Sleepy Hollow Townhomes Condominium 5343-5345-5347-5349 Brody Drive Madison, Wisconsin 53705

CONDOMINIUM DISCLOSURE MATERIALS

This booklet contains materials required by Wisconsin Law to be disclosed to prospective purchasers of condominium units at Sleepy Hollow Townhomes Condominium 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.

DECLARANT:

DECLARANT'S AGENT:

Sleepy Hollow Investments LLC 632 Struck Street Madison, WI. 53719 Bruner Realty & Management, Inc. 632 Struck Street Madison, WI. 53719

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.

SLEEPY HOLLOW TOWNHOMES CONDOMINIUM

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.	<u>Declaration</u> : The Declaration establishes and describes the Condominium the Units and the Common Areas.	, Page 7
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.	,
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4.	By-Laws: The By-Laws contain rules which govern the Condominiu and affect the rights and responsibilities of Unit Owners.	
5.	Rules: The use of the Condominium is governed by rules adopted under the By-Laws.	
6.	Management or Employment Contracts: The Association has not entere into any management or employment contracts.	
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.	f r
	insurance and utilities.	
8.	<u>Leases</u> : In some Condominium, units are sold subject to one or more leases of property which are not a part of the condominium. There are no such leases at the Condominium.	

9. <u>Expansion</u>: The declarant has not reserved the right to expand the Condominium in the future.

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10. Floor Plan and Map: 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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11. 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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SLEEPY HOLLOW TOWNHOMES CONDOMINIUM

Executive Summary

- 1. Condominium identification. The name of the condominium is "Sleepy Hollow Townhomes Condominium". It is located at 5343-5345-5347-5349 Brody Drive, Madison, Wisconsin 53705.
- 2. Expansion plans. The original condominium consists of 4 units and the declarant has not reserved the right to expand the condominium.
- 3. Governance. The condominium is governed by Sleepy Hollow Townhomes Condominiums, Inc., a Wisconsin non-stock corporation. The association has not retained a manager. Bruner Realty & Management, Inc. will manage the association until all units are conveyed from the Declarant. At that time the association will need to determine whether to retain a manager or self manage the association. Jay Bruner may be contacted regarding the condominium in general. His telephone number is (608) 273-9390.
- 4. Special Amenities. The condominium does not contain any special amenities that a unit owner is required to join or support.
- 5. Maintenance and repair of units. A unit owner is obligated to repair and maintain his/her unit.
- 6. Maintenance, repair and replacement of common elements. The common elements are maintained, repaired and replaced by the Association.
- 7. 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 a term of at least one month. No unit shall be leased or rented for hotel or transient purposes.
- 8. 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.
- 9. Parking. Each unit includes one outside parking stall designated as a limited common element on the condominium plat. Visitor or additional unit owner vehicle parking is available on the public street.
- 10. Pets. No pet, other than one (1) dog not exceeding 35 lbs and two (2) cats (spayed, neutered and declawed), may be kept in a unit without the prior written consent of the association. Certain breeds of dogs are prohibited as specified in the condominium rules.

- 11. Reserves. The association is creating a reserve account to help finance anticipated future repairs and replacements of the common elements. This is not a statutory reserve account and the association has elected not to create a statutory reserve account.
- 12. Fees on new units. The declarant will pay the monthly assessments on those units to which an occupancy permit has been issued by the City of Madison, provided that during the period of declarant control, if the total estimated monthly assessments paid by the units owners and declarant shall not cover the total common expenses, the declarant will pay the deficit.
- 13. Amendments. A unit owners rights and responsibilities may be altered by amendments to the declaration and by-laws. The declaration may be amended by written consent or vote of at least three-quarters 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 75% of the total unit votes.

SLEEPY HOLLOW TOWNHOMES CONDOMINIUM DECLARATION

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DECLARATION OF CONDOMINIUM of SLEEPY HOLLOW TOWNHOMES CONDOMINIUM

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 Sleepy Hollow 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 <u>Legal Description</u>. The real estate subject to this Declaration is owned by Declarant and is described on Exhibit I attached hereto.
- 2.02 <u>Name and Address</u>. The name of the Condominium is "Sleepy Hollow Townhomes Condominium" and has as its address 5343-5345-5347-5349 Brody Drive, Madison, Wisconsin 53705.
- 2.03 <u>Covenants, Conditions, Restrictions, and Easements</u>. 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 <u>Definitions</u>. Except as modified herein, the definitions contained in the Act shall govern in the interpretation of this Declaration.

ARTICLE III UNITS

3.01 <u>Definition</u>. "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.

- 3.02 <u>Description</u>. A Unit in Sleepy Hollow Townhomes Condominium 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. 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 shall be the horizontal plane of the upper face of the floor on the lowest floor of the cubicle.
- (2) The following items serving the particular 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 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 Unit;
 - (e) The cable television outlet, if any, to the Unit and the junction box serving it;
 - (f) The individual furnaces or ducting, the radiator, and the piping providing heating to the Unit, and the controls for the heating system of the Unit;
 - (g) The air conditioning equipment and ducting providing air conditioning to the Unit, and the controls for the air conditioning system of the Unit;
 - (h) The lines bringing natural gas or similar fuel to the Unit, which lines extend from the utility meter to the boundary of the Unit;
 - (i) The venting lines to the outside of the building for bathroom, clothes dryer and/or kitchen exhaust fans.
- (3) Specifically not included as part of the Unit are those structural components of the building and any portions of the mechanical systems of the building, not specifically included in the Unit under (2), above, which lie within the cubicle or cubicles of air

comprising the Unit. For purposes of this subsection, partition walls shall not be considered structural components.

3.03 <u>Identification</u>. 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 Sleepy Hollow Townhomes Condominium, which plat shall be recorded contemporaneously with this Declaration. A reduced copy of the Condominium Plat is attached hereto as Exhibit II. The legibility of that copy may be impaired and reference should me made to the original plat recorded at the office of the Dane County Register of Deeds.

ARTICLE IV COMMON ELEMENTS

- 4.01 <u>Definition</u>. "Common Elements" shall mean all of the Condominium except the Units.
- 4.02 <u>Description</u>. The Sleepy Hollow Townhomes Condominium 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 <u>Use</u>. 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 Associations, the Common Elements shall be available for the use and enjoyment of or service to owners of all Units.
- 4.04 <u>Ownership</u>. There shall be appurtenant to the Units an undivided interest in the Common Elements in the percentages specified in Exhibit III attached hereto.

ARTICLE V LIMITED COMMON ELEMENTS

- 5.01 <u>Definition</u>. "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 <u>Description</u>. The Sleepy Hollow Townhomes Condominium Limited Common Elements and the Unit or Units to which their use is reserved are identified on the Condominium Plat and shall include decks and the entranceway stoops at the rear of the building. Pursuant to Section 703.14, Wisconsin Statutes (2003-04), as amended, any owner of a 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. 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. No use 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, or corporation, who 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 Units on which an occupancy permit has been issued by the City of Madison and which have not been conveyed to another Unit Owner.

ARTICLE VIII ASSOCIATION

- 8.01 <u>Definition</u>. "Association" shall mean Sleepy Hollow Townhomes Condominium, Inc., a Wisconsin non-stock corporation.
- 8.02 <u>Duties and Obligations</u>. 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 <u>Voting</u>. Each Unit shall be entitled to one (1) indivisible vote in the Association, subject however, to suspension as provided herein. If a 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 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 <u>Units</u>. Each Unit Owner shall be responsible for the decoration, furnishing, housekeeping, maintenance, repair and replacement of the Owner's Unit.
- 9.02 <u>Limited Common Elements</u>. 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.
- 9.03 <u>Common Elements</u>. Except as hereinabove provided, the Association shall he responsible for the decoration, furnishing, housekeeping, maintenance, repair, and replacement of the Common Elements.
- 9.04 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 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 <u>Limitations</u>. 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 Sleepy Hollow Townhomes Condominium 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 <u>Property Insurance</u>. The Association shall obtain and maintain insurance for the Units and Common Elements, including Limited Common Elements, covering the perils of fire, extended coverage, vandalism, and malicious mischief on a repair and 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 <u>Liability Insurance</u>. 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 <u>Fidelity Insurance</u>. 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 fifty percent (50%) of the Association's annual operating expenses and reserves.
- 11.04 <u>Administration</u>. 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 <u>Unit Owners' Insurance</u>. 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 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 <u>Disbursement</u>. 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 <u>Commencement</u>. 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 destroyed or sustain more than One Hundred Thousand Dollars (\$100,000) in damage at any one time, 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, other than votes available to the Declarant, and by the affirmative vote of at least fifty-one percent (51%) of the first Mortgagees, calculated on a per-unit basis. 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, or in the event the damage sustained is less than or equal to One Hundred Thousand Dollars (\$100,000), the Association shall promptly undertake to repair or reconstruct the damaged property to a condition compatible with the remainder of the 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 at least two-thirds of the first Mortgagees, calculated on a per-unit basis, 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 <u>Liability of Unit Owner</u>. 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 on an equal basis.
- 14.02. <u>Water and Sewer Charges</u> There is one water meter for each unit in the Condominium. Each unit owner is responsible for the water and sewer charges for his/her unit.
- 14.03 <u>Enforcement</u>. 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 <u>Suspension of Voting Rights</u>. 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.
- 14.05 <u>Unit Sale</u>. 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 <u>Lien for Non-payment</u>. 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 <u>Installment Payment</u>. 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.
- 14.9 <u>Assessments against Declarant</u>. Declarant shall pay the monthly assessments only on those of its Units as to which an occupancy permit has been issued by the City of Madison; provided, however, that, during Declarant's control as specified in Article XV hereof, if the total estimated monthly assessments paid by Unit Owners and by the Declarant shall not cover the total Common Expenses, Declarant shall pay the deficit.
- 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

Except as provided in Section 703.15(2)(d), Wisconsin 15.01 <u>Declarant</u> Control. 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 three (3) 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 Any contracts or agreements entered into by Declarant on behalf of the Condominium. Association with Declarant or an affiliate of Declarant shall not extend for a period exceeding one (1) year; provided, however, that such contracts or agreements may be automatically renewable if a reasonable period for giving notice of termination is provided at the end of each term. Furthermore, any such contracts or agreements shall provide for termination by either party without cause and without payment of a termination fee upon at least ninety (90) days' prior written notice. Notwithstanding the foregoing, this provision shall not apply to any lease, the termination of which would terminate the Condominium.

15.02 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. However, any such acts shall not violate the rights of the Unit Owners or their Mortgagees or unreasonably interfere with the use and enjoyment of the Units, Limited Common Elements, or Common Elements. Furthermore, Declarant shall be responsible for any damages resulting from the exercise of such rights. 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

The Declarant has not reserved the right to expand the condominium.

ARTICLE XVII AMENDMENTS

Except as otherwise provided herein, this Declaration may only be amended with the written consent of at least three-quarters 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 to receive service of process for the

Condominium Association shall be Jay Bruner, 632 Struck Street, Madison, Wi. 53719, or such other person as may be designated from time to time by the Association, which designation shall be filed with the Wisconsin Department of Financial Institutions office.

18.2 <u>Notice to Mortgagees</u>. 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.

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 <u>Utilities</u>. 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 <u>Encroachments</u>. 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 <u>Invalidity of a Provision</u>. 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 <u>Conflict in Condominium Documents</u>. 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 <u>Warranties</u>. 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 <u>Homestead</u>. The Condominium or any portion thereof shall not be deemed to be homestead property of the Declarant.

2006.	IN WITNESS V	WHEREOF, this Decl	laration has been executed this Sleepy Hollow Investments	
			By: Jay Bruner – Member	
STAT	TE OF WISCONS	-		
COU	NTY OF DANE)ss)		
Sleep	Personally can y Hollow Invest	ne before me this ments LLC to me kr	day of March, 2006, Jay Brunown to be the person who execute	mer, member of ed the foregoing

Declaration, and acknowledged that he executed the foregoing instrument.

CONSENT

Capitol Bank, mortgagee, hereby consents to this Declaration of Condominium for Sleepy Hollow Townhomes Condominium on this day of March, 2006.						
	Capitol Bank					
		BY:_	Kenneth Thompson - President			
			Komieta Monipson Mesidon			
STATE OF WISCONSIN))ss					
COUNTY OF DANE)					
Personally came before me this day of March, 2006, Kenneth Thompson, president of Capitol Bank, to me known to be the person who executed the foregoing Consent and acknowledged the same.						
		_	Public, Dane County, WI mmission expires			

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

EXHIBIT I

LEGAL DESCRIPTION

Lot One (1), Certified Survey Map No. 127 recorded in Volume 5-02B of Certified Survey Maps of Dane County, Wisconsin, Page 1 as Document Number 4073644 in the City of Madison, Dane County, Wisconsin.

Parcel No. 0709-183-0898-7

EXHIBIT II CONDOMINIUM PLAT