

**BYLAWS**  
**OF**  
**HILLDALE ROW CONDOMINIUM ASSOCIATION, INC.**

**December 1, 2005**

BYLAWS  
OF  
HILLDALE ROW CONDOMINIUM ASSOCIATION, INC.

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BYLAWS  
OF  
HILDALE ROW CONDOMINIUM ASSOCIATION, INC.

ARTICLE I  
Plan of Unit Ownership

Section 1.1 Applicability of Bylaws. The provisions of these Bylaws are applicable to (i) the use and occupancy of that portion of certain land, buildings and improvements located in the City of Madison, Wisconsin, identified in more detail in Exhibit A hereto, which has been submitted to the provisions of the Condominium Ownership Act of the State of Wisconsin (Wis. Stat. Ch. 703, as amended or renumbered from time to time) (the "Act") by the Declaration of Hilldale Row Condominium (the "Declaration") recorded in the Office of the Register of Deeds for Dane County, Wisconsin, and (ii) the structure and operation of the Unit Owners' Association of the Condominium.

Section 1.2 Definitions. Except as otherwise set forth herein capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration or, if not defined therein, the meanings specified for such terms in the Act. In the event the Condominium is expanded pursuant to the provisions of the Declaration, the provisions of these Bylaws shall be applicable to the Condominium, as expanded, and the terms "Condominium," "Units," "Unit Owners," "Property" and all other terms which refer to the Condominium shall mean and refer to the Condominium, as expanded.

Section 1.3 Office. The office of the Condominium, the Unit Owners' Association and the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors and the mailing address shall be Hilldale Row Condominium Association, Inc., c/o CSC – Lawyers Incorporating Service Company, 25 West Main Street, Madison, Wisconsin 53701 or such other address as may be designated from time to time by the Board of Directors.

Section 1.4 The Unit Owners' Association. Hilldale Row Condominium Association, Inc. (the "Unit Owners' Association") is a nonstock, nonprofit corporation formed under Chapter 181 of the Wisconsin Statutes and whose members consist of all the Unit Owners in the Condominium. Each Unit Owner in the Condominium has the same Percentage Interest in the Unit Owners' Association as such Unit Owner's respective undivided interest in the Common Elements set forth in the Declaration.

ARTICLE II  
Unit Owners' Association

Section 2.1 Composition. All Unit Owners in the Condominium, acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Unit Owners' Association.

Section 2.2 Annual Meetings.

(a) The first annual meeting of the Unit Owners' Association shall be held on the first Monday of the first month after the Declarant has ceased to control the Association. Unless otherwise determined by the Board of Directors, annual meetings of the Unit Owners' Association held after the first annual meeting shall be held on the same day of the same month of each succeeding year. Subject to the provisions of Section 3.1 of these Bylaws, at all annual meetings of the Unit Owners' Association at which members of the Board of Directors shall be elected, an officer shall report on the activities and financial condition of the Unit Owners' Association and the members shall consider and act upon such other matters as properly may come before a meeting.

(b) As used in these Bylaws, unless the context otherwise requires, the term "conveyance" means conveyance of fee simple title by deed or conveyance of equitable ownership by land contract.

Section 2.3 Place of Meetings. Meetings of the Unit Owners' Association shall be held at the office of the Condominium or at such other suitable place convenient to Unit Owners as from time to time may be designated by the Board of Directors.

Section 2.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners' Association if so directed by resolution of the Board of Directors or, after the first annual meeting of the Unit Owners' Association, upon a petition signed and presented to the Secretary by Unit Owners holding not less than twenty percent (20%) of the Percentage Interests from time to time in the Condominium. No business shall be transacted at a special meeting except as stated in the notice of such meeting given in accordance with the provisions of Section 2.5 of this Article.

Section 2.5 Notice of Meetings. At least twenty-one (21) days but no more than fifty (50) days in advance of each annual meeting of the Unit Owners' Association, and at least ten (10) days but no more than thirty (30) days in advance of each special meeting of the Unit Owners' Association, the Secretary shall cause to be sent to each Unit Owner of record notice of the time, place and purpose or purposes of such meeting. Such notice shall be sent by United States mail, first class postage prepaid, to each Unit Owner of record, at the address of such Owner's Unit or at such other address as such Owner may have designated in writing to the Secretary. Transfer of membership in the Association shall be established by the recording in the Office of the Register of Deeds for Dane County of a deed or other instrument establishing a change of record title to a Unit or the recording in said office of a land contract. A certified copy of such instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferee designated by such instrument or the vendee shall thereby become a member of the Association and the membership of the prior owner or vendor shall thereby be terminated. Until such delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of Unit Owners. The Unit Owners' Association shall maintain a current roster of names and addresses of every Unit Owner to whom notice of meetings of the Association must be sent. Every Unit Owner shall furnish the Unit Owners' Association with his or her name and current mailing address. No Unit Owner may vote at meetings of the Unit Owners' Association until this information is furnished. The mailing of a notice of a meeting in the manner provided in this Section shall be deemed service of notice. In lieu of mailing notice of a meeting in the manner provided in this Section, the

Secretary may cause such notice to be personally delivered, provided, that the Secretary shall certify in writing that such notice was delivered to the person of the Unit Owner.

Section 2.6 Adjournment of Meetings. If any meetings of the Unit Owners' Association cannot be held because a quorum as defined in Section 2.13 is not represented, Unit Owners holding a majority of the votes present at such meeting, either in person or by proxy, may adjourn the meeting, without further notice, to a time not less than forty-eight (48) hours from the time the original meeting was called and at such subsequent meeting, the presence, in person or by proxy of Unit Owners of ten percent (10%) in number of the Units of the Condominium shall constitute a quorum.

Section 2.7 Presiding Officer. Until the first meeting of the Unit Owners' Association following the special meeting at which members of the Board of Directors shall be elected by all Unit Owners as provided in Section 3.1 of these Bylaws, any person designated by Declarant shall preside at all meetings of the Unit Owners' Association. Thereafter, the President or his or her designee shall preside at all meetings of the Unit Owners' Association. In the absence of the President or such designee from any meeting of the Association, any person designated by the Board of Directors shall preside over such meeting.

Section 2.8 Conduct of Meeting. The minutes of all meetings shall be held in a Minute Book maintained for the Unit Owners' Association by the Secretary. The then current Robert's Rules of Order or any other rules of procedure acceptable to a majority of the votes of Unit Owners shall govern the conduct of all meetings of the Unit Owners' Association when not in conflict with these Bylaws, the Declaration or the Act. All votes shall be tallied by a person or persons appointed by the presiding officer of the meeting.

Section 2.9 Voting.

(a) Each Unit shall be entitled to one (1) vote at all meetings of the Unit Owners' Association. Since a Unit Owner may be more than one person, the person who shall be entitled to cast the vote of such Unit shall be the natural person named in a certificate executed by all of the co-owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting (or the failure to name such a person), the person who shall be entitled to cast the vote of such Unit shall be the co-owner who is present at such meeting, if only one such co-owner is present. If more than one co-owner is present and no certificate has been filed with the Secretary (or, if the person named in the certificate for such Unit is not present), the vote appertaining to such Unit shall be cast in accordance with the agreement of a majority in interest of the co-owners of such Unit who are present, and the consent of such co-owners shall be conclusively presumed if any one of them purports to cast the vote appertaining to such Unit without protest being made by another co-owner to the presiding officer of the meeting. If protest is made, such Unit shall be counted solely for the purpose of determining whether a quorum is present.

(b) No Unit Owner may vote at any meeting of the Unit Owners' Association if a lien in favor of the Unit Owners' Association pursuant to Section 5.9 of these Bylaws has been perfected against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting.

Section 2.10 Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No proxy shall be revocable except by actual notice of revocation given to the presiding officer of the meeting by the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of the majority in interest of the co-owners. A proxy of a Unit Owner shall be void if it is not dated, if it purports to be revocable without notice, if the signatures of those executing the same have not been witnessed by a person who shall sign his or her full name and address, or if not signed by a person having authority to execute deeds on behalf of any Unit Owner or co-owner who is not a natural person. All proxies must be filed with the Secretary before the appointed time of the meeting for which they are given. Any proxy shall terminate automatically upon the adjournment of the first meeting of the Association held after the date thereof. In any event, except with respect to proxies in favor of an Eligible Mortgagee, no proxy shall be valid for a period in excess of one hundred eighty (180) days.

Section 2.11 Association Action. Except as otherwise required by the Act, the Declaration or these Bylaws, decisions of the Unit Owners' Association shall be made by a majority of the votes of Unit Owners present, in person or by proxy, at a meeting of the Unit Owners' Association at which a quorum is present.

Section 2.12 Majority of the Unit Owners. Except as otherwise provided by law, as used in these Bylaws, the term "majority of the votes of Unit Owners" or words of like import shall mean the vote of Unit Owners' holding more than fifty percent (50%) of the votes of Unit Owners present, in person or by proxy, at a meeting of the Unit Owners' Association at which a quorum is present.

Section 2.13 Quorum. Except as otherwise provided in these Bylaws or as required by law, the presence, in person or by proxy, of Owners of twenty percent (20%) in number of the Units in the Condominium shall constitute a quorum at and throughout all meetings of the Unit Owners' Association.

Section 2.14 Action Without Meeting. Any action by Unit Owners required or permitted to be taken at a meeting may be taken without a meeting if the action is approved by Unit Owners holding at least seventy-five percent (75%) of the voting power, by written consent describing the action taken, signed by the required number of Unit Owners. A consent has the effect of a meeting vote. Written notice of Unit Owner approval of the action shall be given to all members who have not signed the written consent. Unit Owner approval of the action shall be effective ten (10) days after such written notice is given. Any such written consent shall be filed with the minutes of the proceedings of the meetings of the Unit Owners' Association.

Section 2.15 Waiver of Notice. Any Unit Owner may at any time waive notice of any meeting of Unit Owners in writing and such waiver shall be deemed equivalent to the giving of such notice. The waiver of notice must be signed by the Unit Owner entitled to the notice and be delivered to the Unit Owners' Association for inclusion in the minutes or filing with the corporate records. Attendance of any Unit Owner at any meeting of the Unit Owners' Association shall constitute a waiver of notice by such Owner.



ARTICLE III  
Board of Directors

Section 3.1    Number; Declarant Control.

(a)    The affairs of the Condominium shall be governed by a Board of Directors. As set forth in this Section 3.1, Declarant shall be entitled to designate a majority of the members of the Board until the earlier to occur of (i) thirty (30) days after the date of conveyance of Units to which seventy-five percent (75%) of the Percentage Interests of the Condominium appertain (determined, for purposes of this Section 3.1, in accordance with subsection (e) hereof) or (ii) ten (10) years from the date of the first conveyance of any Unit in the Condominium. The initial Board of Directors shall consist of three (3) persons, each of whom shall be appointed by Declarant within fourteen (14) days after the incorporation of the Association. Thereafter, the Board of Directors shall be expanded to a maximum of five (5) members, in the manner and at the time set forth in subsections (b) of this Section 3.1.

(b)    A special meeting of the Association shall be held prior to the conveyance of Units to which twenty-five percent (25%) of the Percentage Interests in the Condominium appertain (determined, for purposes of this Section 3.1, in accordance with subsection (e) of this Section 3.1) or at such earlier time as may be determined by Declarant in its sole discretion, at which special meeting the Unit Owners other than Declarant shall elect one Director; thereafter, the Board of Directors shall be composed of four (4) persons.

(c)    A special meeting of the Association shall be held prior to the conveyance of Units to which fifty percent (50%) of the Percentage Interests in the Condominium appertain (determined, for purposes of this Section 3.1, in accordance with subsection (e) of this Section 3.1) or at such earlier time as may be determined by Declarant in its sole discretion, at which special meeting the Director elected by the Owners at the special meeting described in subparagraph (b) above shall resign; and the Unit Owners other than Declarant shall elect two (2) Directors; thereafter, the Board of Directors shall be composed of five (5) persons.

(d)    A special meeting of the Association shall be held on or before forty-five (45) days after the earlier to occur of (i) thirty (30) days after the date of conveyance of Units to which seventy-five percent (75%) of the Percentage Interests of the Condominium appertain (determined, for purposes of this Section 3.1, in accordance with subsection (e) hereof) or the date of expiration of ten (10) years from the date of the first conveyance to any purchaser of any Unit in the Condominium, at which special meeting all members of the Board of Directors designated by the Declarant as provided in paragraph (a) of this Section shall resign and all five (5) members of the Board of Directors shall be elected by all Unit Owners, including Declarant, to the extent Declarant then owns any Units. All members of the Board of Directors elected at such special meeting shall serve until their successors shall have been elected at the next succeeding annual meeting.

(e)    For purposes of this Section 3.1 only, and notwithstanding any other provision of these Bylaws, the Declaration, or any other Condominium Document, the Percentage Interest pertaining to a Unit at any time shall be determined in the same manner as if

all Expansion Lands and all Units which could then be added to the Condominium had in fact been added.

Section 3.2 Election. Directors elected by Unit Owners shall be elected by plurality vote. Each Unit shall be entitled to cast its vote for as many persons as there are Directors to be elected and for whose election the Owners of such Unit shall be entitled to vote. Votes shall not be cumulated.

Section 3.3 Term of Office. At the first annual meeting of the Unit Owners' Association following the special meeting at which all members of the Board of Directors shall be elected by Unit Owners as provided in Section 3.1(d) of this Article, the persons receiving the first, second and third highest number of votes shall be elected for a term of two (2) years and the persons receiving the fourth and fifth highest number of votes shall be elected for a term of one (1) year. All persons elected as members of the Board of Directors at any subsequent annual meeting of the Unit Owners' Association shall be elected for a term of two (2) years. All members of the Board of Directors shall hold office until their respective successors shall have been elected and shall have qualified. In the event of a tie for the third or fifth highest number of votes, the outcome shall be determined by lot, in the manner prescribed by the presiding officer.

Section 3.4 Qualifications. Except for those members of the Board of Directors appointed by Declarant, all members of the Board of Directors shall be Unit Owners, or partners, officers, directors, trustees, agents or employees of Unit Owners who are not natural persons. No Unit Owner may be elected to or may serve on the Board of Directors if a lien has been perfected by the Unit Owners' Association, or action therefor has been instituted against such Unit Owner's Unit by the Unit Owners' Association, and the amount necessary to release such lien has not been paid at the time of such election or during such incumbency.

Section 3.5 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things as are by the Act, the Declaration or these Bylaws directed to be done by the Unit Owners' Association. In addition to the duties imposed on the Board of Directors by these Bylaws or by any resolution of the Unit Owners' Association, the Board of Directors shall have the power to, and shall be responsible for, the following:

(a) Adopting an annual budget, in which there shall be established the required contribution of each Unit Owner to the Common Expenses.

(b) Levying assessments against Unit Owners to defray the Common Expenses, establishing the means and methods of collecting such assessments from the Unit Owners, and establishing the period of the installment payment of such assessments.

(c) Providing for the operation, care, upkeep, replacement and maintenance of all of the Common Elements, and, to the extent applicable, public sidewalks adjacent to the Property. The Board of Directors expressly is authorized to enter into cooperative, cost sharing agreements with the owners of adjacent property and/or other neighboring condominiums, if in the judgment of the Board of Directors such arrangements will reduce

Condominium costs without adversely affecting the scope, level and quality of services necessary for the proper care, upkeep and operation of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and, to the extent applicable, public sidewalks adjacent to the Property, and providing services for the Condominium, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which equipment, supplies and materials shall be the property of the Condominium.

(e) Collecting from Unit Owners assessments against Units and depositing the proceeds thereof in a bank depository(ies) which it shall approve.

(f) Making and amending Rules and Regulations respecting the use and enjoyment of the Condominium in accordance with the provisions of these Bylaws.

(g) Opening bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions and improvements to, or alterations or restorations of the Condominium and, to the extent applicable, public sidewalks adjacent to the Property in accordance with the provisions of these Bylaws, the Declaration and the Act.

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, and bringing or defending against any proceedings which may be instituted on behalf of or against the Unit Owners' Association.

(j) Obtaining and carrying insurance as provided in these Bylaws, paying the premium cost thereof and adjusting and settling claims thereunder.

(k) Paying the cost of all services rendered to the Condominium and not billed to Unit Owners of individual Units.

(l) Keeping books and accounts in accordance with the provisions of these Bylaws.

(m) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements; provided, however, that at no time shall there be borrowed or owed in excess of the greater of (i) seventy five percent (75%) of the total annual operating budget for the Condominium or (ii) Ten Thousand Dollars (\$10,000) without the prior consent of at least sixty-seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose. The dollar limitation set forth above shall increase automatically each fiscal year, beginning in 2007, in proportion to increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States) (1982-84=100) and published in the "Monthly Labor Review" of the

Labor Statistics of the United States Department of Labor or any successor index thereto selected by the Board of Directors, in its reasonable discretion.

(n) Exercising such rights, including the right to amend or modify such rights and complying with such obligations as the Unit Owners' Association may have as a member of any recreation or other association or under the terms of any easement or easement agreement.

(o) Purchasing on behalf of all Unit Owners in the name of the Unit Owners' Association or such nominee as shall be designated by the Board of Directors any Unit whose Unit Owner has elected to sell or lease such Unit or any Unit which is to be sold at a foreclosure or other judicial sale; provided, however, that the Board of Directors may not take any such action without the prior consent of at least sixty-seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose.

(p) Selling or leasing on behalf of all Unit Owners any Unit purchased by the Unit Owners' Association pursuant to subparagraph (p) above; provided, however, that the Board of Directors may not take any such action without complying with the Act and without the prior consent of at least sixty-seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose and the proceeds therefrom after repayment of borrowed funds thereof and special assessments if any, levied for such purposes shall be deposited in such funds as the Board of Directors may be established and disbursed by the Board of Directors in such manner as the Association shall determine.

(q) In its discretion, purchase and arrange for the installation of a cable and/or satellite television system to serve the entire Condominium as a Common Element.

(r) Consistent with the terms and provisions of the Condominium Documents, entering into agreements, including, without limitation, easement agreements for the use by the Unit Owners' Association and its members on reasonable terms and conditions of facilities, including, without limitation, roadway, recreational and utility facilities, not included as part of the Condominium, entering into amendments or modifications of any existing easement agreements and granting to others the right to use those facilities included within the Condominium.

(s) Making of repairs, additions and improvements to, or alterations of, the Common Elements and making of repairs to and restoration of the Property after a casualty or taking in accordance with the other provisions of these Bylaws.

(t) The power to do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objectives or the furtherance of any of the powers of the Unit Owners' Association either alone or in conjunction with Declarant and the Unit Owners, or either.

Section 3.6 Managing Agent. The Board of Directors may employ for the Condominium a professional Managing Agent at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (a), (b), (f), (m), (n),

(o), (p), (q), (r) and (s) of Section 3.5. The Board of Directors may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the Managing Agent which might arise between meetings of the Board of Directors. If the Association elects to engage a Managing Agent, then the Unit Owners' Association and the Board of Directors shall not undertake "self-management" or fail to employ a professional Managing Agent thereafter without the consent of at least sixty-seven percent (67%) of the Unit Owners and at least fifty-one percent (51%) of the Eligible Mortgagees. Declarant, or an affiliate of Declarant, may be employed as Managing Agent. The Board of Directors may not employ a Managing Agent for a term in excess of three (3) years. Any contract with a Managing Agent must provide that it may be terminated for cause on no more than thirty (30) days' written notice. The Board of Directors shall require appropriate standards of performance of the Managing Agent, including without limitation, the following:

(a) Cash accounts of the Condominium shall not be commingled with any other accounts;

(b) no remuneration or other benefit shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Condominium, and any discount or other benefit received shall be received for and on behalf of the Condominium;

(c) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Condominium promptly shall be disclosed to the Board of Directors; and

(d) the Managing Agent shall prepare a quarterly financial report for the Condominium containing the following: (A) a "balance sheet" reflecting the financial condition of the Condominium on an unaudited basis; (B) an "income and expense statement" reflecting the income and expense activity for the preceding installment payment period on an "actual" versus "projected" budget format; (C) an "account activity statement" reflecting all receipt and disbursement activity for the preceding installment payment period on a cash basis; and (D) a "delinquency report" indicating all Unit Owners who are delinquent in paying assessments and describing any actions taken to collect such assessments.

Section 3.7 Removal of Members of the Board of Directors. Declarant shall have the right, at any time and in its sole discretion, to remove any Director appointed to the Board by Declarant under Section 3.1, and to select and designate his or her successors. Any member of the Board of Directors elected by Unit Owners may be removed, with or without cause, if the number of votes cast to remove the Director by Unit Owners at any regular meeting or any special meeting duly called and held for such purpose would be sufficient to elect the Director at a meeting to elect directors and a successor may then and there be elected to fill the vacancy thus created for the remainder of the term of the member so removed. Any Director whose removal has been proposed by the Unit Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof, and shall be given an opportunity to be heard at the meeting.

Section 3.8 Resignations of Members of the Board of Directors. A member of the Board of Directors may resign at any time by delivering written notice to the presiding officer or secretary of the Board of Directors. A resignation is effective when the notice is received by such officer unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may make the effective date earlier and fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date. Any Director who is a Unit Owner shall be deemed to have resigned upon divestiture of title in fee or by lease for a term or terms of six (6) months or more of the Unit owned by such Director (or such Director's corporation, partnership, trust, principal or employer, if the Unit Owner is not a natural person), unless such Director (or such Director's corporation, partnership, trust, principal or employer) acquires or contracts to acquire another Unit under terms providing for a right of occupancy effective as of or before the termination of the right of occupancy pursuant to such divestiture. A director shall also be deemed to have resigned if not in attendance at three (3) consecutive regular meetings of the Board of Directors, unless the minutes reflect the consent of a majority of the Board of Directors to such absence.

Section 3.9 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Unit Owners' Association or by action of Declarant (which shall be filled as provided in Section 3.8 hereof) shall be filled by the sole remaining Director or by a vote of a majority of the remaining Directors (whether or not such remaining Directors constitute a quorum) at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, and each person so appointed shall be a member of the Board of Directors for the remainder of the original term of office to which such person shall be appointed; provided, however, that until the special meeting of the Unit Owners' Association at which all of the members of the Board of Directors shall be elected by all Unit Owners as provided in Section 3.1 of this Article, a vacancy in the position of any Director designated by Declarant shall be filled by Declarant.

Section 3.10 Organization Meeting. A special organization meeting of the Board of Directors shall be held within ten (10) days after each annual meeting of the Unit Owners' Association. No notice shall be necessary to the members of the Board of Directors in order legally to constitute such special meeting, provided a quorum shall be present thereat.

Section 3.11 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once between annual meetings of the Unit Owners' Association, at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, facsimile transmission, or telephone or personally at least ten (10) business days prior to the date named for such meeting.

Section 3.12 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail, facsimile transmission, telephone or personally, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 3.13 Telephone Meetings. To the extent permitted by law, members of the Board of Directors may participate in any meeting of the Board of Directors by means of a conference telephone or other communication equipment if all persons participating in such meeting can hear each other at the same time. All participating Directors shall be informed that a meeting is taking place at which official business may be transacted. If requested by a Director, minutes of the meeting shall be prepared and distributed to each Director. Such participation shall constitute presence in person at any such meeting.

Section 3.14 Waiver of Notice. Any Director at any time in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records, may waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by such Director of the time and place of such meeting, unless such attendance is for the purpose of objecting to such meeting or matter not noticed in conformity with these Bylaws and the Director does not thereafter vote or assent to the action to which objection was made. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.15 Quorum; Voting of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present or a sole present Director may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.16 Compensation. No Director shall receive any compensation for acting as a Director; provided, however, that a Director may be reimbursed for expenses incurred by the Director to the extent such expenses are deemed to be reasonable and appropriate, and are otherwise authorized, by the Board of Directors.

Section 3.17 Conduct of Meetings. All resolutions adopted by the Board of Directors and all transactions and proceedings occurring at all meetings of the Board of Directors shall be held in a Minute Book maintained for the Board by the Secretary. The then current Roberts Rules of Order or any other rules of procedure at any time or from time to time acceptable to a majority of the Board of Directors shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Act.

Section 3.18 Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at a meeting may be taken without a meeting if all of the members of the Board of Directors shall consent in writing to such action. A consent has the same force and effect as a vote of the Board of Directors taken at a meeting. Any such unanimous written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.19 Indemnification. The term "Statute," as used in this Section 3.19, shall mean Sections 181.0871 through 181.0889 of the Wisconsin Nonstock Corporation Law and all

amendments thereto which permit or require the Unit Owners' Association to provide broader indemnification rights than prior to the amendment. All other capitalized terms used in this Section 3.19 and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Statute. The Unit Owners' Association shall, to the fullest extent permitted or required by the Statute, indemnify each Director and officer against any and all Liabilities, and advance any and all reasonable Expense as incurred by a Director or officer, arising out of or in connection with any Proceeding to which such Director or officer is a Party because he is a Director or officer of the Unit Owners' Association. A director or officer who seeks indemnification shall make a written request therefor to the Unit Owners' Association. The Unit Owners' Association shall also indemnify its employees acting within the scope of their duties as employees, to the same extent as Directors or officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses to which such person may be entitled under any written agreement, Board of Directors resolution, vote of the Unit Owners' Association, the Statute or otherwise. The Unit Owners' Association may, but shall not be required to, supplement the right to indemnification against Liability and advancement of Expenses under this Section 3.19 by the purchase of insurance on behalf of any one or more of such persons, whether or not the Unit Owners' Association would be obligated to indemnify such person under this Section 3.19. If the Unit Owner's Association indemnifies or advances expenses to a Director or officer in connection with a proceeding by or in the right of the Unit Owners' Association, the Unit Owners' Association shall report the indemnification or advance in writing to the members with or before notice of the next meeting of Unit Owners.

Section 3.20 Common or Interested Directors. Each member of the Board of Directors shall exercise his or her powers and duties in good faith and in the best interests of the Condominium. No contract or other transaction between the Unit Owners' Association and any of its officers or directors, or between the Unit Owners' Association and any corporation, firm or association (including Declarant) in which any of the officers or Directors of the Unit Owners' Association are directors or officers or are pecuniarily or otherwise interested, is or shall be either void or voidable because of such relationship or interest or because any such officer or director is present at the meeting of the Board of Directors or any committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or her or their vote(s) is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The material facts of such relationship or interest are disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies such contract or transaction in good faith and by a vote sufficient for the purpose, without counting the vote(s) of such interested officers or directors; or

(b) The material facts of such relationship or interest are disclosed or known to Unit Owners holding at least a majority of all of the votes in the Unit Owners' Association and such Unit Owners authorize, approve or ratify such contract or transaction in good faith and by a vote sufficient for the purpose; or



(c) Such contract or transaction was fair and commercially reasonable to the Unit Owners' Association in view of all the facts known to any officer or member of the Board of Directors at the time it was authorized, ratified, approved or executed.

Any common or interested officer or director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, ratifies or approves any contract or transaction. Arrangements between the Unit Owners' Association and Declarant or the initial Managing Agent shall be deemed to satisfy the requirements of this Section.

Section 3.21 Committees. The Board of Directors from time to time may appoint (and expand and/or disband) such committees from among its own membership and/or from among the Unit Owners' Association as the Board of Directors from time to time deems desirable to assist in the administration or operation or affairs of the Condominium.

Section 3.22 Law Suits. The Board shall not commence a law suit (other than to collect assessments, or enforce the terms and conditions of the Condominium Documents) until such action shall have been approved by Unit Owners owning Units to which at least seventy-five percent (75%) of the votes in the Unit Owners' Association appertain.

#### ARTICLE IV Officers

Section 4.1 Designation. The principal officers of the Condominium shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may appoint an assistant treasurer, an assistant secretary and/or such other officers as in its judgment may be necessary or desirable. All officers shall have the duties normally incident to their respective offices in a Wisconsin business corporation and such other additional duties as from time to time shall be assigned by the Board of Directors included, but not limited to, the following:

(a) President. The President shall be the chief executive officer of the Unit Owners' Association, preside at all meetings of the Unit Owners' Association and of the Board of Directors; have general and active management of the business of the Unit Owners' Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; sign all leases, mortgages, deeds and other written instruments and co-sign all checks if required to do so by resolution of the Board of Directors; and appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Unit Owners' Association.

(b) Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners' Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Unit Owners' Association; maintain a register setting forth the place to which all notices to Unit Owners and Eligible Mortgagees hereunder shall be delivered; shall arrange for the counting of votes taken at any meeting; and, in general, perform all the duties incident to the office of secretary.

(d) Treasurer. The Treasurer shall (together with the Managing Agent) be responsible for Unit Owners' Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data, including the annual budgets; deposit all monies and other valuable effects in the name of the Board of Directors, the Unit Owners' Association or the Managing Agent, in such depositories as may from time to time be designated by the Board; sign checks of the Association; and, in general, perform all the duties incident to the office of treasurer.

Section 4.2 Qualifications. All officers shall be Unit Owners, or partners, officers, directors, trustees, agents or employees of Unit Owners who are not natural persons. The President and Secretary shall be members of the Board of Directors. Any officers other than the President and the Secretary may be, but shall not be required to be, members of the Board of Directors. The foregoing restrictions shall not apply to officers selected by Directors designated by Declarant prior to the special meeting of the Unit Owners' Association at which members of the Board of Directors shall be elected by all Unit Owners as provided in Section 3.1 of these Bylaws.

Section 4.3 Election. The officers of the Condominium shall be elected annually by the Board of Directors at the organizational meeting following each annual meeting of the Unit Owners' Association, and shall hold office at the pleasure of the Board of Directors.

Section 4.4 Removal or Resignation of Officers. Any officer may be removed, either with or without cause, upon the affirmative vote of a majority of the members of the Board of Directors. Any officer may resign at any time, by delivering notice to the Unit Owners' Association. The resignation is effective when the notice is delivered, unless the letter specifies a later effective date and the Unit Owners' Association accepts the later effective date. Any officer shall be deemed to have resigned upon divestiture of title in fee or by lease for a term or terms of six (6) months or more of the Unit owned by such officer (or such officer's corporation, partnership, trust, principal or employer, if the Unit Owner is not a natural person), unless such officer (or such officer's corporation, partnership, trust, principal or employer) acquires or contracts to acquire another Unit under terms providing for a right of occupancy effective as of or before the termination of the right of occupancy pursuant to such divestiture or such officer is not required to be a Unit Owner. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or at a special meeting called for such purpose.

Section 4.5 Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium or the Unit Owners' Association for expenditures or obligations in excess of Five Thousand Dollars (\$5,000.00) shall be executed by any two officers of the Condominium or by such other person or persons as may

be designated by the Board of Directors. All such instruments for expenditures or obligations of Five Thousand Dollars (\$5,000.00) or less may be executed by any one officer of the Condominium or by such other person as may be designated by the Board of Directors.

Section 4.6 Compensation of Officers. No officer shall receive any compensation for acting as an officer; provided, however that an officer may be reimbursed for expenses incurred by such officer to the extent such expenses are deemed to be reasonable and appropriate, and are otherwise authorized, by the Board of Directors.

## ARTICLE V Assessments

Section 5.1 Fiscal Year. The fiscal year of the Condominium shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of such year unless otherwise determined by the Board of Directors.

Section 5.2 Adoption of Budget. Declarant shall determine the budget for the initial partial first fiscal year and the first complete fiscal year after recording of the Declaration. Each year thereafter, at least thirty (30) days before the beginning of the new fiscal year, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of the Common Expenses (net of all common profits) for the ensuing fiscal year (including without limitation such reasonable amounts as the Board of Directors shall deem sufficient to provide working capital for the Unit Owners' Association, a general operating reserve, reserves for repair and replacement of Common Elements and reserves for contingencies). Before the first day of each fiscal year, the Board of Directors shall send to each Unit Owner a copy of such budget and a statement setting forth the obligation of each Unit Owner pursuant to the provisions of this Article to pay his or her allocable share of the Common Expenses based upon such budget. The Board of Directors may revise the budget from time to time as it shall deem necessary or appropriate and shall promptly give each Unit Owner notice thereof.

Section 5.3 Effect of Failure to Adopt Budget. The failure or delay of the Board of Directors to adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his or her allocable share of the Common Expenses as provided in this Article. In the absence of any annual budget, each Unit Owner shall continue to pay the monthly (or such other period as may be selected by the Board of Directors) charge at the rate established for the previous fiscal year until the installment which is due more than ten (10) days after a new annual budget shall have been adopted and notice of new assessments have been given to Unit Owners. The new assessments shall be adjusted by taking any additional amounts owed by a Unit as a result of the rate for the previous fiscal year being less than the rate reflected in the new budget and divided the aggregate of such amounts by the number of months remaining in the current fiscal year.

Section 5.4 Assessment of Common Expenses. The total amount of the estimated Common Expenses (including reserves) as set forth in the budget or budgets of the Condominium for any fiscal year shall be assessed against all Units as more particularly set forth below and, with respect to Declarant, as more particularly set forth in the Declaration. The

proportionate share of Common Expenses assessed against a Unit shall be expressed as a percentage which shall be determined as set forth in the Declaration. EXHIBIT C-1 attached hereto and made a part hereof sets forth the initial percentage obligation of each Unit for Common Expenses. Common Expenses assessed for a fiscal year shall be deemed assessed for, with respect to and as of the first day of each fiscal year of the Unit Owners' Association even though payable in installments. The assessment made against each Unit for each fiscal year shall set forth separately such Unit's share of the amount of the total assessment allocated to normal and recurring expenses of administration, management, operation and repair, and the amount of the total assessment allocated to each category of reserves included in the budget. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months (or, if the Board of Directors so designates, three (3) quarters or six (6) month period) in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors) one-twelfth (1/12th) (or, if the Board of Directors so designates, one-fourth (1/4) or one-half (1/2)) of the assessment for Common Expenses for such fiscal year. Each Unit Owner shall, upon purchase of a Unit, execute and deliver to the Association all documents necessary to give effect to an automated debiting system, whereby all assessments due from a Unit Owner will be debited from such Unit Owner's account in a bank or other financial institution designated by such Unit Owner and credited to the account of the Association. No change in such system shall be effectuated by the Unit Owner without at least thirty (30) days written notice to the Association. Notwithstanding the existence of a dispute between any or all of the Unit Owners and the Unit Owners' Association and/or the Board of Directors with respect to the budget, any assessment or special assessment, or any Common Expense or otherwise, all Unit Owners shall timely pay all assessments. If the Board of Directors revises a budget during any fiscal year, the Board of Directors may specify the day as of which Common Expenses based on such revision shall be deemed to be assessed. In the absence of such specification, the Common Expenses based on such revision shall be deemed assessed as of the first day of the month following the action of the Board of Directors. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget (or any revised budget) adopted by the Board of Directors for such fiscal year. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, in the discretion of the Board of Directors, either (i) be credited, in proportion to each Unit Owner's obligation to pay Common Expenses, to the next monthly installments due from Unit Owners, or (ii) refunded among Unit Owners who paid assessments in proportion to their payments, or (iii) added to reserves until exhausted. Any net shortage, including, without limitation, those arising from the failure of any Unit Owner to pay any assessments levied against its Unit, shall be assessed against Unit Owners then of record in proportion to each Unit Owner's obligation to pay Common Expenses and shall be payable, in the discretion of the Board of Directors, either (i) in full, with payment of the next due installment, or (ii) in not more than twelve (12) equal monthly installments, beginning with the next due installment. Such installments shall be paid to the Association by electronic funds transfer.

Section 5.5 Assessments Against Units Owned by Declarant. During the period of Declarant control of the Association under Section 703.15(2)(c) of the Wisconsin Statutes, no Assessments shall be assessed against any Unit owned by Declarant. During the period of Declarant control, however, the Assessments payable by any Unit Owner other than Declarant

shall not exceed the budgeted share of common expenses as required by Section 703.16(2)(b) of the Act. Furthermore, if the Association establishes a statutory reserve account under Section 703.163 of the Wisconsin Statutes, (a) no reserve fund assessments shall be levied against any Unit until a certificate of occupancy has been issued for such Unit, and (b) payment of any reserve fund assessments against any Unit owned by Declarant may be deferred until the earlier to occur of (i) the first conveyance of such Unit, or (ii) five (5) years from the date exterior construction of the building in which the Unit is located has been completed.

Section 5.6 Reserves. The Board of Directors shall build up and maintain adequate reserves for working capital and for repairs to and replacements of the Common Elements and may establish reserves for general operations, contingencies or other matters. If the Board of Directors shall deem it advisable, funds accumulated for reserves may be kept in separate bank accounts. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves as appropriate in the discretion of the Board of Directors. Except where an emergency requires an expenditure to prevent or minimize loss from damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Unit Owners' Association.

Section 5.7 Special Assessments. If reserves established and maintained in accordance with this Article shall be inadequate for any reason, including the non-payment of any Unit Owner's assessment, the Board of Directors may at any time or from time to time assess a special assessment in order to defray, in whole or in part, extraordinary expenditures, including, without limitation, any shortage or loss incurred or suffered in a fiscal year, any costs incurred under any easement to which the Unit Owners' Association is a party or the cost of any construction, reconstruction or replacement of, or insurance covering the Common Elements. Such special assessments shall be levied against all Unit Owners as set forth below. The proportionate share of Special Assessments assessed against a Unit shall be expressed as a percentage which shall be determined by dividing (i) the total number of usable square footage contained with a Unit as the same is determined by the Declarant, in its sole discretion, and more particularly set forth on the Plats or Floor Plans attached to the Declaration, as the same may be amended from time to time, by (ii) the total number of usable square footage contained within all of the Units then included within the Condominium as the same is determined by Declarant, in its sole discretion, and more particularly set forth on the Plats or Floor Plans attached to the Declaration, as the same may be amended from time to time. EXHIBIT C-2 attached hereto and may a part hereof sets forth the initial percentage obligation of each Unit for Special Assessments. If such special assessments are levied in connection with Limited Common Elements then such special assessment shall be levied against such Unit Owner or Unit Owners owning Units to which such Limited Common Elements appertain in proportion to the relative obligation of such Units to pay Special Assessments inter se. Said special assessments may be payable, as the Board of Directors may determine, in lump sum or in installments. The Board of Directors shall serve notice of any such special assessments on all assessed Unit Owners by a statement in writing giving the amount of and reasons for such special assessment, which special assessment shall, unless otherwise specified in the notice, become payable with the next due monthly installment which is due more than ten (10) days after the giving of such notice. All assessed Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. In the event the Board

of Directors elects to assess a special assessment in order to pay for the construction, installation, placement, addition, alteration or improvement to a Common Element or new capital improvement and the amount of any such assessment exceeds \$10,000.00, then any such assessment shall be subject to a veto by the Unit Owners entitled to cast at least a majority of the votes of the membership who are voting in person or by proxy at a meeting duly called for that purpose and held within forty-five (45) days after notice of any such proposed special assessment has been given to the Unit Owners. The dollar limitation set forth above shall increase automatically each fiscal year, beginning in 2007, in proportion to increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States) (1982-84=100) and published in the "Monthly Labor Review" of the Labor Statistics of the United States Department of Labor or any successor index thereto as selected by the Board of Directors, in its reasonable discretion.

Section 5.8 Working Capital Fund. There shall be established an initial working capital fund through the payment made by each Unit Owner, upon the purchase of his or her Condominium Unit from Declarant, of an amount equal to twice the monthly installments for Common Expenses for such Unit under the budget then in effect. Declarant shall deliver such funds so collected to the Board of Directors to provide working capital for the Unit Owners' Association. Except as otherwise set forth herein, neither Declarant, any Eligible Mortgagee who obtains title to Unit by foreclosure or deed in lieu thereof, any purchaser at a foreclosure sale, nor any purchaser upon a resale of a Unit, shall be required to pay working capital assessments. The working capital fund may be used for any lawful purpose, as the Board of Directors from time to time shall determine, provided said purpose is then permitted under the regulations of the Federal National Mortgage Association, if then applicable to the Condominium.

Section 5.9 Obligation to Pay Common Expenses. Except as more particularly set forth in the Declaration with respect to Declarant, each Unit Owner shall be obligated to pay its proportionate share, determined as more particularly set forth in Section 5.4 of the Common Expenses, including those Common Expenses associated with Limited Common Elements assessed against each Unit Owner, assessed by the Board of Directors pursuant to these Bylaws. No Unit Owner may be exempted from liability to contribute toward payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his or her Unit subsequent to the perfection of a sale or other divestiture of title, by operation of law or otherwise, of such Unit by such Unit Owner. Subject expressly to and except as otherwise provided in Section 5.10 hereof, the purchaser of a Unit or other successor Unit Owner shall be liable jointly and severally with the divesting Unit Owner for all unpaid assessments which have become due and payable against such divesting Unit Owner's Unit prior to and up to the time of divestiture, without prejudice, however, to any rights of such successor owner to recover from the divesting Unit Owner; provided, however, that any such divesting Unit Owner and successor upon written request shall be entitled to a recordable statement from the Board of Directors or Managing Agent setting forth the amount of the unpaid assessments against the divesting Unit Owner's Unit, and such successor shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statement. Failure to furnish or make available such statement within ten (10) business days after receipt by the Unit Owners' Association of a second written request

therefor, which request shall be given no sooner than ten (10) days and no later than thirty (30) days after the giving of the first written request therefor, shall extinguish the lien for then unpaid assessments. Notwithstanding anything to the contrary contained in the foregoing, payment of a fee of Twenty-five Dollars (\$25.00) or, if greater, the lesser of the amount assessed by the Board of Directors therefor or the maximum amount allowable under the Act shall be required as a prerequisite to the issuance of such a statement.

Section 5.10 Lien for Assessments. The total annual assessment against each Unit Owner for Common Expenses and any special assessment levied pursuant to these Bylaws, together with interest thereon, and the expenses of the proceedings, including reasonable attorneys' fees, hereby is declared to be a lien against the Unit of such Unit Owner within the purview of the Act, which lien shall be enforced pursuant to Section 703.16 of the Act, as amended or renumbered from time to time, and as provided by law.

Section 5.11 Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 5.12 Late Payment Penalty. In the event of a default by any Unit Owner in paying any Common Expenses or any other sum assessed against the Unit Owner which default continues for a period in excess of ten (10) days, such Unit Owner shall be obligated to pay a late payment penalty in the amount of fifty dollars (\$50.00), or such other amount as from time to time shall be determined by the Board of Directors and written notice of which is given to the Unit Owners, and interest on the amount of such assessment from the due date thereof at the lesser of: (a) the greater of: (i) eighteen percent (18%) per annum or (ii) five percent (5%) over the "prime rate" as such rate is announced by Key Bank National Association, its successors or assigns, at its principal place of business from time to time as its "prime rate" or (b) the highest interest rate permitted by law (the "Default Rate").

Section 5.13 Default in Payment of Common Expenses. In addition to the late payment penalty set forth in Section 5.12 above, the Board of Directors shall have the right and duty to attempt to recover such Common Expenses, together with interest thereon, and the expenses of the proceedings, including attorneys' fees, in an action brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 703.16 of the Act. The Board of Directors shall also have the right to prohibit such Unit Owner from voting at a meeting of the Unit Owners' Association or serving on the Board of Directors if the Unit Owners' Association has recorded a statement of condominium lien on such Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

Section 5.14 Foreclosure of Liens for Unpaid Common Expenses. In an action brought by the Board of Directors to foreclose a lien on a Unit because of unpaid Common Expenses, the Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. Subject to Section 3.5(p) of these Bylaws, the Unit Owners' Association or the Board of Directors, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to,

convey or otherwise deal with the same after such purchase. A suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5.15 Accounts. Except as otherwise provided in this Article, all sums collected by the Board of Directors with respect to assessments against the Unit Owners may be commingled into a single fund, but shall be held for each Unit Owner in accordance with such Unit Owner's allocable share of the Common Expenses.

Section 5.16 Books and Accounts. Books and accounts of the Condominium shall be kept under the direction of the Treasurer in accordance with standard bookkeeping procedures. Such books and accounts shall detail the receipts and expenditures of administration and operation of the Condominium, and shall specify the maintenance, repair and service expenses and any other expenses incurred. The amount of any special assessment required for payment of any capital improvement of the Condominium shall be credited upon the books of the Condominium to the "Paid in Surplus" account as a capital contribution.

Section 5.17 Inspection of Books. The books and accounts of the Condominium shall be available for examination by the Unit Owners and contract purchasers, and/or their duly authorized agents or attorneys, and to the holder of any Eligible Mortgage, and/or its duly authorized agents or attorneys, during normal business hours set and announced for general knowledge within a reasonable time after request therefor.

Section 5.18 Statement of Common Expenses. The Board of Directors shall promptly provide to any Unit Owner, contract purchaser or mortgagee so requesting the same in writing a written statement in recordable form of all unpaid assessments due from such Unit Owner. A fee of Twenty-five Dollars (\$25.00) or, if greater, the lesser of the amount assessed by the Board of Directors therefor or the maximum amount allowed by law may be charged by the Board of Directors for such statement to defray the cost of rendering the same.

Section 5.19 Utilities. The cost of utilities serving the Condominium not individually metered to a Unit shall be Common Expenses allocated pursuant to Section 5.4 hereof.

Section 5.20 Audit. The Board of Directors may in its discretion from time to time order an independent audit of all books and records. The cost of such audit shall be a Common Expense.

Section 5.21 Liens for Other Costs. Fines and other monetary charges levied by the Board of Directors or described in the Condominium Documents (other than those specifically addressed herein), not paid within thirty (30) days of written demand hereby, are declared to be a lien against the Unit of such Unit Owner within the purview of the Act, which lien shall be enforced pursuant to Section 703.16 of the Act, as amended or renumbered from time to time, and as provided by law.

Section 5.22 Surplus Funds. Surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves may in the discretion of the Board of Directors either (i) be credited, in proportion to each Unit Owner's obligation to pay Common Expenses, to the next monthly installments due from Unit Owners, or (ii) refunded



among Unit Owners who paid assessments in proportion to their payments, or (iii) added to reserves until exhausted.

## ARTICLE VI Repair, Improvement and Use

### Section 6.1 Maintenance and Repair.

(a) By the Unit Owners' Association. Except as otherwise provided in this Section or by the provisions of these Bylaws, the Declaration or the Act, the Unit Owners' Association shall be responsible for the maintenance, repair and replacement of the Common Elements, including the Limited Common Elements, whether located inside or outside of Units, for the performance of any obligations of the Unit Owners' Association pursuant to any easements and agreements to which the Unit Owners' Association is a party or otherwise bound and for the maintenance of public sidewalks adjacent to the Property, the costs of which shall be a Common Expense.

(b) By the Unit Owner.

(i) Each Unit Owner shall be responsible at his or her own expense for the maintenance, repair and replacement of his or her Unit and all parts thereof necessary to maintain the good appearance and clean and sanitary condition of such Owner's Unit, including, without limitation, interior walls included as part of a Unit, interior ceilings and floors, and the finished interior surfaces of all perimeter walls, ceilings and floors, kitchen and bathroom fixtures and appliances, lighting, heating and air-conditioning components included as a part of the Unit, and the exposed surfaces (but not structural components) of Limited Common Elements. Each Unit Owner shall do all redecorating, painting and varnishing within a Unit which may at any time be necessary to maintain such good appearance and condition, shall be responsible for replacing light bulbs located within Limited Common Elements and for replacing all broken windows or damaged screens within said Unit Owner's Unit. Each Unit Owner promptly shall report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Unit Owners' Association, its successors and assigns, is responsible.

(ii) Each Unit Owner shall perform normal maintenance to any Limited Common Element balcony, deck, porch, patio or yard, if any, appurtenant to such Unit Owner's Unit and shall keep such Limited Common Element in a clean, safe and sanitary condition, free and clear of snow, ice and any accumulation of water and debris.

(iii) Each Unit Owner shall be responsible at his or her expense to maintain a minimum temperature in the Unit (other than any attached garage) of 50° Fahrenheit.

(iv) Each Unit Owner shall be responsible for all damage to any and all other Units, to the Common Elements, resulting from such Unit Owner's failure to maintain or make any of the repairs required to be made pursuant to this Section. Each Unit Owner also shall be responsible for any cost and expense charged to such Unit Owner under Section 6.1 of the Declaration, and the expense of any maintenance, repair and/or replacement of any of the Common Elements, including the Limited Common Elements if, in the opinion of not less than a majority of the members of the Board of Directors, such expense was necessitated by the

negligence, misuse or neglect of any Unit Owner(s), or of any member(s) of such Unit Owner's household or family, or of any employee(s), agent(s), licensee(s) or invitee(s) of such Unit Owner(s). All structural repairs or replacements of any and all Common Elements, including the Limited Common Elements, made pursuant to this paragraph shall be made by the Unit Owners' Association, but the cost thereof shall be borne by the party(ies) responsible therefor as herein provided.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation.

(d) Chart of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance set forth in subsections (a) and (b), specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Chart of Maintenance Responsibilities attached as EXHIBIT B hereto.

Section 6.2 Right of Access. By acceptance of a deed of conveyance, each Unit Owner thereby grants a right of access to his or her Unit, including, without limitation, the right of access provided by Section 703.32 of the Act, to the Unit Owners' Association, the Board of Directors or the Managing Agent, their respective agents and employees, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in a Unit or elsewhere in the Condominium, or to correct any condition which violates the provisions of the Declaration, these Bylaws, the Rules and Regulations or any Eligible Mortgage, provided, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. Notwithstanding the foregoing, in case of an emergency, such right of entry shall be immediate and without notice, whether the Unit Owner is present at the time or not. Any exercise of the rights herein conferred to the extent practicable shall be in a manner so as not to interfere unreasonably with the use of a Unit.

### Section 6.3 Additions, Alterations or Improvements.

(a) By the Unit Owners' Association. Whenever the Common Elements shall require any construction, installation, placement, addition, alteration or improvement costing in excess of Ten Thousand Dollars (\$10,000.00), the Board shall notify the Unit Owners thereof and if such construction, installation, placement, addition, alteration or improvement shall not have been vetoed by the Unit Owners' Association in accordance with Section 5.7 hereof, then the Board of Directors shall proceed with such construction, installation, placement, addition, alteration or improvement and shall assess all Unit Owners for the cost thereof as a Common Expense. Emergency repairs, however, necessary to prevent or correct conditions involving manifest danger to life or property, or for the preservation and safety of the Condominium, or for the safety of the Unit Owners, or required to avoid the suspension of any necessary service to the Condominium, may be made by the Board of Directors on behalf of the Unit Owners' Association without prior notice to the Unit Owners, regardless of the cost limitations imposed by this Section. Any construction, installation, placement, addition, alteration or improvement

costing Ten Thousand Dollars (\$10,000.00) or less may be made by the Board of Directors on behalf of the Unit Owners' Association without prior notice to the Unit Owners or providing the Unit Owners with an opportunity to veto any such construction, installation, placement, addition, alteration or improvement and the cost thereof shall constitute a Common Expense.

Notwithstanding the foregoing provisions of this Section, if in the opinion of not less than a majority of the members of the Board of Directors any addition, alteration or improvement is or shall be exclusively or substantially exclusively for the benefit of any Unit Owner or Owners requesting the same, such requesting Unit Owner(s) shall be assessed therefor in such proportion as they jointly shall approve, or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

(b) By the Unit Owners. No Unit Owner shall make any addition, alteration or improvement in or to his or her Unit which will or may impair the structural integrity or mechanical, electrical or plumbing systems of any of the Buildings or of the Condominium, and interior partitions contributing to the support of any Unit or any Building shall not be altered or removed. No Unit Owner shall make any addition, alteration or improvement, or shall change the appearance of the Common Elements or the exterior appearance of any Unit (including without limitation doors and windows) without prior approval obtained in accordance with the terms and provisions of Section 6.4 hereof. If application to any governmental authority for a permit to make an addition, alteration or improvement requires execution by the Unit Owners' Association and, if applicable, provided consent of the Board of Directors has been given, then the application shall be executed on behalf of the Unit Owners' Association by the Board of Directors or any officer designated by the Board of Directors, without, however, incurring any liability to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The foregoing provisions of this paragraph shall not apply to Units owned by Declarant before deeds of conveyance to such Units shall have been delivered. Declarant shall have the right to make any such alterations without the consent of the Board of Directors or any Unit Owner or Eligible Mortgagee, and the Board of Directors shall execute any such application required to accomplish the same.

Section 6.4 Design Review Committee. The Design Review Committee shall be established and have such authority as is described in the Declaration.

Section 6.5 Use of Units and Common Elements. Each Unit and the Common Elements shall be occupied and used in accordance with the provisions of Article VII of the Declaration and as follows:

(a) A Unit Owner may use a portion of a Unit for a home office or studio, provided, that such use is consistent with all valid laws, the residential zoning ordinances and regulations of all governmental agencies having jurisdiction in respect of the Condominium, and that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Unit Owner, and provided, further, that in no event shall any part of the Condominium be used as a school, dance or music studio. Except for such home office or studio use, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, shall be conducted, maintained, or permitted in any Unit. Nothing in these Bylaws shall be construed to prohibit Declarant from using any Unit owned or leased by Declarant for

promotional, marketing or display purposes, or from using any appropriate portion of the Common Elements for closing of sales of Units and for marketing, promotional and customer service purposes.

(b) All Units shall be single family occupancy, except that no more than two (2) persons unrelated to the Unit Owner shall be permitted.

(c) No Unit shall be leased or rented for less than an initial term of one (1) year or otherwise for transient or hotel purposes. No portion of any Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall lease a Unit other than by written instrument which shall (i) require the tenant thereunder to comply with the Act, the Declaration, these Bylaws and the Rules and Regulations, as any of the same from time to time may be amended, (ii) provide that any failure to so comply shall constitute a default thereunder, and (iii) provide that the Board of Directors shall have the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder upon forty-five (45) days prior written notice to the Unit Owner in the event of a default in the performance by tenant under the lease. The right of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions, and restrictions set forth in the Declaration, Bylaws and Rules and Regulations and a default thereunder shall constitute a default under the lease or sublease. The Board of Directors shall be provided a credit report on any proposed lessee(s) or sublessee(s) issued by a provider of such information reasonably acceptable to the Board of Directors and revealing reasonable creditworthiness of any proposed lessee(s) or sublessee(s). The Board of Directors may require a standard form lease for use by all Unit Owners. Within five (5) business days following the execution of any lease (including any subsequent amendment, addendum or modification thereof) of a Unit, the Unit Owner of such Unit shall deliver a conformed copy thereof to the Board of Directors. The foregoing provisions of this paragraph, except the restriction against use or occupancy for transient purposes, shall not apply to Units owned by the Unit Owners' Association or Declarant.

(d) Nothing shall be done or kept in any Unit or in or on the Common Elements which will increase the rate of insurance for the Condominium, without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in a Unit or in or on the Common Elements which will result in the cancellation of insurance on the Condominium or which would be in violation of any public law, ordinance or regulation. No waste will be committed in, on or to the Common Elements. Nothing herein shall in any way be deemed to limit or proscribe the activities of Declarant.

(e) Parking spaces designated as such on the Plats, if any, shall be used for self-service parking purposes for visitors only on a first come, first serve basis, unless otherwise determined by the Board of Directors; provided, however, that Declarant may use such parking spaces for sales and marketing purposes. No Unit Owner shall have parked on the Common Element parking spaces, if any, more than one vehicle used by its visitors without the prior written consent of the Board of Directors and no such vehicle shall be permitted to park overnight on the Common Element parking spaces, if any, for a period of more than seven consecutive days or for more than ten (10) days in any consecutive thirty (30) day period.

(f) Trailers, campers, recreational vehicles, all terrain vehicles, snow mobiles, motorcycles, boats, buses, trailers and other large vehicles may be parked on the Property only if parked in the garage included as part of the Unit so that the door of said garage can be completely closed when the vehicle is in the garage. Unless so parked in a Unit's garage no such vehicle may be parked on the Property. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Vehicle repairs other than ordinary light maintenance are not permitted on the Property. All vehicles must be kept reasonably clean and the Unit Owners shall take all necessary precautions to prevent the leaking of automotive fluid or staining of any parking stalls. The Board of Directors shall have a continuing right to assess a per parking stall fee in an amount in on such terms as determined in its sole and absolute discretion.

(g) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed two (2) per Unit, without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding.

(h) Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium upon three (3) days' written notice from the Board of Directors. Pets shall not be permitted upon the Common Elements unless accompanied by a responsible person and unless such person cleans up completely after any such pet. Any Unit Owner who keeps or maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold harmless the Condominium, the Unit Owners' Association, each Unit Owner, the Board of Directors, the Managing Agent, and Declarant from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered and inoculated as required by law. Dane County, the City, their respective representatives, agents or independent contractors are authorized to enter onto the Condominium and enforce any applicable ordinances, rules and regulations with respect to animals promulgated by said governmental authorities.

(i) No Unit, except those Units owned by Declarant, shall be subjected to or used for any fractional interest ownership, cooperative, licensing or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple unit owners, cooperators, licensees, or fractional interest owners.

(j) The Common Elements shall be used only for the furnishing of the services and facilities for which they reasonably are suited and which are incident to the use and occupancy of the Units and, by Declarant, for promotional marketing, and display purposes.

(k) No fences or retaining walls or similar structures may be erected in the Condominium except for those fences, retaining walls or similar structures erected by Declarant or with the prior written consent of the Board of Directors.

(l) No satellite receiving systems or stations or exterior antennae of any kind shall be maintained on a Unit or upon the Common Elements, except for any master antennae or systems which may be provided by Declarant or with the prior written consent of the Board of Directors and except for an 18-inch or smaller private satellite dish which may be installed in a location on a Unit approved by the Declarant or the Association provided that any interference or nuisance caused by said dish shall immediately be corrected, and any and all repairs necessitated as a result of the installation or operation or existence of such dish shall immediately be undertaken and completed, by and at the cost and expense of the Unit Owner of the Unit with respect to which such dish has been installed.

(m) No charcoal grills shall be permitted on any porches or balconies as per Madison General Ordinance and the International Fire Code Provisions 307.5 and 307.5(1).

(n) Except as expressly provided below, no person may post any advertisement, poster or sign of any kind on any part of the Property (including, but not limited to the windows and/or doors of any Unit, the Common Elements, the lobby of the Condominium Building or the sidewalks or parkways surrounding same), except for a single "For Sale" sign in the front window of a Unit or in a private yard, as applicable, not to exceed 2' by 2' in size and except as permitted by the Board of Directors or when required by law; provided, however, that any sign permitted by the Board of Directors or required by law shall not under any circumstances be larger than 2' by 2'.

(o) Holiday decorations may be displayed on the interior of windows during a reasonable period of time during which the applicable holiday falls, but in no event to exceed a total of forty-five days (a "Reasonable Holiday Period"). The right is reserved by Declarant or its agents to use any unsold Unit or Units or any Unit or Units leased by Declarant for model, sales, resales and/or rental offices and/or for any other lawful purpose or purposes, and to display "For Sale", "For Rent" and "development" signs of any size on the Common Elements, or on any such Unit or on the Building where such Unit is located, and the right is hereby given to any Eligible Mortgagee who may become the fee simple owner of any Unit to place such signs on any Unit owned by such Eligible Mortgagee.

(p) A Unit Owner or resident shall not cause anything to be affixed or attached to, hung, displayed or placed on exterior walls, doors, balconies or windows of the Building; provided, however, that holiday lights and decorations may be displayed on the interior of windows during a Reasonable Holiday Period and, with the permission of the Board, which permission may be withheld for any reason whatsoever, holiday lights and decorations may be displayed on the exterior of a Unit and in Common Elements during a Reasonable Holiday Period.

(q) The sidewalks, driveways, entrances, passages, lobbies and hallways and like portions of the Common Elements shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Property; nor shall any carts, bicycles, carriages, chairs, tables or any other objects be stored therein, except in areas (if any) designated for such purposes. Notwithstanding the foregoing, Declarant may obstruct any such passageways in connection with the construction of Units on the Property or the Expansion Lands.

(r) No garbage, refuse, trash or rubbish shall be deposited except as permitted by the Unit Owner's Association. The requirements from time to time of the company or governmental agency providing trash removal services for disposal or collection shall be complied with and all receptacles for storage or disposal of such material shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, during any construction of the Property or the Expansion Lands, the Declarant shall not be obligated to comply with the foregoing requirements.

Section 6.6 Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements may be promulgated, amended and/or repealed by the Board of Directors, provided, that such Rules and Regulations are not contrary to or inconsistent with the Act, the Declaration or these Bylaws. Copies of and changes to the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time when the same shall become effective.

## ARTICLE VII

### Alienation of Condominium Units

Section 7.1 No Severance of Ownership. Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Act, the undivided interest in the Common Elements allocated to any Unit shall not be altered and any purported transfer, encumbrance or other disposition of such interest without the Unit to which it appertains shall be void. A Unit Owner's sale of its Unit shall include the sale of (a) the undivided percentage interest in the General and Limited Common Elements appurtenant thereto; (b) the interest of such Unit Owner in any Units theretofore acquired by the Association, or its nominee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such Unit Owner in any other assets of the Unit Owners' Association, including, without limitation, any easements benefitting the Unit Owners' Association and any memberships in any associations, private clubs or similar organizations (the interests described in subparagraphs (a), (b) and (c) hereof are hereinafter collectively called the "Appurtenant Interests"). No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred, or otherwise disposed of, except as a part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units. Notwithstanding the foregoing, the use of parking stalls defined as Limited Common Elements may be transferred between Unit Owners at their expense, provided that the transfer may be made only in accordance with the provisions of the Act and this Section. Each such transfer shall be made by an amendment to the Declaration executed by all Unit Owners who are parties to the transfer and consented to by all mortgagees who have any interest in the transferred Limited Common Elements. The amendment shall also contain the consent of the Board of Directors and any other documentation required by the Board of Directors or any governmental authority. All costs and expenses, including any costs incurred

by the Board of Directors in retaining professionals to review such documentation, shall be borne solely by the parties to the transfer.

Section 7.2    Resales of Units.

(a)    Resales of Units by Unit Owners other than Declarant are governed by law. Section 703.33 of the Act requires a Unit Owner other than Declarant to obtain from the Unit Owners' Association and to furnish to his or her purchaser prior to the contract date of disposition certain financial and other statements and assurances concerning the Unit and the Condominium. In the absence of a written agreement to the contrary, the failure of the Unit Owners' Association to provide such statements and assurances in the manner and within the time periods provided by the Act, shall render, at the option of the purchaser, the contract of purchase void. The Act imposes other obligations on a Unit Owner and contains additional provisions concerning Unit Owners other than Declarant, purchasers and the Unit Owners' Association in connection with the resale of a Unit. All Unit Owners are directed to the Act, including, specifically, but without limitation, Section 703.33, prior to entering into a contract for the resale of a Unit.

(b)    No Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he or she shall have paid in full to the Association all unpaid common expenses, including, without limitation, special assessments, theretofore assessed by the Board of Directors against his or her Unit.

Section 7.3    Leasing of Units. Leases of Units by Unit Owners other than Declarant are governed by Section 6.5 of these Bylaws and Article VIII of the Declaration.

Section 7.4    Financing of Purchase of Units by Association.

(a)    Acquisition of Units by the Unit Owners' Association or its designee, on behalf of all Unit Owners, pursuant to Section 3.5(p) may be made from the working capital and assessments for Common Expenses in the hands of the Board of Directors, or if such funds are insufficient, the Unit Owners' Association may borrow money to finance the acquisition of such Unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit so to be acquired by the Unit Owners' Association. Title to any real or personal property acquired by the Unit Owners' Association shall be taken in the name of the Unit Owners' Association. The Unit Owners' Association shall act to borrow money, and acquire and convey property in the same manner as corporations formed under Chapter 181 of the Wisconsin Statutes, as the same may be amended from time to time. All costs of obtaining financing for the acquisition of a Unit and for the repayment of monies borrowed for such purpose, including principal and interest, shall be Common Expenses of the Condominium and payable as assessments by the Unit Owners. The proceeds from the sale of any such Unit after repayment of any borrowed funds and special assessments, if any, levied for such purpose shall be deposited in such funds as the Board of Directors may establish and shall be disbursed by the Board of Directors as the Unit Owners' Association shall determine.



(b) In the event that a Unit shall be acquired by the Unit Owners' Association or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

## ARTICLE VIII

### Insurance

#### Section 8.1 General Requirements.

(a) Each policy of insurance purchased by the Board of Directors pursuant to this Article shall provide to the fullest extent applicable as follows:

- (a) The named insured under such policies shall be the Unit Owners' Association as trustee for each of the Unit Owners in accordance with each Unit Owner's Percentage Interest;
- (b) In no event shall any such insurance be brought into contribution with insurance purchased by individual Unit Owners or their Eligible Mortgagees;
- (c) The insurer waives (i) any right to claim by way of subrogation against the Declarant, the Unit Owners' Association, the Board of Directors, the Managing Agent or the Unit Owners, and their respective agents, employees, invitees and, in the case of the Unit Owners, the members of their households; and (ii) any defense based upon co-insurance or upon any invalidity arising from the acts of the insured;
- (d) Such policy shall not be cancelled, invalidated or suspended due to the act or omission of any Unit Owner (including any member of his or her household and his or her invitees, agents and employees) or of any member, officer or employee of the Board of Directors or the Managing Agent;
- (e) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior notice to the Board of Directors and the Managing Agent, and in the case of physical damage insurance, to all Eligible Mortgagees and Unit Owners to whom certificates, subpolicies or endorsements have been issued;
- (f) Any "no other insurance" clause contained in the master policies shall expressly exclude individual Unit Owners' policies from its operation; and
- (g) The master policy shall contain a standard mortgagee clause, without contribution, in favor of each Eligible Mortgagee, its successors and assigns, to the extent of the portion of the coverage of the master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee and the Unit Owner, as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee set forth in this Article.

(b) All policies of insurance shall be written by companies with a financial rating of A or better under Best's Rating Guide (or any comparable rating under a revised rating guide).

#### Section 8.2 Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket all-risk policy of physical damage insurance, with extended coverage, insuring the entire Condominium (excluding only betterments and improvements supplied or installed by or other personal property of the Unit Owners in the Units), together with all heating and air-conditioning equipment and other service machinery contained therein, and covering the interests of the Unit Owners' Association, the Board of Directors and all Unit Owners and their Eligible Mortgagees, as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in this Article, in an amount equal to one hundred percent (100%) of the full replacement value of the Condominium based on the then current replacement cost (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation. Such policy of physical damage insurance shall also provide or include to the extent obtainable that the insurer will issue to each Unit Owner a certificate or subpolicy specifying the portion of such policy allocated to his or her Unit and the Percentage Interest of such Unit in the Common Elements. The amount of such coverage shall be reviewed annually by the Board of Directors with the assistance of the insurance company affording such coverage and such coverage shall be redetermined when and as the Board of Directors deems advisable.

(b) A certificate of insurance or a true and certified copy of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee so requesting the same.

Section 8.3 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general public liability and property damage insurance in such limits as the Board of Directors from time to time may determine in accordance with this Section, insuring each member of the Board of Directors, the Managing Agent, the Unit Owners' Association, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain to the extent obtainable: (i) libel, slander, false arrest and other personal injury offenses coverage; (ii) medical payments coverage; (iii) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured; (iv) hired and non-owned vehicle coverage; (v) host liquor liability coverage with respect to events sponsored by the Association; (vi) property or others coverage; (vii) broad form property damage coverage; (viii) contractual and all written contract coverage; (ix) coverage for liability resulting from law suits related to employment contracts in which the Unit Owners' Association is a party; and (x) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of the negligent acts of the Unit Owners' Association, the Board of Directors, the Managing Agent or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no event

shall such insurance be written in an amount less than Two Million Dollars (\$2,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of umbrella liability insurance in excess of primary limits in the discretion of the Board of Directors also may be obtained.

Section 8.4 Other Insurance. The Board of Directors may obtain and maintain:

(a) Directors and officers liability coverage and fidelity bond coverage to protect against wrongful and dishonest acts on the part of the officers, directors, employees and other agents of the Unit Owners' Association, including the Managing Agent, who either handle or are responsible for handling the funds held or administered by the Unit Owners' Association. Fidelity bonds shall (i) name the Unit Owners' Association as an obligee; (ii) be written in such amounts as from time to time shall be required by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association to the extent applicable; (iii) contain waivers of any defense based upon the exclusion for persons who serve without compensation from any definition of "employee" or similar expression; and (iv) include provision for ten (10) days' written notice to the Association and each servicer of any Mortgage owned by the Federal National Mortgage Association before the bond can be cancelled or substantially modified;

(b) If the Condominium is located in an area at any time designated as having special flood hazards, a blanket policy of flood insurance in an amount equal to one hundred percent (100%) of the insurable value of all Buildings and other insurable property located in the flood hazard area, based upon the then replacement cost, or, the maximum coverage available under the National Flood Insurance Administration Program, as amended, whichever is less;

(c) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(d) Such other insurance as the Board of Directors may determine, or as may be requested from time to time by a majority of the votes of the Unit Owners, or as required by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or by law.

Section 8.5 Separate Insurance. Each Unit Owner shall obtain insurance covering their personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his, her or its guests, residents or invitees, or regardless of any negligence, originating from the Unit. The personal liability of a Unit Owner must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by the insurance required by this subsection, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment and other fixtures and furnishings. If a Unit Owner does not purchase or produce evidence of such required insurance, the Board may purchase the insurance coverage and charge the premium cost back to the Unit Owner. In no event shall the Board be liable to any person either with regard to its decision not to purchase such insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained. Additionally, each Unit Owner shall have the right, at such Owner's expense, to obtain insurance for his or her own Unit and for his or her own benefit and to obtain insurance coverage upon such Unit Owner's personal property and for such Unit Owner's personal liability (in

addition to the personal liability as contemplated above) as well as upon any permitted betterments and improvements made by such Unit Owner to his or her Unit.

Section 8.6     Insurance Trustee.

(a) All physical damage insurance policies purchased by the Board of Directors shall provide that, with respect to any single loss, if the proceeds thereof exceed One Hundred Thousand Dollars (\$100,000.00), then all such proceeds shall be paid in trust to such bank, insurance company, trust company or other agency, with trust powers, located in the State of Wisconsin, as may be designated by the Board of Directors (which trustee herein is referred to as the "Insurance Trustee"). If such proceeds do not exceed One Hundred Thousand Dollars (\$100,000.00), then all such proceeds shall be paid to the Board of Directors to be applied pursuant to the provisions of Article IX of these Bylaws.

(b) The Board of Directors shall enter into an Insurance Trust Agreement with the Insurance Trustee chosen by the Board of Directors. Such Insurance Trust Agreement shall provide that the Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same, in trust, for the purposes stated in these Bylaws for the benefit of the insureds and their beneficiaries.

Section 8.7     Board of Directors as Agent. By acceptance of the deed to his or her Unit, each Unit Owner shall be deemed to have appointed the Unit Owners' Association as his or her attorney-in-fact for the purpose of purchasing and maintaining the above-described policies of insurance, including, where applicable, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

ARTICLE IX

Repair and Reconstruction After Fire or Other Casualty

Section 9.1     General Requirements.

(a) When Repair and Reconstruction are Required. Except as provided in paragraph (b) of this Section, in the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Condominium (excluding only betterments and improvements supplied or installed by or other personal property of the Unit Owners in the Units). Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the interior cosmetic redecoration of his or her own Unit.

By acceptance of the deed to a Unit, each Unit Owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Unit Owners' Association by unanimous consent pursuant to Section 2.14 of these Bylaws and shall constitute the determination by the Unit Owners and the Association to repair or reconstruct as required by the

Act. If, notwithstanding the foregoing provisions and except as provided in paragraph (b) of this Section, such a determination is submitted to the vote of the Unit Owners, then the vote of one Unit Owner shall be sufficient to determine to repair or reconstruct.

(b) When Reconstruction is not Required. If the Condominium is destroyed by fire or other casualty to an extent more than the available insurance proceeds and if within one hundred twenty (120) days after the date of such destruction Unit Owners owning Units to which at least seventy-five (75%) of the votes in the Unit Owners' Association appertain and Eligible Mortgagees holding two-thirds of all Eligible Mortgages owned in the Condominium agree to waive and terminate the Condominium regime, the Condominium shall be subject to an action for partition, in which event the net proceeds of sale and the insurance policies, if any, shall be considered as one fund, and distributed by the Board of Directors or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Unit Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on such Unit Owner's Condominium Unit, in the order of the priority of such liens. Until the execution of judgment partitioning the Condominium, each Unit Owner, and his or her heirs, personal representatives, successors or assigns, shall have an exclusive right of occupancy of that part of the Condominium which formerly constituted his or her Unit.

#### Section 9.2 Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any part of the Condominium, the Board of Directors shall obtain detailed estimates of reconstruction and repair costs so as to restore the Condominium to a condition as good as that existing before such fire or other casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary or desirable.

(b) Casualty Assessments. If the proceeds of insurance maintained by the Board of Directors are not sufficient to defray the estimated costs of reconstruction and repair and reconstruction is required, or if at any time during reconstruction and repair, the funds for the payment thereof are insufficient, special casualty assessments in sufficient amounts to provide payment of such costs shall be levied by the Board of Directors. Such special casualty assessments shall not be allocated among Units in the manner provided in Section 5.4 hereof (relating to special assessments relating to repair or replacement of Limited Common Elements), but shall instead be deemed to be a general obligation of all Unit Owners; accordingly, the Board of Directors shall levy such special casualty assessments against all Unit Owners in proportion to the each Units' obligation to pay Common Expenses. Special casualty assessments shall not require the approval of the Unit Owners' Association, anything in these Bylaws to the contrary notwithstanding.

(c) Determination Amount of Special Casualty Assessment; Use of Reserve Funds. If the Board of Directors determines that the repair or reconstruction of any portion of the Condominium (including one or more Buildings) after a casualty will, upon completion, materially reduce the necessity of maintaining any reserve fund at its then current level, the Board of Directors may utilize such reserve fund to the extent it deems appropriate to reduce or

eliminate the amount of any special casualty assessment. Any savings resulting therefrom shall be attributed to the Unit Owners owning Units benefitted by any such reserve fund.

(d) Plans and Specifications. Any reconstruction or repair of the Condominium in accordance with this Article shall be made substantially in accordance with the plans and specifications under which the Condominium originally was constructed, subject to the requirements of applicable law at the time of such reconstruction or repair.

### Section 9.3 Disbursements.

(a) Construction Fund. The net proceeds of insurance collected on account of casualty, together with any sums received by the Board of Directors from collections of special casualty assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner: If the estimated cost of reconstruction and repair is One Hundred Thousand Dollars (\$100,000.00) or less, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; if the estimated cost of reconstruction and repair is more than One Hundred Thousand Dollars (\$100,000.00), then the construction fund shall be disbursed in payment of such costs by the Insurance Trustee upon approval of an architect qualified to practice in the State of Wisconsin and employed by the Insurance Trustee to supervise such reconstruction and repair, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by the various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with such reconstruction and repair and stating that: (a) the sums requested by them in payment are justly due and owing and do not exceed the value of the services and materials furnished; (b) there is no other outstanding indebtedness known to such architect for the services and materials described; and (c) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(b) Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners who paid special casualty assessments levied pursuant to Section 9.2 hereof in proportion to their payments, and if special casualty assessments were not levied, any balance shall be disbursed in the same manner as surplus common assessments are disbursed pursuant to Section 4 of Article V hereof.

(c) Common Elements. When damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of replacing and repairing those portions of the Common Elements which enclose and/or service the Units, next to the cost of replacing and repairing the perimeter walls of the Units, next to the cost of replacing and repairing the other Common Elements, and the balance, if any, to the cost of replacing and repairing the Units.

(d) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President (or the Vice President) and the Secretary of the Unit Owners' Association, certifying (i) whether the damaged property is required to be reconstructed and repaired, (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund, and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 9.4 Common Elements: When Reconstruction Is Not Required. If the Board of Directors elects not to repair insubstantial damage to the Common Elements, the Board of Directors shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Condominium and the balance of any insurance proceeds received on account of such damage shall be distributed among all Unit Owners in proportion to their respective Percentage Interests.

## ARTICLE X Condemnation

In the event of a taking under the power of eminent domain, the allocation of the award and the obligation of the Association to repair or reconstruct shall be as set forth in Section 703.19 of the Act, as amended or renumbered from time to time, and generally in accordance with the procedure for casualty repairs described in Section 9.2 and Section 9.3 of these Bylaws.

## ARTICLE XI Mortgagees

Section 11.1 Notices. Whenever so requested in writing by an Eligible Mortgagee, the Board of Directors promptly shall report to such Eligible Mortgagee (a) any sixty (60) day delinquency in the payment of assessments due by the Unit Owner of the mortgaged Unit, (b) any material damage to such Unit or to the Common Elements, and of any condemnation or similar proceeding which may affect the Eligible Mortgagee, (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (d) any proposed action requiring the consent of Eligible Mortgagees in the Section of the Declaration captioned "Approval of Mortgagees".

Section 11.2 Representation at Association Meetings. All Eligible Mortgagees or their representatives shall be entitled to attend meetings of the Unit Owners' Association and shall have the right to speak thereat.

## ARTICLE XII Compliance and Default

Section 12.1 Unit Owners Subject to Act, Declaration, Bylaws and Rules and Regulations. All Unit Owners shall be governed by and shall comply with the provisions of the Act, the Declaration, these Bylaws and the Rules and Regulations, as any of the same may be amended from time to time. A default by a Unit Owner shall entitle the Unit Owners' Association or Declarant to the relief as provided in this Article.

Section 12.2 Legal Proceedings. An action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of assessments, any other relief provided for in these Bylaws or in the Declaration, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, may be sought by the Unit Owners' Association, the Board of Directors, the Managing Agent, or Declarant shall not constitute an election of remedies.

Section 12.3 Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

Section 12.4 Fines. The Board of Directors may levy reasonable fines against Unit Owners for violations of the Rules and Regulations, the Condominium Documents or the Act by the Unit Owner, his or her family members, guests, invitees, employees and/or agents. No fine may be levied for more than one percent (1%) of such Unit Owner's annual assessment for any one (1) violation; but each day a violation continues after notice is given to the Unit Owner is a separate violation. If a Unit Owner requests in writing a hearing before the fine is imposed, the imposition of the fine shall be suspended until hearing before the Board of Directors is held. Fines are special assessments and shall be collectible as such.

Section 12.5 No Waiver of Rights. The failure of the Unit Owners' Association or Declarant to enforce any right, provision, covenant or condition which may be granted by the Act, the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of the right of the Unit Owners' Association or Declarant to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Unit Owners' Association or to Declarant pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such rights as may be granted to such party by the Condominium Act, the Declaration, these Bylaws or the Rules and Regulations, or at law or in equity. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

Section 12.6 Abatement and Enjoinment of Violations by Unit Owners. The violation of any Rule or Regulation adopted by the Board of Directors, or any breach of these Bylaws or the breach of any provision of the Act or the Declaration shall give the Unit Owners' Association and Declarant the right, in addition to any other rights set forth in these Bylaws (i) to enter the Unit in which or as to which such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that constitutes such violation and neither the Board of Directors nor Declarant shall thereby be deemed guilty in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, as provided by law.

Section 12.7 Grievance Procedure.



(a) The Board of Directors or any Unit Owner may file a written complaint with the Secretary of the Unit Owners' Association against another Unit Owner, (expressly excluding, however, Declarant, unless Declarant consents thereto) or the Association for violation of the Act, the Declaration, these Bylaws and any Rules and Regulations promulgated hereunder. Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties therefor and the hearing procedure to the Unit Owner complained of by personal delivery or by certified mail, return receipt requested. The Unit Owner complained of may within fifteen (15) days of the delivery or mailing of the notice file a written answer with the Secretary admitting or denying the allegations of the notice. If, within the time period allowed, the Unit Owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If, within the time period allowed, the Unit Owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held no more than thirty (30), but not less than fourteen (14) days, after delivery or mailing of a notice of hearing to the parties.

(b) Upon delivery or mailing of the notice of hearing, the President of the Unit Owners' Association shall appoint the Grievance Committee. The Grievance Committee shall consist of Unit Owners who are not members of the Board of Directors, relatives of the Unit Owner complaining or complained of, witnesses at the hearing or persons otherwise interested in the hearing.

(c) The hearing shall be conducted by the Grievance Committee. The parties and the Grievance Committee shall be entitled to examine and cross-examine witnesses. When summoned by the Grievance Committee to do so, it shall be the obligation of each Unit Owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal and conformity to the legal rules of evidence shall not be required. Within seven (7) days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary which shall be binding upon the Unit Owners.

(d) Upon a determination by the Grievance Committee that a violation has occurred, the Board of Directors may, without limiting any other rights set forth in the Bylaws, impose a fine as described in Section 12.4 above.

### ARTICLE XIII Miscellaneous

Section 13.1 Amendments. These Bylaws may be amended by the agreement of Owners of Units to which at least two-thirds (2/3) of the votes in the Unit Owners' Association appertain and in the manner provided by Section 703.10(5) of the Act. For purposes of this Section 1, the total number of votes in the Unit Owners' Association shall be computed as though the Condominium were fully expanded under Article V of the Declaration until the tenth anniversary of the recording of this Declaration. No amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or the Declaration. An amendment once adopted as provided for herein shall then constitute part of the official Bylaws of the Condominium, and all Unit Owners shall be bound to abide by such modification or amendment. Anything herein to the contrary notwithstanding, and subject to any limitations imposed by the Act (with specific reference to Section 703.10 thereof), and except as required to

comply with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans' Administration or any other governmental or quasi-governmental agency insuring or involved in the making or purchasing of Mortgages of any Unit,

(a) so long as Declarant is the only Unit Owner, Declarant may amend these Bylaws without the consent or approval of any party;

(b) so long as Declarant shall be the Unit Owner of Units to which at least twenty-five percent (25%) of the Percentage Interests in the Unit Owners' Association appertain (determined in accordance with Section 3.1(e)) and so long as not less than ten (10) years has expired from the date of the first conveyance to any purchaser of any Unit in the Condominium, Section 3.1 shall not be amended without the consent in writing of Declarant;

(c) so long as Declarant owns one or more Units or the Expansion Lands, or any part thereof, no amendment to these Bylaws shall be adopted that could unreasonably interfere with the sale, lease or other disposition by Declarant of Unit(s) in the Condominium or that could abridge, modify, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Declarant hereunder or which would impose any discriminatory charge or fee against Declarant;

(d) no amendments to these Bylaws shall be adopted that could abridge, modify, eliminate or otherwise affect any privilege granted or reserved by the provisions of these Bylaws to Eligible Mortgagees; and

(e) this Section 13.1 shall not be amended except with the unanimous agreement of all of the Unit Owners in the Unit Owners' Association.

Section 13.2 Execution. Unless otherwise provided by a resolution of the Board of Directors, any documents or instruments, including, without limitation, amendments to these Bylaws or the Declaration, executed on behalf of the Unit Owners' Association shall be properly executed if signed by the President or Vice President and attested to by one other officer of the Unit Owners' Association.

Section 13.3 Notices. Except as otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid, or otherwise as the Act may require or permit, (i) if to a Unit Owner, at the address that the Unit Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Unit Owners' Association, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 13.4 Merger. Any merger or consolidation of the Unit Owners' Association with another corporation shall require the agreement of Owners of Units to which at least eighty

percent (80%) of the votes in the Unit Owners' Association appertain and, to the extent applicable, shall be accomplished in compliance with the provisions of Sections 703.10(5) and 703.275 of the Act and Section 10.4 of the Declaration.

Section 13.5 Invalidity. The invalidity of any portion of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 13.6 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

**EXHIBIT A**

**LEGAL DESCRIPTION OF CONDOMINIUM PROPERTY**

Lot 2 of Certified Survey Map No. 11595 recorded as Document No. 4130650 in the Dane County Register of Deeds Office.

## EXHIBIT B

### CHART OF MAINTENANCE RESPONSIBILITIES

| <u>Item:</u>  | <u>Association<br/>Responsibility</u> | <u>Owner<br/>Responsibility</u> |
|---|---------------------------------------|---------------------------------|
| Driveway  | X                                     |                                 |
| Mailbox   | X                                     |                                 |
| Unit Exterior Lighting (electricity and light bulbs)  |                                       | X                               |
| Common Element Lighting (electricity and light bulbs) | X                                     |                                 |
| Landscaping – Common Elements                         | X                                     |                                 |
| Landscaping – Private Yard Areas                      |                                       | X                               |
| Sewer System (maintenance of laterals)                |                                       | X                               |
| Sewer System (fees)                                   |                                       | X                               |
| Water System  |                                       | X                               |
| Parking Access Gates                                  | X                                     |                                 |
| Garage Door and Related Mechanical Equipment, if any  |                                       | X                               |
| Common Doors  | X                                     |                                 |
| Unit Doors  |                                       | X                               |
| Screens (house and porch)                             |                                       | X                               |
| Windows   |                                       | X                               |
| Sliding Glass Doors                                   |                                       | X                               |
| Public & Common Element Sidewalks/Walkways            | X                                     |                                 |
| Individual Unit Sidewalks/Walkways                    |                                       | X                               |
| Front Stoop/Steps (maintenance*)                      |                                       | X                               |
| Front Stoop/Steps (structural)                        | X                                     |                                 |
| Decks and/or Balconies (maintenance*)                 |                                       | X                               |
| Decks and/or Balconies (structural)                   |                                       | X                               |
| Roof  | X                                     |                                 |
| Gutters/Leaders                                       | X                                     |                                 |
| Exterior Painting                                     | X                                     |                                 |
| Fences  | X                                     |                                 |
| Private Road(s)                                       | X                                     |                                 |
| Significant Trees                                     | X                                     |                                 |

\*Maintenance includes snow removal, sweeping, and similar items.

**EXHIBIT C-1**  
**INITIAL PERCENTAGE INTERESTS (COMMON EXPENSES)**

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| G        | 1        | 5.848%                      |
|          | 2        | 5.026%                      |
|          | 3        | 4.038%                      |
|          | 4        | 4.038%                      |
|          | 5        | 4.282%                      |
|          | 6        | 5.806%                      |
|          | 7        | 5.806%                      |
|          | 8        | 4.282%                      |
|          | 9        | 5.026%                      |
|          | 10       | 5.848%                      |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| H        | 11       | 5.848%                      |
|          | 12       | 5.026%                      |
|          | 13       | 4.038%                      |
|          | 14       | 4.038%                      |
|          | 15       | 4.282%                      |
|          | 16       | 5.806%                      |
|          | 17       | 5.806%                      |
|          | 18       | 4.282%                      |
|          | 19       | 5.026%                      |
|          | 20       | 5.848%                      |

**EXHIBIT C-2**  
**INITIAL PERCENTAGE INTERESTS (SPECIAL ASSESSMENTS)**

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| G        | 1        | 7.312%                      |
|          | 2        | 6.284%                      |
|          | 3        | 3.256%                      |
|          | 4        | 3.256%                      |
|          | 5        | 3.458%                      |
|          | 6        | 4.690%                      |
|          | 7        | 4.690%                      |
|          | 8        | 3.458%                      |
|          | 9        | 6.284%                      |
|          | 10       | 7.312%                      |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| H        | 11       | 7.312%                      |
|          | 12       | 6.284%                      |
|          | 13       | 3.256%                      |
|          | 14       | 3.256%                      |
|          | 15       | 3.458%                      |
|          | 16       | 4.690%                      |
|          | 17       | 4.690%                      |
|          | 18       | 3.458%                      |
|          | 19       | 6.284%                      |
|          | 20       | 7.312%                      |





AMENDMENT TO THE BYLAWS

OF

HILDALE ROW CONDOMINIUM ASSOCIATION, INC.

The undersigned, being a director of the Hildale Row Condominium Association, Inc., a Wisconsin nonstock corporation (the "Association"), does hereby certify that the Association adopted the following amendment to its Bylaws, pursuant to Section 13.1 thereof, on the 14<sup>th</sup> day of September, 2006.

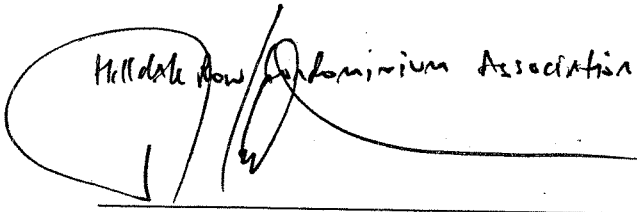
Exhibits

RESOLVED, that Exhibits A, C-1 and C-2 of the Bylaws are hereby amended and replaced in their entirety with the Exhibits A, C-1 and C-2 attached hereto.

FURTHER RESOLVED, that Section 6.5(e) of the Bylaws pertaining to parking spaces is hereby amended and replaced in its entirety with the following:

"6.5(e). If, after the transfer of all Units comprising the Condominium from the Declarant to the Unit Owners, any parking spaces remain which have not been assigned to specific Unit Owners as Limited Common Elements, such parking spaces shall become General Common Elements as set forth in the Declaration. Parking spaces designated as General Common Elements, if any, shall be used for self service parking purposes for visitors only on a first come, first serve basis, unless otherwise determined by the Board of Directors. Until the last Unit is sold, Declarant may use the parking spaces for sales and marketing purposes. No Unit Owner shall park on the Common Element parking spaces, if any. Also, no more than one vehicle may be used by a Unit Owner's visitors without the prior written consent of the Board of Directors and no such vehicle shall be permitted to park overnight on the Common Element parking spaces, if any, for a period of more than seven consecutive days or for more than ten (10) days in any consecutive thirty (30) day period."

IN WITNESS WHEREOF, this Amendment has been duly executed by the undersigned and is effective as of the aforementioned date to be filed as part of the minutes of the Association.

  
Hildale Row Condominium Association

**EXHIBIT A**

**LEGAL DESCRIPTION OF CONDOMINIUM PROPERTY**

Lot Two (2) and Three (3) of Certified Survey Map No. 11595  
recorded in the Dane County, Wisconsin, Register of Deeds Office  
in Volume 70 of Certified Survey Maps, Page 341, as Document  
No. 4130650 in the City of Madison, Dane County, Wisconsin.

PINS: 251/0709-201-2104-6 and 251/0709-201-2105-4

**EXHIBIT C-1**

**PERCENTAGE INTERESTS (COMMON EXPENSES)**

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| G        | 1        | 2.924%                      |
|          | 2        | 2.513%                      |
|          | 3        | 2.019%                      |
|          | 4        | 2.019%                      |
|          | 5        | 2.141%                      |
|          | 6        | 2.903%                      |
|          | 7        | 2.903%                      |
|          | 8        | 2.141%                      |
|          | 9        | 2.513%                      |
|          | 10       | 2.924%                      |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| H        | 11       | 2.924%                      |
|          | 12       | 2.513%                      |
|          | 13       | 2.019%                      |
|          | 14       | 2.019%                      |
|          | 15       | 2.141%                      |
|          | 16       | 2.903%                      |
|          | 17       | 2.903%                      |
|          | 18       | 2.141%                      |
|          | 19       | 2.513%                      |
|          | 20       | 2.924%                      |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| I        | 21       | 2.924%                      |
|          | 22       | 2.513%                      |
|          | 23       | 2.019%                      |
|          | 24       | 2.019%                      |
|          | 25       | 2.141%                      |
|          | 26       | 2.903%                      |
|          | 27       | 2.903%                      |
|          | 28       | 2.141%                      |
|          | 29       | 2.513%                      |
|          | 30       | 2.924%                      |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| J        | 31       | 2.924%                      |
|          | 32       | 2.513%                      |
|          | 33       | 2.019%                      |
|          | 34       | 2.019%                      |
|          | 35       | 2.141%                      |
|          | 36       | 2.903%                      |
|          | 37       | 2.903%                      |
|          | 38       | 2.141%                      |
|          | 39       | 2.513%                      |
|          | 40       | 2.924%                      |

**EXHIBIT C-2**

**INITIAL PERCENTAGE INTERESTS (SPECIAL ASSESSMENTS)**

| <b>Building</b> | <b>Unit No.</b> | <b>Initial Percentage Interest</b> |
|-----------------|-----------------|------------------------------------|
| G               | 1               | 3.656%                             |
|                 | 2               | 3.142%                             |
|                 | 3               | 1.628%                             |
|                 | 4               | 1.628%                             |
|                 | 5               | 1.729%                             |
|                 | 6               | 2.345%                             |
|                 | 7               | 2.345%                             |
|                 | 8               | 1.729%                             |
|                 | 9               | 3.142%                             |
|                 | 10              | 3.656%                             |

| <b>Building</b> | <b>Unit No.</b> | <b>Initial Percentage Interest</b> |
|-----------------|-----------------|------------------------------------|
| H               | 11              | 3.656%                             |
|                 | 12              | 3.142%                             |
|                 | 13              | 1.628%                             |
|                 | 14              | 1.628%                             |
|                 | 15              | 1.729%                             |
|                 | 16              | 2.345%                             |
|                 | 17              | 2.345%                             |
|                 | 18              | 1.729%                             |
|                 | 19              | 3.142%                             |
|                 | 20              | 3.656%                             |

| <b>Building</b> | <b>Unit No.</b> | <b>Initial Percentage Interest</b> |
|-----------------|-----------------|------------------------------------|
| I               | 21              | 3.656%                             |
|                 | 22              | 3.142%                             |
|                 | 23              | 1.628%                             |
|                 | 24              | 1.628%                             |
|                 | 25              | 1.729%                             |
|                 | 26              | 2.345%                             |
|                 | 27              | 2.345%                             |
|                 | 28              | 1.729%                             |
|                 | 29              | 3.142%                             |
|                 | 30              | 3.656%                             |

| Building | Unit No. | Initial Percentage Interest |
|----------|----------|-----------------------------|
| J        | 31       | 3.656%                      |
|          | 32       | 3.142%                      |
|          | 33       | 1.628%                      |
|          | 34       | 1.628%                      |
|          | 35       | 1.729%                      |
|          | 36       | 2.345%                      |
|          | 37       | 2.345%                      |
|          | 38       | 1.729%                      |
|          | 39       | 3.142%                      |
|          | 40       | 3.656%                      |