

# HARBOR HOUSE CONDOMINIUMS

802 Harbor House Drive  
Madison, Wisconsin 53719

## CONDOMINIUM DISCLOSURE MATERIALS

This booklet contains materials required by Wisconsin Law to be disclosed to prospective purchasers of condominium units at Harbor House Condominiums before the units are first offered for public sale. This information is provided for your protection and assistance. You should be sure to read it carefully.

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**DECLARANT:**

Harbor House Equities LLC  
c/o Bruner Realty & Management, Inc.  
632 Struck Street  
Madison, Wisconsin 53719

**DECLARANT'S AGENT:**

Bruner Realty & Management, Inc.  
632 Struck Street  
Madison, Wisconsin 53719

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THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISIONS CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY, WITH THE EXCEPTION OF THE EXECUTIVE SUMMARY, BE RELIED UPON AS CORRECT AND BINDING. FOR A COMPLETE UNDERSTANDING OF THE EXECUTIVE SUMMARY, CONSULT THE DISCLOSURE DOCUMENTS TO WHICH THE PARTICULAR EXECUTIVE SUMMARY STATEMENT PERTAINS. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE. IF THE SELLER DELIVERS LESS THAN ALL OF THE DOCUMENTS REQUIRED, YOU MAY, WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THE DOCUMENTS, DELIVER A REQUEST FOR ANY MISSING DOCUMENTS. IF YOU TIMELY DELIVER A REQUEST FOR MISSING DOCUMENTS YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING THE EARLIER OF EITHER THE RECEIPT OF THE REQUESTED DOCUMENTS OR THE SELLER'S DEADLINE TO DELIVER THE REQUESTED DOCUMENTS CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

## HARBOR HOUSE CONDOMINIUMS, INC.

### Index to Disclosure Materials

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

Begins on:

1. Executive Summary: The executive summary highlights for a buyer of a condominium unit essential information regarding the condominium  
Page 4
2. Declaration: The Declaration establishes and describes the Condominium, the Units and the Common Areas.  
Page 6
3. Articles of Incorporation: The operation of the Condominium is governed by the Association of which each Unit Owner is a member. Powers, duties and operation of the Association are specified in the Articles of Incorporation.  
Page 34
4. By-Laws: The By-Laws contain rules which govern the Condominium and affect the rights and responsibilities of Unit Owners.  
Page 38
5. Rules and Regulations: The use of the Condominium is governed by rules adopted under the By-Laws.  
Page 50
6. Management or Employment Contracts: Certain services may be provided to the Condominium under contract with individuals or private firms.  
Page 56
7. Annual Operating Budget: The Association incurs expenses for the operation of the Condominium. The operating budget is an estimate of those expenses which are assessed to the Unit Owners in addition to their other ownership expenses, such as mortgage payments, real estate taxes, insurance and utilities. Actual expenses may vary from the budgeted amounts.  
Page 64
8. Expansion: The Declarant has reserved the right to expand the Condominium in the future. This section describes the plan for expansion and its effect on Unit Owners.  
Page 66

9. Map and Floor Plan: A floor plan of the Unit being offered for sale and a map of the Condominium showing the location of the Unit you are considering and all facilities and common areas which are part of the Condominium are included.

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10. Engineer's Property Report: The Declarant has provided a report prepared by an independent engineer, describing the present condition of those structural components and mechanical and electrical installations that are material to the use and enjoyment of the building, and an estimate of the useful life of each item.

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11. Declarant Statement Regarding Notices: The Declarant states that as of June 1, 2006, to the best of its knowledge, there are no outstanding notices or uncured violations or building codes or other municipal regulations.

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12. Amendments to Condominium Documents: The condominium documents may be amended to facilitate expansion of the condominium or other changes to the condominium. This section contains the amendments to the documents that have been made to date.

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## HARBOR HOUSE CONDOMINIUMS

### Executive Summary

- Condominium identification.* The name of the condominium is "Harbor House Condominiums". It is located at 701-926 Harbor House Drive, 7102-7211 Flagship Drive, 2-13 Captains Court and 802-906 Kottke Drive, Madison, Wisconsin.
- Expansion plans.* The original condominium consists of 48 Dwelling Units and 66 Parking Units. The Declarant intends to gradually expand the condominium by adding the remaining 192 apartment units of Harbor House Apartments to the condominium. The total number of Dwelling Units, if expansion is fully implemented, is 240. The total number of Parking Units if expansion is fully implemented is 326. The deadline for implementation of the expansion is ten (10) years from the date of the recording of the declaration of condominium.
- Governance.* The condominium is governed by Harbor House Condominiums, Inc., a Wisconsin non-stock corporation (the "Association"). The Association has retained Bruner Realty & Management, Inc., 632 Struck Street, Madison, WI. 53719 to manage the condominium. Jay Bruner of Bruner Realty & Management, Inc. may be contacted regarding the condominium in general. His telephone number is (608) 273-9390.
- Special Amenities.* The condominium has a swimming pool and clubhouse with fitness center which are owned by the Association and are available to all Unit Owners. The cost of such amenities is paid by the Association and charged to the Unit Owners as part of their dues.
- Maintenance and repair of units.* A Unit Owner is obligated to repair and maintain his/her unit.
- Maintenance, repair and replacement of common elements.* The common elements are maintained, repaired and replaced by the Association.
- Rental of units.* Units may be leased or rented for residential purposes for an initial term of at least six months, and may be leased by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure for term of at least one month. No unit shall be leased or rented for hotel or transient purposes. A copy of any lease must be provided to the Association. The Declarant may continue leasing Units during the condominium conversion process.
- Unit alterations.* A Unit Owner may make improvements and alterations to a unit, provided such alterations do not impair the structural soundness or integrity or lessen the support of any portion of the condominium, do not reduce the value of the condominium, and do not impair an easement.
- Parking.* The Association will maintain exterior surface parking for the Unit Owners and may designate visitor parking in specified areas. The Association may make rules concerning the use of such parking. There are Parking Units in the basements of several of

the buildings, which Parking Units may be sold. There are monthly fees assessed to the owners of the Parking Units.

10. *Pets.* No pet, other than one (1) dog, cat or other usual household pet not exceeding 35 lbs. in weight, may be kept in a Dwelling Unit without the prior written consent of the association.

11. *Reserves.* The Association is creating reserve accounts to help finance anticipated future repairs and replacements of the common elements. This is not a statutory reserve account. The Association has elected not to create a statutory reserve account.

12. *Fees on New Units.* The Declarant shall be exempt from payment of monthly assessments on Units owned by it during the period of Declarant's control as specified in Article XV hereof, provided however, that during such time, if the total estimated monthly assessments paid by Unit Owners shall not cover the total Common Expenses, Declarant shall pay the deficit. The total assessment against the Units that are not exempt from assessments may not exceed the amount that equals the nonexempt Units' budgeted share of common expenses set form in the annual budget.

13. *Amendments.* A Unit Owner's rights and responsibilities may be altered by amendments to the declaration and by-laws. The Declarant may amend the declaration to expand the condominium without owners approval. The declaration may otherwise be amended by written consent or vote of at least two-thirds of the Unit Owners and mortgagees of those units. An amendment is not effective until it is recorded in the office of the Dane County Register of Deeds. Amendments to the by-laws require a vote of at least 67% of the total unit votes.

14. *Other restrictions or features.* The Association does not allow a Dwelling Unit to be occupied by more than two people per bedroom in the Dwelling Unit.

**HARBOR HOUSE CONDOMINIUMS  
DECLARATION**

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**DECLARATION OF CONDOMINIUM**  
of  
**HARBOR HOUSE CONDOMINIUMS**

This Declaration is made under and pursuant to the Condominium Ownership Act of the State of Wisconsin (hereinafter "Act") as found in Chapter 703, Wisconsin Statutes (2003-04), as amended, by Harbor House Investments LLC, (hereinafter referred to as "Declarant").

**ARTICLE I**  
**STATEMENT OF PURPOSE**

The purpose of this Declaration is to subject the property hereinafter described and the improvements thereon (hereinafter collectively "Condominium") to the condominium form of ownership in the manner provided by the Act. It is intended that all provisions contained herein shall be deemed to run with the land and shall constitute benefits and burdens to the Declarant and to its successors in interest.

**ARTICLE II**  
**DESCRIPTION, NAME, RESTRICTIONS, AND DEFINITIONS**

2.01 Legal Description. The real estate subject to this Declaration is owned by Declarant and is described on Exhibit I attached hereto.

2.02 Name and Address. The name of the Condominium is "Harbor House Condominiums" and has as its address 802 Harbor House Drive, Madison, Wisconsin 53719

2.03 Covenants, Conditions, Restrictions, and Easements. The Condominium shall be, on the date this Declaration is recorded, subject to:

- (1) General taxes not yet due and payable;
- (2) Easements and rights in favor of gas, electric, telephone, water, and other utilities;
- (3) All other easements, covenants, and restrictions of record;
- (4) All municipal, zoning, and building ordinances; and
- (5) All other governmental laws and regulations applicable to the Condominium.

2.04 Definitions. Except as modified herein, the definitions contained in the Act shall govern in the interpretation of this Declaration.

**ARTICLE III**  
**UNITS**

3.01 Definition. "Unit" shall mean a part of the Condominium intended for any type of independent use, including one or more cubicles of air at one or more levels of space of one

or more rooms of enclosed spaces located on one of more floors (or parts thereof) in a building. There are two categories of Units: Dwelling Units and Parking Units.

3.02 Dwelling Unit Description. A Dwelling Unit in Harbor House Condominiums shall include:

- (1) One or more contiguous or non-contiguous cubicles of air, including the perpetual right of ingress thereto and egress therefrom. The exterior boundaries of the cubicles shall be the vertical planes, the elevations of which coincide with the face of the studs supporting the drywall, and in the basement areas shall be the inner face of the foundation walls of the building. The upper boundary of such cubicles shall be the horizontal plane of the lower face of the joists supporting the ceiling on the highest story of the cubicle. The lower boundary of a first floor Dwelling Unit shall be the horizontal plane of the upper face of the joists (or of the concrete, if it is a concrete floor) on the lowest level of a first floor. The lower boundary of a second floor Dwelling Unit shall be the horizontal plane of the flooring upon which the celledrete flooring is poured. All celledrete flooring whether on the first floor or second floor is a part of the Dwelling Unit.
- (2) The following items which serve the particular Dwelling Unit although they may be outside the defined cubicle of air:
  - (a) All doors and windows, their interior casements, and all of their opening, closing, and locking mechanisms and hardware;
  - (b) All wall and ceiling mounted electrical fixtures and recessed junction boxes serving them;
  - (c) All floor, wall, baseboard, or ceiling electrical outlets and switches and the junction boxes serving them;
  - (d) All water heaters, plumbing fixtures and the piping, valves, and other connecting and controlling materials and devices lying between the fixtures and main water or sewage lines to the lowest story of the Dwelling Unit;
  - (e) The cable television outlet, if any, to the Dwelling Unit and the junction box serving it;
  - (f) The individual furnaces or ducting, the radiator, and the piping providing heating to the Dwelling Unit, and the controls for the heating system of the Dwelling Unit;
  - (g) The air conditioning equipment and ducting providing air conditioning to the Dwelling Unit, and the controls for the air conditioning system of the Dwelling Unit;



- (h) The lines, if any, bringing natural gas or similar fuel to the Dwelling Unit, which lines extend from the utility meter to the boundary of the Dwelling Unit; and
  - (i) The venting lines and ducting for any clothes dryer, kitchen fan or bathroom fan serving the Dwelling Unit.
- (3) Specifically not included as part of the Dwelling Unit are those structural components of the building and any portions of the mechanical systems of the building, not specifically included in the Dwelling Unit under (2), above, which lie within the cubicle or cubicles of air comprising the Dwelling Unit. For purposes of this subsection, partition walls shall not be considered structural components.

3.03 Parking Unit Description. A Parking Unit in Harbor House Condominiums shall include:

- (1) A cubicle of air, including the perpetual right of ingress thereto and egress therefrom. Parking Units are located below ground in the basements of all buildings. With respect to the below ground Parking Units, the exterior boundaries of the cubicles shall be the vertical planes, the elevations of which coincide with the Parking Unit designations on the Condominium Plat. The upper boundary of such cubicles shall be the horizontal plane of the lower face of the concrete ceiling. The lower boundary shall be the horizontal plane of the upper face of the concrete floor in the basement area.
- (2) Specifically not included as part of the Parking Unit are those structural components of the building and any portions of the mechanical systems of the building, not specifically included in the Parking Unit under (2) or (3), above, which lie within the cubicle of air comprising the Parking Unit. For purposes of this subsection, partition walls shall not be considered structural components.

3.04 Identification. Units shall be identified by the building, street number, or location, the determination of which alternative shall be as specified on the "Condominium Plat" of Harbor House Condominiums, which plat shall be recorded contemporaneously with this Declaration. A copy of the Condominium Plat is attached hereto as Exhibit II.

#### ARTICLE IV COMMON ELEMENTS

4.01 Definition. "Common Elements" shall mean all of the Condominium except the Units.

4.02 Description. The Harbor House Condominiums Common Elements shall include the land described in Exhibit I, any portion of the improvements to the land described in Exhibit I which is not included in the definition of Unit, and all tangible personal property used in the operation, maintenance, and management of the Condominium.

4.03 Use. Except as otherwise provided herein, and subject to the By-Laws of the "Association", as hereinafter defined, and subject to any rules and regulations adopted by the Association, the Common Elements shall be available for the use and enjoyment of or service to owners of all Units.

4.04 Ownership. There shall be appurtenant to the Units an undivided interest in the Common Elements in the percentages specified in Exhibit IV attached hereto.

## **ARTICLE V LIMITED COMMON ELEMENTS**

5.01 Definition. "Limited Common Elements" shall mean those Common Elements identified in this Declaration and on the Condominium Plat as reserved for the exclusive use of one or more but less than all of the owners of Units.

5.02 Description. The Harbor House Condominiums Limited Common Elements and the Dwelling Unit or Units to which their use is reserved are identified on the Condominium Plat and shall include any of the following: patios and decks. Pursuant to Section 703.14, Wisconsin Statutes (2003-04), as amended, any owner of a Dwelling Unit to which the use of any Limited Common Element is restricted may grant by deed, subject to the rights of any existing mortgagee or secured party, the use of the Limited Common Element to any other "Unit Owner," as hereinafter defined. Such deed must be recorded in the Dane County Register of Deeds office, and a copy thereof must be supplied to the Association. After any such grant, the grantor shall have no further right to use the specified Limited Common Element.

5.03 Use. Except as otherwise provided herein, the manner of use of the Limited Common Elements shall be determined solely by the Unit Owner or Owners, who have the exclusive use of such Limited Common Elements.

## **ARTICLE VI USES**

The Units, Limited Common Elements, and Common Elements of the condominium shall be used for residential purposes only, and shall not be used for any trade or business. The leasing or renting of a Unit for residential purposes for an initial term of at least six (6) months shall not be considered a violation of this provision; nor shall the leasing of a Unit for a term of at least one (1) month by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure be considered a violation of this provision; provided, however, that no Unit shall be leased or rented for hotel or transient purposes. The use of units as sale models by the Declarant shall not be considered a violation of this provision.

The Declarant has an absolute right to rent its Units in the Condominium, for terms of not less than 30 days. So long as the Declarant has title to any Unit in the Condominium, the Association may not impose any rule impinging upon the Declarant's right to rent its Units nor may the Association impose any special charge or fee arising from, or due to, the Declarant's rental of Units in the Condominium.

Notwithstanding anything to the contrary contained herein, the use of the Units, Limited Common Elements, and Common Elements shall comply with the City of Madison Ordinances and any other restrictions as contained in the Association By-Laws and any rules and regulations adopted by the Association.

Parking Units may not be occupied for dwelling purposes. Parking Units may be conveyed in conjunction with the conveyance of Dwelling Units. Parking Units may be conveyed separately from the conveyance of Dwelling Units, only if such conveyance is to an existing owner of a Dwelling Unit. Any conveyance of a Parking Unit in violation of this provision shall be void.

No use of a Unit may unreasonably interfere with the use and enjoyment of the Common Elements or other Units by other Unit Owners. There shall be no storage of material, and there shall be no conduct of any activity, which would increase the insurance rates on the Condominium. Any and all attorney fees and other expenses incurred by the Association in the enforcement of this provision shall be reimbursed by the Unit Owner in violation and may be assessed against such Owner's Unit.

#### **ARTICLE VII UNIT OWNER**

A "Unit Owner" shall mean a person, combination of persons, partnership, corporation, or other legal entity, which holds legal title to a Unit; provided, however, that in the event equitable ownership has been conveyed in the Unit by means of a land contract or other similar documents, "Unit Owner" shall mean the land contract purchaser. The Declarant shall be included in the definition of Unit Owner with regard to Dwelling Units on which an occupancy permit has been issued by the City of Madison.

#### **ARTICLE VIII ASSOCIATION**

8.01 Definition. "Association" shall mean Harbor House Condominiums, Inc., a Wisconsin non-stock corporation.

8.02 Duties and Obligations. All Unit Owners shall be entitled to become and shall be required to become members of the Association and subject to its Articles of Incorporation, By-Laws, and Rules and Regulations adopted by it for the use and management of the Condominium. By becoming members of the Association, Unit Owners automatically assign the management and control of the Common Elements of the Condominium to the Association.

8.03 Voting. Each Dwelling Unit shall be entitled to one (1) indivisible vote in the Association, subject however, to suspension as provided herein. Parking Units shall not be entitled to any votes. If a Dwelling Unit is owned by more than one (1) person, the vote for the Unit shall be cast as agreed by the persons who have an ownership interest in the Dwelling Unit, and if only one such person is present it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event they cannot agree on the manner in which the vote is to be cast, no vote may be accepted from the Unit. As provided in Article

VII hereof, one who holds a land contract purchaser's interest or any other such equitable interest in a Unit shall be considered the Unit Owner. However, for purposes of being eligible to vote as a member of the Association, the land contract or other document establishing the equitable interest, or an instrument providing constructive notice of such interest, must be recorded in the Dane County Register of Deeds office.

## ARTICLE IX REPAIRS AND MAINTENANCE

9.01 Dwelling Units. Each Unit Owner shall be responsible for the decoration, furnishing, housekeeping, maintenance, repair and replacement of the Owner's Dwelling Unit.

9.02 Parking Units. With respect to below ground Parking Units, the Association shall be responsible for the sweeping and cleaning of such Units. The Owner grants to the Association a permanent easement over and across the Parking Units for the purpose of sweeping and cleaning thereof. Below ground Parking Units shall not be used for storage of anything other than operable motor vehicles and watercraft.

9.03 Limited Common Elements. Each Unit Owner shall be responsible for the decoration, furnishing, housekeeping, general cleanliness, and presentability of the Limited Common Elements which use is reserved to the Unit. The Association shall be responsible for the maintenance, repairs, and replacement of the limited common elements.

9.04 Common Elements. Except as hereinabove provided, the Association shall be responsible for the decoration, furnishing, housekeeping, maintenance, repair, and replacement of the Common Elements.

9.05 Entry by Association. The Association may enter any Unit and Limited Common Elements at reasonable times and under reasonable conditions when necessary in connection with any maintenance, construction, or repair of public utilities, fireplace chimneys and vents, and for any other matter for which the Association is responsible. Prior notice to the Unit Owner shall be attempted, and the entry shall be made with as little inconvenience to the Unit Owner as possible under the circumstances. Any damage caused thereby shall be repaired by the Association and shall be treated as a "Common Expense," as hereinafter defined.

## ARTICLE X STRUCTURAL CHANGES

10.01 Limitations. A Unit Owner may make improvements or alterations within his/her Unit; provided, however, such improvements or alterations do not impair the structural soundness or integrity or lessen the support of any portion of the Condominium, do not reduce the value of the Condominium, and do not impair any easement. A Unit Owner may not change the exterior appearance of a Unit or any portion of the Common Elements (including Limited Common Elements) without obtaining the written permission of the Association Board of Directors. Any improvement or alteration which changes the floor plan or room dimensions of a Unit must be evidenced by the recording of a modification to the Harbor House Condominiums Plat before it shall be effective and must comply with the then-legal

requirements for such purpose. Furthermore, any approved improvements or alterations must be accomplished in accordance with applicable laws and regulations, must not unreasonably interfere with the use and enjoyment of other Units and Limited Common Elements or the Common Elements, and must not be in violation of any underlying mortgage, land contract, or similar security interest.

10.02 Expenses. All expenses involved in such improvements or alterations, including alterations, including expenses to the Association, which it may charge as a special assessment to the affected Units, shall be borne by the Unit Owners involved.

## ARTICLE XI INSURANCE

11.01 Property Insurance. The Association shall obtain and maintain property insurance for the Units, including the interiors of the Units as they are configured at the time of the initial sale from Declarant, such insurance to include coverage of the plumbing fixtures, lighting fixtures, cabinets, countertops, appliances, heating and air conditioning equipment, floor covering and drywall. The Association shall also obtain and maintain property insurance for the Common Elements, including Limited Common Elements. Such insurance shall include protection for the perils of fire, extended coverage, vandalism, and malicious mischief, on a replacement cost basis for an amount not less than the full replacement value of the insured property. The Association shall be the named insured with Unit Owners and the Mortgagees of Units as additional insureds. For purposes of this provision and for the Declaration, "Mortgagee" shall mean the holder of any recorded mortgage encumbering one or more Units, or a land contract seller.

11.02 Liability Insurance. The Association shall maintain comprehensive general liability insurance against all claims commonly insured against and in such amounts as the Association shall deem suitable; provided, however, the minimum limits for bodily injury and property damage shall be \$1,000,000. The policies shall include standard coverage for the errors and omissions of Association directors and officers. Such policies shall also contain "severability of interest" endorsements which shall preclude the insurer from denying the claim of a Unit Owner because of negligence on the part of the Association or other Unit Owners.

11.03 Fidelity Insurance. The Association shall maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. The Association shall be the named insured, and the insurance shall be in an amount of not less than one hundred percent (100%) of the Association's reserves.

11.04 Administration. Any and all premiums associated with the insurance purchased by the Association shall be Common Expenses. The Association shall act as the trustee for the purpose of obtaining insurance coverage and for the receipt, application, and disbursement of proceeds. All insurance shall be obtained from generally acceptable insurance carriers, which carriers must meet the guidelines established by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

11.05 Unit Owners' Insurance. Maintenance of insurance by the Association shall not

relieve or prohibit Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks. Unit Owners shall, and are required, to maintain adequate insurance on their personal property. Unit Owners are encouraged to submit copies of the disclosure materials to their insurance carriers in order to ensure adequate property and liability coverages on their personal property, Units, and Limited Common Elements appurtenant to such Units.

11.06 Disbursement. Insurance proceeds shall first be disbursed by the trustees for the repair or restoration of the damaged Common Elements, and the Unit Owners and Mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless the Association has determined not to rebuild, or a court has ordered partition of the Condominium property, or there is a surplus of insurance proceeds after the Common Elements have been completely repaired or restored.

11.07 Commencement. All insurance required by this Declaration shall be purchased and maintained by the Association commencing on or before the date of the sale of the first Unit.

## **ARTICLE XII REPAIR OR RECONSTRUCTION**

In the event the Common elements are totally or partially destroyed, the Association shall within fifteen (15) days of the date of damage determine whether the Condominium is damaged to an extent more than the available insurance proceeds. Once determined, the Association shall promptly notify the Unit Owners and first Mortgagees in writing of the adequacy or inadequacy of the insurance. Within ten (10) days of receipt of the notice, the Unit Owners and first Mortgagees shall have the opportunity to decide whether the Condominium should be partitioned. Partition shall only occur by the affirmative vote of Unit Owners representing at least seventy-five percent (75%) of the votes available in the Association, and by the affirmative vote of the first Mortgagees on at least fifty-one percent (51%) of the Units. In case of such partition, the net proceeds of sale, together with the net proceeds of insurance, shall be considered as one fund and shall be divided among all Unit Owners in proportion of their percentage interests in the Common Elements and shall be distributed in accordance with the priority of interests in each Unit. In the event the required seventy-five percent (75%) and fifty-one percent (51%) affirmative votes are not cast within the ten (10) day period, the Association shall promptly undertake to repair or reconstruct the damaged property to a condition compatible with the remainder of the Condominium. Upon reconstruction, the Association may vary the design, plan, and specifications of the Common Elements from that of the original; provided, however, that the number of square feet of any Unit may not vary by more than five percent (5%) from the number of square feet for such Unit as originally constructed and, provided further, that the location and floor plan of the damaged buildings shall be substantially the same as they were prior to the damage. In the event insurance proceeds are insufficient to pay the estimated or actual costs of reconstruction, the shortage shall be considered a Common Expense, and the Association shall have the responsibility and the right to levy assessments against the Unit Owners as provided herein.

### ARTICLE XIII EMINENT DOMAIN

In the event of taking of any of the Common Elements under the power of eminent domain, the provisions of Section 703.19, Wisconsin Statutes (2003-04) as amended, shall control; provided, however, the affirmative vote of the first Mortgagees on at least two-thirds of the Units will also be required in order to partition the Condominium; and provided further, if Limited Common Elements are taken, the same shall be reconstructed by the Association if practical to do so.

### ARTICLE XIV COMMON EXPENSES

14.01 Liability of Unit Owner. The Association shall establish an annual operating budget. Each Unit Owner shall be liable for the share of expenses of the Association assessed against such Owner's Unit. These expenses ("Common Expenses") shall be allocated among the Units in proportion to their ownership of the Common Elements, as specified on Exhibit III.

14.02 Late Fees. The Association may impose late fees upon any Unit Owner that does not timely pay an amount due to the Association, in the manner specified in the By-Laws, as amended from time to time. The initial late fee amount shall be the greater of \$25.00 or 10% of the amount of any amount due that is not paid by the 10<sup>th</sup> day after its due date.

14.03 Enforcement. The assessments of Common Expenses, together with such interest as the Association may impose in the By-Laws for delinquencies and with the costs of collection and actual attorney fees, constitute a lien on the Units against which they are assessed. Attachment, filing, effectiveness, priority, and enforcement of the lien shall be as provided in Section 703.16, Wisconsin Statutes (2003-04), as amended.

14.04 Suspension of Voting Rights. If any assessment of Common Expenses is delinquent and a "Statement of Condominium Lien" as described in Section 703.16(9), Wisconsin Statutes (2003-04), as amended, has been recorded against a Unit, the Association may suspend the voting rights of the delinquent Unit Owner. A delinquency resulting in the filing of a Statement of Condominium Lien against a Unit shall constitute an act of default under any mortgage secured by the Unit.

4.05 Unit Sale. Except as otherwise provided herein, unpaid Common Expenses assessed against a Unit shall be a joint and several liability of the seller and purchaser in a voluntary transfer of the Unit if a statement of Condominium lien covering the delinquency shall have been recorded prior to the transfer.

14.06 Lien for Non-payment. The Association shall have a lien, from the date an assessment is made, upon any Unit for assessments made against that Unit, which assessments remain unpaid. The lien shall secure payment of the assessment, interest, and costs of collection, including reasonable attorney fees. The lien may be recorded in the Dane County Register of Deeds office by an instrument executed by the Association and may be foreclosed. The Unit Owner shall be personally liable for all unpaid assessments, interest, and costs of

collection. This liability shall not terminate upon transfer of ownership or upon abandonment by the Unit Owner. When any lien is foreclosed, if the Unit Owner remains in possession of the Unit, he/she shall pay a reasonable rental value of the Unit. The Association shall be entitled to the appointment of a receiver of the Unit, as a matter of strict right. Assessments shall be paid without offset or deduction. No Unit Owner may withhold payment of any assessment or any part thereof because of any dispute which may exist among a Unit Owner, the Association, the Declarant, or any of them. Rather, the Unit Owner shall pay all assessments pending resolution of any dispute.

14.07 Foreclosure. In the event the Mortgagee of a first mortgage of record or any other purchaser of a Unit obtains title to the Unit as a result of foreclosure of a mortgage, or as a result of a conveyance in lieu of foreclosure, such purchaser or his/her successors and assigns shall not be liable for the total share of Common Expenses or assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner, which Common Expenses or assessments became due prior to the acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible proportionately from all of the Unit Owners.

14.08 Installment Payment. Except for items such as insurance premiums which must be prepaid, assessments shall be paid in advance, in the form of a monthly maintenance fee determined by a budget of Common Expenses prepared by the Association, which budget shall include a reserve for deferred maintenance and a reserve for replacement. Special assessments for items not provided for in the budget shall be paid at such time or times, in a lump sum, or in such installments, as the Association may determine.

14.09 Assessments against Declarant. The Declarant shall be exempt from payment of monthly assessments on Units owned by it during the period of Declarant's control as specified in Article XV hereof, provided however, that during such time, if the total estimated monthly assessments paid by Unit Owners shall not cover the total Common Expenses, Declarant shall pay the deficit. The total assessment against the Units that are not exempt from assessments may not exceed the amount that equals the nonexempt Units' budgeted share of common expenses set form in the annual budget.

14.10 Reserve Fund. The Declarant elects not to establish a statutory reserve account. The Association shall establish and maintain a reserve fund for payment of nonrecurring operating contingencies. Each annual condominium budget shall include funding for the reserve fund, at a level determined appropriate by the Association. The Association shall address at the first annual meeting of the Association held after, or at a special meeting of the Association held within one year after the expiration of the period of Declarant control, whether to establish a statutory reserve account.

## **ARTICLE XV POWERS OF DECLARANT**

15.01 Declarant Control. Except as provided in Section 703.15(2)(d), Wisconsin Statutes (2003-04), as amended, Declarant reserves the right to appoint and remove officers and directors of the Association and to exercise the powers and responsibilities of the Association,



its members, and its directors until the earlier of either of the following shall occur: (i) expiration of ten (10) years from the date this Declaration is recorded; or (ii) thirty (30) days after conveyance of seventy-five percent (75%) of the Common Elements to purchasers of Units in the Condominium. During this period, Declarant shall have the full and exclusive right to take all action on behalf of the Association, including but not limited to, the right to (a) enter into leases of Units, (b) make contracts and agreements on behalf of the Association for the maintenance, operation, and management of the Condominium, (c) determine, levy, and collect assessments, (d) grant easements, and (e) enact and enforce rules and regulations for the use of the Condominium. If entered into before the officers elected by the Unit Owners take office, any contracts or agreements entered into by Declarant on behalf of the Association with Declarant or an affiliate of Declarant which are not bona fide or which are not commercially reasonable to Unit Owners when entered into under the circumstances then prevailing, may be terminated by the Association or its executive board at any time without penalty upon not less than 90 days notice to the other party thereto. Notwithstanding the foregoing, this provision shall not apply to any lease, the termination of which would terminate the Condominium.

1.5.02 Termination of Control. Upon termination of the above-specified period, or upon the earlier, voluntary relinquishment of control by Declarant, control of the Association shall be turned over to the Unit Owners; provided, however, Declarant reserves the right to name one member, who may be a non-Unit Owner, of the Board of Directors until all Units have been conveyed to Unit Owners in fee simple. Notwithstanding any provision to the contrary, Declarant reserves the following rights: (i) to continue any unfinished development work on any unsold Unit and on the Limited Common Elements and Common Elements (including obtaining any necessary easements therefor); (ii) to conduct promotional and sales activities using unsold Units and the Limited Common Elements and Common Elements, which activities shall include but need not be limited to maintaining sales and management offices, model Units, parking areas, and advertising signs; and (iii) to do all other acts Declarant shall deem reasonably necessary in connection with the development and sale of the remaining Units. Declarant shall also have the right to grant easements over, through, or under any part of the Condominium for the benefit of the Condominium as a whole or any part thereof.

#### **ARTICLE XVI RIGHT TO EXPAND**

16.01 Reservation of Right. Declarant hereby reserves the right to expand the Condominium by adding all or a portion of the property described on Exhibit III attached hereto. Such right to expand may be exercised from time to time within ten (10) years from the date of recording, of this Declaration with the Dane County Register of Deeds office. Any such expansion shall be in the sole discretion of Declarant, and no Unit Owner or other person shall have the right to require the same.

16.02 Number, Location, and Style of Units. The maximum number of additional Dwelling Units shall be 192, from within the existing Harbor House Apartments. The total number of Dwelling Units after full expansion shall be 240. Additional Parking Units shall consist of up to 260 Units, and the total number of Parking Units after expansion shall be 326.

16.03 Effect on Percentage Interest in Common Elements. The percentage interests of

the Units in the common elements, the liabilities for common expenses and the rights to common surpluses following each addition of property to the condominium shall be equal. The number of votes appurtenant to each Unit following the addition of any property to the condominium shall be one.

16.04 Effective Date of Expansion. The Condominium shall be deemed expanded when an amendment to this Declaration is recorded in the Dane County Register of Deeds office, which amendment shows the new percentage interests of the Unit Owners and the votes which each Unit Owner may cast in the Condominium as expanded, and when an amendment to the Condominium Plat is recorded as required in Section 703.26, Wisconsin Statutes (2003-04), as amended.

16.05 Effect of Expansion. Upon the recording of an amendment to the Declaration and Condominium Plat, each Unit Owner, by operation of law, shall have the percentage interests in the Common Elements, liabilities in the Common Expenses, rights to Common Surpluses, and shall have the number of votes set forth in the Declaration amendment. Following any such expansion, the interest of any Mortgagee shall attach, by operation of law, to the new percentage interests in the Common Elements appurtenant to the Unit on which it has a lien. Declarant shall have an easement over, through, and under the existing Common Elements to facilitate the expansion; provided, however, any damage to the Common Elements because of Declarant's use of the easement shall be Declarant's responsibility.

## ARTICLE XVII AMENDMENTS

Except as otherwise provided herein, this Declaration may only be amended with the written consent of at least two-thirds of the Unit Owners and each Owner's consent shall not be effective unless approved by the mortgagee of the Unit; and provided, however, that no such amendment may substantially impair the security of any Unit Mortgagee. No amendment to the Declaration affecting the status or rights of the Declarant may be adopted without the written consent of Declarant. No amendment to this Declaration shall be effective until an instrument containing the amendment and stating that the required consents or votes were duly obtained, signed on behalf of the Association, and duly acknowledged or authenticated, is recorded with the Dane County Register of Deeds. For purposes of this provision and Declaration, each Unit shall have one (1) vote.

## ARTICLE XVIII NOTICES

18.1 Notice to Association. The person/entity to receive service of process for the Condominium Association shall be Bruner Realty & Management, Inc., 632 Struck Street, Madison, Wisconsin 53719, or such other person/entity as may be designated from time to time by the Association, which designation shall be filed with the Wisconsin Secretary of State's office.

18.2 Notice to Mortgagees. Any first mortgagee of a Unit, upon written request to the secretary of the Association, shall be entitled to notice of any default which is not cured within

sixty (60) days in the performance by an individual Unit Owner of any obligation under the condominium declaration, by-laws, rules and regulations, and related documents. Furthermore, the Association may voluntarily, without request, give such notices of delinquency to mortgagees of a Unit, as the Association deems appropriate.

#### **ARTICLE XIX REMEDIES**

If any Unit Owner fails to comply with all provisions of the Act, this Declaration, Association By-Laws, and Articles of Incorporation, or any rules and regulations promulgated by the Association, the Unit Owner may be sued for damages caused by the failure or for injunctive relief, or both, by the Association or by any other Unit Owner. In the event no damages are capable of being accurately determined, liquidated damages of One Hundred Dollars (\$100.00) may be assessed for each violation. Each day of violation shall constitute a separate violation for purposes of this Article. Any and all attorney fees and other expenses incurred by the Association in enforcing this provision shall be reimbursed by the Unit Owner in violation and may be assessed against such Owner's Unit. Individual Unit Owners shall have similar rights of action, but not reimbursement, against the Association.

#### **ARTICLE XX EASEMENTS**

Easements are reserved over, through and underneath the Common Elements for ingress and egress and for present and future utility services, including but not limited to, easements for water pipes sanitary sewer pipes, emergency sewer lines, storm drainage pipes, sprinkler pipes, electrical wires, TV wires, security wires, and street lights, whether or not shown on the exhibits attached hereto. Easements for such utility services are reserved to the Declarant and Unit Owners. Easements for ingress and egress are reserved to the Association in, over, and under the Units and Limited Common Elements, their ceilings, floors, and walls for the purpose of making any repairs which are the obligation of the Association. The Association shall be responsible for any damage resulting from such easements.

#### **ARTICLE XXI GENERAL**

21.01 Utilities. Each Unit Owner shall pay for his/her telephone, electrical, and other utility services which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

21.02 Encroachments. If any portion of a Unit, Limited Common Elements, or Common Elements encroaches upon another, an easement for the encroachment and its maintenance shall exist. In the event all or a portion of the Condominium is damaged and subsequently reconstructed, the Unit Owners shall allow encroachments on the Units, Limited Common Elements, or on the Common Elements during construction, and easements for such encroachments and their maintenance shall exist.

21.03 Invalidity of a Provision. If any of the provisions of this Declaration, of the Association's Articles of Incorporation, if any, of the Association's By-Laws, or of any rules and regulations adopted by the Association, or any portion thereof shall be determined to be invalid by a court of competent jurisdiction, the remaining provisions and portions thereof shall not be affected thereby.

21.04 Conflict in Condominium Documents. In the event a conflict exists among any provision of this Declaration, the Articles of Incorporation, if any, the By-Laws, or any administrative rules and regulations, or between any of them, this Declaration shall be considered the controlling document.

21.05 Warranties. The Declarant has made no warranty or representation in connection with the Condominium, except as specifically set forth in this Declaration. No person shall rely upon any warranty or representation unless contained in this Declaration. Any estimates of Common Expenses, taxes, or other charges shall be considered estimates only, and no warranty or guarantee of such amounts shall be made or relied upon.

21.06 No Right of First Refusal. The right of a Unit Owner to sell, transfer, or otherwise convey his/her Unit shall not be subject to any right of first refusal or similar restriction for the benefit of Declarant or the Association.

21.07 Homestead. The Condominium or any portion thereof shall not be deemed to be homestead property of the Declarant.

21.08. Mortgage Agencies – Special Amendments. It is intended that this Declaration comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration and the Veterans Administration (hereinafter jointly the "Mortgage Agencies"), and this Declaration shall be liberally interpreted to favor such compliance.

Upon written request from those Mortgage Agencies that have an interest or prospective interest in the Condominium, the Association shall prepare and furnish within a reasonable time, an audited financial statement of the Association for the immediately preceding fiscal year.

To the extent permissible, and notwithstanding any provision herein to the contrary, any lien of the Association for common expense charges and assessments being payable on or after the date of recordation of a first mortgage to or guaranteed by a Mortgage Agency, shall be subordinate to such first mortgage on the Unit. Such a lien for common expense charges and assessments shall not be affected by any sale or transfer of a unit, except that a sale or transfer of a unit pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for common expense charges and assessments which become payable prior to such sale or transfer. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor share of common expense upon being assessed therefore by the Association.

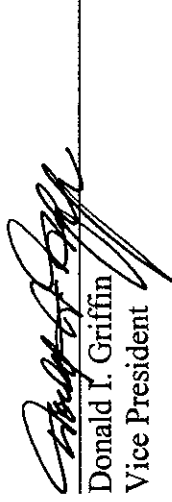


**MORTGAGEE CONSENT**

The undersigned M&I Marshall & Ilsley Bank, as mortgagee of the property described on Exhibit I and Exhibit III, does hereby consent to the foregoing Declaration of Condominium.

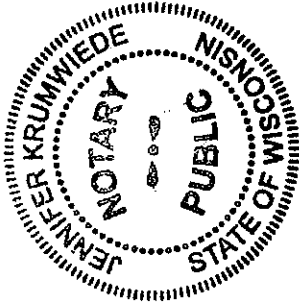
Dated this 30 day of August, 2006.

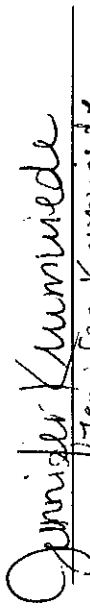
M&I Marshall & Ilsley Bank

  
Donald I. Griffin  
Vice President

STATE OF WISCONSIN    )  
                                  )ss  
COUNTY OF DANE    )

Personally came before me this 3<sup>rd</sup> day of August, 2006, Donald I. Griffin, Vice-President of M&I Marshall & Ilsley Bank, to me known to be the person who executed the foregoing Mortgagee Consent, and acknowledged that he executed the foregoing instrument.



  
Jennifer Krumwiede  
Notary Public, Dane County, Wisconsin.  
My commission expires May 24, 2009.

This instrument drafted by:  
Atty. Robert W. Kuehling  
Kuehling & Kuehling LLC  
131 W. Wilson Street, Suite 501  
Madison, WI 53703

**EXHIBIT I**

**LEGAL DESCRIPTION**

Part of Lots 15 and 17, Highland View Park, in the City of Madison, Dane County, Wisconsin, more particularly described as follows:

Commencing at the Southwest corner of said Lot 15; thence along the West line of said Lot 15, N 00°43'49" E, 213.00 feet to the point of beginning.

Thence continue along said West line of Lot 15, N 00°43'49" E, 295.00 feet; thence East, 270.00 feet; thence S 12°45'09" W, 302.44 feet; thence West, 207.00 feet to the point of beginning.

**EXHIBIT II**

**CONDOMINIUM PLAT**

A reduced copy of the Condominium Plat is attached hereto. The legibility of that copy may be impaired and you should make reference to the original plat recorded at the office of the Dane County Register of Deeds.



# HARBOR HOUSE CONDOMINIUMS PLAT (DANE COUNTY, WISCONSIN) WILLIAMSON SURVEYING CO., INC.

PART OF LOTS 15 AND 17, HIGHLAND VIEW PARK, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN,  
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 15; THENCE ALONG THE WEST LINE OF SAID LOT 15, N 00°43'49" E,  
213.00 FEET TO THE POINT OF BEGINNING.

THENCE CONTINUE ALONG WEST LINE OF LOT 15, N 00°43'49" E, 295.00 FEET; THENCE EAST, 270.00 FEET; THENCE  
S 12°45'09" W, 302.44 FEET; THENCE WEST, 207.00 FEET TO THE POINT OF BEGINNING.

### SURVEYOR'S CERTIFICATE

I, RONALD E. WILLIAMSON, REGISTERED LAND SURVEYOR, HEREBY CERTIFY THAT THIS PLAT IS A CORRECT REPRESENTATION  
OF THE CONDOMINIUM DESCRIBED, AND THAT THE IDENTIFICATION AND LOCATION OF THE UNITS AND THE COMMON AND LIMITED

COMMON ELEMENTS CAN BE DETERMINED FROM THE PLAT.

WILLIAMSON SURVEYING CO., INC.  
BY RONALD E. WILLIAMSON

*Ronald E. Williamson*  
RONALD E. WILLIAMSON S-1264  
PRESIDENT

RECEIVED FOR RECORDING THIS DAY OF \_\_\_\_\_, 2006 AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M, AND RECORDED IN  
VOLUME \_\_\_\_\_ OF \_\_\_\_\_ PAGES \_\_\_\_\_ AND \_\_\_\_\_

### LINE DATA TABLE

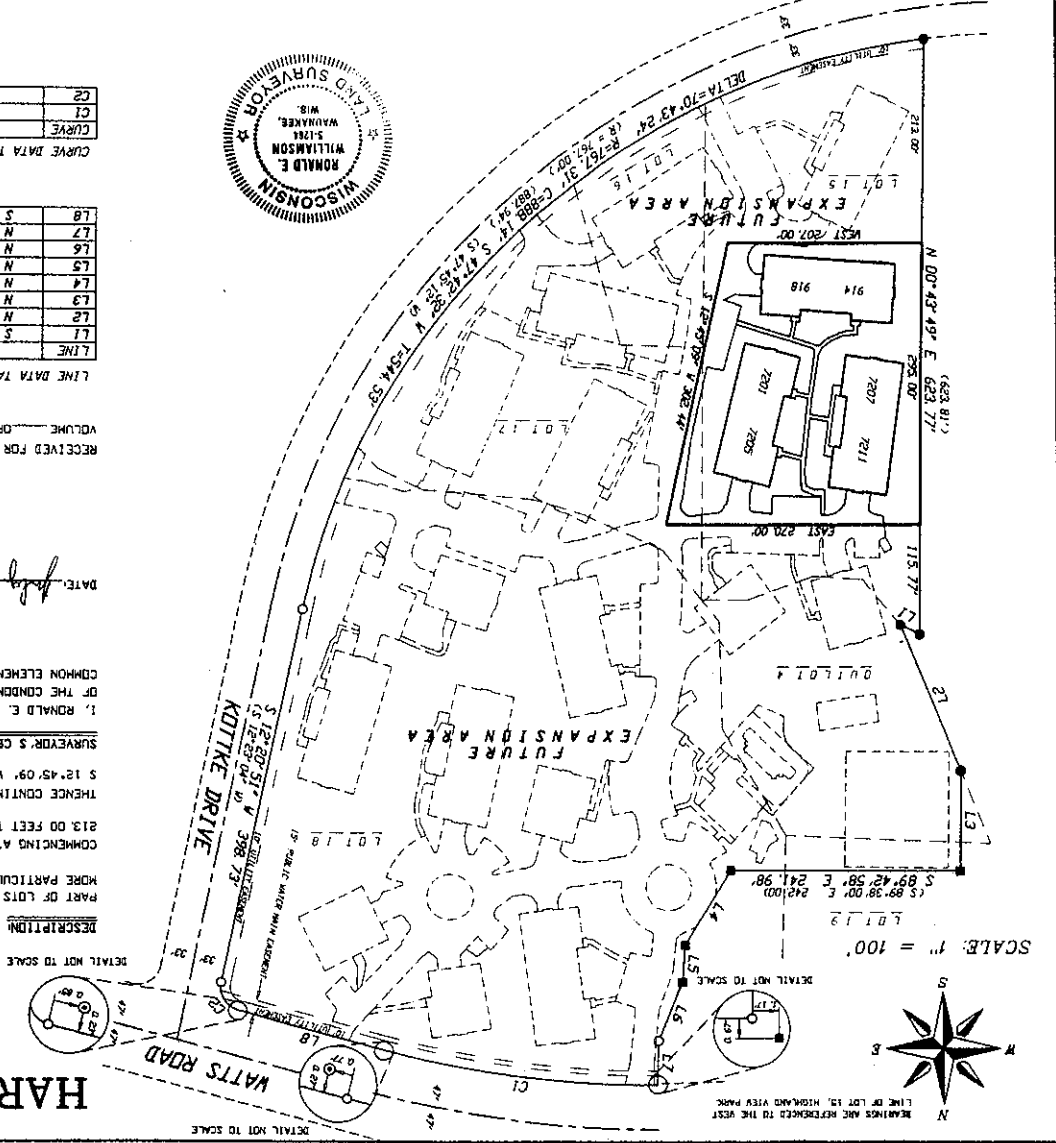
LINE	BEARING	DISTANCE
L1	S 63°01'17" E	22.31
L2	S 22°10'04" W	164.88
L3	N 00°43'19" E	103.53
L4	N 31°43'58" E	91.95
L5	N 04°58'07" E	38.99
L6	N 22°53'00" E	67.00
L7	N 01°24'31" E	47.27
L8	S 74°53'38" E	158.56

### CURVE DATA TABLE

CURVE	DELTA	RADIUS	CHORD LENGTH	CHORD BEARING	TAN LENGTH
C1	15°23'21"	1070.00	286.53	S 82°33'18" E	144.57
C2	87°14'00"	25.00	34.49	S 31°16'28" E	23.28

- LEGEND
- = SET 3/4" X 24" REBAR
  - = FOUND 3/4" REBAR
  - ⊙ = FOUND 1" IRON PIPE
  - ⊗ = FOUND 2" IRON PIPE
  - ⊘ = FOUND 4" IRON PIPE
  - < > = RECORDED AS DATA
  - LCE = LIMITED COMMON ELEMENT
  - CE = COMMON ELEMENT

JOB NO. 06W-198  
SHEET 1 OF 5





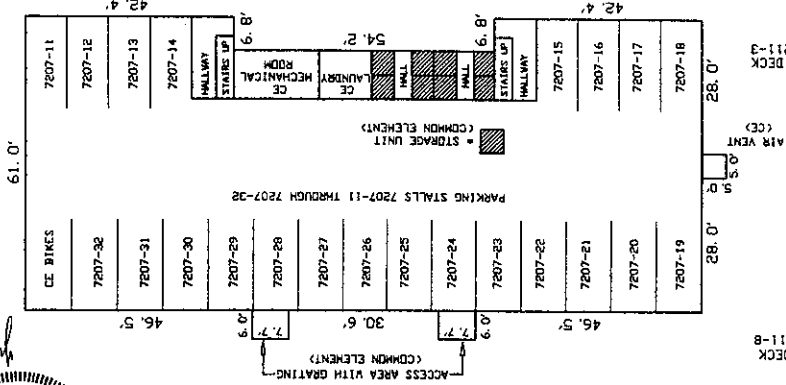
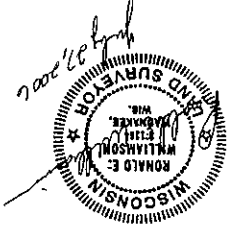


# HARBOR HOUSE CONDOMINIUMS PLAT

(DANE COUNTY, WISCONSIN)

WILLIAMSON SURVEYING CO., INC.

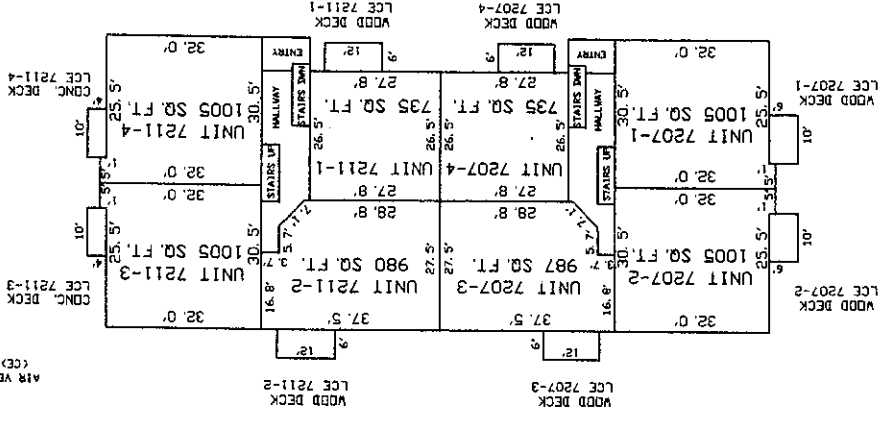
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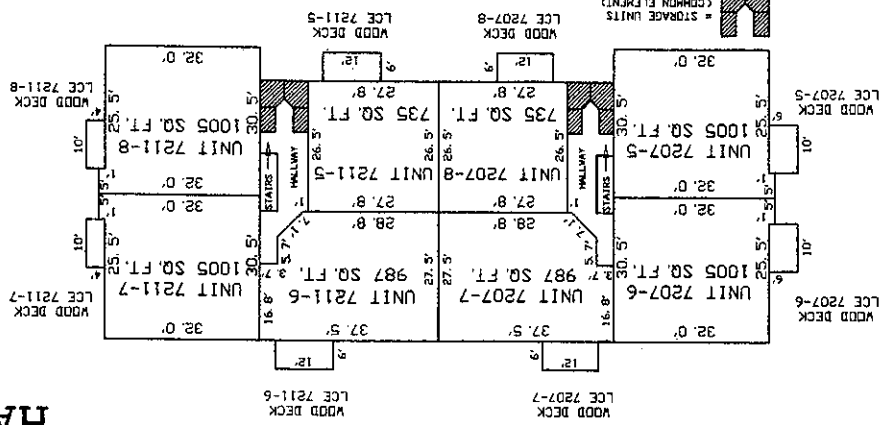
## GARAGE LEVEL

NOTE:  
 ALL HALLWAYS AND STAIRS ARE COMMON ELEMENT.  
 PARKING STALLS AND STAIRS ARE COMMON ELEMENT.  
 CE = COMMON ELEMENT

## FIRST FLOOR



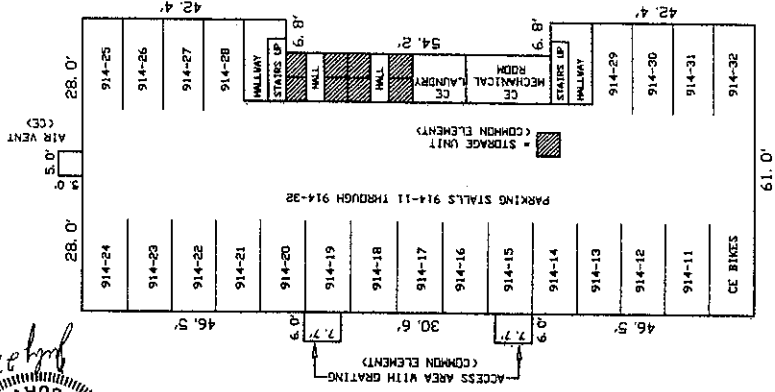
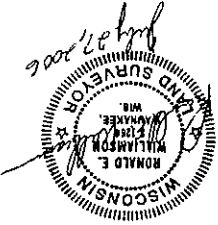
## SECOND FLOOR



# HARBOR HOUSE CONDOMINIUMS PLAT

(DANE COUNTY, WISCONSIN)  
WILLIAMSON SURVEYING CO., INC.

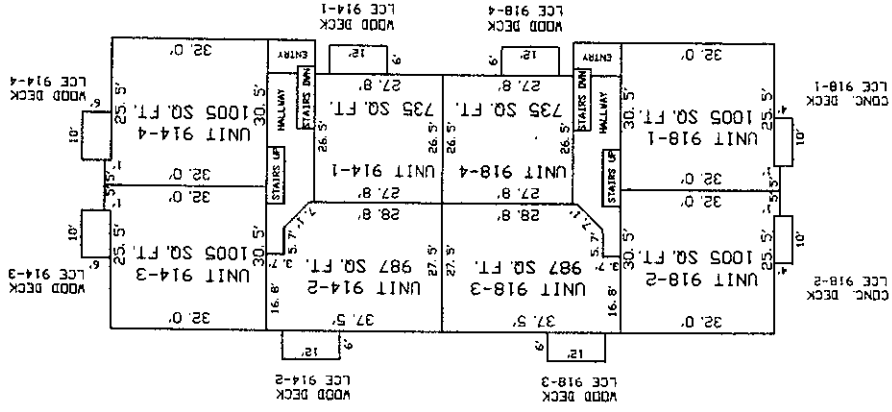
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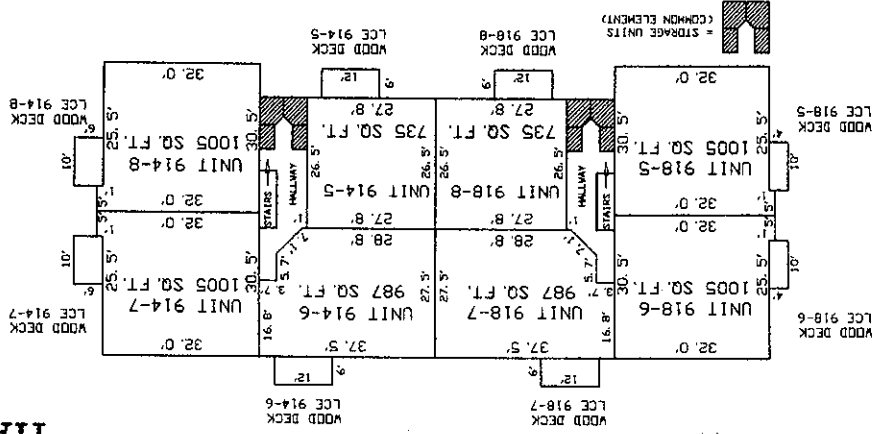
## GARAGE LEVEL

NOTE:  
ALL HALLWAYS AND STAIRS ARE COMMON ELEMENT.  
PARKING STALLS [REDACTED]  
CE = COMMON ELEMENT

## FIRST FLOOR



## SECOND FLOOR



### EXHIBIT III

#### EXPANSION AREA

Lots 15, 16, 17 and part of Lots 18 and 19, and part of Outlot 4, Highland Park View, in the City of Madison, Dane County, Wisconsin, more particularly described as follows:

Beginning at the southwest corner of said Lot 15; thence along the west line of said Lot 15, N 00°43'49" E, 308.00 feet; thence East, 240.00 feet; thence N 07°50'37" E, 201.87 feet; thence West, 265.00 feet to a point on the west line of said Lot 15; thence along the west line of said Lot 15, N 00°43'49" E, 115.77 feet; thence S 63°01'17" E, 22.31 feet; thence N 22°10'04" W, 164.88 feet; thence N 00°39'29" E, 103.53 feet; thence S 89°42'58" E, 242.00 feet; thence N 31°43'11" E, 91.94 feet; thence N 04°56'07" E, 39.00 feet; thence N 22°20'29" E, 67.00 feet; thence N 01°24'31" E, 47.27 feet; thence along the arc of a curve concaved southerly, having a radius of 1070.00 feet and a chord bearing S 82°35'18" E, a distance of 286.53 feet; thence S 74°53'38" E, 158.56 feet; thence along the arc of a curve concaved southwesterly, having a radius of 25.00 feet and a chord bearing S 31°16'26" E, a distance of 34.49 feet; thence S 12°20'51" W, 398.73 feet; thence along the arc of a curve concaved northwesterly, having a radius of 767.31 feet and a chord bearing S 47°42'32" W, a distance of 888.14 feet to the point of beginning.

**EXHIBIT IV**

**Appurtenant Common Element Ownership**

<u>Dwelling Unit Number</u>	<u>Common Element Ownership</u>	<u>Common Expense (Excluding Parking Unit Charges)</u>	<u>Share of Common Expense</u>
7201-1	2.16%		2.16%
7201-2	2.16%		2.16%
7201-3	2.16%		2.16%
7201-4	1.86%		1.86%
7201-5	2.16%		2.16%
7201-6	2.16%		2.16%
7201-7	2.16%		2.16%
7201-8	1.86%		1.86%
7205-1	1.86%		1.86%
7205-2	2.16%		2.16%
7205-3	2.16%		2.16%
7205-4	2.16%		2.16%
7205-5	1.86%		1.86%
7205-6	2.16%		2.16%
7205-7	2.16%		2.16%
7205-8	2.16%		2.16%
7207-1	2.16%		2.16%
7207-2	2.16%		2.16%
7207-3	2.16%		2.16%
7207-4	1.86%		1.86%
7207-5	2.16%		2.16%
7207-6	2.16%		2.16%
7207-7	2.16%		2.16%
7207-8	1.86%		1.86%
7211-1	1.86%		1.86%
7211-2	2.16%		2.16%
7211-3	2.16%		2.16%
7211-4	2.16%		2.16%
7211-5	1.86%		1.86%
7211-6	2.16%		2.16%
7211-7	2.16%		2.16%
7211-8	2.16%		2.16%
914-1	1.86%		1.86%
914-2	2.16%		2.16%
914-3	2.16%		2.16%
914-4	2.16%		2.16%
914-5	1.86%		1.86%

914-6	2.16%	2.16%
914-7	2.16%	2.16%
914-8	2.16%	2.16%
918-1	2.16%	2.16%
918-2	2.16%	2.16%
918-3	2.16%	2.16%
918-4	1.86%	1.86%
918-5	2.16%	2.16%
918-6	2.16%	2.16%
918-7	2.16%	2.16%
918-8	1.86%	1.86%
	<u>100% (rounded)</u>	<u>100% (rounded)</u>

<u>Parking Unit Number</u>	<u>Common Element Ownership</u>	<u>Parking Unit Charges<sup>1</sup></u>
----------------------------	---------------------------------	---

Parking Unit 7201-11	0	\$5 per month
Parking Unit 7201-12	0	\$5 per month
Parking Unit 7201-13	0	\$5 per month
Parking Unit 7201-14	0	\$5 per month
Parking Unit 7201-15	0	\$5 per month
Parking Unit 7201-16	0	\$5 per month
Parking Unit 7201-17	0	\$5 per month
Parking Unit 7201-18	0	\$5 per month
Parking Unit 7201-19	0	\$5 per month
Parking Unit 7201-20	0	\$5 per month
Parking Unit 7201-21	0	\$5 per month
Parking Unit 7201-22	0	\$5 per month
Parking Unit 7201-23	0	\$5 per month
Parking Unit 7201-24	0	\$5 per month
Parking Unit 7201-25	0	\$5 per month
Parking Unit 7201-26	0	\$5 per month
Parking Unit 7201-27	0	\$5 per month
Parking Unit 7201-28	0	\$5 per month
Parking Unit 7201-29	0	\$5 per month
Parking Unit 7201-30	0	\$5 per month
Parking Unit 7201-31	0	\$5 per month
Parking Unit 7201-32	0	\$5 per month
Parking Unit 7207-11	0	\$5 per month
Parking Unit 7207-12	0	\$5 per month
Parking Unit 7207-13	0	\$5 per month
Parking Unit 7207-14	0	\$5 per month

<sup>1</sup> The Parking Unit charge may be adjusted periodically by the Board of Directors to reflect the actual expenses of Parking Unit maintenance and repair, provided such charge shall in all events be equal for all Parking Units.



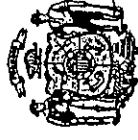
Parking Unit 7207-15	0	\$5 per month
Parking Unit 7207-16	0	\$5 per month
Parking Unit 7207-17	0	\$5 per month
Parking Unit 7207-18	0	\$5 per month
Parking Unit 7207-19	0	\$5 per month
Parking Unit 7207-20	0	\$5 per month
Parking Unit 7207-21	0	\$5 per month
Parking Unit 7207-22	0	\$5 per month
Parking Unit 7207-23	0	\$5 per month
Parking Unit 7207-24	0	\$5 per month
Parking Unit 7207-25	0	\$5 per month
Parking Unit 7207-26	0	\$5 per month
Parking Unit 7207-27	0	\$5 per month
Parking Unit 7207-28	0	\$5 per month
Parking Unit 7207-29	0	\$5 per month
Parking Unit 7207-30	0	\$5 per month
Parking Unit 7207-31	0	\$5 per month
Parking Unit 7207-32	0	\$5 per month
Parking Unit 914-11	0	\$5 per month
Parking Unit 914-12	0	\$5 per month
Parking Unit 914-13	0	\$5 per month
Parking Unit 914-14	0	\$5 per month
Parking Unit 914-15	0	\$5 per month
Parking Unit 914-16	0	\$5 per month
Parking Unit 914-17	0	\$5 per month
Parking Unit 914-18	0	\$5 per month
Parking Unit 914-19	0	\$5 per month
Parking Unit 914-20	0	\$5 per month
Parking Unit 914-21	0	\$5 per month
Parking Unit 914-22	0	\$5 per month
Parking Unit 914-23	0	\$5 per month
Parking Unit 914-24	0	\$5 per month
Parking Unit 914-25	0	\$5 per month
Parking Unit 914-26	0	\$5 per month
Parking Unit 914-27	0	\$5 per month
Parking Unit 914-28	0	\$5 per month
Parking Unit 914-29	0	\$5 per month
Parking Unit 914-30	0	\$5 per month
Parking Unit 914-31	0	\$5 per month
Parking Unit 914-32	0	\$5 per month

# HARBOR HOUSE CONDOMINIUMS

## Articles of Incorporation

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# ARTICLES OF INCORPORATION - NONSTOCK CORPORATION

(NOTE: Do not use this form for organizing a for-profit business corporation. Use Form 2)

Executed by the undersigned for the purpose of forming a Wisconsin nonstock corporation under Ch. 181 of the Wisconsin Statutes, repealed and recreated by 1997 Wisconsin Act 79:

Article 1. Name of the corporation: Harbor House Condominiums, Inc.  
(Must include "Inc." or similar word. See Instructions)

Article 2. The corporation is organized under Ch. 181 of the Wisconsin Statutes.

Article 3. Name of the initial registered agent: Jay C. Bruner

Article 4. Street address of the initial registered office: (The complete address, including street and number, if assigned, and ZIP code. P O Box address may be included as part of the address, but is insufficient alone.)

632 Struck Street

Madison, WI 53719

Article 5. Mailing address of the initial principal office: 632 Struck Street

Madison, WI 53719

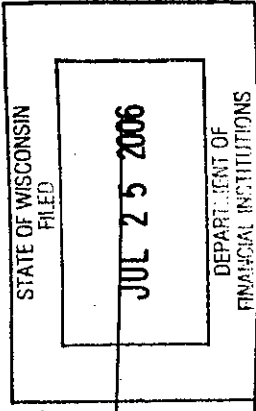
Article 6. (Select and mark (X) one of the statements below)

The corporation will have members. OR  The corporation will not have members.

(OPTIONAL) Article 7. Name and address of the initial directors (minimum of three):

Jay C. Bruner  
632 Struck Street  
Madison, WI 53719

Dan Sheffield  
632 Struck Street  
Madison, WI 53719



FILING FEE - \$35.00 See instructions, suggestions, and procedures on following pages.  
DFU/CORP/102(R11/02) Use of this form is voluntary.

W-111005 #042141

(OPTIONAL) Article 8. The purpose or purposes for which the corporation is organized:

To operate as a Condominium Owners Association under Wis. Stat. Section 703.15 (2003-04) as amended from time to time.

Article 9. Name and complete address of each incorporator:

Jay C. Bruner  
632 Struck Street  
Madison, WI 53719

  
\_\_\_\_\_  
Incorporator's signature

  
\_\_\_\_\_  
Incorporator's signature

This document was drafted by

Attorney Robert W. Kuehling

\_\_\_\_\_  
(Name the individual who drafted the document)

OPTIONAL - Second choice corporate name if first choice is not available: \_\_\_\_\_

INSTRUCTIONS (Ref. sec. 181.0202 Wis. Stats. for document content)

Submit one original and one exact copy to Department of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with the appropriate **FILING FEE of \$35**. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3<sup>rd</sup> Floor, Madison WI, 53703). Sign the document manually or otherwise as allowed under sec. 181.0120(2), Wis. Stats. **NOTICE:** This form may be used to accomplish a filing required or permitted by statute to be made with the department. Information requested may be used for secondary purposes. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TTY. This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

Article 1. The name must contain "corporation", "incorporated", "company", or "limited" or the abbreviation "corp.", "inc.", "co." or "ltd." or comparable words or abbreviations in another language. If you wish to provide a second choice name that you would accept if your first choice is not available, enter it in the "Optional" area on page 2.

Article 2. This statement is required by sec. 181.0202(1)(a).

Articles 3 & 4. The corporation must have a registered agent located at a registered office in Wisconsin. The address of the registered office is to describe the physical location where the registered agent maintains their business office. Set forth the street number and name, city and ZIP code in Wisconsin.

DFI/CORP/102I(R11/02)

ARTICLES OF INCORPORATION  
Nonstock Corporation

Attorney Robert W. Kuehling  
Kuehling & Kuehling LLC  
131 W. Wilson Street, Suite 501  
Madison, WI 53719

L

◆ Your name, return address and phone number during the day: ( 608 ) 257 - 1918

INSTRUCTIONS (Continued)

Articles 3 & 4. (Cont'd) P O Box addresses may be included as part of the address, but are insufficient alone. The corporation may not name itself as its own registered agent.

Article 5. The articles of incorporation must set forth the address of the corporation's principal office. "Principal office" means the office, whether in or outside Wisconsin, in which are located its principal executive offices.

Article 6. Select and check the appropriate box in article 5 to indicate if the corporation will or will not have members. A "member" means a person who has membership rights in a corporation in accordance with its articles of incorporation or bylaws.

Articles 7 & 8. These articles (or others you may wish to add) are provided for optional information that you may elect to include, such as the name and address of the initial directors, a purposes clause, tax-exempt provisions, etc. Do not include by-laws, as the department does not accept by-laws for record. Extensive additional provisions may make use of this pre-printed form impractical. If you elect to draft your own articles of incorporation, do not also submit the pre-printed form. (NOTE: *Corporations expecting to apply to Internal Revenue Service for federal TAX-EXEMPT STATUS are advised to obtain and read IRS Publication 557 "Tax-Exempt Status for Your Organization" before preparing these articles of incorporation, as the articles must contain particular language and provisions to meet federal tax code requirements.*)

Article 9. Enter the name and complete address of each incorporator. There may be one or more incorporators. At least one incorporator is required to sign the document, although all incorporators may sign.

No certificate of incorporation will be issued. The "FILED" endorsement applied to this document by the Department of Financial Institutions is evidence that the articles of incorporation have been accepted. One or more "Received" endorsements may appear on the document, but do not indicate its acceptance for filing.

If the document is executed in Wisconsin, sec. 182.01(3) provides that it shall not be filed unless the name of the person (individual) who drafted it is printed, typewritten or stamped thereon in a legible manner. If the document is not executed in Wisconsin, enter that remark.

DFV/CORP/102I(R11/02)

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HARBOR HOUSE CONDOMINIUMS

By-Laws

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**BY-LAWS**  
of  
**HARBOR HOUSE CONDOMINIUMS**

The following By-Laws apply to Harbor House Condominiums, Inc., created by a Declaration of Condominium recorded in Volume \_\_\_\_\_ of Records, beginning on page \_\_\_\_\_ and a Condominium Plat recorded in Volume \_\_\_\_\_ of Condominium Plats, beginning at page \_\_\_\_\_ in the Office of the Register of Deeds for Dane County, Wisconsin. These By-Laws incorporate by reference the said Declaration of Condominium and Condominium Plat, the Articles of Incorporation of Harbor House Condominiums, Inc., and the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes (2003-04). The By-Laws are intended to provide the structure necessary for the operation and maintenance of the Common Elements of the Condominium, to control and regulate the use and enjoyment of the Condominium for the benefit of all persons authorized to use it, to establish the procedure for the levy and collection of assessments to finance the operations of the Association, and to permit Unit Owners to participate through a democratic structure in this process of maintenance, operation, financing and control.

**SECTION I**  
**NAME, FORM OF ADMINISTRATION, ADDRESS**

- 1.01 Name. The name of the Association created herein is Harbor House Condominiums, Inc. and is referred to herein as the Association.
- 1.02 Form of Administration. The Association is incorporated as a Wisconsin non-stock corporation under Chapter 181, Wisconsin Statutes (2003-04). Policy control of the Association, except as otherwise provided herein, is vested in a Board of Directors to be elected by the members in accordance with Section III hereof. The Manager, retained by the Board of Directors, is responsible for implementation of the policy decisions of the Board and operates under its supervision and control.
- 1.03 Address. The initial address of the Association and its principal office is 632 Struck Street, Madison, Wisconsin 53719.

**SECTION II**  
**MEMBERS, RIGHTS AND OBLIGATIONS, MEETINGS**

- 2.01 Members. All Unit Owners in the Condominium are, by the fact of ownership of their Unit, members of the Association. As such they are granted all rights and subject to all obligations of membership as created herein.
- (1) Upon conveyance or other transfer of a Unit Owner's interest in a Unit, the transferor ceases to be a member of the Association and the transferee becomes a member. The Association shall maintain a roster of the names and addresses of all Unit Owners and upon conveyance or other transfer it shall be the responsibility of the transferee to notify the Association of the information

necessary to keep the roster current.

(2) The Association shall also maintain a roster of holders of a security interests in Units and shall provide such notices regarding the Unit encumbered and the condominium as a Unit mortgagee requests or the law requires. Unit owners are responsible for providing the information necessary to keep this roster current.

2.02 Annual Meeting. The annual meeting of the Association shall be held at a date and time to be determined by the Board of Directors between the date of October 15 and December 15 of each year.

2.03 Special Meetings. Special meetings may be held at any time on the call of the President or on written request to the Association by owners of not less than 15% of all Units. Special meetings held on written request as provided herein shall be conducted within forty-five (45) days of the date of receipt of the request unless it specifies a longer period.

2.04 Notice of Meeting. The Secretary of the Association shall give written notice of every meeting to every member at least ten (10) days before the date set for such meeting.

(1) Content of Notice. The notice shall state whether the meeting is an annual or special meeting, the authority for the call of the meeting, the place, date, and hour of the meeting and, where required, the purpose or question to be considered at the meeting.

(2) Delivery of Notice. The notice shall be given by delivery of a copy to the member personally or by mailing the notice to the member at his address as it appears on the Association's roster, postage prepaid.

(3) Failure to Receive Notice. If notice is given as provided hereunder, the failure of any member to receive actual notice shall not invalidate the meeting or any proceedings conducted at the meeting.

(4) Holders of Security Interests. Upon written request to the Secretary of the Association, the holder of any recorded security interest in any Unit in the Condominium may obtain a copy of any notice permitted or required to be given by these By-Laws from the date of receipt of the request until such request is withdrawn or the security interest is discharged of record. Notice shall be given to all holders of security interests of proposed amendments to the Declaration.

2.05 Quorum. The presence of a majority of Unit votes whether in person or by proxy constitutes a quorum.

2.06 Voting. Voting is on the basis of Unit Votes. Each Unit is entitled to cast one indivisible vote without regard to the number of persons who have an ownership interest in the Unit. The vote for each Unit may be cast as agreed by the persons who have an ownership interest in the Unit and if any one such person is present it is presumed that person has the right to cast the Unit vote unless there is contrary evidence presented. In the event they cannot agree

on the manner in which the vote is to be cast no vote may be accepted from that Unit.

(1) Proxies. A member may give another person authority to represent him and vote on his behalf at meetings of the Association. Such proxy must be in writing, dated and signed by the member, and filed with the Secretary. Except for a proxy to a mortgagee or lessee of the Unit involved, no proxy is valid for more than 180 days after its date, however a member may renew his proxy by filing a new proxy or a renewal of the existing proxy with the Secretary. A proxy may grant full or limited voting rights and may contain instructions, which shall be binding on the proxy holder.

(2) Representatives. Any personal representative, executor or administrator of the estate of any member, or guardian or trustee for any member, may exercise such member's voting rights. Such person shall file an affidavit or other proof of his status with the Secretary.

(3) Suspension. Voting rights may be suspended by vote of the Association's Board of Directors in accordance with the Declaration and no person who is not on the Association's roster of Unit Owners may vote unless such person holds a proxy from one who appears on the roster.

2.07 Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws or any provision of law to be taken at a meeting of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.

2.08 Adjournment. Any meeting of the Association may be adjourned from time to time and to such place and time as may be determined by a majority vote of those present, whether or not a quorum is present. No further announcement of the time or place of the adjourned meeting is required.

2.09 Order of Business. The order of business at all annual meetings is as follows:

- (a) Roll Call
- (b) Proof of Notice of Hearing
- (c) Proof of Quorum
- (d) Reading of Minutes of Preceding Annual Meeting
- (e) Report of Officers
- (f) Report of Committees
- (g) Election of Board of Directors
- (h) Unfinished Business
- (i) New Business
- (j) Approval of Budget
- (k) Adjournment

2.10 Reserved Rights. Election of directors, amendment of the By-Laws, borrowing funds, acquiring or conveying any interest in real estate, final approval of the annual budget,

and levying of special assessments are reserved to vote by the members.

### SECTION III BOARD OF DIRECTORS

3.01 Number and Qualification. The affairs of the Association are governed by a Board of Directors composed of three (3) directors. Upon sale by the declarant of 75% of Units (including expansion units) the number of directors may be increased to five (5). All directors (except those holding office during the period of Declarant Control) must be Unit Owners.

3.02 Election. Directors are elected by Unit votes at the annual meeting of the Association. Those candidates receiving the greatest number of votes from among the candidates running for the available Board positions shall be elected, notwithstanding the fact that they do not receive a majority of the votes cast. Each Unit has one vote for each vacancy on the Board and cumulative voting shall not be allowed.

3.03 Term of Office. The term of office for each initial director is one year. Directors hold office until their successors are elected and qualified. When the Board of Directors is expanded to five positions, the terms of directors shall be staggered. The two directors receiving the largest number of votes shall serve for three years. The two receiving the next highest number of votes shall serve for two years. The director receiving the fewest votes shall serve for one year. After the expiration of these terms, all directors shall be elected to three year terms (so as to maintain staggered terms).

3.04 Vacancies. Vacancies by the Board of Directors caused by any reason shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum. Each director so elected serves as a director until a successor is elected at the next annual meeting.

3.05 Removal of Directors. Directors may be removed for cause by a majority of the Unit votes at any annual or special meeting, notice of which includes notice of the proposed removal.

3.06 Compensation. No compensation shall be paid to directors for their services as officers or directors.

3.07 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association. No notice is necessary to newly-elected directors in order legally to constitute such meeting, provided that a quorum of the directors is present.

3.08 Regular Meetings. Regular meetings of the Board of Directors shall be held at least semi-annually. The time, place and manner of such regular meetings shall be as determined from time to time by resolution of the directors.

3.09 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The time, place and manner of such

meetings is determined by the President.

3.10 Notice. Notice of all meetings of the Board of Directors must be given to each director, personally, or by mail, at least three (3) days prior to the date of such meeting.

3.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver is deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board is a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice is required and any business may be transacted at such meeting.

3.12 Unanimous Consent Without Meeting. Any action required or permitted by these By-Laws of any provision of law to be taken by the Board of Directors at a meeting may be taken without a meeting, if a consent in writing, setting forth the action taken, is signed by all of the directors then in office.

3.13 Quorum. At all meetings of the Board of Directors, a majority of the directors constitutes a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.14 Open Meetings. Any Unit Owner may attend any annual, regular or special meeting of the Board of Directors.

3.15 Committees. The Board of Directors may by resolution designate one or more committees, each committee to include one or more directors elected by the Board of Directors, which to the extent provided in said resolution as initially adopted, and thereafter amended, shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the Condominium. The Board of Directors may elect one or more of its members to alternate membership of any such committee and such alternate members may take the place of any absent member or members at any meeting of such committee, upon request by the President or upon request by the chairman of such meeting.

3.16 Powers and Duties. The Board of Directors may exercise all powers of the Association not specifically reserved to the members and is responsible for establishing policies for the Association in pursuance of its purposes and supervision of the implementation of these policies by the Manager. The Board of Directors shall retain the Manager.

(1) Rules. The Board of Directors shall adopt Rules for the regulation of the use and enjoyment of the Condominium.

(2) Delinquencies. The Board of Directors may set a late charge, not to exceed the greater of \$25.00 or ten percent (10%) per month for the first month of

delinquency plus one percent (1%) per month for each succeeding month. Such late charge shall apply to delinquent payments of regular and special assessments.

- (3) Insurance. Hazard insurance maintained by the Association must be maintained with an insurer licensed in Wisconsin and rated Best's Class VI or better, or Class V if it has a general policyholder's rating of A. Policies may not be subject to contribution or assessment, to special corporate action by the carrier to authorize payment of benefits or to limiting clauses other than insurance conditions on payment of benefits. The insurance maintained by the Association must provide at least ten (10) days notice to Unit mortgagees or their assigns before a policy is reduced or canceled.

#### SECTION IV OFFICERS

- 4.01 Designation. The principal officers of the Association are a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors.
- 4.02 Election of Officers. The officers of the Association are elected at the annual meeting of the Board of Directors.
- 4.03 Term. The officers of the Association hold office for a term of one year.
- 4.04 Removal of Officers. Any elected officer may be removed, with or without cause, by a majority vote of the Directors at any annual, regular or special meeting of the Board, notice of which includes notice of the proposed removal.
- 4.05 Vacancies. A vacancy in any principal office shall be filled by the Board of Directors.
- 4.06 President. The President is the principal officer of the Association. He presides at all meetings of the Association and of the board of Directors, and has all of the powers and duties set forth in these By-Laws or delegated to him by the Board of Directors.
- 4.07 Vice President. The Vice President takes the place of the President and performs his duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.
- 4.08 Secretary. The Secretary supervises the taking, preparation and preservation of minutes of all meetings of the Board of Directors or of the Association; serves as teller to count votes at Association meetings; causes all notices required by these By-Laws to be given; certifies copies of the organizational and operational documents of the Condominium, as amended from time to time, upon request; executes other certificates on behalf of the Association, and has other powers and duties as may be delegated to him in the Declaration, by

these By-Laws, or by the Board of Directors.

4.09 Treasurer. The Treasurer supervises the keeping of the financial books and records of the Association, causes appropriate notices relating to Common Expenses of the Condominium to be given, supervises the collection of amounts due the Condominium and their application under the Declaration, By-Laws and policies established by the Board of Directors, and has such other powers and duties as may be delegated to him by these By-Laws or the Board of Directors.

## SECTION V ASSESSMENTS

5.01 Common Expenses. All expenditures for the operation, maintenance, repair and restoration of the Common Elements and for the operation of the Association are Common Expenses to be shared by the Unit Owners as set forth in the Declaration.

5.02 Regular Assessments. Regular assessments are those based upon the annual budget of the Condominium prepared by the Manager, adopted by the Board of Directors and approved by the members.

(1) Budget The budget for the forthcoming year shall be adopted by the Board of Directors and distributed with the notice of the annual meeting of members. The members may approve or disapprove the budget in whole but may not amend it. If disapproved, the budget shall be returned to the Board of Directors for further consideration and a special meeting of the members called to approve it before the beginning of the fiscal year. The budget shall include funding for a reserve fund to pay for nonrecurring operating contingencies.

(2) Assessments Once the budget is adopted, the Manager shall allocate to the Units their proportionate share and given notice of the amount due from each Unit which shall be expressed both as an annual amount and in twelve (12) equal monthly installments. The monthly installments are delinquent if not paid before the fifth (5th) day of the month for which they are due.

5.03 Special Assessments. If unbudgeted expenses for which no reserve has been created are incurred, the members shall hold a special meeting to levy a special assessment to pay these expenses. The special assessment may be in such amount, due and payable at such time and on such terms as the members determine.

5.04 Collection. The Association has all powers given by law, the Declaration or these By-Laws to effect collection of the assessments hereunder.

## SECTION VI ACCOUNTS; FINANCES

6.01 Accounts. The Association shall maintain such books and records and establish such financial accounts as required by law and as may be necessary accurately to reflect the

condition and actions of the Association. Such books and records are open to inspection by all Unit Owners.

6.02 Audit. The Board of Directors may establish an audit committee, containing at least one Unit Owner who is not a director, to audit the accounts of the Association.

## **SECTION VII LIABILITY OF OFFICERS**

7.01 Exculpation. No director or officer of the Association, in his capacity as director or officer rather than as a Unit Owner, is liable for acts or defaults of any other director, officer or Unit Owner or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence. Nothing contained in this Section exempts such director or officer from the liabilities and obligations of Unit Owners as provided by these By-Laws.

7.02 Indemnification. Every director and officer of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with the claim, action, suit proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a director or officer of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification is in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and inures to the benefit of the legal representatives of such person. The Association may insure its obligations under this subsection.

## **SECTION VIII FISCAL YEAR**

8.01 Fiscal Year. The fiscal year of the Association begins on the first day of January in each year and ends on the 31st day of December of the same year.

## **SECTION IX AMENDMENT**

9.01 Amendment. Except as otherwise provided herein, these By-Laws may be amended from time to time by affirmative vote of at least sixty-seven percent (67%) of the total Unit votes, at a meeting duly called for the purpose. Any portion of these By-Laws that merely reflect or give priority to the Declaration may not be amended unless the Declaration is similarly amended.



**SECTION X  
INTERPRETATION**

10.01 Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect.

10.02 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 By-Laws, or the intent of any provision thereof.

10.03 Gender: Number. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

## HARBOR HOUSE CONDOMINIUMS

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## HARBOR HOUSE CONDOMINIUMS MADISON, WISCONSIN

### RULES AND REGULATIONS

WHEREAS, Article VIII of the Declaration of Condominium and Article 3.16(1) of the By-Laws for the Harbor House Condominiums, Madison, Wisconsin provide in pertinent part that the Board of Directors shall have the right to establish Rules and Regulations concerning the use of the Common Elements and shall adopt Rules and Regulations to govern the use of Units and the conduct of all residents of the Harbor House Condominiums of Madison; and

WHEREAS, the Board of Directors deems it to be in the best interests of the Unit Owners and residents and to avoid any conflict in the interpretation of the Rules and Regulations to adopt Rules and Regulations, separate and apart from the Declaration and By-Laws, as a single, comprehensive set of Rules and Regulations to govern the use of Units and the Common Elements and the conduct of all residents of the Harbor House Condominiums of Madison;

NOW, THEREFORE, the following Rules and Regulations are hereby adopted and established for and on behalf of Harbor House Condominiums

1. **Use.** No part of the Property shall be used for other than housing and related common purposes for which the Property was designed. Each Dwelling Unit shall be used as a residence for a single family of a Unit Owner, the employee or invitee of a Unit Owner, or the tenant of a Unit Owner subject to these Rules and Regulations and the restrictions set forth in the Declaration and By-Laws, and for no other purposes. Each Parking Unit shall be used only for parking operable motor vehicles and watercraft. All outside parking spaces shall be used for parking operable automobiles, motorcycles, and for no other purposes, subject to such reasonable rules and regulations as may be adopted by the Board. Campers, trailers, vans, pickup trucks, recreational vehicles, and other types of non-passenger vehicles and accessories, including boats and snowmobiles, shall be stored in outside parking spaces only upon written consent from the Board. The Board may authorize such vehicles and items parked in violation of this provision to be towed away and any such towing charge shall become a lien on the Unit Owner if he owns the vehicle or item or his Occupant owns same. A Unit Owner may be a natural person or a corporation. No Unit, whether owner occupied or tenant occupied, shall be occupied by more than four (4) persons ("person" defined in this provision as adults or children) per Unit, nor more than two (2) persons per bedroom within the Unit. This provision shall be enforceable without regard to the age, sex or relationship of occupants.

2. **Restrictions.** There shall be no obstruction on of the Common Elements nor shall anything be stored in, on, under or above the Common Elements (except in areas designed for such purpose) without the prior written consent of the Board except as hereinafter expressly provided. Common Elements shall not be obstructed, littered, defaced, or misused in any manner. Owners shall be obligated to maintain and keep in good order and repair their respective Units. No structural changes or alterations shall be made in any Unit without prior written consent of the Board of Directors and any mortgagee holding a mortgage on said Unit.

**3. Prohibited Use.** Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance without the written consent of the Board. Owners shall not permit anything to be done or kept in their respective Units or in the Common Elements which will result in the cancellation of insurance or which would be in violation of any law. No waste shall be committed in the Common Elements.

**4. Owner's Insurance.** Owners shall be individually responsible for insuring their personal property in their respective Units, their personal property stored elsewhere on the Property and their personal liability insurance to the extent not covered by the liability insurance for all the Owners obtained by the Board as provided herein.

**5. Exterior Surfaces.** Owners shall not cause or permit anything to be placed on outside walls, decks, balconies, terraces, doors or windows of the Buildings, and no sign, awning, canopy, shutter, air conditioning or heating unit (except those already existing), radio, satellite dish, or television antenna shall be affixed to or placed in, through or upon the exterior walls, doors, windows or roof or any part thereof, without the prior written consent of the Board. Satellite dishes shall be placed only in common locations specified by the Board. No fencing shall be built adjoining any Unit without the prior written consent of the Board.

**6. Pets.** No pet which weighs in excess of thirty-five (35) pounds shall be kept or otherwise maintained in a Dwelling Unit, whether owner occupied or tenant occupied, without the prior written consent of the Board. No animals of any kind shall be raised, bred or kept in any Unit, except that one (1) dog or one (1) cat or one (1) other usual household pet not exceeding thirty-five (35) pounds in weight may be kept in a Dwelling Unit (a total of one (1) pet per Unit), without the prior written consent of the Board. Any Unit Owner who desires to keep a pet weighing in excess of thirty-five (35) pounds or desiring to keep more than one (1) pet in a Dwelling Unit must first obtain the written consent of the Board upon application to the Board and furnishing in writing such reasonable information about the pet or pets that may be required by the Board. No animals of any kind shall be raised, bred or kept in the Common Elements. No pet shall be kept, bred or maintained for any commercial purposes. It is the responsibility of the pet owner to pick up and properly dispose of his/her animal's waste products. Such waste products shall never be allowed to remain on common or limited common areas. Any pet kept in violation of rules and regulations adopted by the Board or causing or creating a nuisance or unreasonable disturbance (after causing more than one (1) violation) shall be permanently removed from the Property upon three (3) day's written notice from the Board.

**7. Required Carpeting and Sound Absorbent Materials.** Each Unit Owner shall be required to keep all floor areas of each Unit covered with wall to wall carpeting, including separate padding beneath said carpeting, except for the floor of the kitchen, utility room, bathroom(s) and foyer. As to any washing machines, dryers, trash compactors or similar appliances or devices which may vibrate or cause noise, the Unit Owner housing said appliance shall install sound absorbent material, insulation or devices to reduce the transmission of sound. The Association may install and keep wall to wall carpeting, including separate padding beneath said carpeting, in the main hallways of the Common Elements located within the Buildings. The Board of Directors, upon written application of a Unit Owner, may allow the installation of wood or ceramic flooring, if the applicant provides detailed specifications for installation of

those materials by a licensed contractor in a manner which will minimize the transmission of sound from those surfaces.

**8. Nuisance.** No noxious or offensive activity shall be conducted in any Unit or in the Common Elements, nor shall anything be done thereon, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants. Unit Owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance to other owners, or in such way as to be injurious to the reputation of the Condominium.

**9. Structural Integrity.** Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Buildings or the Common Elements or which will structurally change the Buildings or the Common Elements, except as is otherwise provided herein. Unit Owners shall not do any work which would jeopardize the soundness or safety of their Property, reduce the value thereof or impair any easement or hereditament without first obtaining, in every such case, the consent of seventy-five (75%) percent in interest of all the Unit Owners. Nothing shall be altered or constructed in or removed from the Common Elements, except upon written consent of the Board.

**10. Unsightliness.** No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of litter, rubbish, debris and other unsightly materials which must be kept in receptacles provided for such purposes. No outdoor clothes lines may be erected, and nothing shall be hung or exposed on any part of the Common Elements. Shaking rugs or mops from any patio or balcony, drying or hanging items on any patio or from any balcony or storing personal property on any patio or any balcony is prohibited.

**11. Obstructions.** There shall be no obstruction of hallways, landings, entrances, exits or other portions of the Common Elements nor shall ready access thereto be obstructed or impeded in any manner. Common walks, park areas and other Common Elements shall be kept free from rubbish, debris, and other unsightly materials, and shall not be obstructed, littered, defaced or misused in any manner, and shall be used for no other purpose than ingress and egress from Units and the building in which the Units are situated. Every Owner, Occupant and other person shall be responsible for his personal property in any storage areas and in other portions of the Common Elements. Neither the Board or the Association shall be considered the bailee of any such personal property, nor shall either be responsible for any loss or damage thereto, whether or not due to negligence of the Board and/or the Association.

**12. Commercial Activity.** No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted in any Unit. This prohibition shall also apply to the Common Elements unless permission from the Board is obtained.

**13. Leases.** All lease or rental agreements regarding a Unit shall be in writing and shall be subject to all the terms, conditions and requirements of the Declaration, By-Laws and rules and regulations of the Association. No Unit may be leased or rented by a Unit Owner for a

period less than six (6) months. The Owner shall provide a copy of the written lease or rental agreement to the Board within ten (10) days after its execution or the date of occupancy, whichever occurs first. If the Lease is oral, a memorandum of lease shall be provided according to the same time restrictions. The Association is hereby expressly deemed to be a third party beneficiary of any such lease; and any violation of the Declaration, By-Laws or rules and regulations shall be deemed a default under such lease entitling the Association to exercise any and all remedies under the lease or available at law or equity, regardless of the Owners action or inaction in response to such default. The foregoing provisions to the contrary notwithstanding, a Unit may be occupied for a period of less than thirty (30) days by an employee or guest of a corporate Unit Owner provided the occupant is not in violation of any other provision of the Declaration, By-Laws or rules and regulations; in such instances the occupant of the Unit shall be deemed to be the corporate Unit Owner.

**14. "For Sale" and "For Rent" Signs.** No "For Sale" or "For Rent" signs, advertising or other displays shall be permitted in the common areas and no such sign, advertising or display in excess of five square feet shall be maintained within a Unit such that it is visible from the exterior of the Unit. Notwithstanding the foregoing, the right is reserved by the Declarant, or its agents to place and maintain on the Common Elements or any Unit it owns, as long as Declarant is engaged in sales or leasing activities in connection with the Property, sales models, a sales or leasing office, advertising signs or banners and lighting in connection therewith, at such locations and in such forms as the Declarant shall determine.

**15. Parking.** (a) All outside parking spaces shall be used for parking operable automobiles, motorcycles, and for no other purposes, subject to such reasonable rules and regulations as may be adopted by the Board. No vehicle shall be parked or left standing on the street in front of the building unless such vehicle is the property of the Unit Owner or the Occupant. Campers, trailers, vans, recreational vehicles, and other types of non-passenger vehicles and accessories, including boats and snowmobiles, shall be stored in outside parking spaces only upon written consent from the Board. Inoperative, immobile or junked cars and other vehicles may not remain in the parking area for more than one (1) day without the prior consent of the Association. Vehicles and items parked in violation of these provisions may be towed away at the Owner's expense and any such towing charge shall become a lien on the Unit Owner, if he owns the vehicle or item or his occupant owns same.

(b) No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit owner shall be parked in such a manner as to impede or prevent ready access to another Unit Owner's Parking space.

**16. Exceptions.** The restrictions set forth in these Rules and regulations shall not be construed in such a manner as to prohibit an Owner from: (a) maintaining a personal professional library therein; (b) keeping personal business or professional records or accounts therein; or (c) handling personal business or professional business calls or correspondence therefrom, or inviting personal business or professional clients therein, so long as the Unit is not advertised to the general public in any manner as a business establishment. Such uses are expressly declared customarily incident to the principal use for residential purpose and not in violation of these Rules and Regulations.

17. **Declarant Rights.** Notwithstanding any provision hereof to the contrary, at all times and from time to time prior to the sale of the last Unit in the Property, the Declarant and beneficiaries of Declarant, their agents, successors and assigns, hereby reserve the right: (a) to lease or sell such Units as the Declarant shall determine; (b) to erect and maintain on the Property all advertising signs, banners, lighting and other sales devices for the purpose of aiding the sales or leasing of the Units in the Property; (c) to maintain sales and business offices on the Property to facilitate the sale or leasing of Units therein; and (d) to utilize the Common Elements for ingress and egress in connection with the sale and leasing of Units in the Property, an easement being hereby granted to Declarant for said purposes.

18. **Controlling Provisions; Interpretation.** In the event there is deemed to be any conflict between the terms and provisions of these Rules and Regulations and the Declaration or the By-Laws, then the terms and provisions of these Rules and Regulations shall be deemed controlling, provided such Rules and Regulations are not in violation of the Wisconsin Condominium Ownership Act. The words "Property", "Unit", "Unit Owner", "Common Expenses", "Common Surpluses", "Common Elements", and others are used in these Rules and Regulations as they are defined in the Declaration and the Wisconsin Condominium Ownership Act.

19. **No Hazardous or Flammable Materials.** No Unit Owner shall store, nor allow any guest or occupant of the Owner's Unit, to store any hazardous material, pesticides, petroleum or other flammable products in any storage area upon the property. Such items shall specifically not be allowed in the basement storage areas nor upon the decks or stoops of the Units.

IN WITNESS WHEREOF, these Rules and Regulations have been duly adopted by the Board of Directors of the Harbor House Condominiums, Inc., Madison, Wisconsin as evidenced by the signature of all of the members of the Board of Directors hereto, as of the \_\_\_ day of August, 2006.

\_\_\_\_\_  
Dan Sheffield – Director

\_\_\_\_\_  
Sally Bruner – Director

\_\_\_\_\_  
Jay C. Bruner – Director

## HARBOR HOUSE CONDOMINIUMS

### Management or Employment Contracts

The management agreement between Harbor House Condominiums, Inc. and Bruner Realty & Management, Inc. is included herewith and is the only management or employment contract to which the Association is a party.



## Management Agreement

THIS AGREEMENT is made and entered into this 1<sup>st</sup> day of June 2006, by and between, Harbor House Condominiums, Inc. a Wisconsin non-stock corporation (hereinafter referred to as "the Association") and Bruner Realty & Management, Inc. a Wisconsin corporation (hereinafter referred to as "the Manager"), WITNESSETH:

WHEREAS. The Declaration of Condominium creating Harbor House Condominiums, Inc. (hereinafter referred to as "the Condominium") provides that the control and administration of the Condominium shall be vested in the Association and its Members and

WHEREAS, the By-Laws of the Association provide that the Association shall have the responsibility of managing the property of the Condominium and shall discharge this responsibility and its other duties through its Members; and

WHEREAS, the Members of the Association deem it in the best interest of the Condominium and the Association to retain the services of the Manager to manage the property of the Condominium; and

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, and for other good and valuable, consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Agreement to Retain the Manager.** The Association hereby retains the Manager on the terms and conditions hereinafter provided, as exclusive managing agent of the Condominiums located at 802 Harbor House Dr., Madison, WI 53719.
2. **Term of Agreement.** Unless canceled pursuant to subparagraphs (a), (b) or (c) of this paragraph 2, this Agreement shall be in effect for a term of one (1) year from the date of its execution, and thereafter for renewal periods of one (1) year each, unless sixty (60) days prior to the expiration of each one-year term, written notice is given of either party's intention not to renew.
  - (a) This Agreement may be terminated by either party without cause and without termination fee on sixty (60) days written notice.
  - (b) In the event a petition in bankruptcy is filed by or against the Manager or in the event that the Manager shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement, and such termination shall be effective upon the receipt of written notice by the Manager.
  - (c) In the event it is alleged or charged that any act or failure to act by the

- (d) Association or its Members fails to comply with or is in violation of the requirements of any constitutional provision, statute ordinance, law, rule, order of regulation of any governmental body or of any public authority or official thereof having or claiming to have jurisdiction over the association within respect thereto may result in damage or liability to the Manager, then the Manager shall have the right to cancel this Agreement, which cancellation shall not release the indemnities of the Association set forth in paragraph five (5) below, and shall not terminate any liability or obligation of the Association to the Manager for any payment, reimbursement or other sums of money then due and payable to the Manager hereunder.
- (e) Within thirty (30) days of the date of termination of the Agreement, unless extensions of time are agreed upon by both parties in writing, the parties hereto shall account to each other with respect to all matters outstanding as of the date of termination.

3. **Services to be Provided.** The Manager hereby agrees to perform the following services in the name of and on behalf of the Association, and the Association hereby gives the Manager the authority and powers required to perform the following services:

(a) **Financial Management.**

- (i) The Manager shall maintain the Association's records, files and books of account.
- (ii) The Manager shall bill and collect all the monthly assessments and other charges due the Association. The Association hereby authorizes the Manager to request, collect, (by way of legal process or otherwise) and give receipts for all such assessments, which may at any time be or become due to the Association. In the event such collection necessitates legal action, the Association shall reimburse the Manager for all costs of legal action, court fees and related expenses incurred after Board's approval.
- (iii) From the funds collected and deposited in special accounts hereinafter provided, the Manager shall prepare drafts for payment of all charges or obligations, to make any advance to or for the account of the Association, nor shall the Manager be obligated to incur any liability or obligation for the account of the Association without assurance that necessary funds collected and deposited in the special accounts hereinafter provided, the Manager shall cause to be disbursed regularly and punctually such sums due and payable by the Association as operating expenses authorized to be incurred under the terms of the Agreement, including the management fee payable to the Manager.

- (iv) After disbursement, any balance remaining in the special accounts may be disbursed or transferred to other accounts from time to time, but only as specifically directed in writing by an officer of the Association.
- (v) The Manager shall maintain books and records which shall be subject to examination by agents authorized by the Association during reasonable business hours. The Manager shall, on a quarterly basis, submit to the Board of Directors of the Association a financial statement indicating year-to-year account balances.
- (vi) The Manager shall monitor the Association's checking and savings accounts each month. The Manager shall not reduce any of the Association's accounts below zero at any time.
- (vii) The Manager shall prepare and submit to the Board of Directors of the Association, thirty (30) days prior the fiscal year-end of the Association, a preliminary budget for the next fiscal year showing anticipated expenditures for such year.
- (viii) Within thirty (30) days after the end of the fiscal year, the Manager shall submit to the Association a final financial statement for the preceding fiscal year prepared on a compilation basis.
- (ix) The Manager shall establish and maintain, in a bank whose deposits are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, and in a manner to indicate the custodial nature thereof, separate bank accounts as agent of the Association for the deposit of the moneys of the Association with authority to draw thereon for any payments authorized to be made by the Manager by the terms of this Agreement, the Manager shall deposit all reserve funds established by the annual budget as directed in writing by the Board of Directors of the Association.

**(b) Maintenance Agreement.**

- (I) Subject to the direction and at the expense of the Association, the Manager shall cause the building and grounds of the Condominium to be maintained according to standards established by the Board of Directors of the Association. For any one item of repair or replacement, the expense incurred shall not exceed the sum of One Thousand and no dollars (\$1,000.00) unless specifically authorized by the Board of Directors of the Association. However, emergency repairs, involving immediate danger to life or property, or necessary for the preservation and safety of the condominium, individual units or Members, or required to avoid the suspension of any necessary service to the Condominium may be made by the Manager irrespective of the cost limit imposed by this paragraph. Maintenance staff bills at the rate of \$32.00 per hour and is subject to change.

We will proceed with repairs for items less than 1,000.00. Notwithstanding this emergency as to emergency repairs, it is understood and agreed that the Manager will, if at all possible,

confer with the officers of the Association regarding every emergency expenditure.

(ii) On the basis of budget approved by the Board of Directors of the Association, the Manager shall hire in his own name, pay and negotiate Agreements with and supervise personnel required for the efficient discharge of the duties of the manager hereunder.

(iii) The Manager shall negotiate contracts for maintenance and other necessary services and supplies, which the Manager shall deem advisable. Upon written request all such contracts and orders shall be made, subject to the Board approval. All contracts shall be made in the name of the Association and shall be subject to the limitations set forth in subparagraph 3(b)(1) above. If board does not request approval of said contracts, Manager shall solicit negotiate and execute all contracts that manager believes to be in the best interest of the association. The Manager shall maintain appropriate records of all such orders, contracts, and correspondence relating thereto.

(iv) The Manager shall handle all Unit Owner calls and complaints. Any other provision in this Agreement notwithstanding, the Manager shall have no authority or responsibility for maintenance or repairs to individual units in the Condominium.

(c) **Administrative Management.**

(i) The Manager shall assist the Members of the Association in calling and conducting special and annual meetings of the members of the Association, and the Manager shall attend one such meeting annually, if held. The manager shall also attend up to 2 Board meetings per year if held. Any additional meetings that the manager attends shall be invoiced to the Association at a rate of \$50.00-per hour.

(ii) The Manager shall cause to be placed and kept in force at the expense of the Association, all forms and limits of insurance required pursuant to the Declaration of Condominium and the Board of Directors of the Condominium, including, but not limited to public liability insurance, property damage insurance, fire and extended covered insurance, and any other forms of insurance requested by the Association or required by the Declaration, by-laws or statute. All such insurance shall be placed with companies licensed to do business in the State of Wisconsin and rated as required by the By-Laws. The Manager shall promptly investigate and

make a full written report of all accidents or claims for damage relating to the management, operation and maintenance of the condominium including any damage to or destruction of the same, and the estimated cost of repair, and shall cooperate and make any and all other reports required by any insurance company insuring the Condominium and, if necessary retain at the expense of the Association of the services of a public fire loss adjuster.

(iii) The Manager shall solicit, negotiate, and execute all contracts for insurance coverage. Manager shall submit proposals for insurance coverage to the Board of Directors upon Boards request.

**4. Management Fee.** As sole compensation for all services performed under this Agreement, the Association shall pay to the Manager a fee equal to \$16.00 per residential unit for each Unit in the Condominium as of the first day of each month.

**5. Association Responsibilities.** The Association agrees to the following conditions and responsibilities, which shall become effective on the date of execution of this Agreement.

(a) The Association, in performing and acting under this Agreement, shall act through its Directors and Officers, the Manager and his employees may and can rely on the Directors and the authorizations given by such Directors or Officers. The Manager, in relying and acting on directions and authorization given by such persons, shall not be obligated or required to inquire into the authority of such persons; provided, however, that the Manager shall not rely or act on and direction or authority which is contrary to the terms and conditions of this Agreement as the same may be amended from time to time. The Association will by written resolution designate an Officer as primary liaison between the Board of Directors and the Manager. Upon such designation, the Manager shall rely and act on directions and authorizations given by such individual and shall not be obligated to inquire as to the authority of such individual. It shall be the responsibility of the Association to terminate by written resolution the liaison responsibilities of such individual and to advise the Manager accordingly.

(b) The Association is fully responsible for (and the Manager has no responsibility for) compliance by the Association with the requirements of any ordinance, law, rule or regulation of the city, county, state or federal government, or any public authority or official thereof having jurisdiction over the Association, however, the Manager shall promptly notify the Board of Directors of the Association of any complaints, warnings, notices or summons

received by him relating to such matters. The Association hereby represents that to the best of its knowledge, the Association complies with all such requirements as of the date of execution hereof. The Association further agrees to indemnify and hold harmless the Manager, his representatives and employees from all loss, cost, expenses and liabilities whatsoever which may be imposed on the Manager or his representatives and employees by reason of any present or future violation or alleged violation of such ordinance, law, rule or regulation of the Association.

(c) The Association agrees to hold the Manager and his employees or representatives harmless from and indemnify and defend them against any and all claims for damages or injury to property or persons, involving the Association, except for such claims as arise from the act of the Manager or his employees. The obligations of this paragraph shall specifically include the payment by the Association of all damage, loss, costs, litigation expenses and attorney's fees, which would be awarded due to an act or omission by the Association or its subcontractors other than the manager.

6. **Scope of the Manager's Services.** The Manager shall have no obligation to perform or render any services beyond, or in addition to, those required of him hereunder. Any additional services shall be performed or rendered by the Manager only pursuant to a separate written agreement and for additional consideration to be agreed upon and set out in such agreement.

7. **Notices.** Any notice required or permitted hereunder may be served by registered or certified mail, return receipt requested, or in person as follows:

**To the Manager:**

Bruner Realty & Management, Inc P0 Box 45708 Madison, WI 53744-5078

**To the Association:**

Harbor House Condominiums, Inc. 802 Harbor House Dr., Madison, WI 53719.

8. **Assignment.** The Manager may assign his interest under this Agreement or delegate his duties upon 60 days written notice to the Board of Directors of the Association.


9. **Entire Agreement.** This Agreement shall constitute the entire Agreement between the parties hereto, and no variance or modification hereof shall be valid and enforceable, except by supplemental Agreement in writing, executed and approved in the same manner as the Agreement. This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereof, their respective successors and assigns.

**IN WITNESS THEREOF**, the parties hereto have executed this Agreement on the day and year first written above.

ASSOCIATION:

By:   
Title Secretary

MANAGER:

By:   
Title President BKMI

## HARBOR HOUSE CONDOMINIUMS

### Annual Operating Budget

Budget Based on Sale and Owner Occupancy of 48 Units

<b>Income</b>	<u>Type</u>	<u>Qty</u>	<u>Fee</u>	<u>Annual Total</u>
Condo Fees	1 Bedroom Units	12	\$120.00	\$17,280.00
	2 Bedroom Units	36	\$140.00	\$60,480.00
	Parking Units	66	\$5.00	\$3,960.00
<b>Total Income</b>				<b>\$81,720.00</b>
<b>Expenses</b>				
Utilities – Gas & Electric				\$21,400.00
Utilities – Water & Sewer				\$8,600.00
Trash Removal				\$2,200.00
Insurance				\$5,500.00
Management Fee				\$9,200.00
Repairs & Maintenance				\$5,000.00
Maintenance Supplies				\$1,500.00
Pool Expense				\$2,400.00
Snow Removal				\$3,000.00
Lawn Care				\$7,000.00
Cleaning				\$5,000.00
Water Softener				\$1,200.00
Pest Control				\$600.00
Miscellaneous				\$400.00
Taxes				\$200.00
Legal & Accounting				\$300.00
Bank Service Charge				\$50.00
Postage				\$50.00
Operations Reserve				\$800.00
Reserve Fund Contribution \$10 p/unit p/month				\$4,800.00
Fireplace Maintenance				\$2,400.00
<b>Total Expenses</b>				<b>\$81,600.00</b>
<b>Projected Surplus</b>				<b>\$120.00</b>



Budget Based on Sale and Owner Occupancy of 240 Units

<b>Income</b>	<u>Type</u>	<u>Qty</u>	<u>Fee</u>	<u>Annual Total</u>
Condo Fees	1 Bedroom Units	53	\$120.00	\$76,320.00
	2 Bedroom Units	181	\$140.00	\$304,080.00
	2 Bedroom w/Loft	6	\$150.00	\$10,800.00
	Parking Units	326	\$5.00	\$19,560.00
<b>Total Income</b>				<b>\$410,760.00</b>
<b>Expenses</b>				
Utilities – Gas & Electric				\$110,000.00
Utilities – Water & Sewer				\$43,000.00
Trash Removal				\$11,200.00
Insurance				\$25,000.00
Management Fee				\$46,000.00
Repairs & Maintenance				\$25,000.00
Maintenance Supplies				\$7,500.00
Pool Expense				\$12,000.00
Snow Removal				\$15,000.00
Lawn Care				\$35,000.00
Cleaning				\$25,000.00
Water Softener				\$6,000.00
Pest Control				\$3,000.00
Miscellaneous				\$2,000.00
Taxes				\$1,000.00
Legal & Accounting				\$1,200.00
Bank Service Charge				\$400.00
Postage				\$400.00
Operations Reserve				\$4,000.00
Reserve Fund Contribution \$10 p/unit p/month				\$24,000.00
Fireplace Maintenance				\$14,000.00
<b>Total Expenses</b>				<b>\$410,700.00</b>
<b>Projected Surplus</b>				<b>\$60.00</b>

## HARBOR HOUSE CONDOMINIUMS

### Expansion

The Declarant has reserved the right to expand the condominium by adding portions of the Harbor House Apartments to the Condominium. The expansion area is defined in Exhibit III of the Declaration of Condominium and consists of additional buildings containing 192 additional Dwelling Units and up to 260 additional Parking Units. The Declarant presently intends to expand the Condominium in phases over a period of approximately three (3) years, although the expansion may occur over as much as ten (10) years.

When the Declarant adds Units and Common Elements to the Condominium, an Amendment to the Declaration will be recorded. Each new Unit will be assigned an undivided interest in the Common Elements, using the procedures set forth in Article XVI of the Declaration. Accordingly the Unit Owners of Units in the expansion phases of the Condominium will share the common expenses for the total Condominium complex and will be permitted to use and enjoy the Common Elements and amenities. The expansion Unit Owners will proportionally share in the management of the Association.

## HARBOR HOUSE CONDOMINIUMS

### Map and Floor Plan

The Condominium Plat attached as Exhibit II to the Declaration of Condominium, provides a map showing the buildings, grounds and other facilities of the Condominium and floor plans of the Units showing room arrangements and dimensions.

## HARBOR HOUSE CONDOMINIUMS

### Engineer's Property Report

The Declarant has provided a report prepared by MTT Consultants, Inc. describing the present condition of those structural components and mechanical and electrical installations that are material to the use and enjoyment of the building, and estimate of the useful life of each item. A copy of that report is included as part of these Disclosure Materials

## INTRODUCTION

This report was commissioned by Harbor House Equities LLC to determine the general condition of Harbor House Condominiums and to identify any conditions or defects that may affect the value of the property, or threaten the health or safety of the owners and guests. It was prepared by Nicholas U. Smith P.E., President of MTT Consultants Inc.

The report describes the building system components and their observable condition. Information was gathered on walk through inspections between march 27 and 29, 2006, and from conversations with the developer.

All nineteen buildings and common areas were inspected. Twenty four units were inspected in thirteen buildings. Operation of plumbing fixtures was randomly checked, and random tests of electrical systems were conducted. Appliances were not operated. Heating and air conditioning equipment were not operated. The swimming pools and equipment with operation were observed. Building components were not dismantled to determine the presence of latent defects. Fireplace flues and damper operation were not checked. Landscape features are not a part of this report except as mentioned.

This report contains the observations and opinions of MTT Consultants Inc. It does not warrant the condition of any portion of the property, nor constitute a guarantee of the condition of any component.

It is recommended that buyers of Harbor House condominiums seek the advice of a registered home inspector at the time purchase.

Preparer: \_\_\_\_\_

*Nicholas U. Smith*

Date: 7-25-6

No. 21185-006

## PROPERTY DESCRIPTION

### **General Location:**

The property is located in southwest Madison, approximately 1/4 mile west of South Gammon Road and 1/4 mile south of Highways 12/14, off Watts Road. Site access is off South Gammon or High Point Roads, then Watts Road to Harbor House or Kottke Drives.

The property, which is triangular in shape, is bordered on the east and south by Kottke Drive and single and multifamily residences, on the north by Watts Road, and on the west by multifamily residences. Elver Park is one mile south of the complex, and there is access to the municipal bike bath system at that point. West Towne Mall retail center and other commercial complexes along Gammon, Watts, and Mineral Point Roads offer retail stores, restaurants, grocery stores, banks, and other similar businesses. The beltline is 1/4 mile to the north, Highway M is one mile to the west, and Mineral Point Road is one mile to the north.

Harbor House Condominiums consists of 240 units arranged in eighteen buildings of differing designs. There is a club house / fitness center / administrative office building constructed in 2002, located at the north end of the complex, with an in ground swimming pool, sauna tub, dry sauna, tennis and volleyball courts, and a playground, all within easy walking distance from all buildings.

The age of construction of the buildings is approximately eighteen years. Buildings have two stories with below ground garages. All units are apartment style except for six units with lofts. All first floor units have ground access. All upper level units have stair access. Building entry is via security locked doors off enclosed entries.

Unit size is as listed below.

First floor, one bedroom, one bath	735 sq ft	27 units
Second floor, one bedroom, one bath	735 sq ft	26 units
First floor, two bedroom, one bath	987 sq ft	27 units
Second floor, two bedroom, one bath	987 sq ft	26 units
First floor, two bedroom, two bath	1005 sq ft	61 units
Second floor, one bedroom, one bath	1005 sq ft	61 units
First floor, two bedroom, two bath	1104 sq ft	6 units
Second floor, two bedroom, two bath	1333 sq ft	6 units (Lofts)

### **Site Configuration:**

The condominium complex is located on a grid of roads with three entrances, one on Watts Road and two on Kottke Drive. There are approximately 326 garage parking spaces, as well as 137 exterior spaces grouped along the drives allowing close access to each building. There is a dedicated bicycle storage area in each building garage.

There are 8 spaces designated barrier free parking. The drive and exterior parking areas are asphalt paving. The developer has indicated all asphalt drives and parking will be replaced.

Access to the buildings from parking areas is via concrete sidewalks and stoops, and wood stairs in some areas. Some sections of these walks have been replaced as needed to maintain safe walkways.

The site is rolling grassland with a significant number of mature trees and shrubs in a park like setting. Site lighting consists of walkway post fixtures, building garage entrance light fixtures, and wall fixtures at living room patio doors.

### **Building Construction:**

All buildings are constructed on concrete foundation walls and columns with interior concrete block walls supporting a steel girder frame, with precast concrete slabs for the first floor. There were no defects or structural issues found in the foundations other than typical minor stress cracking.

Typical frame construction was utilized for the first and second levels with spruce/pine/fir wall studs and floor framing. The roof systems are constructed on prefabricated SPF roof trusses overlaid with oriented strand board sheathing. Deck and upper level balcony support framing is constructed of pressure treated SPF lumber.

There were no abnormal or defective conditions found relating to the structural integrity of the buildings. All buildings appear well constructed. Some buildings have undergone minor differential settlement which is common for this type of construction. This settlement has caused some minor cracking in the gypsum wall and ceiling systems, but is structurally insignificant. In conclusion, the buildings in this complex are stable and will continue to perform as intended for some decades.

There are some locations of water intrusion through the foundations, primarily in the electrical equipment rooms. This type of leakage is structurally insignificant and does not appear to be causing any adverse condition.

### **Architectural Construction:**

The exterior facades of fifteen buildings are constructed with combinations of vinyl and metal siding, with masonry chimneys. All above grade building entrances are trimmed with painted wood. Masonry chimneys were in good condition with a few small areas of settlement cracking. The vinyl systems have some wind damage, as well as ongoing repairs. The developer will make repairs to return facades to a completed condition. Buildings have been sheathed with polystyrene foam board insulation under the siding systems. The soffits are constructed of sheet metal. The fascias have been covered with an aluminum cap system. Penetrations for utilities

through the exterior walls have been finished off with either stainless steel or painted masonry, the latter showing some deterioration due to weathering. These latter will be repaired or replaced as needed by the developer.

Three buildings have facades constructed of masonry, which showed only minor cracking that was structurally insignificant. These buildings have flat rubber roofs over the entrances. The runoff from these flat roofs has caused minor damage to the masonry above the entrances. These locations will be repaired as needed by the developer. Trim on these three buildings is wood with a painted finish.

The roof systems are constructed of asphalt shingles which appear to be 20 year type. The shingles are approximately eighteen years old, and were installed during original construction of the buildings. New 30 year architectural type shingles will be installed by the developer, with any necessary removals and repairs to be assessed during renovation. Widow walks and cupolas will be removed.

Attics are insulated with 8" to 10" of loose fiberglass, with many areas compacted due to past maintenance activities. The loft walls in the three masonry buildings were not insulated by the contractor. The developer will repair these areas with proper insulation.

First floor units with ground access from the living rooms are furnished with either concrete patio balconies or painted wood frame ground level decks. Second floor units are furnished with painted wood balcony systems. Many of the first floor deck systems had poor landscape profiles which could accelerate deterioration. The wood deck systems were previously painted and in need of repainting. Concrete patio balconies are banded with painted wood trim which are showing deterioration and a need for repainting. The developer plans to replace deteriorated wood, relevel any settled frames, stain all wood decks, and paint the band boards. Landscape profiles will be reconfigured. Balconies and decks are furnished with painted metal rail systems which will be replaced with new vinyl, code compliant rail systems.

Unit entry doors are wood with solid core construction and furnished with deadbolts with a 1" throw. All exterior in swing glass doors are painted steel and all windows are aluminum construction. Both have insulated glazing. Doors have sliding screens and windows have integral screens. Exterior building entry doors are painted steel. Some door and window glazing were found to have broken vacuum seals. These will be replaced by the developer as needed.

Exterior architectural features have a normal expected life of fifteen years or greater, when properly repaired and maintained, and should continue to perform as intended.

#### **Condominium Interiors:**

The unit interiors are constructed of gypsum wall and ceiling board systems, fire rated as required by code, and finished with paint systems. Floors in kitchens and



baths will be new vinyl. All other areas will be newly carpeted.

Interior trim is painted wood. Unit doors are hollow core with a painted finish. Windows are furnished with horizontal blinds and swing doors are furnished with vertical blinds.

Kitchen and bath cabinets are newer combination oak and formica. Kitchen counters are formica with new surfacing by the developer. Integral bath counters and sinks, as well as tubs and enclosures are "cultured marble" refurbished by the developer. Some units are furnished with oversized tubs. Fixtures and toilets, some new, are standard commercial grade quality. Most operated properly when tested.

All kitchens are furnished with new, standard commercial grade appliances consisting of a two compartment refrigerator, electric range, microwave with exhaust fan and light, garbage disposer, and clothes washer and dryer. Buyer may choose an "as is" discount for purchase with existing appliances.

All units are furnished with wood burning fireplaces. The developer has cleaned all flues as required to promote proper operation.

Common halls are carpeted except for basement levels which have tile and concrete. The developer will clean or replace common carpets. Walls and ceilings in these areas are gypsum board. Some of the common entries have minor water damage due to roof run off penetrating exterior walls. The roofs will be repaired by the developer to eliminate water penetration, and any interior damage subsequently repaired as needed.

A few first floor units are barrier free from parking areas to front entries via sidewalks. Parking area ramps are distributed throughout the site. However, construction of the ramps is not in accordance with current practices.

### **Plumbing Systems:**

All buildings are furnished with municipal water and sewage systems that are metered at building entrances. Potable water piping systems are copper, and viewable portions of the waste piping systems are PVC. Swimming pool circulation piping is PVC. Gas distribution piping is steel and is metered for each individual unit.

Hot water is furnished by residential grade gas water heaters in each unit. Most are 18 years old with three found to be five and six years old. Water heaters have an expected life of approximately 20 to 25 years when softened water is used.

Water is softened through building softener systems which require salt service and occasional maintenance. Most of the softeners are in good to fair condition. Some older softeners have been replaced. Any faulty softeners will be replaced by the developer.

Water for the swimming pool and sauna is heated. The swimming pool and sauna water is treated through separate filter and circulation systems. This equipment is approximately four years old and has a remaining useful life of 11 years. No abnormal conditions were found with this equipment. Swimming pool and sauna water must be tested regularly by a state certified tester. This function is currently provided by on site staff.

Common water heaters in each building basement level are no longer in use.

### **Heating, Ventilating, and Air Conditioning Systems:**

All unit heating is provided by gas fired forced air furnaces. All garage heating is furnished by gas fired forced air unit heaters. This equipment is original and its normal expected useful life is 20 to 30 years. Air conditioning is furnished to units by integral air conditioning systems with exterior condensers. Most of the condensers are original equipment. Many of the condensers were found to be excessively unlevel, and installed on unstable slopes. Some of the condensers and support bases are damaged. The developer will repair this equipment with the supports to assure proper operation. Buyers have the option of purchasing new high efficiency furnaces and air conditioners, installed, at the developer's cost of \$3500.

All baths have standard ceiling exhaust fans. A few units have ceiling fans which are provided as is.

### **Electrical Systems:**

Switchgear and metering equipment is located in utility rooms in each building. Service is 240 Volt, 4 Wire, Single Phase, rated at 800 or 400 amps for double section or single section buildings respectively. Electrical usage is metered for individual units as well as common building.

Individual units are provided with circuit breaker subpanels rated at 100 amps. These subpanels are flush mounted and randomly located. Feeder wiring is aluminum and branch wiring is copper. Subpanels are properly labeled in most cases with circuit identification. The number and spacing of devices is in accordance with codes in force at the time of construction. There is a good distribution of lighting, switches, and receptacles throughout the units and common areas. Random testing during inspection did not reveal any wiring defects.

A few damaged exterior light fixtures were found, which will be replaced by the developer. Some of the air conditioning condenser service disconnects were not installed due to recent siding replacement. The developer will make all necessary repairs to return this equipment to operating condition.

All buildings are furnished with telephone and cable wiring systems. Original telephone wiring may not be suitable for high speed internet access. Satellite service

is also available in this area under rules of installation established by the developer. Doorbell / intercom systems are provided for all units.

### **Life Safety and Security:**

Unit entry doors have a 45 minute fire rating. The doors have peepholes. All bedrooms are furnished with window openings sized in accordance with fire egress requirements at the time of construction. Attic spaces are constructed with fire walls to limit fire spread between the two halves of each attic space.

All units are furnished with smoke and carbon monoxide detectors, and alarm pull stations. Additional pull stations are located in common halls. Alarms are local only. The number and location of detectors in the units are not in accordance with current fire codes which have been revised since construction of the complex. Fire extinguishers are located in the interior halls of each building. The inspection tags are current. The complex has on site fire hydrants. This complex is not furnished with any type of site or unit security monitoring other than fire prevention.

The steel girders in the building garages are protected from fire by a fire safing coating. Small areas of the coatings were found to have been damaged by vehicle traffic. The developer will make any necessary repairs to return the coating to the original code requirements.

REPLACEMENT RESERVES REPORT

<u>COMPONENT</u>	<u>QUANTITY</u>	<u>EXPECTED LIFE (YRS)</u>	<u>COST TO REPLACE AT END OF USEFUL LIFE</u>
Total Asphalt	12,000 yds	25	\$220,000
Total Sidewalks	1,245 yds		
Cracked Sections	9 yds	7	\$3,000
All Other Sidewalks	1,236 yds	20	\$340,000
Roofs and Components	19 bldgs	30	\$600,000
Building Trim	19 bldgs	7	\$50,000 to repaint
Water Softeners	6	5	\$11,000
Water Softeners	7	10	\$12,000
Water Softeners	6	15	\$14,000
Garage Unit Heaters	6	7	\$21,000
Garage Unit Heaters	6	12	\$25,500
Garage Unit Heaters	6	17	\$27,000
Pool / Sauna Water Pumps	2	11	\$6,500
Pool / Sauna Water Heaters	2	11	\$12,000
Garage Door Openers	6	5	\$3,000
Garage Door Openers	6	8	\$3,500
Garage Door Openers	6	10	\$4,000

## HARBOR HOUSE CONDOMINIUMS

### Declarant Statement Regarding Notices

The Declarant states that as of May 15, 2005, to the best of its knowledge, there are no outstanding notices or uncured violations of building codes or other municipal regulations.

## HARBOR HOUSE CONDOMINIUMS

### Amendments to Condominium Documents

The condominium documents may be amended to facilitate expansion of the condominium or other changes to the condominium. This section contains the amendments to the documents that have been made to date.