

# Waterfront Place

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**FIRST AMENDMENT TO DECLARATION  
OF WATERFRONT PLACE CONDOMINIUM**

001712

**Name & Return Address:**

Rick Schmidt  
P.O. Box 927  
Madison, WI 53701-0927

**Parcel Id. No:** See Attached Exhibit A

Waterfront Place Condominium (the "Condominium") is a condominium created and existing under and by virtue of the Condominium Ownership Act of the State of Wisconsin and by a Declaration of Condominium recorded December 26, 1996 as Document No. 2821560 (the "Declaration") and a plat therefor. The Condominium consists of eighteen units as described on attached Exhibit A (individually a "Unit" and collectively, the "Units"). The Condominium is located on real estate located in Dane County, Wisconsin, described as:

Lots 2, 3 and 4, Block 20, Lake Edge Park, in the City of  
Monona, Dane County, Wisconsin.

Capitalized terms used, but not defined in this Amendment, shall have the meanings assigned in the Declaration.

Declarant no longer maintains control of the Association pursuant to Section 6.02 of the Declaration. Pursuant to Article XII of the Declaration, at least 67% of the Unit Owners, who together hold at least 67% of the total voting interest held by all Unit Owners have consented to amend the Declaration and each Mortgagee, if any, of the Unit owned by each such Unit Owner has approved in writing the Unit Owner's consent, to amend the Declaration as follows:

1. Existing Article VIII of the Declaration is deleted and replaced with the following:

**ARTICLE VIII  
INSURANCE**

8.01 Fire and Extended Loss Insurance. The Board of Directors of the Association shall obtain and maintain fire, casualty, and extended loss insurance coverage for the entire Condominium, including all Units, Common Elements, Limited

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Common Elements, fixtures, building service equipment and supplies, and personal property owned by the Association *on an "all in" basis* for the full replacement value thereof. With respect to the Unit, the Association's insurance coverage shall cover those portions of the Unit that were included as part of the standard specifications of finish for the Unit as well as any construction upgrades and improvements made by the Owner. Nothing contained in this Section 8.01 shall authorize or be construed to authorize any Unit Owner to make any upgrades or improvements to a Unit, except as permitted under and in compliance with the requirements of this Declaration and the Rules and Regulations adopted by the Association. Each Unit Owner shall notify the Association of the nature and value of any permitted upgrades or improvements, to permit the Association to obtain coverage for any such changes. However, the Association shall not be obligated to obtain coverage for any upgrades or improvements unless and until it has been so notified of such change(s). In no event shall the Association be required to obtain personal property insurance covering any personal property owned by any Unit Owner.

The Association's fire and extended loss insurance under this Section 8.01 shall be subject to a deductible of ten thousand dollars (\$10,000) and shall be reviewed and adjusted by the Board of Directors of the Association from time to time to ensure the required coverage is at all times provided. The insurance shall be written on the Condominium in the name of the Association as insurance trustee for the individual Unit Owners in their respective percentage interests in the Common Elements, determined under Section 5.02 rather than Section 5.01. The policy shall contain the standard mortgagee clause, which shall be endorsed to provide any proceeds shall be paid to the Association, as insurance trustee, for the use and benefit of any Mortgagee as its interest may appear. All premiums for such insurance shall be Common Expenses.

Each Unit Owner shall have the right to insure its own Unit for personal benefit. Such Unit Owner's own insurance coverage shall be primary as to the first ten thousand dollars (\$10,000) of any loss to the Owner's Unit (per occurrence) but shall otherwise be secondary. The insurance obtained by the Association required under this Section 8.01 shall be secondary as to the first ten thousand dollars (\$10,000) of loss to any Owner's Unit (per occurrence), but shall otherwise be primary coverage. In the event of damage to, or destruction of, all or part of the Condominium insured hereunder, the proceeds of the insurance shall be paid to the Association, as insurance trustee, for the Unit Owners and the Mortgagees and distributed as provided in Article IX.

**8.02 Public Liability Insurance.** The Board of Directors of the Association shall obtain and maintain a comprehensive liability insurance policy insuring the Association, its officers, directors, and the Unit Owners against any liability arising out of the maintenance, repair, ownership, or use of the Common Elements. Liability coverage shall be for at least one million dollars (\$1,000,000) per occurrence for personal injury and/or property damage. The insurance coverage shall be written on the Condominium in the name of the Association as insurance trustee for the Association, its directors and officers. Such insurance policy shall contain a "severability of interest" or cross-liability endorsement which shall preclude the insurer from denying the claim of the Association

because of the negligent acts of the Unit Owners. All premiums for such insurance shall be Common Expenses. Each Unit Owner shall have the right to obtain liability insurance to insure its own Unit for its own personal benefit.

8.03 Fidelity Insurance. The Association shall require or maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. The Association shall be named insured, and the insurance shall be in an amount of not less than fifty percent (50%) of the Association's annual operating expenses and reserves.

8.04 Unit Owners' Insurance. Each Unit Owner shall insure any insurable portion of the Unit not covered by the Association's insurance, including without limitation the first ten thousand dollars (\$10,000) of loss to the Unit (per occurrence). Each Unit Owner shall also insure the personal property in his or her respective Unit. Nothing shall prohibit the Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks. Unit Owners are encouraged to submit copies of the disclosure materials to their insurance carriers in order to ensure adequate property and liability coverages on their personal property, Units and Limited Common Elements appurtenant to such Units.

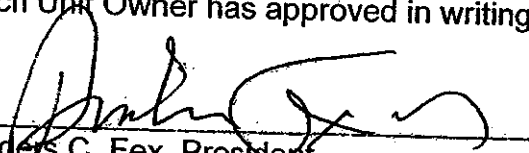
8.05 Mutual Waiver of Subrogation. Nothing in this Declaration shall be construed so as to authorize or permit any insurer of the Association or a Unit Owner to be subrogated to any right of the Association or a Unit Owner arising under this Declaration. The Association and each Unit Owner each hereby release each other to the extent of any perils to be insured against by either of the parties under the terms of this Declaration or the Bylaws (including the obligation of Unit Owners to insure against the first ten thousand dollars (\$10,000) of loss to any Unit (per occurrence), whether or not such insurance has actually been secured, and to the extent of their respective insurance coverage for any loss or damage caused by any such casualty, even if such incidents shall be brought about by the fault or negligence of either party or persons for whose acts or negligence the other party is responsible. All insurance policies to be provided under this Article VIII by either the Association or a Unit Owner shall contain a provision that they are not invalidated by the foregoing waiver. Such waiver shall, however, cease to be effective if the existence thereof precludes either the Association or a Unit Owner from obtaining such policy.


2. The Declaration is ratified and confirmed, except as modified by this amendment.

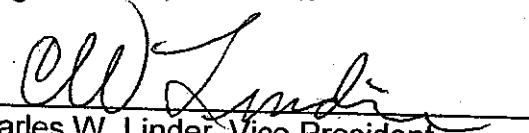
Certification

001715

The undersigned Anders C. Fex, President of Waterfront Place Condominium Owner's Association, Inc. (the "Association"), the undersigned Charles W. Linder, Vice President of the Association and the undersigned Joni S. Fex, Secretary of the Association, hereby certify that (i) Declarant no longer maintains control of the Association pursuant to Section 6.02 of the Declaration, and (ii) pursuant to Article XII of the Declaration, at least 67% of the Unit Owners, who together hold at least 67% of the total voting interest held by all Unit Owners have consented to amend the Declaration as stated in this Amendment and each Mortgagee, if any, of the Unit owned by each such Unit Owner has approved in writing the Unit Owner's consent.

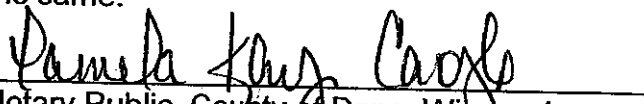
  
Anders C. Fex, President

  
Joni S. Fex, Secretary

  
Charles W. Linder, Vice President


STATE OF WISCONSIN )  
 ) ss  
COUNTY OF DANE )

Personally came before me this 13 day of October, the above named **Anders C. Fex and Joni S. Fex** to me known to be the persons who executed the foregoing instrument and acknowledged the same.

  
Notary Public, County of Dane, Wisconsin  
My Commission Expires: 7-27-08  
PAMELA KAY CARLE

STATE OF WISCONSIN )  
 ) ss  
COUNTY OF DANE )

Personally came before me this 13 day of October, the above named **Charles W. Linder** to me known to be the person who executed the foregoing instrument and acknowledged the same.

  
Notary Public, County of Dane, Wisconsin  
My Commission Expires: 7-27-08  
PAMELA KAY CARLE

Drafted by and return to: Richard L. Schmidt, P.O. Box 927, Madison, Wisconsin 53701

## EXHIBIT A

PARCEL IDENTIFICATION NUMBERS FOR  
WATERFRONT PLACE CONDOMINIUM

Unit	Tax Parcel Number
101	258/0710-4353-0
102	258/0710-4355-8
103	258/0710-4357-6
104	258/0710-4359-4
201	258/0710-4361-0
202	258/0710-4363-8
203	258/0710-4365-6
204	258/0710-4367-4
301	258/0710-4369-2
302	258/0710-4371-8
303	258/0710-4372-7
304	258/0710-4374-5
401	258/0710-4376-3
402	258/0710-4378-1
403	258/0710-4380-7
404	258/0710-4386-1
501	258/0710-4389-8
502	258/0710-4392-3

**DECLARATION OF CONDOMINIUM**  
**for**  
**WATERFRONT PLACE CONDOMINIUM**  
**[revised July, 2002]**

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## DECLARATION OF CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM (the "Declaration"), is made this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by Sveum Enterprises, Ltd. (the "Declarant").

### ARTICLE I

#### DECLARATION

Declarant hereby declares that it is the sole owner of the Land (as defined in Section 2.02), together with all improvements to be constructed thereon and all easements, rights and appurtenances pertaining thereto (the "Property"), and further declares that the Property is hereby submitted to the condominium form of ownership as provided in Chapter 703, Wisconsin Statutes (the "Condominium Ownership Act").

### ARTICLE II

#### NAME; DESCRIPTION OF PROPERTY

2.01 Name. The name of the condominium created by this Declaration (the "Condominium") is "Waterfront Place Condominium."

2.02 Legal Description. The land comprising the Property (the "Land") is located in the City of Monona, County of Dane, State of Wisconsin, and is legally described on Exhibit A attached hereto and made a part hereof.

2.03 Address. The address of the Condominium is 4101 Monona Drive, City of Monona, Wisconsin 53716.

### ARTICLE III

#### DESCRIPTION OF UNITS

3.01 Identification of Units. The Condominium shall consist of eighteen (18) units (individually a "Unit" and collectively the "Units") located in a building (the "Building") identified on the condominium plat attached hereto as Exhibit B and made a part hereof (the

"Condominium Plat"). The Condominium Plat also shows the floor plans for the Building and the layout, boundaries and dimensions of each Unit. The Units shall be identified as "Units 101, 102, 103, 104, 201, 202, 203, 204, 301, 302, 303, 304, 401, 402, 403, 404, 501 and 502", as numbered on such condominium plat. Units 201 through 204, inclusive, are on Floor 2 of the Building; Units 301 through 304, inclusive, are on the Floor 3 of the Building; and Units 401 through 404, inclusive, are on the Floor 4 of the Building.

3.02 Boundaries of Units. The boundaries of each Unit shall consist of that part of the cubic area of the Building determined as follows:

(a) Upper Boundary. The upper boundary of each Unit shall be the horizontal plane of the lower face of the structure supporting the ceiling extended to an intersection with the perimetrical boundaries.

(b) Lower Boundary. The lower boundary of the Unit shall be the horizontal plane of the uncovered or unfinished upper surface of the floor extended to an intersection with the perimetrical boundaries.

(c) Perimetrical Boundary. The perimetrical boundaries of the Unit shall be the vertical planes, the elevations of which coincide with the inside face of the studs supporting the drywall.

(d) Additional Items. In addition, the following items serving the particular Unit, although they may be outside the defined cubicle of air, shall be considered as part of the Unit:

(i) all doors and windows, their interior casements and all their opening, closing and locking mechanisms and hardware;

(ii) all wall and ceiling mounted electrical fixtures and recessed junction boxes serving them;

(iii) all floor, wall, baseboard or ceiling electrical outlets and switches and the junction boxes serving them;

(iv) all plumbing fixtures and the piping, valves and other connecting and controlling materials and devices that serve the Unit exclusively;

(v) the cable television and telephone outlets, if any, to the Unit and the junction box serving them;

(vi) the individual furnaces or ducting providing heating to the Unit and the controls for the heating system of the Unit;

(vii) the air conditioning equipment and ducting providing air conditioning to the Unit and the controls for the air conditioning system of the Unit; and

(viii) the fireplace, if any, serving the Unit.

(e) Specifically not included as part of the Unit are those structural components of the Building and any portions of the mechanical systems of the Building, not specifically included in the Unit under (d), above, which lie within the cubicle or cubicles of air comprising the Unit. For purposes of this subsection, partition walls shall not be considered structural components.

(f) The floor plans for the interior space within each Unit as shown on the Condominium Plat are preliminary and may be changed by Declarant prior to construction without amending the Condominium Plat. No exterior boundary of a Unit may change, however, except as provided in Section 3.03, below.

3.03 Adjustment of Unit Boundaries; Separation of Units. Boundaries between Units may be reallocated only by a duly-enacted amendment to this Declaration meeting the requirements of Article XII and only upon compliance with Section 703.13(6) of the Condominium Ownership Act. A Unit may be separated into two or more units only by a duly-enacted amendment to this Declaration meeting the requirements of Article XII and only upon compliance with Section 703.13(7) of the Condominium Ownership Act. No boundaries of any Units may be reallocated and no Unit may be separated hereunder without the consent of all Mortgagees (as defined in Article XI) having an interest in the Unit or Units affected.

3.04 Ingress and Egress. Each Unit Owner shall have a perpetual right of ingress and egress over the Common Elements to and from such Owner's Unit. This right is appurtenant to, and shall pass with title to, each Unit.

## ARTICLE IV

### COMMON ELEMENTS

4.01 Common Elements. The common elements (the "Common Elements") include the Land, all easements and riparian interests appurtenant thereto and all other parts of the Condominium not contained within the Units including, without limitation, roof, siding, the building foundation, yard, underground parking areas, common grounds, security lighting, the swimming pool area, the pier, elevators, lobbies, stairways, driveways, access walks, common hallways, landscaping, catch basins and mains, gas and water mains, laterals, pipes, and conduits designed and intended for use in connection with the Condominium and located outside the boundaries of a Unit (but not including the electrical, heating or air conditioning systems located

within any Unit or any ducts, vents, wires, cables or conduits designed or used in connection with such electrical, heating or air conditioning systems); all easements, rights and appurtenances to the Property not appurtenant to any particular Unit; and all other parts of the Condominium designed and intended for common use or necessary or convenient to the existence, maintenance or safety of the Condominium except as the foregoing may be amended, and excluding therefrom all Limited Common Elements (as defined in Section 4.02). Furthermore, each Unit shall be entitled to exclusive use of:

(a) two (2) underground parking stalls per Unit, the location of which shall be designated by the Association; and

(b) a storage locker for each Unit, the location of which shall be designated by the Association.

4.02 Limited Common Elements. Each owner of a Unit (the "Unit Owner") shall be entitled to the exclusive possession and use of any entrance way which is immediately adjacent to the Unit, deck or balcony appurtenant to the Unit and the mailbox designated for the Unit. Portions of the Condominium not located within a Unit to which a Unit Owner is entitled to exclusive possession and use are referred to herein as "Limited Common Elements."

4.03 Pier. The structure of the pier extending into Lake Monona shall be a Common Element. Use of the boat slips shall be allocated among Unit Owners by the Association in accordance with uniform procedures to be adopted by the Association. Neither Declarant nor the Association guarantees the availability of boat slips to Unit Owners. Such procedures may require payment of annual fees, the use of waiting lists and rules and regulations governing the use of the boat slips and the pier. The Association shall have the sole rights to:

(a) manage and control the pier;

(b) exercise all riparian rights appurtenant to the Property; and

(c) represent the Unit Owners in making any permit applications to the State of Wisconsin Department of Natural Resources or other governmental body or in any other proceeding pertaining to the riparian rights appurtenant to the Property.

4.04 Conflict Between Unit Boundaries, Common Element Boundaries. 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 any portion of the Common or Limited Common Elements as a result of the duly-authorized 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, provided, however, that if any such encroachment or easement materially impairs any Unit Owner's enjoyment of its Unit or of the Common Elements in the judgment of the board of directors of the Association (as defined in Section 6.01), such encroachment shall be removed or just compensation shall be provided to each injured Unit Owner within ninety (90) days of the discovery of the encroachment. 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 its boundaries, regardless of the settling or shifting of the Building in which such Unit is located and regardless of minor variations 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 Elements.

## ARTICLE V

### PERCENTAGE INTERESTS; VOTING

5.01 Percentage Interests. The undivided percentage interest in the Common Elements appurtenant to each Unit for all purposes other than the division of condemnation or insurance proceeds under Articles IX and X shall be five and 555/1000 percent (5.555%).

5.02 Percentage Interest for Condemnation or Insurance Proceeds. For the purposes of establishing a Unit Owner's percentage of insurance proceeds or condemnation awards in the event the Condominium is completely destroyed or taken by eminent domain and is not reconstructed, as set forth in Articles IX and X, each Unit Owner shall have a percentage interest in the insurance or condemnation proceeds equal to the percentage interest set forth on Exhibit C attached hereto and made a part hereof under the column labeled, "Percentage Interest Under Section 5.02."

5.03 Conveyance, Lease or Encumbrance of Percentage Interest. Any deed, mortgage, lease or other instrument purporting to convey, encumber or lease any Unit shall be deemed to include all Limited Common Elements appurtenant to such Unit and the Unit Owner's undivided percentage interest in the Common Elements and in the insurance proceeds or condemnation awards even though such interest is not expressly described or referred to therein.

5.04 Voting. The vote of each Unit at meetings of the Association (as defined in Article VI) shall be equal to one vote per Unit.

5.05 Multiple Owners. If there are multiple Unit Owners of any Unit, then any vote allocated to such Unit may be cast proportionately among the multiple Unit Owners in accordance with their respective percentage of ownership, unless the multiple Unit Owners have designated a single Unit Owner to exercise the vote appertaining to their Unit and shall file written notice of such designation with the secretary of the Association, in which case the vote cast by a person so designated shall be deemed to be the unanimous act of the multiple Unit Owners.

5.06 Limitations on Voting Rights. No Unit Owner shall be entitled to vote on any matter submitted to a vote of the Unit Owners until the Unit Owner's name and current mailing address, and the name and address of the Mortgagee of the Unit, if any, has been furnished to

the secretary of the Association. The bylaws of the Association may contain a provision prohibiting any Unit Owner from voting on any matter submitted to a vote of the Unit Owners 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 voting.

## ARTICLE VI

### CONDOMINIUM ASSOCIATION

6.01 General. Following the conveyance of the first Unit to any person other than Declarant, all Unit Owners shall be entitled and required to be a member of an association of Unit Owners known as the "Waterfront Place Condominium Owners Association, Inc." (the "Association"), which shall be responsible for carrying out the purposes of this Declaration, including exclusive management and control of the Common Elements and facilities and Limited Common Elements of the Condominium. The Association shall be incorporated as a non-stock corporation under the laws of the State of Wisconsin. Each Unit Owner and the occupants of the Units shall abide by and be subject to all of the rules, regulations, duties and obligations of this Declaration, and the bylaws, rules and regulations of the Association. The powers and duties of the Association shall include those set forth in the Association's articles of incorporation (the "Articles") and bylaws (the "Bylaws"), the Condominium Ownership Act, this Declaration and Chapter 181, Wisconsin Statutes (the "Wisconsin Nonstock Corporation Law").

6.02 Declarant Control. Notwithstanding anything contained in this Declaration to the contrary, the Declarant shall totally govern the affairs of the Condominium and pay all expenses thereof until a Unit has been sold to any person other than Declarant. Thereafter, except as provided in Section 6.03, the Declarant shall have the right to appoint and remove the officers of the Association and to exercise any and all of the powers and responsibilities assigned to the Association and its officers by the Articles, Bylaws, the Condominium Ownership Act, this Declaration and the Wisconsin Nonstock Corporation Law from the date the first Unit of this Condominium is conveyed by the Declarant to any person other than Declarant, until the earliest of: (1) three (3) years from such date; or (2) thirty (30) days after the conveyance of seventy-five percent (75%) of the Common Element interest to purchasers; or (3) upon the Declarant's election to waive its right of control.

6.03 Board of Directors. The affairs of the Association shall be governed by a board of directors. 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, 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.



6.04 Maintenance and Repairs; Easements for Access to Units. The Association shall be responsible for the management and control of the Common Elements and shall maintain the same in good, clean and attractive order and repair. The Association shall be responsible for maintenance of any and all landscaping and vegetation growing within the Condominium, for maintaining the landscaping (including lawn mowing) of the Common Elements, for providing and maintaining janitorial service to all indoor Common Elements, for snow plowing all driveways within the Condominium and for providing trash removal once per week. Each Unit Owner shall be responsible for the cleaning, maintenance, repair and replacement of its Unit (including the electrical, heating, gas and air conditioning systems serving such Unit, and including any ducts, vents, wires, cables or conduits designed or used in connection with such electrical, heating, gas or air conditioning systems), except to the extent any repair cost is paid by the Association's insurance policy described in Section 8.01. The Association shall have an easement to enter any Unit upon reasonable notice to the Unit Owner for the purpose of gaining access to any Common Element for the purpose of maintaining, replacing or repairing the same. The Association shall repair any damage caused by such access. Furthermore, each Unit Owner shall have an easement to enter any neighboring Unit upon reasonable notice to the neighboring Unit Owner and the Association for the purpose of gaining access to the Unit Owner's mechanical and plumbing equipment for the purpose of maintaining, repairing or replacing the same, if such equipment is not otherwise accessible. All entries by one Unit Owner into a neighboring Unit shall be made under the Association's supervision and in the presence of an Association officer. The Unit Owner exercising the right of access under such easement shall repair any damage caused by such access. If the Unit Owner fails to repair such damage, the Association shall repair the damage and specially assess the cost thereof to the Unit Owner under Section 6.07.

6.05 Common Expenses. Any and all expenses incurred by the Association in connection with the management of the Condominium, maintenance of the Common Elements and administration of the Association shall be deemed to be common expenses (the "Common Expenses"), including, without limitation, expenses incurred for: insurance premiums; a reserve fund for maintenance, repairs and replacements of Common Elements; landscaping and lawn care; cleaning and janitorial service; snow shoveling and plowing; improvements to the Common Elements; common grounds security lighting; municipal utility services; trash collection; and maintenance and management salaries and wages.

6.06 General Assessments. The Association shall levy monthly general assessments (the "General Assessments") against the Unit Owners for the purpose of maintaining a fund from which Common Expenses may be paid. The General Assessments against the Unit Owners shall be assessed in proportion to their percentage interests in the Common Elements as determined under Section 5.01 hereof. General Assessments shall be due in advance on the first day of each month, or in such other manner as the Association may set forth in the Bylaws. Any General Assessment not paid when due shall bear interest until paid, as set forth in the Bylaws and, together with interest, collection costs, and reasonable attorneys' fees, shall constitute a lien on the Unit on which it is assessed if a statement of condominium lien is filed within two (2) years after the assessment becomes due as provided in the Condominium Ownership Act.

6.07 Special Assessments. The Association may, whenever necessary or appropriate, levy special assessments (the "Special Assessments") against the Unit Owners for deficiencies in the case of destruction or condemnation as set forth in Section 9.05 and Section 10.05; for defraying the cost of improvements to the Common Elements, or for any other purpose for which the Association may determine a Special Assessment is necessary or appropriate for the improvement or benefit of the Condominium. Special Assessments shall be paid at such time and in such manner as the Association may determine. Any Special Assessment or installment not paid when due shall bear interest until paid, as set forth in the Bylaws and, together with the interest, collection costs and reasonable attorneys' fees, shall constitute a lien on the Unit on which it is assessed if a statement of condominium lien is filed within two (2) years after the Special Assessment becomes due as provided in the Condominium Ownership Act.

6.08 Common Surpluses. In the event that the surpluses of the Association (the "Common Surpluses") should be accumulated, other than surpluses in any construction fund as described in Section 9.06 and Section 10.06, such Common Surpluses may be credited against the Unit Owners' General Assessments in proportion to their respective percentage interests in the Common Elements or may be used for any other purpose as the Association may determine.

6.09 Certificate of Status. The Association shall, upon the written request of an owner, purchaser or Mortgagee of a Unit, issue a certificate of status of lien. Any such party may conclusively rely on the information set forth in such certificate.

6.10 Assessments Against Units Owned by Declarant. Declarant shall pay the monthly assessments only on those of its Units as to which an occupancy permit has been issued by the City of Monona; provided, however, that during Declarant's control under Section 6.02, if the total estimated monthly assessments paid by Unit Owners and by Declarant shall not cover total Common Expenses, Declarant shall pay the deficit.

## ARTICLE VII

### USE RESTRICTIONS

7.01 Single-Family Residences. Each Unit shall be used for single-family residential purposes and for no other purpose; provided, however, that the Declarant shall be entitled to use Units owned by Declarant as models and for sales activities. A Unit shall be deemed to be used for "single-family residential purposes" if it is occupied by no more than one family (defined to include persons related by birth, marriage or adoption) plus no more than one unrelated person. No business, whether or not for profit, including, without limitation, any day care center, animal boarding business, products distributorship, manufacturing facility, sales office, or professional practice, may be conducted from any Unit, except that the Declarant shall be entitled to use Units owned by Declarant as models and for sales activities.

7.02 Signs. No sign of any kind shall be displayed to the public view on any Unit. The Developer reserves the right to erect signs, gates or other entryway features surrounded with landscaping at the entrances to the Condominium and to erect appropriate signage for the sales of Units.

7.03 Effect of Bylaws, Rules and Other Restrictions. In addition to the restrictions set forth herein, each Unit shall be subject to any provisions regarding use set forth in the Bylaws or any rules promulgated thereunder. Each Unit Owner shall have exclusive ownership and possession of its Unit subject to the provisions of municipal zoning ordinances, this Declaration, the Condominium Ownership Act, the Articles and Bylaws, and rules and regulations promulgated by the Association.

7.04 Exterior Maintenance and Repair. No Unit anywhere within the Condominium shall be permitted to fall into disrepair, and each Unit shall at all times be kept in good condition and repair. If any Unit Owner shall permit any Unit to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Association, upon fifteen (15) days' prior written notice to the Unit Owner of such Unit, shall have the right to correct such condition or to restore the Unit to its condition existing prior to the damage or destruction, and to enter into such Unit Owner's Unit for the purpose of doing so, and such Unit Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be an assessment and shall create a lien enforceable in the same manner as other assessments as set forth in Article VI. The Unit Owner of the offending property shall be personally liable, and such Unit Owner's Unit may be subject to a mechanic's lien, for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Unit Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Association, be added to the amounts payable by such Unit Owner as assessments under Article VI.

## ARTICLE VIII

### INSURANCE

8.01 Fire and Extended Loss Insurance. The board of directors of the Association shall obtain and maintain fire, casualty, and extended loss insurance coverage for the entire Condominium, including all Units, Common Elements, Limited Common Elements, fixtures, building service equipment and supplies, and personal property owned by the Association. With respect to the Unit, the Association's insurance coverage shall cover only those portions of the Unit that were included as part of the standard specifications of finish for the Unit, prior to any construction upgrades and prior to any improvements subsequently made by the Owner following completion of construction of the Unit. The Condominium shall be insured for not less than the full replacement value thereof, except the Association shall not be required to obtain personal property insurance covering any personal property owned by any Unit Owner, nor shall the Association be required to obtain any insurance coverage for any improvements to any Unit beyond those portions of the Unit that were included as part of the standard specifications of finish for the Units. Insurance coverage shall be reviewed and adjusted by the board of directors

of the Association from time to time to ensure the required coverage is at all times provided. The insurance shall be written on the Condominium in the name of the Association as insurance trustee for the individual Unit Owners in their respective percentage interests in the Common Elements, determined under Section 5.02 rather than Section 5.01. The policy shall contain the standard mortgagee clause, which shall be endorsed to provide any proceeds shall be paid to the Association, as insurance trustee, for the use and benefit of any Mortgagee as its interest may appear. All premiums for such insurance shall be Common Expenses. Each Unit Owner shall have the right to insure its own Unit for personal benefit, provided such Unit Owner's own insurance coverage shall be excess coverage only and the insurance obtained by the Association, as herein required, shall at all times be primary coverage. In the event of damage to or destruction of all or part of the Condominium insured hereunder, the proceeds of the insurance shall be paid to the Association, as insurance trustee, for the Unit Owners and the Mortgagees and distributed as provided in Article IX.

8.02 Public Liability Insurance. The board of directors of the Association shall obtain and maintain a comprehensive liability insurance policy insuring the Association, its officers, directors, and the Unit Owners against any liability arising out of the maintenance, repair, ownership, or use of the Common Elements. Liability coverage shall be for at least \$1,000,000 per occurrence for personal injury and/or property damage. The insurance coverage shall be written on the Condominium in the name of the Association as insurance trustee for the Association, its directors and officers. Such insurance policy shall contain a "severability of interest" or cross-liability endorsement which shall preclude the insurer from denying the claim of the Association because of the negligent acts of the Unit Owners. All premiums for such insurance shall be Common Expenses. Each Unit Owner shall have the right to obtain liability insurance to insure its own Unit for its own personal benefit.

8.03 Fidelity Insurance. The Association shall require or maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. The Association shall be named insured, and the insurance shall be in an amount of not less than fifty percent (50%) of the Association's annual operating expenses and reserves.

8.04 Unit Owners' Insurance. Each Unit Owner shall insure the personal property in his or her respective Unit and any insurable portion of the Unit not covered by the Association's insurance as specified herein and nothing shall prohibit the Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks. Unit Owners are encouraged to submit copies of the disclosure materials to their insurance carriers in order to ensure adequate property and liability coverages on their personal property, Units and Limited Common Elements appurtenant to such Units.

8.05 Mutual Waiver of Subrogation. Nothing in this Declaration shall be construed so as to authorize or permit any insurer of the Association or a Unit Owner to be subrogated to any right of the Association or a Unit Owner arising under this Declaration. The Association and each Unit Owner each hereby release each other to the extent of any perils to be insured against by either of the parties under the terms of this Declaration or the Bylaws, whether or not such insurance has actually been secured, and to the extent of their respective insurance coverage for

any loss or damage caused by any such casualty, even if such incidents shall be brought about by the fault or negligence of either party or persons for whose acts or negligence the other party is responsible. All insurance policies to be provided under this Article VIII by either the Association or a Unit Owner shall contain a provision that they are not invalidated by the foregoing waiver. Such waiver shall, however, cease to be effective if the existence thereof precludes either the Association or a Unit Owner from obtaining such policy.

## ARTICLE IX

### RECONSTRUCTION, REPAIR OR SALE IN THE EVENT OF DAMAGE OR DESTRUCTION

9.01 Determination to Reconstruct or Repair. If all or any part of the Property becomes damaged or is destroyed by any cause, the damaged Property shall be repaired or reconstructed except as herein specifically provided otherwise.

(a) Damage Less Than \$200,000. If the cost to repair or reconstruct the damaged Property is less than Two Hundred Thousand Dollars (\$200,000.00), the damaged Property shall be repaired or reconstructed even if the cost of such repair or reconstruction exceeds the available insurance proceeds. Acceptance by a Unit Owner of a deed to a Unit shall be deemed to be consent to the authorization to the Association to repair or reconstruct up to such stated dollar amount. If such authorization is challenged, whether through action taken at a meeting of Unit Owners or otherwise, the issue of whether to repair or reconstruct shall be put to a vote of all of the Unit Owners, and such repair or reconstruction shall be deemed approved if the votes appurtenant to any one Unit are cast in favor of such repair or reconstruction.

(b) Damage Equal To or Greater Than \$200,000; Insurance Available. If the cost to repair or reconstruct the damaged Property is equal to or greater than Two Hundred Thousand Dollars (\$200,000.00), and insurance proceeds plus such stated dollar amount are sufficient to complete such repair or reconstruction, the damaged Property shall be repaired or reconstructed even if the cost of such repair or reconstruction exceeds the available insurance proceeds. Acceptance by a Unit Owner of a deed to a Unit shall be deemed to be consent to the authorization to the Association to repair or reconstruct up to the amount of the available insurance proceeds plus such stated dollar amount. If such authorization is challenged, whether through action taken at a meeting of Unit Owners or otherwise, the issue of whether to repair or reconstruct shall be put to a vote of all of the Unit Owners, and such repair or reconstruction shall be deemed approved if the votes appurtenant to any one Unit are cast in favor of such repair or reconstruction.

(c) Damage Equal to or Greater Than \$200,000; Insurance Not Available. If the cost to repair or reconstruct the damaged Property is equal to or greater than Two Hundred Thousand Dollars (\$200,000.00), and insurance proceeds plus such stated dollar amount are insufficient to complete such repair or reconstruction, the damaged Property shall be repaired or reconstructed unless within thirty (30) days of the date the Association

receives repair or reconstruction estimates, the Unit Owners having seventy-five percent (75%) or more of the votes and at least two-thirds (2/3rds) of the first Mortgagees (based on one vote per mortgaged Unit) consent in writing to not repair or reconstruct the damaged Property. Delivery of such written consent under the circumstances described in this Section 9.01(c) shall be deemed to be consent to an action to subject to Condominium to partition.

9.02 Plans and Specifications. Any reconstruction or repair shall, as far as is practicable, be made in accordance with the maps, plans, and specifications used in the original construction of the damaged Property, unless (1) the Unit Owners holding a majority of the votes approve of the variance from such plans and specifications; and (2):

(a) The board of directors of the Association authorizes the variance in the case of reconstruction of or repair to the Common Elements.

(b) The board of directors of the Association and the Unit Owners of the damaged Units authorize the variance in the case of reconstruction of or repair to any of the Units.

In the event that a variance is authorized from the maps, plans, and specifications contained in the Condominium Plat or this Declaration, an amendment shall be recorded by the Association setting forth such authorized variance.

9.03 Responsibility for Repair. In all cases after a casualty has occurred which is insured by the Association as provided in Section 8.01, the Association has the responsibility of reconstruction and repair, and immediately shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.04 Insurance Proceeds and Construction Fund. Insurance proceeds held by the Association as trustee pursuant to Section 8.01 shall first be disbursed by the Association for the repair or reconstruction of the damaged Common Elements and shall next be disbursed by the Association for the repair or reconstruction of any insured portions of damaged Units. The Association shall have no responsibility to repair, reconstruct, or replace any improvements which were made to any Unit subsequent to completion of construction or any personal property of any Unit Owner or which resulted from a construction upgrade beyond the standard specifications of finish for the Unit. Unit Owners and Mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless the Association has determined to not rebuild pursuant to Section 9.01 and the Condominium is partitioned as set forth in Section 9.07, or unless there is a surplus of insurance proceeds after the damaged Property has been completely restored or repaired as set forth in Section 9.06.

9.05 Assessments For Deficiencies. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair by the Association, a Special Assessment shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to Common Elements or to any Unit shall be in

proportion to each Unit Owner's percentage interest in the Common Elements as determined under Section 5.02. All assessed funds shall be held and disbursed by the Association as trustee for the Unit Owners and Mortgagees involved.

9.06 Surplus in Construction Funds. All insurance proceeds and Special Assessments held by the Association as trustee for the purpose of rebuilding or reconstructing any damage to any Property or any Property taken by eminent domain are referred to herein as "Construction Funds." It shall be presumed the first monies disbursed in payment of costs of reconstruction or repair are insurance proceeds. If there is a balance in the Construction Funds after payment of all costs of reconstruction or repair, such balance shall be divided among the Unit Owners according to their respective percentage interests in the Common Elements as determined under Section 5.02.

9.07 Partition and Sale Upon Consent. If the Unit Owners holding an undivided percentage interest in the Common Elements equal to or greater than seventy-five percent (75%) consent to subject the Condominium to an action for partition, as provided in Section 9.01, the Association shall record with the office of the Register of Deeds for Dane County, Wisconsin, a notice setting forth such facts, and upon the recording of such notice, the Condominium shall be subject to an action for partition, in which event the net proceeds of sale together with any amounts held by the Association as Construction Funds shall be considered as one fund and shall be divided among the Unit Owners according to their respective percentage interests in the Common Elements as determined under Section 5.02.

9.08 Mortgagees' Consent Required. No approval, consent or authorization given by any Unit Owner under this Article IX shall be effective unless it is consented to by each Mortgagee (if any) of such Unit.

## ARTICLE X

### CONDEMNATION

10.01 Allocation of Award. Any damages for a taking of all or part of the Condominium shall be awarded as follows:

(a) Every Unit Owner shall be allocated the entire award for the taking of all or part of the respective Unit and for consequential damages to the Unit.

(b) Any award for the taking of Limited Common Elements shall be allocated to the Unit Owners of the Units to which the use of those Limited Common Elements is restricted in proportion to their respective percentage interests in the Common Elements as determined under Section 5.02.

(c) In the event no reconstruction is undertaken, any award for the taking of Common Elements shall be allocated to all Unit Owners in proportion to their respective percentage interest in the Common Elements as determined under Section 5.02.

10.02 Determination to Reconstruct Common Elements. Following the taking of all or part of the Common Elements, the Common Elements shall be restored or reconstructed unless within thirty (30) days of the date the Association receives reconstruction cost estimates, the Unit Owners holding an undivided percentage interest in the Common Elements equal to or greater than seventy-five percent (75%) shall consent in writing not to reconstruct the Common Elements taken or unless the extent of the taking, as determined by the board of directors of the Association, makes reconstruction or restoration impractical.

10.03 Plans and Specifications for Common Elements. Any reconstruction shall, as far as is practicable, be made in accordance with the maps, plans and specifications used in the original construction of the portion unless the Unit Owners holding an undivided percentage interest in the Common Elements equal to or greater than seventy-five percent (75%) and at least two-thirds (2/3rds) of the first Mortgagees (based on one vote per mortgaged Unit) shall authorize a variance from such plans and specifications. In the event that a variance is authorized from the maps, plans or specifications contained in the Condominium Plat or this Declaration, an amendment shall be recorded by the Association setting forth such authorized variance.

10.04 Responsibility for Reconstruction. In all cases after a taking of all or part of the Common Elements, the responsibility for restoration and reconstruction shall be that of the Association and it shall immediately obtain reliable and detailed estimates of the cost to rebuild.

10.05 Assessments for Deficiencies. If the condemnation award for the taking of the Common Elements is not sufficient to defray the costs of reconstruction by the Association, Special Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Special Assessments shall be in proportion to each Unit Owner's respective percentage interest in the Common Elements as determined under Section 5.02 and shall constitute a Common Expense.

10.06 Surplus in Construction Fund. It shall be presumed the first monies disbursed in payment of costs of reconstruction or restoration shall be from the award for taking. If there is a surplus of Construction Funds after payment of all costs of construction, such balance shall be divided among all Unit Owners in proportion to their respective percentage interests in the Common Elements as determined under Section 5.02.

10.07 Partition and Sale Upon Consent. If the Unit Owners holding an undivided percentage interest in the Common Elements equal to or greater than seventy-five percent (75%) consent in writing to subject the Condominium to an action for partition, the net proceeds of sale together with any net proceeds of the award for taking shall be considered as one fund and shall be divided among the Unit Owners in proportion to their respective interests in the Common Elements as determined under Section 5.02.



10.08 Percentage Interests Following Taking. Following the taking of all of any Unit, the percentage interest in the Common Elements appurtenant to any Unit determined under Section 5.01 shall be the percentage obtained upon dividing 1 by the total number of Units remaining after the taking. A partial taking of any Unit will not alter the percentage interest appurtenant to such Unit determined under Section 5.01. The percentage interest in the Common Elements determined under Section 5.02 and appurtenant to any Unit, all or a portion of which has been taken, shall be reduced by multiplying the same by a fraction, the numerator of which is the fair market value of the Unit following the taking, and the denominator of which is the fair market value of the Unit prior to the taking. The percentage interest in the Common Elements determined under Section 5.02 and appurtenant to each remaining Unit (individually the "Remaining Unit" and collectively the "Remaining Units") shall be increased by adding to each percentage for such Remaining Unit an amount equal to "x," computed in accordance with the following formula:

"x" equals:

(Percentage interest of Unit, all or a portion of which has been taken, prior to taking

minus

Percentage Interest of Unit, all or a portion of which has been taken, following the taking)

multiplied by

a/b, where "a" equals the percentage interest, prior to taking, of each Remaining Unit, and "b" equals the sum of (i) the percentage interests of all Remaining Units, prior to taking, plus (ii) the percentage interest of the Unit, all or a portion of which has been taken, following the taking.

**EXAMPLE:**

Assume Unit 501 is 100% taken. Assume further that Unit 501 has a fair market value prior to the taking of \$495,000 and a fair market value after the taking of \$0. Unit 501's percentage interest under Section 5.02 after the taking is equal to  $0/495,000 \times 7.6\% = 0\%$ .

Assume we now want to recalculate the percentage interest under Section 5.02 for Unit 502. The calculation would be as follows:

(Percentage Interest of Unit 501 prior to taking of 7.6% minus Percentage Interest of Unit 501 after taking, of 0% = 7.6%).

$7.6\% \times (\text{Unit 502's Percentage Interest prior to taking of } 7.6\% \text{ divided by } 92.4\%) = 0.6251082\%.$

$7.6\% + 0.6251082\% = 8.2251082\%$ , the new percentage interest for Unit 502.

The Association shall promptly prepare and record an amendment to the Declaration reflecting the new percentage interests appurtenant to the Units.

10.09 Mortgagees' Consent Required. No approval, consent or authorization given by any Unit Owner under this Article X shall be effective unless it is consented to by each Mortgagee (if any) of such Unit.

## ARTICLE XI

### MORTGAGEES

11.01 Notice. Any holder of a recorded mortgage or any vendor under a recorded land contract encumbering a Unit (the "Mortgagee") that has so requested the Association in a writing received by the Association is agent for service of process shall be entitled to receive notice of the following matters:

(a) 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 Bylaws.

(b) Any default under, any failure to comply with, or any violation of, any of the provisions of this Declaration, the Articles or Bylaws or any rules and regulations.

(c) Any condemnation or casualty loss to the Common Elements in an amount exceeding Twenty Thousand Dollars (\$20,000).

(d) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

11.02 Amendment of Provisions Affecting Mortgagees. Notwithstanding the provisions of Article XI of this Declaration, neither Article XI nor any Section of this Declaration requiring the approval of any Mortgagee to any action shall be amended unless all Mortgagees have given their prior written approval.

11.03 Condominium Liens. Any holder of a first mortgage who obtains title to a Unit under the remedies provided in the mortgage or through foreclosure shall not be liable for more than six (6) months of the Unit's unpaid dues and assessments accrued before the date on which the holder acquired the title.

## **ARTICLE XII**

### **AMENDMENT**

Except as otherwise provided by the Condominium Ownership Act with respect to termination of the Condominium form of ownership, this Declaration may be amended with the written consent of not less than sixty-seven percent (67%) of the Unit Owners (who shall together hold not less than sixty-seven percent (67%) of the total voting interests held by all Unit Owners). No Unit Owner's written consent shall be effective unless it is approved by each Mortgagee (if any) of such Unit. So long as the Declarant maintains control of the Association pursuant to Section 6.02, the consent in writing of the Declarant, its successors or assigns, shall also be required. No amendment shall alter or abrogate the rights of Declarant as contained in this Declaration. Copies of amendments shall be certified by the president and secretary of the Association in a form suitable for recording. A copy of the amendment shall be recorded with the Register of Deeds for Dane County, and a copy of the amendment shall also be mailed or personally delivered to each Unit Owner at its address on file with the Association. Until the initial conveyance of all Units, this Declaration may be amended by the Declarant alone for purposes of clarification and correction of errors and omissions.

## **ARTICLE XIII**

### **REMEDIES**

The Association shall have the sole right to enforce the provisions hereof or any of its orders by proceedings at law or in equity against any person or persons violating or attempting to violate any provision of the Declaration, either to restrain or cure the violation or to recover damages, or both, for a period which shall include thirty (30) days from the date of the filing with Association of a petition by any person who shall be a Unit Owner subject to this Declaration on the date of the filing, petitioning the Association to redress the violation or attempted violation of any of the provisions of this Declaration by any other persons. (Nothing herein shall be deemed to limit the rights of the City of Monona to enforce any zoning codes, ordinances, regulations or other requirements which may be identical or similar to the requirements of this Declaration.) Such period of thirty (30) days shall be considered to be a period for the consideration of the petition by the Association and in the event the Association denies or fails to act upon the petition to the satisfaction of the petitioner within the thirty (30) day period, thereafter such petitioner shall have the right to enforce the provisions hereof (except for the collection of charges and assessments under Article VI), to the extent that he or she shall so have petitioned, by proceedings at law or in equity against any person or persons violating or attempting to violate the provisions of this Declaration, either to restrain the violation or to

recover damages, or both, provided, however, that any such person shall be a Unit Owner and commence such proceedings against such other person or persons within a period of sixty (60) days from (i) the date of the Association's denial of such petition, or (ii) the passage of the aforementioned thirty (30) day period for consideration of the petition by the Association. The Association or the petitioning Unit Owner(s), as the case may be, shall have the right to recover court costs and reasonable attorneys' fees in any successful action brought against another Unit Owner to enforce, or recover damages for a violation of, this Declaration. Any damages collected by the Association shall be distributed, first, to pay for all costs of enforcement, and secondly to the owners of the Units damaged by the violation pro rata.

## ARTICLE XIV

### GENERAL

14.01 Utility Easements. The Declarant hereby reserves for the Association acting by and in the discretion of its board of directors, the right to grant to City of Monona and County of Dane or public or semi-public utility companies, easements and rights-of-way for the erection, construction and maintenance of all poles, wires, pipes and conduits for the transmission of electricity, gas, water, telephone and for other purposes, for sewers, stormwater drains, gas mains, water pipes and mains, and similar services and for performing any public or quasi-public utility function that the board of directors may deem fit and proper for the improvement and benefit of the Condominium. Such easements and rights-of-way shall be confined, so far as possible in underground pipes or other conduits, with the necessary rights of ingress and egress and with the rights to do whatever may be necessary to carry out the purposes for which the easement is created.

14.02 Notices. All notices and other documents required to be given by this Declaration or by the Bylaws of the Association shall be sufficient if given to one (1) registered owner of a Unit regardless of the number of owners who have an interest therein. Notices and other documents to be served upon Declarant shall be given to the agent for service of process specified in Section 14.06. All owners shall provide the secretary of the Association with an address for the mailing or service of any notice or other documents and the secretary shall be deemed to have discharged his duty with respect to the giving of notice by mailing it or having it delivered personally to such address as is on file with him.

14.03 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or unenforceability of the remaining portion of said provision or of any other provision hereof.

14.04 Nonforfeiture. Any violation of these restrictions shall not result in a forfeiture or reversion of title to any Unit.

14.05 Declarant Access. During any period of construction of buildings and other improvements on the Land by the Declarant, and during any period of replacement or repair of any Common Elements, the Declarant and its contractors, and subcontractors, and their respective agents and employees, shall have access to all Common Elements as may be required in connection with said construction, replacement or repair, and shall have easements for the installation, construction, replacement and repair of buildings, utilities, driveways, parking areas, landscaping and other repairing or servicing of all or any part of the Condominium.

14.06 Agent for Service of Process. MIBEF Corporate Services, Inc. shall be the agent for service of process in any action against the Association or brought under the Condominium Ownership Act. Service may be made upon MIBEF Corporate Services, Inc. at One South Pinckney Street, Suite 700, Madison, Wisconsin 53703; provided, however, that the board of directors of the Association may at any time by duly-adopted resolution designate a successor resident agent for service of process. The designation of such person as agent shall become effective upon the execution and filing of a statement of change of registered agent with the Office of the Secretary of State as provided in the Condominium Ownership Act and the Wisconsin Nonstock Corporation Law.

14.07 Assignment of Declarant's Rights. The rights granted to the party named as "Declarant" in this Declaration may be assigned by a written, recorded instrument to any other party who assumes such rights, and, upon the recording of any such instrument, such assignee shall become, and succeed to all rights and powers granted to, "Declarant" under this Declaration.

IN WITNESS WHEREOF, Declarant has caused this instrument to be signed this 31 day of October, 1996.

SVEUM ENTERPRISES, LTD.

By:   
Phillip A. Sveum, President

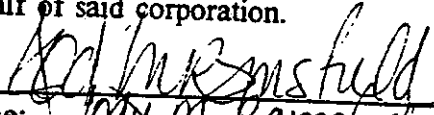
Attest:   
Peter A. Sveum, Secretary

e:\client\88203\0002\smk3272.w52\10/8/96

## ACKNOWLEDGMENT

STATE OF WISCONSIN   )  
                                  ) SS.  
COUNTY OF DANE       )

Personally came before me this 14<sup>th</sup> day of October, 1996, the above-named Phillip A. Sveum and Peter A. Sveum, to me known to be the President and Secretary, respectively, of Sveum Enterprises, Ltd., a Wisconsin corporation, who executed the foregoing instrument, and acknowledged the same on behalf of said corporation.

  
Name: Mary M. Ramsfield  
Notary Public, State of Wisconsin  
My Commission: 11/96


## CONSENT OF MORTGAGEE

The undersigned, being the holder of a mortgage executed by Waterfront Place, Inc. n the undersigned recorded in the office of the Register of Deeds of Dane County, Wisconsin on April 26, 1996, as Document No. 2756773, in Volume 32694 of Records, Page 24, does hereby consent to all of the terms and conditions of the foregoing Declaration, and agrees that its interest in the Property shall be subject in all respects to the terms thereof.

Dated this 14<sup>th</sup> day of October, 1996.

Monona State Bank

By: Michelle A. Taschek  
Name: Michelle A. Taschek  
Title: Senior Vice President

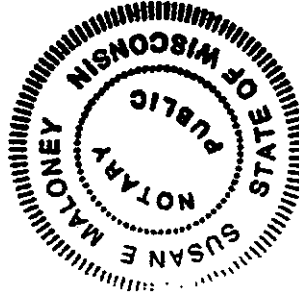
Attest:   
Name: Daniel J. Imhoff  
Title: Vice President

# ACKNOWLEDGMENT

STATE OF WISCONSIN )  
 ) SS.  
COUNTY OF DANE )

Personally came before me this 14<sup>th</sup> day of October, 1996, the above-named Michelle Tasch and Daniel J. Imhoff, to me known to be the Senior Vice Pres. and Vice President, respectively, of Monona State Bank, who executed the foregoing instrument, and acknowledged the same on behalf of said corporation.

Susan E Maloney  
Name: Susan E Maloney  
Notary Public, State of Wisconsin  
My Commission: 9-28-97



This document was drafted by,  
and should be returned to:

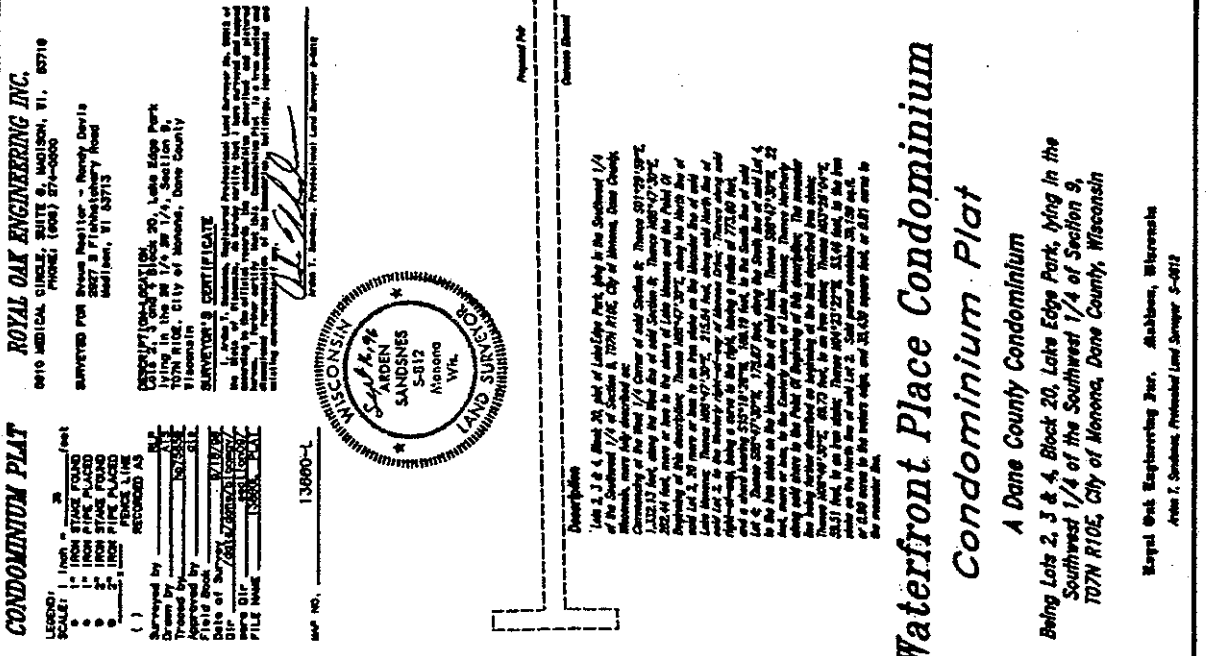
Jesse S. Ishikawa  
Michael, Best & Friedrich  
One South Pinckney Street  
P.O. Box 1806  
Madison, WI 53701-1806  
(608) 257-3501

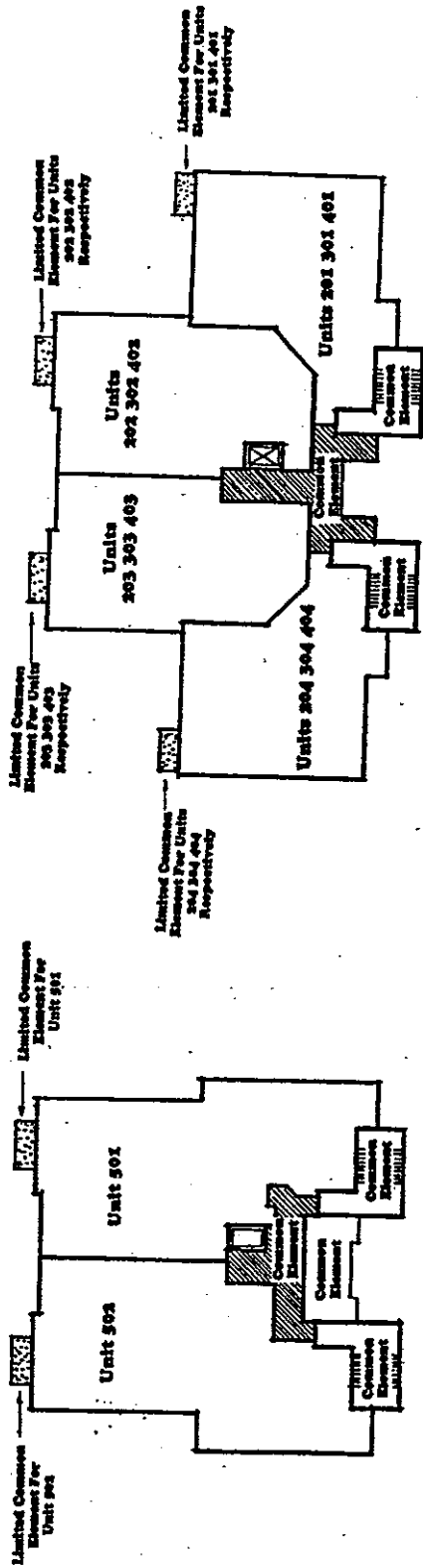
**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**Lots 2, 3 and 4, Block 20, Lake Edge Park, in the City of Monona, Dane County, Wisconsin.**







Floors Two Three and Four



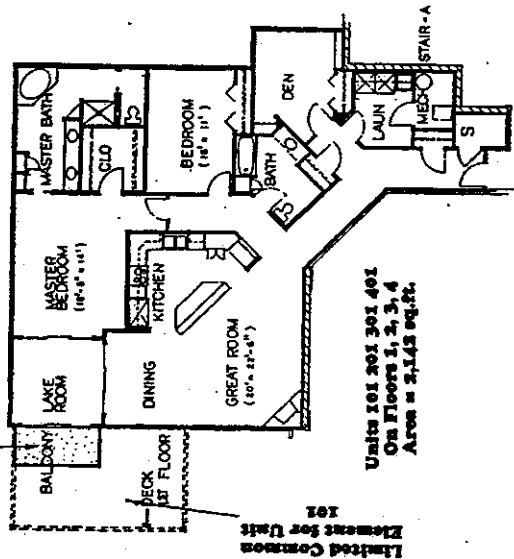
# Waterfront Place Condominium Condominium Plat

A Dane County  
Condominium

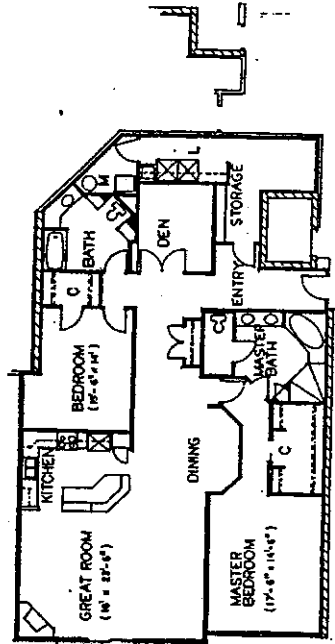
Office Map No. 13660-L

Sheet 2 of 5 Sheets

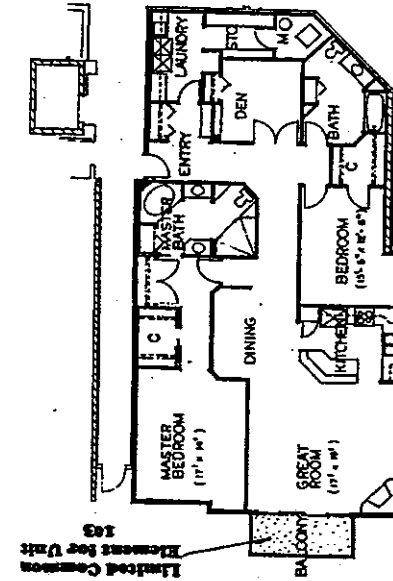
Limited Common  
Element for Units  
201 301 401  
Respectively



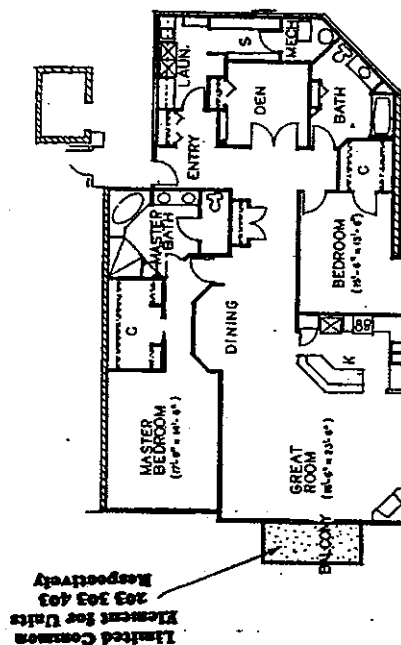
Unit 101 201 301 401  
On Floors 1, 2, 3, 4  
Area = 2,143 sq.ft.



Unit 102 202 302 402  
On Floors 1, 2, 3, 4  
Area = 2,246 sq.ft.



Unit 103  
Floor 1  
Area = 2,033 sq.ft.

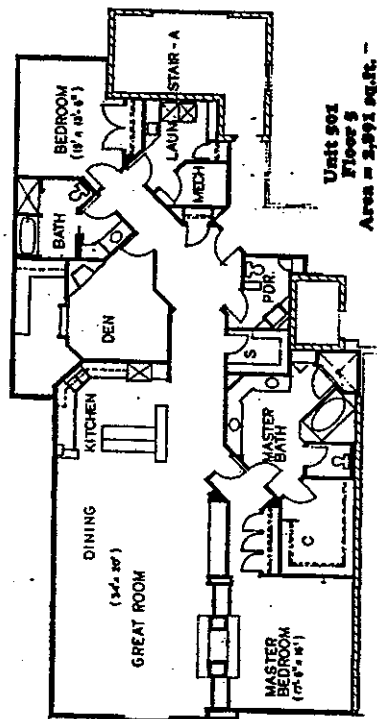
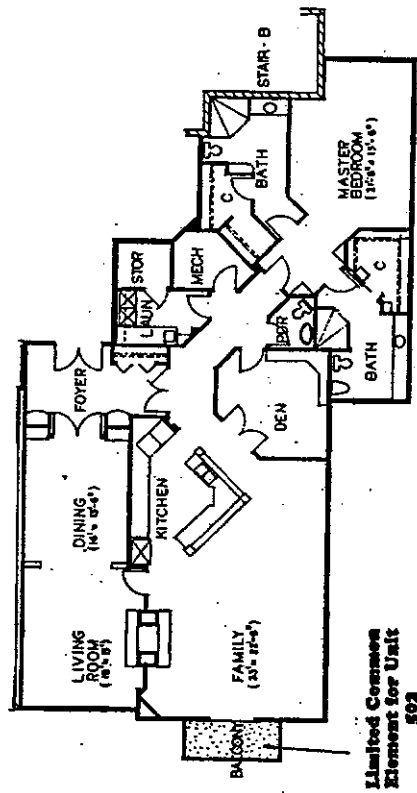
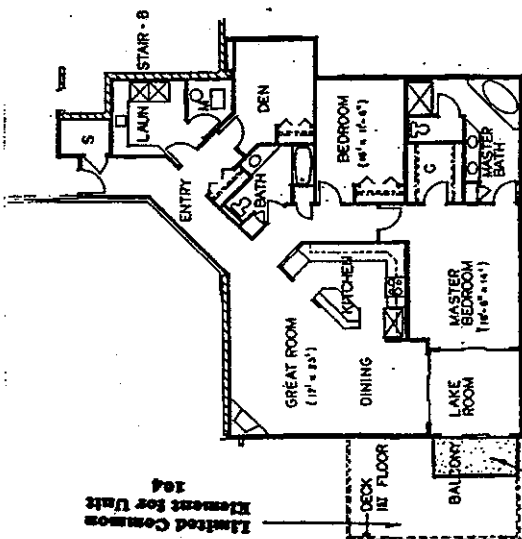


Unit 203 303 403  
On Floors 2, 3, 4  
Area = 2,334

# Waterfront Place Condominium Condominium Plat

## A Dane County Condominium

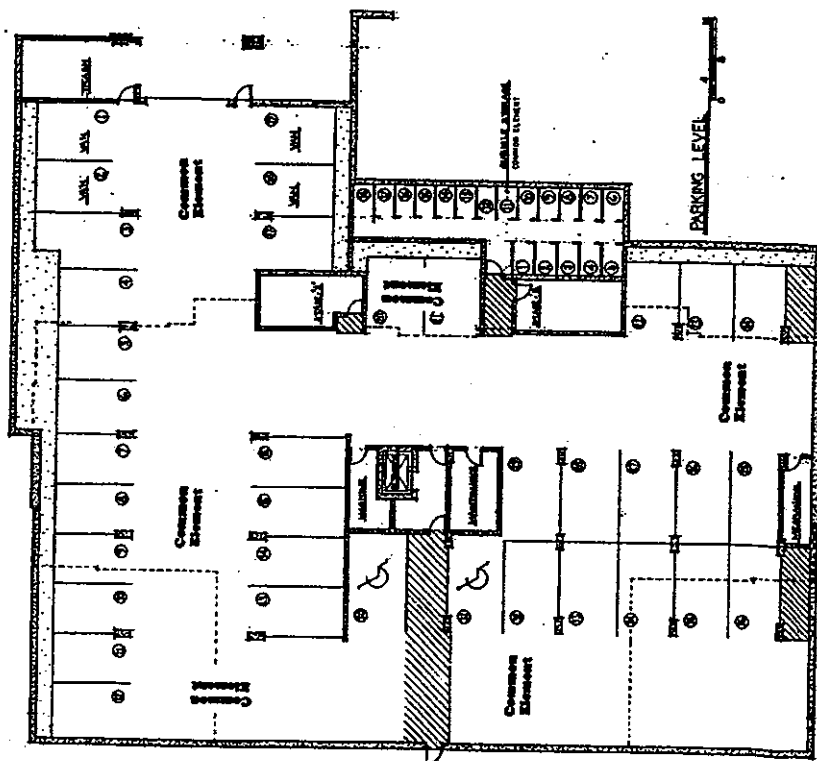
Office Map No. 13660-L Sheet 3 of 5 Sheets



# Waterfront Place Condominium

## Condominium Plat

### A Dane County Condominium



# **Waterfront Place Condominium** **Condominium Plat**

**A Dane County  
 Condominium**

**Office Map No. 13660-L**

**Sheet 5 of 5 Sheets**

**EXHIBIT C**

**LIST OF UNITS IN INITIAL PHASE WITH PERCENTAGE  
INTEREST APPURTENANT TO EACH**

<u>Unit No.</u>	<u>Percentage Interest Under Section 5.01</u>	<u>Percentage Interest Under Section 5.02</u>
501	5.555	7.6
502	5.555	7.6
401	5.555	6.1
402	5.555	6.1
403	5.555	6.1
404	5.555	6.1
301	5.555	5.5
302	5.555	5.6
303	5.555	5.6
304	5.555	5.5
201	5.555	5.0
202	5.555	5.1
203	5.555	5.1
204	5.555	5.0
101	5.555	4.5
102	5.555	4.5
103	5.555	4.5
104	5.555	4.5
TOTALS:	100%	100%

**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 fourth 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.

(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 4<sup>th</sup> 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 Wis  
My Commission: 11-30-97



**ADMINISTRATIVE RULES AND REGULATIONS**

**OF**

**WATERFRONT PLACE CONDOMINIUM**

**Revised July, 2002**

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Amendments

**ADMINISTRATIVE RULES AND REGULATIONS  
OF  
WATERFRONT PLACE CONDOMINIUM**

The following administrative rules and regulations are adopted by the Waterfront Place Condominium Owners Association, Inc. ("Association") for the purpose of assuring that the Condominium is operated in an efficient and orderly manner so as to create a pleasant living environment.

**ARTICLE I      GENERAL**

1.01 Applicability to All Residents. All rules and regulations shall apply to and shall be complied with by all Unit Owners, residents within Units and their guests, families, invitees and tenants.

1.02 Definitions. All capitalized terms not defined herein shall have the definitions assigned to such terms by the Declaration of Condominium for Waterfront Place Condominium ("Declaration").

1.03 Keys and Locks. The Association shall have the right to retain a passkey to each Unit at all times for the event of emergencies. No Unit Owner shall alter any lock, or install a new lock on any door of the Condominium without the prior written consent of the Association. If such consent is given, the Unit Owner shall provide the Association with an additional key for use by the Association pursuant to its rights to access the Units.

1.04 Winter Heating. Whether occupied or vacant, all Units shall be heated to at least 50° Fahrenheit during the winter months.

1.05 Doorways. Unit Owners shall not prop open the building's doors to the stairways or to the outside.

1.06 Open house. Open house visitors must be accompanied by a realtor at all times. This means that a realtor will personally meet the visitor at the front door and not just buzz them in. Any realtor that does not abide by this rule will lose their open house privilege.

**ARTICLE II      APPEARANCE**

2.01 Signs. No sign of any kind shall be displayed to the public view on any Unit without prior written consent of the Association. The Declarant reserves the right to erect signs, gates, or other entryway features at all entrances to the Condominium and to erect appropriate signs for the sale of Units.

2.02 Hanging of Garments and Window Coverings. The hanging of garments from the windows or any facades of the Condominium is prohibited. No sheets shall be used for window coverings.

2.03 Protrusions. No awning, television antennae, machines, air conditioning units, wiring for electrical or telephone installation or other similar protrusions shall be allowed on the exterior of the Condominium without the prior written consent of the Association.

2.04 Laundry. No laundry is to be hung on the balcony or in windows for any reason.

2.05 Limited Common Elements. All decks and patios which are open to public view shall be kept in a neat and orderly condition. No personal property shall be stored thereon except for patio and deck furniture. Any unit owner wishing to place a grill on a patio or deck needs to obtain approval from the Board of Directors. Only gas grills will be considered.

### ARTICLE III USE RESTRICTIONS

3.01 Animals. Unit Owners shall be allowed to keep only the following pets: up to two (2) cats, one (1) dog or one (1) dog and one (1) cat per Unit. The Association shall have the right, in its sole discretion, to grant a variance to this restriction to allow up to one (1) additional dog, small animals kept in a cage or tank, or both. Any such variance must be in writing to be valid and shall be on such terms, conditions and limitations as prosecuted by the Association. The Association shall not be liable under any circumstances for any damage, loss or prejudice suffered or claimed on account of the approval, disapproval or terms, conditions or limitations imposed on any request for a variance. Unit owners shall not permit their animals to unreasonably disturb other Condominium residents or create a nuisance or noise. All animals must be registered with the Association and owners of animals shall be responsible for damage caused by their animals. Kennels shall be kept inside their respective Owners' Unit. Further, all animals shall be kept on leashes when outside and in the common areas and their owners shall be responsible for cleaning up immediately any pet defecations or waste from the owner's pet, or the pet of any occupant, guests or invitees of the owner. The Association may order the immediate temporary or permanent removal of the owner's pet or the pet of any occupant, guests or invitees of the owner when such pet is causing a nuisance or an unreasonable disturbance. Upon such order, the Unit Owner shall not have any recourse against the other Unit Owners or the Association for any pet removal order issued. During the time when a pet is housed in a Unit, the Unit Owner shall hold the Association harmless against any and all claims, debts, demands, obligations, costs and expenses sustained by or asserted against the Association by reason of the acts of said pet committed upon the Condominium Property, including within any Unit, and the Unit Owner shall be responsible for the repair of all damage to any personal or real property whatsoever resulting from the acts of said pet.

3.02 Damage to Common Elements. Damages to the Common Elements or Limited Common Elements caused by a resident or visitors of a resident or an agent of a resident shall be the responsibility of the Unit Owner or the person causing such damage.

3.03 Unit Rental. No Unit or portion of a Unit may be rented (i) to other than a member of the Unit Owner's Immediate Family (as defined below), and (ii) without the prior written consent of the Association, which consent may be granted or withheld in the sole discretion of the Association. The term "Immediate Family" shall mean a person or a trust whose sole beneficiary is a child, grandchild, parent, grandparent, sibling, niece, nephew, aunt or uncle of the Unit Owner. This Section 3.03 shall not apply to any Unit owned by Declarant or to any Unit foreclosed upon by a Mortgagee that has reserved the right to rent that Unit.

3.04 Unit Rental. With exception of units owned by the Declarant and Units foreclosed upon by Mortgagees who have reserved the right to rent the same, no portion of a Unit or an entire Unit may be rented without prior approval of the Association.

3.05 Maintenance of Unit. All Unit Owners shall promptly perform or shall have promptly performed all maintenance and repair work within their own Unit which would adversely affect any portion of the Condominium. Each Unit Owner shall be responsible for all damages and liabilities that any failure to maintain or repair may engender.

3.06 Maintenance of Common Elements. Unit Owners shall be prohibited from discarding any materials from the windows, balconies or doors of the Units and shall be prohibited from discarding any materials into the Common Elements and Limited Common Elements.

3.07 Nuisances. No offensive or unlawful activity shall occur in the Condominium. No offensive or unlawful use shall be made of the Condominium. All Unit Owners at their own expense shall comply with all city, state and federal laws applicable to their Unit. No Unit shall be used or maintained as a dumping ground for garbage.

3.08 Storage. The Association shall not be liable for any loss or damage to property placed in any Unit or Common Elements or Limited Common Elements. No materials, prohibited by law or local ordinance may be stored in any of these areas.

3.09 Salting. Unit Owners are hereby prohibited from using salt on the access walks or driveways of the Condominium and shall be liable for the costs of repairing all damage caused by the use of salt.

#### **ARTICLE IV POOL**

4.01 Hours. The pool area is open to Unit Owners and their guests and other permitted users during the following hours:

Weekdays:	8:00 a.m. to 10:00 p.m.
Weekends and holidays:	10:00 a.m. to 10:00 p.m.

4.02 Guests. Owners should accompany guests when possible. In case of Owners absence, guests should identify themselves to other pool occupants. If an Owner desires to use the pool area for a private party, they should so indicate on the pool sign-up sheet.

4.03 Children. Children age 12 and under must be accompanied by an adult.

4.04 Pets. Pets are not permitted in the pool area at any time.

4.05 Conduct. Persons using the pool do so at their own risk. Owners, officers and directors of the Association and management are not responsible for accidents or injuries. Running on the pool deck is prohibited. No splashing, pushing, throwing of objects or rowdy behavior are permitted in the pool area. No flotation equipment is allowed in the pool, except water safely equipment for infants and toddlers. Objects of glass are prohibited in the pool area. Unnecessarily loud noise is not permitted, headsets should be used in conjunction with audio equipment. The Association is not responsible for personal articles stolen or lost. All children not potty trained are not permitted in the pool. Persons with colds, contagious diseases, or open wounds should not use the pool. Opening and closing dates for the pool will be determined by the Board of Directors. Diving is not allowed.

4.06 Association Property. All pool furniture and equipment must stay within the pool enclosures.

#### ARTICLE IV PIER

5.01 Guests. The Unit Owner is responsible for the conduct and safety of all family members and guests using the pier. The Unit Owner is encouraged to be present when family members or guests are in the pier area. If the Unit Owner wants a family member(s) to be able to use boat during their absence, it is permissible on an infrequent basis. The family member(s) will only use the pier as means of getting to and from boat.

5.02 Association Property. No association equipment, (furniture or property shall be removed from the pier area.

5.03 Conduct. No running, pushing, or scuffling is permitted in the pier area.

No glass objects shall be brought into the pier area.

All members/residents and their guests use these facilities at their own risk.

5.04 Boat Slips. The Association's Board of Directors shall develop a procedure for and shall be responsible for, the construction of boat slips/berthing areas, and for the assignment of those slips/berthing areas to the Unit Owners.

The Association assumes no responsibility or liability for any watercraft, boat hoists or other property associated with watercraft that are berthed or moored at the pier. The

unit owners should obtain adequate insurance coverage and will be responsible for the installation and removal of these items each season.

## **ARTICLE VI    VEHICLE RESTRICTIONS**

6.01    Obstructions. Driveways shall not be used for any purpose other than ingress and egress to and from Units.

6.02    Parking. Unit Owners shall not be permitted to park their vehicles in any space other than their assigned spaces. Unit Owners shall not park, nor shall they permit their families, guests, invitees or tenants to park upon or to block access to, the parking areas of other Unit Owners. Improperly parked vehicles shall be subject to removal at vehicle owner's expense.

Unit Owners shall not leave their vehicles idling in the parking garage.

The Declarant initially assigned to each Unit the exclusive use of two inside parking spaces for the duration of the Unit Owner's ownership of a Unit. The Association shall maintain and attach to these Rules a master list of parking spaces that were initially assigned by Declarant to each Unit. That parking assignments assigned by Declarant as stated in that master list shall entitle the respective Unit Owner to the exclusive use of the two selected inside parking spaces for as long as the Unit Owner owns his Unit, and which shall, upon any resale or other subsequent conveyances of the Unit entitle each grantee of the Unit to the exclusive use of the two inside parking spaces for the duration of his ownership of the Unit ("Assigned Spaces"). If two Unit Owners desire to exchange with one another one or both of their Assigned Spaces, they may do so only by a written agreement signed by both Unit Owners and must obtain the prior written consent of the Association, at which time the master list shall be amended.

6.03    Service and Recreational Vehicles. Parking of service and recreational vehicles, including but not limited to trailers, boats, campers, vans or other vehicles shall be prohibited unless such vehicles are kept in the Unit Owner's assigned parking area. These provisions shall not prohibit temporary parking of such vehicles for the purpose of loading or unloading. A temporary waiver of these prohibitions may be obtained at the discretion of the Association.

6.04    Bikes/Recreational Equipment. Unit Owners shall keep bikes and other recreational equipment in their parking garage and not stored or transported in the Common Elements.

6.05    Garage Door. The garage door shall remain closed at all times except when in use of ingress and egress purposes.



## **ARTICLE VII    ARCHITECTURAL RESTRICTIONS**

7.01    Architectural Changes.    Unit Owners shall not make any changes to the architectural structure of floor plan of any Unit without the proper written consent of the Board of Directors of the Association. All structural changes altering the exterior boundaries of any Unit are prohibited. All materials and fixtures installed by the Unit Owner in connection with any changes described in this Section shall be of first class quality, new and fully paid for by the Unit Owner.

7.02    Costs for Architectural Changes.    As a precondition to considering any request submitted by a Unit Owner under Section 7.01, above, the Board of Directors may require the Unit Owner to provide, at Unit Owner's expense, an expert study prepared by an architect or engineer showing the effect, if any, of the architectural changes upon the structure and building systems of the building within which the Unit is located.

7.03    Minimal Disruption.    In implementing any architectural changes approved by the Board of Directors, the Unit Owner shall use all reasonable efforts to minimize disruption to other Unit Owners. All construction work shall be performed during normal business hours.

## **ARTICLE VIII    AMENDMENTS**

8.01    Amendments.    This document may be amended at any time by the Board of Directors of the Association.

## BOAT SLIPS/BERTHING AREA ASSIGNMENT PROCEDURES

2002

At the present time, the Waterfront Place Condominium Owners Association, Inc. (the "Association") is allowed by the Department of Natural Resources (the "DNR") to allow up to eight (8) boat slips at the pier. As such, the following procedures will be followed in order to provide the most fair and equitable way of assigning boat slips.

1. Each unit purchaser shall be allowed to request a specific boat slip at the time he or she submits an offer to purchase the condominium unit. (See the attached diagram of boat slip locations.) The first eight (8) boat slips will be assigned on a "first come, first served" basis, with priority among unit purchasers established by the date of acceptance of their offers to purchase. A fee of Two Hundred Dollars (\$200) will be required upon assignment of a boat slip for use. In addition, each Unit Owner will pay his or her pro rata share of the cost to install, maintain and remove the pier sections creating berthing areas each season.

2. Once the first eight (8) boat slips are assigned, names of subsequent unit purchasers will be placed on a waiting list that will be created.

(a) The order of priority shall be determined by the acceptance dates of the offers to purchase.

(b) Assignment of boat slips will be made for as many requests as can be made up to the eight (8) boat slips permitted, and a waiting list will continue for boat slips that might open up in the future. Boat slips will be installed upon payment of the use fee.

(c) If any assigned boat slip is not continuously used by the Unit Owner to whom it is assigned, or is improperly used, the Association shall notify the Unit Owner in writing by personal delivery of notice to the Unit Owner's unit. If the failure to continuously use the boat slip, or the improper use of the boat slip, continues for ten (10) days following delivery of the notice, or if the Association, for cause, sends more than three (3) notices in the same season to the same Unit Owner, then the Association may reassign the use of any unused boat slip to the next person on the waiting list. Any Unit Owner who has a boat slip taken and reassigned will be placed at the end of the waiting list. "Continuous use" means that the Unit Owner docks his or her boat in the boat slip within thirty (30) days of placement of the installation of the pier sections creating berthing areas at the beginning of the season, keeps the boat docked in the boat slip for the duration of the season (except for periods not to exceed one (1) week in length), and makes reasonable use of the boat and docking facilities on a continuous basis except where the Unit Owner has notified the Association that the Unit Owner is on vacation, in which case the boat may go unused for up to one (1) vacation period not to exceed three (3) weeks per summer.

(d) Boat slips may only be used by Unit Owners. Use of boat slips may not be transferred by any method other than return of the right of use to the Association, with one (1) exception: any Unit Owner having use of a boat slip may share such use with any other Unit Owner, provided such other Unit Owner is selected by the Association from the waiting list.

FOR EXAMPLE:

If a Unit Owner who has use of a boat slip decides that he or she does not need the boat slip during the month of \_\_\_\_\_, such Unit Owner shall notify the Association and the Association shall check with each person on the waiting list, in order, until it finds a person willing to use the boat slip for the month of \_\_\_\_\_. This person shall be referred to as the "Temporary User." Persons who do not accept use of a boat slip on a temporary basis shall not lose their place on the waiting list for the next permanent boat slip assignment. If a Temporary User accepts use of the boat slip for \_\_\_\_\_, the Temporary User shall not lose his or her priority on the waiting list for a permanent boat slip assignment.

(e) If the number of boat slips that the DNR permits the Association to use is ever reduced, such reduction shall be applied in the inverse order in which the boat slips were assigned. Thus, the most recently assigned boat slip would be the first to be taken.

These procedures have been adopted by the Association Board of Directors and are subject to amendment by the Board of Directors for the Association. No vested rights are conveyed by these procedures.