit Owner shall be entitled to cast one vote per Unit for each director on the Board of Directors. The persons receiving the largest number of votes shall be elected and shall take office at the annual meeting.

4.6 Vacancy and Replacement. Any vacancy occurring on the Board of Directors by reason of death, resignation, disqualification or removal from office shall be filled until the next election of directors by the affirmative vote of a majority of the directors in office (even if less than a quorum).

4.7 Removal. Prior to the expiration of the period of Declarant control, only the Declarant shall have the right to remove a director, with or without cause, from the Board of Directors. Thereafter, any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Unit Owners.

4.8 Compensation. A director shall not receive any compensation for his or her services as director of the Association other than reimbursement for out-of-pocket expenses incurred in the performance of such director's duties.

4.9 Annual Meeting. Until the expiration of Declarant control, the annual meeting of the Board of Directors shall be held annually on the second Monday of March at the time and place designated in the notice of such meeting. Thereafter, annual meetings of the board of directors shall be held, without other notice than this bylaw, following the annual meeting of the

Unit Owners at the same place as the Unit Owners' meeting or at such place as the Board of Directors may vote to adjourn the meeting. The purpose of each annual meeting shall be to elect officers and to transact such other business as may come before the meeting.

4.10 Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

4.11 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President and shall be called by the President or Secretary at the request of any two directors. The business to be transacted at a special meeting shall be limited to the objects stated in the notice of such meeting.

4.12 Notice; Waiver. Notice of annual and special meetings of the Board of Directors shall be given by telephone or by written notice delivered personally or by mail or telegram to each director at his/her business address or at such other address as the director shall have designated in a writing filed with the Secretary. Notice in the case of telephone, personal delivery or telegram shall be given not less than forty-eight (48) hours prior to the time of the meeting. If mailed, such notice shall be delivered at least ninety-six (96) hours prior to the meeting and shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any director of the Association under the Articles of Incorporation, these Bylaws or any provision of law, a waiver thereof in writing, signed at anytime, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting solely to object to the holding thereof because the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. No notice need be given for a regular meeting when the time and place of such regular meeting has been fixed by a duly adopted resolution of the Board of Directors.

4.13 Quorum. Except as otherwise provided by law, by the Articles of Incorporation or these Bylaws, a majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A majority of directors present (though less than a quorum) may adjourn the meeting from time to time without further notice.

4.14 Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

4.15 Conduct of Meeting. The President and, in the President's absence, any director chosen by the directors present shall call meetings of the Board of Directors to order and shall act as the Chairperson of such meetings. The Chairperson may appoint any director or other person to act as Secretary of the meeting.

4.16 Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4.17 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the actions so taken is signed by all the directors then in office.

4.18 Telephonic Meetings. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting may be taken through the use of any means of communication by which (a) all participating directors may simultaneously hear each other during the meeting, or (b) all communication during the meeting is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors.

4.19 Committees. The Board of Directors, by resolution adopted by a majority of the number directors fixed pursuant to these bylaws, may establish such committees as it deems necessary or desirable to enable the Corporation to carry out its business. Each committee shall consist of three (3) or more directors elected by the Board of Directors. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of its activities as the Board may request.

ARTICLE V. OFFICERS

5.1 Number and Qualifications. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer (the "Principal Officers") and such other officers as determined by the Board of Directors. Any two or more offices may be held by the same person, except for the offices of President and Secretary, or President and Vice President.

5.2 Election and Term of Office. The initial officers of the Association shall be elected by a majority vote of the Board of Directors contemporaneously with the adoption of these Bylaws; or as soon thereafter as practicable. Successor officers shall be elected by a majority vote of the Board of Directors at each annual meeting of the Board. Officers shall hold office for a period of one (1) year and until their successors are duly elected and qualified or until their prior death, resignation or removal. An officer may serve consecutive terms in the same office.

5.3 Resignation or Removal. Any officer may resign at any time by filing a written resignation with the Secretary of the Association. Officers may be removed by the Board of Directors whenever in the Board's judgment the best interests of the Association will be served thereby.

5.4 Vacancies. A vacancy in any office, by resignation or for any other reason, shall be filled by the Board of Directors for the unexpired portion of the term.

5.5 President. The President shall be the chief executive officer of the Association and shall perform all business and duties customarily pertaining to the office of President and such other duties as he or she may be directed to perform by the Board of Directors. The President shall sign and/or countersign all bank checks or orders (or delegate the signing of such documents to subordinates under his or her direction and control), and shall execute, in the name of the Association, other significant documents and papers concerning the business of the Association.

5.6 Vice President. In the absence of the President or in the event of his or her death, inability or refusal to act, or in the event for any reason it shall be impracticable for him or her to act personally, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the Association by the Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

5.7 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors in books provided for that purpose, and shall keep the Bylaws, and such other books and papers as the Board of Directors may direct. The Secretary shall attend to the giving and serving of notices of all meetings of the Board of Directors and otherwise. When required, the Secretary shall execute with the President, in the name of the Association, all contracts and instruments which have been first approved by the Board of Directors. The Secretary shall perform such additional duties connected with the operation of the Association customarily pertaining to the office of Secretary and as directed by the President or the Board of Directors.

5.8 Treasurer. The Treasurer shall receive and deposit all funds of the Association in the depository institution or institutions selected by the Board of Directors, which funds shall be withdrawn only by checks or orders executed in the name of the Association by the Treasurer and President (or subordinates under their direction and control). The Treasurer shall also account for all receipts, disbursements and balance on hand and report regarding the same when and as requested by the President or Board of Directors. The Treasurer shall perform such additional duties connected with the operation of the Association customarily pertaining to the office of Treasurer and as directed by the President or the Board of Directors.

5.9 Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or as agent for the Association in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors shall have the power to perform all the duties of the office to which he or she is so appointed to be assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

5.10 Salaries. No salaries shall be paid to any of the Principal Officers.

ARTICLE VI. INDEMNIFICATION

6.1 Indemnification for Successful Defense. Within 20 days after receipt of a written request pursuant to Section 6.3, the Association shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the Association.

6.2 Other Indemnification.

(a) In cases not included under Section 6.1, the Association shall indemnify a director or officer against all liabilities and expenses incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the Association, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to the Association and the breach or failure to perform constitutes any of the following:

(1) A willful failure to deal fairly with the Association in connection with a matter in which the director or officer has a material conflict of interest.

(2) A violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or conduct was unlawful.

(3) A transaction from which the director or officer derived an improper personal profit.

(4) Wilful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 6.5.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this Section.

6.3 Written Request. A director or officer who seeks indemnification under Section 6.1 or 6.2 shall make a written request to the Association.

6.4 Nonduplication. The Association shall not indemnify a director or officer under Sections 6.1 or 6.2 if the director or officer has previously received indemnification or allowance of expenses from any person, including the Association, in connection with the same proceedings. However, the director or officer shall have no duty to look to any other person for indemnification.

6.5 Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the director or officer and the Association, any director or officer seeking indemnification under Section 6.2 shall select one of the following means for determining his or her right to indemnification:

(1) By a majority vote of a quorum of the Board of Directors consisting of directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more directors who are not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

(2) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.

(3) By a panel of three arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two arbitrators previously selected.

(4) By an affirmative vote of the members at a meeting of the members in which a quorum is present.

(5) By a court under Section 6.8.

(6) By any other method provided for in any additional right to indemnification permitted under Section 6.7.

(b) In any determination under sub. (a), the burden of proof shall be on the Association to prove by clear and convincing evidence that indemnification under Section 6.2 should not be allowed.

(c) A written determination as to a director's or officer's right to indemnification under Section 6.2 shall be submitted to both the Association and the director or officer within 60 days of the selection made under sub. (a).

(d) If it is determined that indemnification is required under Section 6.2, the Association shall pay all liabilities and expenses not prohibited by Section 6.4 within 10 days after receipt of the written determination under sub. (c). The Association shall also pay all expenses incurred by the director or officer in the determination process under sub. (a).

6.6 Expenses as Incurred. Within 10 days after receipt of a written request by a director or officer who is a party to a proceeding, the Association shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the Association with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Association.

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent that it is ultimately determined under Section 6.5 that indemnification under Section 6.2 is not required and that indemnification is not ordered by a court. The undertaking under this subsection shall be an unlimited, general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

6.7 Nonexclusivity.

(a) Except as provided in sub. (b), Sections 6.1, 6.2 and 6.6 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

(1) The Articles of Incorporation;

(2) A written agreement between the director or officer and the Association;

(3) A resolution of the Board of Directors; and

(4) A resolution of the members of the Association.

(b) Regardless of the existence of an additional right under (a), the Association shall not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses, unless it is determined by or on behalf of the Association that the director or officer did not breach or fail to perform a duty he or she owes to the Association which constitutes conduct under Section 6.2(a)(1), (2), (3) or (4). A director or officer who is a party to the same or related proceedings for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(c) Sections 6.1 to 6.11 do not affect the Association's power to pay or reimburse expenses incurred by a director or officer in any of the following circumstances:

(1) As a witness in a proceeding to which he or she is not a party.

(2) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the Association.

6.8 Court-Ordered Indemnification. Except as provided otherwise by written agreement between the director or officer and the Association, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application may be made for an initial determination by the court under Section 6.5(a)(4) or for review by the court of an adverse determination under Section 6.5(a)(1), (2), (3) or (5).

6.9 Indemnification of Employees or Agents. The Association may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer to the extent provided by the Articles of Incorporation or Bylaws by general or specific action of the Board of Directors or by contract.

6.10 Insurance. The Association may purchase and maintain insurance on behalf of an individual who is an employee, agent, director or officer of the Association against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, director or officer, or arising from his or her status as an employee agent, director or officer, regardless of whether the Association is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 6.1, 6.2, 6.5, 6.7 and 6.9.

6.11 Liberal Construction. In order for the Association to obtain and retain qualified directors and officers, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of directors and officers and, accordingly, the indemnification above provided for shall be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

ARTICLE VII. CONTRACTS AND FINANCIAL MATTERS

7.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Association, and such authorization may be general or confined to specific instances. No contract or other transaction between the Association and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors or officers are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies the contract or transaction, if (1) the fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (2) the fact of such relationship or interest is disclosed or known to the Unit Owners, which authorize, approve or ratify such contract or transaction; or (3) the contract or transaction is fair and reasonable to the Association. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves or ratifies such contract or transactions, but such interested directors shall abstain from any vote to authorize, approve or ratify such contract or transaction.

7.2 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Association and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

7.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by any officer of the Association or an agent of the Association duly appointed for the purpose.

7.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

7.5 Audit. The Board of Directors shall cause to be conducted, no less frequently than annually, an audit of the Association's books and records. The Board of Directors shall select the auditors.

7.6 Budget. The Board of Directors shall cause to be prepared for the Board's approval, prior to the start of each fiscal year of the Association, an annual budget for the Association.

ARTICLE VIII. CORPORATE SEAL

The Association shall not have a corporate seal.

ARTICLE IX. AMENDMENTS

9.1 By Unit Owners. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Unit Owners if such amendment or other change in the Bylaws is adopted by affirmative vote of not less than sixty-seven percent (67%) of the votes of all Unit Owners present in person or by proxy represented at an annual or special meeting of the Unit Owners at which a quorum is in attendance.

9.2 By Directors. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors if such amendment or other change in the Bylaws is adopted by affirmative vote of a majority of the number of directors present at or participating in any meeting at which a quorum is in attendance. Notwithstanding the foregoing, no Bylaw adopted by the Unit Owners shall be amended or repealed by the Board of Directors unless such authority is conferred by the Unit Owners on the Board.

ARTICLE X. BOOKS AND RECORDS

10.1 Inspection. The books, records, minutes and papers of the Association shall at all times, and during reasonable business hours, be subject to inspection by the Unit Owners. The Declaration, Articles of Incorporation and Bylaws of the Association shall be available for inspection by any Unit Owner, Mortgagee or prospective purchaser of a Unit at the principal office of the Association, where copies of which may be purchased at reasonable cost.

10.2 Report of Unit Owner Defaults. The Association shall, within ten (10) days of a request by a prospective Unit Purchaser, report to such person the amount of any due and unpaid assessments against the Unit being purchased.

10.3 Current Roster. Each Unit Owner shall promptly notify the Secretary upon (i) acquisition of an ownership interest in any Unit, (ii) any change in such Unit Owner's name or address, and (iii) any transfer of ownership interest in the Unit. In the event that a Unit Owner mortgages its Unit (or any interest therein), such Unit Owner shall notify the Secretary of the

name and mailing address of the Mortgagee. The Unit Owner shall also notify the Secretary upon a release of such mortgage. The Secretary shall maintain all information contemplated by this section in the current roster of the Association.

10.4 Audits. The accounts and records of the Association shall be audited at least once every other year by an audit committee selected by the Board of Directors. The committee shall retain such professional auditors and other independent examiners as it deems appropriate. The cost of such audit shall be a Common Expense.

ARTICLE XI. BUDGET, ASSESSMENT, AND ANNUAL REPORT

11.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

11.2 Budget. The Board of Directors shall adopt a projected annual operating budget for the Association, which budget shall be subject to approval by the Unit Owners. The budget shall be effective for the period beginning January 1 of the year in which it is adopted through December 31 of the succeeding year.

11.3 Levying and Payment of General Assessments. Based on the projected annual operating budget, the Board of Directors shall levy General Assessments against the Unit Owners in proportion to their respective percentage interest in the Common Elements. Declarant shall be fully liable for payment of the full share of General Assessments against any unsold Unit for any period after which an occupancy permit for such Unit has been issued. No Unit shall be subject to assessments, general or special, prior to the date an occupancy permit has been issued therefor. On or before the last day of December of each year, the Secretary shall mail or deliver a copy of the projected annual operating budget and a statement of assessment for the next twelve (12) months to each Unit Owner. General Assessments shall be payable to the Association in twelve (12) equal installments which shall be due monthly in advance on the first day of each month. Such installments shall be mailed or delivered to the principal office of the Association and shall be deemed paid on the date of mailing or on the date of delivery, as the case may be.

11.4 Special Assessments. Special Assessments may from time to time be levied against Unit Owners by the Board of Directors for any of the purposes enumerated in the Declaration and shall be due and payable in the manner and upon the date or dates designated by the Board of Directors.

11.5 Association Remedies Upon Nonpayment of Assessments. Any General Assessment or Special Assessment not paid within ten (10) days of the date on which it is due shall bear interest from the due date at the rate of sixteen percent (16%) per year or the highest rate permitted by law, whichever is less. The Association may seek to collect any assessments not paid when due by filing statements of condominium lien against the assessed Units, by

enforcing and foreclosing such liens or by bringing an action for money damages against the Unit Owner personally obligated to pay the delinquent assessments. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving any lien securing the same. No Unit Owner may waive or otherwise escape liability for the assessments provided herein by nonuse of the Common Elements or abandonment of the Unit.

11.6 Annual Report. Each June, the Board of Directors shall, by formal action, approve a full and clear annual report of all business transacted by the Association during the previous fiscal year, including a report of the Common Expenses, Common surpluses and assessments collected from each Unit Owner during the year. Copies of the annual report for the previous year shall be mailed or delivered to each Unit Owner.

ARTICLE XII. RULES OF CONSTRUCTION

Should there be any conflict between the terms of the Declaration, the Articles of Incorporation and these Bylaws, the terms of the Declaration shall prevail over the Articles of Incorporation and these Bylaws, and terms of the Articles of Incorporation shall prevail over these Bylaws.

Document No.

Return to: Jesse S. Ishikawa
Michael, Best & Friedrich
P.O. Box 1806
Madison, WI 53701-1806

Parcel Number 59-0710-093-4362-9;
59-0710-093-4373-6;
59-0710-093-4384-3

**ARTICLES OF INCORPORATION
OF
WATERFRONT PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.**

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**ARTICLES OF INCORPORATION
OF
WATERFRONT PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.**

Waterfront Place Condominium Owners Association, Inc., a nonstock corporation organized under Chapter 181 of the Wisconsin Statutes, hereby adopts the following Articles of Incorporation:

**ARTICLE I
NAME**

The name of the corporation is Waterfront Place Condominium Owners Association, Inc. (hereinafter referred to as the "Association").

**ARTICLE II
PERIOD OF EXISTENCE**

The period of existence of the Association is perpetual.

**ARTICLE III
PURPOSES**

The Association is organized to serve as an association of unit owners (as described in Section 703.15 of the Wisconsin Statutes) for Waterfront Place Condominium (the "Condominium"), and to exercise the powers, carry out the responsibilities, and otherwise engage in any lawful activity authorized and permitted by Chapter 181 of the Wisconsin Statutes.

**ARTICLE IV
PRINCIPAL OFFICE**

The principal office of the Association is located in Dane County, Wisconsin. The address of the principal office is c/o Sveum Enterprises, Ltd., 2927 South Fish Hatchery Road, Madison, Wisconsin 53711.

**ARTICLE V
MEMBERS**

The Association shall have members. Membership provisions (including the designation of classes, if any, and the method of acceptance of members of each such class) shall be set forth in the Bylaws. The respective voting rights of the members of the Association shall be as set forth in the Bylaws and a certain Declaration of Waterfront Place Condominium (the "Declaration"), a condominium located in the City of Monona, Dane County, Wisconsin.

ARTICLE VI
BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors. The number of directors constituting the initial Board of Directors (the "Initial Directors") shall be three (3). Thereafter, the number and manner of election or appointment of directors and their terms of office shall be as provided in the Bylaws. The names and addresses of the Initial Directors are as follows:

Phillip A. Sveum
2927 South Fish Hatchery Road
Madison, WI 53711

Peter A. Sveum
625 West Main
Stoughton, WI 53589

Mr. James R. (Randy) Davis
Director of Real Estate Development
Sveum Enterprises
2927 South Fish Hatchery Road
Madison, WI 53711

ARTICLE VII
DECLARANT CONTROL

Subject to all provisions of the Declaration with regard to Declarant control, and pursuant to Section 703.15(2)(c) of the Wisconsin Statutes, any and all of the powers and responsibilities of the Association and its officers shall be exercised by the Declarant for a period not to exceed the earliest of: (1) three (3) years from the date that the first unit of the Condominium is conveyed by the Declarant to any other person; (2) thirty (30) days after the conveyance of seventy-five percent (75%) of the Common Element interest of the Condominium to purchasers; or (3) the Declarant's election to waive its right of control. Prior to the conveyance of twenty-five percent (25%) of the Common Element interest of the Condominium to purchasers, the Association shall hold a meeting of its members, and the unit owners other than the Declarant shall elect at least twenty-five percent (25%) of the directors on the Board of Directors. Prior to the conveyance of fifty percent (50%) of the Common Element interest of the Condominium to purchasers, the Association shall hold a meeting, and the unit owners other than the Declarant shall elect at least thirty-three and one-third percent (33-1/3%) of the directors on the Board of Directors.

ARTICLE VIII

AMENDMENT

These Articles of Incorporation may be amended in the manner provided by Chapter 181 of the Wisconsin Statutes at the time of amendment; provided, however, that as long as the Declarant (as defined in the Declaration) controls the Association pursuant to Article VII hereof and Section 7.02 of the Declaration, no amendment shall be effective without the written consent of the Declarant.

ARTICLE IX
REGISTERED AGENT

The name and address of the registered agent of the corporation are MIBEF Corporate Services, Inc., One South Pinckney Street, Suite 900, P.O. Box 1806, Madison, Wisconsin 53701-1806.

ARTICLE X
INCORPORATOR

The name and address of the incorporator are Jesse S. Ishikawa, Michael. Best & Friedrich, One South Pinckney St., P.O. Box 1806, Madison, WI 53701-1806.

Dated as of the 4 day of December, 1996.

Jesse S. Ishikawa
Jesse S. Ishikawa, Incorporator

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

On this 4th day of December, 1996, Jesse S. Ishikawa, to me personally known and being first sworn, acknowledged that he signed the above document for the purposes recited therein.

Barbara L. Mayhew
Notary Public, State of Wyo
My Commission: 11-30-97