

BYLAWS

OF

**THE VILLAS AT APPLE CREEK CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.
a Wisconsin nonstock corporation existing pursuant to
Chapter 181 Wisconsin Statutes**

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BYLAWS
OF
THE VILLAS AT APPLE CREEK CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Association is The Villas at Apple Creek Condominium Unit Owners Association, Inc. (the "Association"), which nonstock corporation is created pursuant to the provisions of Chapter 181 of the Wisconsin Statutes as the unit owners' association for The Villas at Apple Creek Condominium. The principal office of the Association shall be as set forth in its Articles of Incorporation (the "Articles"), and the place of meetings of Unit Owners (members) and of the Board of Directors (the "Board") of the Association shall be at such place in Outagamie County, Wisconsin as the Board may from time to time designate.

ARTICLE II

DEFINITIONS

All of the terms used herein shall have the same meanings as set forth in the Declaration of The Villas at Apple Creek Condominium, (the "Declaration").

ARTICLE III

UNIT OWNERS (MEMBERS)

Section 1. Composition. Each Unit Owner, as defined in the Declaration, is a member of the Association.

Section 2. Annual Meetings. Regular annual meetings of the Unit Owners shall be held in the last calendar quarter of each year hereafter, on a date and at an hour established, from time to time, by the Board, provided, that there shall be no more than fourteen (14) months between annual meetings of the members.

Section 3. Special Meetings. Special meetings of the Unit Owners may be called at any time by the president or by the Board, or upon written request of Unit Owners entitled to exercise one-fourth (1/4) or more of the voting power of Unit Owners, and when required by the Condominium Ownership Act.

Section 4. Notice of Meetings. Written notice of each meeting of Unit Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least five days before such meeting, to each Unit Owner entitled to vote at such meeting, addressed to the Unit Owner's address last appearing on the books of the Association, or supplied by such Unit Owner to the Association for the purpose of notice, or by delivering a copy of that notice at such address at least five (5) days before the meeting. The notice shall specify the place, day and hour of the meeting; and, in the case of a special meeting, the specific purposes of the meeting. For special meetings called by the petition and written request of Unit Owners, the notice shall also state the specific motion or motions (other than procedural) to be voted upon. Attendance by a Unit Owner, either in person or by proxy, at a meeting of Unit Owners without protesting the lack of proper notice shall be deemed to be a waiver by the Unit Owner of notice of such meeting.

Section 5. Conduct of Meetings. All meetings of the Unit Owners shall be conducted by the Board, and presided over by the president of the Association, or as otherwise directed by the Board.

Section 6. Participation at Meetings. Meetings of the Unit Owners shall be open to all Unit Owners unless specified by direction of the Board otherwise in the notice of meeting. The Board, in its sole discretion, may exclude from attendance at a Unit Owners meeting, certain Unit Owners and their agents and representatives (other than Declarant and its successors and assigns so long as Declarant owns a Unit or Units in the Condominium or has the right to expand the Condominium) in these instances:

(a) A determination by the Board that the Unit Owner has a threatened or pending adverse interest to the interests of the Association, or the Board, or any member of the Board, or any officer, employee, committee member, or agent of the Association if a subject of the meeting will be a discussion of a vote with regard to such adverse interest; or

(b) for any other reason deemed by the Board, from the standpoint of the Association's best interests, to be of sufficient merit that attendance and participation at a meeting by such Unit Owner would not be in the Association's best interests;

provided, that nothing contained in this Section shall preclude or exclude a Unit Owner from voting by proxy on any matter properly voted upon at that meeting by Unit Owners.

Section 7. Quorum; Adjournment. A majority of the Unit Owners present, in person or by proxy, at any duly called and noticed meeting of Unit Owners shall constitute a quorum for such meeting. Unit Owners entitled to exercise a majority of the voting power of Unit Owners and represented at a meeting in person or by proxy, may, at any time, adjourn such meeting. If any meeting is so adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

Section 8. Voting Rights. One vote on matters upon which Unit Owners are entitled to vote shall be allocated to each Unit, exercisable as the Owners of the undivided fee simple interests in that Unit may from time to time determine. If the Owners of the fee simple interests in a Unit are unable with respect to a particular matter to agree among themselves as to the vote to be cast with respect to that Unit, no vote shall be cast with respect to that Unit or that particular matter, provided, that unless timely challenged by an Owner of a fee simple interest in a Unit, any Owner of a fee simple interest in that Unit may cast the entire vote with respect to that Unit. The Board may suspend the right of the Owner or Owners of a Unit to cast a vote with respect to that Unit if Assessments with respect to that Unit are overdue, or there is at that time, with respect to the Owners or Occupants of that Unit, a failure to observe any of the terms of these Bylaws, or rules and regulations duly adopted by the Board and then in effect.

Section 9. Voting Power. Except as otherwise provided in the Condominium Organizational Documents, or by law, a majority of the voting power of Unit Owners voting on any matter at a duly called and noticed meeting shall be sufficient to determine that matter. The Roberts Rules of Order shall apply to the conduct of all meetings of Unit Owners except as otherwise specifically provided in the Condominium Organizational Documents or by law.

Section 10. Proxies. At any meeting of Unit Owners, a Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary prior to the meeting. A telegram or cablegram appearing to have been transmitted by a Unit Owner, or a photographic, photostatic, or equivalent reproduction of a writing, appointing a proxy, is a sufficient writing. Every proxy shall be revocable and shall automatically cease upon conveyance by a Unit Owner of that Owner's fee simple interest in that Unit, and, in any event, shall not be valid after the expiration of eleven (11) months after it is made unless it specifies the date on which it is to expire or the length of time it is to continue in force.

Section 11. Action In Writing Without Meeting. Any action that could be taken by Unit Owners at a meeting may be taken without a meeting with the affirmative written approval of Unit Owners or their proxies having not less than seventy five percent (75%) of the voting power of Unit Owners, or such greater proportion of the voting power as may be required by the Condominium Organizational Documents or by law.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Initial Directors. The initial three (3) directors and their business addresses are as set forth in the Articles, or such other person or persons as may from time to time be substituted by Declarant.

Section 2. Successor Directors. The number, times of election and terms of office of those who will serve as Directors of the Association to succeed the initial Directors shall be as provided in the Declaration.

Section 3. Removal, Death, or Resignation. Excepting only Directors named in the Articles or selected by Declarant, any Director may be removed from the Board, with or without cause, by the holders of not less than seventy-five percent (75%) of the voting power of Unit Owners. In the event of the death, resignation or removal of a Director other than one named in the Articles or a substitute selected by Declarant, the Director's successor shall be selected by the remaining members of the Board and shall serve until the next annual meeting of Unit Owners, when a Director shall be elected to complete the term of such deceased, resigned or removed Director. In the event of removal of all Directors, the Unit Owners shall, at the meeting at which all Directors are removed, elect Directors to complete the terms of the removed Directors. Declarant shall have the sole right to remove, with or without cause, any Director designated in the Articles, or a substitute selected by Declarant, and select the successor of any Director so selected who dies, resigns, is removed or leaves office for any reason before the election of Directors by all of the Unit Owners as provided in the Declaration.

Section 4. Qualification. To qualify for nomination, election or appointment as a Director (other than a Director named by Declarant), the prospect must be an individual who is a Unit Owner or Co-Owner of a Unit, the spouse of a Unit Owner or Co-Owner of a Unit, or a designated principal, member of a limited liability company, partner, director, officer, or employee of an entity or other organization that is a Unit Owner, and such Unit Owner or Co-Owner of a Unit or the Unit Owner of such spouse must not then be delinquent in the payment of any obligation to the Association, or then be an adverse party to the Association or its Board or any member thereof (in that member's capacity as a Board member) in any litigation involving one or more of those parties.

Section 5. Nomination. Nominations for the election of Directors to be elected by the Unit Owners shall be made by a nominating committee appointed by the Board, or, if the Board fails to appoint a nominating committee, by the Board itself. Nominations may also be made from the floor at the meetings. The nominating committee, or Board, shall make as many nominations for election to the Board as it shall deem appropriate but shall be no fewer than the number of vacancies that are to be filled.

Section 6. Election. Unless there are no more nominees than vacancies, election to the Board by the Unit Owners shall be by secret written ballot. At such elections, the Unit Owners or their proxies may cast, in respect to each vacancy, such number of votes as they are entitled to under the provisions of the Declaration. The Persons receiving the largest number of votes shall be elected and, likewise, those receiving the largest number of votes shall be elected to the longest terms. In cases of ties, a runoff election between only those persons who received the same number of votes, and only for purposes of resolving the tie vote, shall be conducted in the same manner as the original election. The person or persons

receiving the largest number of votes shall be elected Director or shall serve the length of the term the subject of the runoff election. Cumulative voting shall not be permitted.

Section 7. Compensation. Unless otherwise determined by the Unit Owners at a meeting duly called and noticed for such purpose, no Director shall receive compensation for any service rendered to the Association as a Director. However, any Director may be reimbursed actual expenses incurred in the performance of duties as a Director.

Section 8. Regular Meetings. Regular meetings of the Board shall be held on such dates and at such places and times as may be fixed from time to time by resolution of the Board, but not less than quarterly.

Section 9. Special Meetings. Special meetings of the Board shall be held when called by the president of the Board, or by a majority of the Directors, after not less than three (3) days notice to each Director.

Section 10. Quorum. The presence at any duly called and noticed meeting of Directors entitled to cast a majority of the voting power of Directors, in person or by participation by means of communications equipment (if all persons participating can hear each other, participate, and respond to every other participating member of the Board) shall constitute a quorum for such meeting.

Section 11. Voting Power. Each Director shall be entitled to a single vote, and, except as otherwise provided in the Condominium Organizational Documents, or by law, vote of a majority of the Directors voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present shall be sufficient to determine that matter.

Section 12. Action In Writing Without Meeting. Any action that could be taken by the Board at a meeting may be taken without a meeting with the written consent of all of the Directors.

Section 13. Powers and Authority. The Board shall exercise all powers and have all authority under law and under the provisions of the Condominium Organizational Documents, that are not specifically and exclusively reserved to the Unit Owners by law or by other provisions thereof. Without limiting the generality of the foregoing, the Board shall have the right, power and authority to:

(a) take all actions deemed necessary or desirable to comply with or to cause compliance with all requirements of law and the Condominium Organizational Documents;

(b) obtain insurance coverage and bonds the Directors consider appropriate or necessary; provided that insurance coverage and bonds required pursuant to the

provisions of the Declaration and in amounts no less than that required pursuant to the Declaration shall be obtained and maintained;

(c) enforce the covenants, conditions and restrictions set forth in the Declaration;

(d) repair, maintain and improve the Common Elements;

(e) establish, enforce, levy and collect Assessments, late fees, delinquent interest and such other charges as are provided for in the Declaration and adopt, publish, and enforce rules and regulations concerning the same;

(f) adopt and publish rules and regulations governing the use of the Common Elements and the personal conduct of Unit Owners, Occupants and their guests thereon, provided that no such rules or regulations shall be intended to, or interpreted as, or create distinctions or different criteria or standards between Unit Owners who are Occupants, and Occupants who are not Unit Owners;

(g) suspend the voting rights of a Unit Owner during any period in which such Unit Owner shall be in default in the payment of any charge levied by the Association (such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations or of any provisions of the Condominium Organizational Documents);

(h) declare the office of a member of the Board to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

(i) subject to such approvals, if any, as may be required pursuant to the provisions of Condominium Organizational Documents, authorize the officers to enter into one or more agreements necessary or desirable to fulfill the purposes and objectives of the Association, including, without limitation, management agreements, purchase agreements and loan documents, all on such terms and conditions as the Board in its sole and absolute discretion may determine;

(j) cause excess funds of the Association to be invested in such reasonable investments that meet standards for fiduciary investments under Wisconsin law as the Board may from time to time determine;

(k) borrow funds, as needed, and pledge and assign such security and rights of the Association, including rights to Association Assessments or other future income, as might be necessary or desirable in the judgment of the Board, to obtain any such loan;

(l) purchase, cause the Association to hold title to, and sell real property not declared to be part of the Condominium Property, provided that (i) if any such transaction takes place prior to the time Unit Owners (other than the Declarant) assume control of the Association, approval of the transaction must be obtained from Declarant and other Unit Owners exercising not less than seventy-five percent (75%) of the voting power of the members of the Association, as well as the Board, and (ii) if after Unit Owners assume control of the Association from Declarant, the approval of Unit Owners exercising not less than seventy-five percent (75%) of the voting power of members of the Association, as well as the Board; and

(m) do all things and take all actions permitted to be taken by the Association by law or the Condominium Organizational Documents not specifically reserved thereby to others.

Section 14. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs, including correct and complete books and records of account that specify receipts and expenditures relating to Common Elements and other common receipts and expenses, records showing the allocation, distribution, and collection of common profits, losses, and expenses among and from Unit Owners, minutes of meetings of the members and meetings of the Board, and records of the names and addresses of Unit Owners and their respective undivided interests in the Common Elements;

(b) present the latest available financial statement of the Association to the Unit Owners at each annual meeting of Unit Owners, or at any special meeting when requested in writing by Unit Owners representing a majority of the voting power of Unit Owners;

(c) cause to be enforced the legal requirement that each Person who obtains a fee simple interest in a Unit provide to the Association, in writing, within thirty (30) days after acquiring such interest:

(i) the home address and business mailing addresses, and the home and business telephone numbers of the Unit Owner and all Occupants of the Unit; and

(ii) the name, business address, and business telephone number of any Person who manages the Owner's Unit as an agent of that Owner;

and the requirement that each Unit Owner notify the Association in writing of any change in the foregoing information within thirty (30) days of the change.

(d) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(e) cause an annual budget to be prepared, and amendments thereto as needed;

(f) establish, levy, enforce and collect Assessments as more fully provided in the Declaration;

(g) issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid;

(h) procure and maintain insurance and bonds as provided in the Declaration, and as the Board deems advisable;

(i) cause the property subject to the Association's jurisdiction to be maintained within the scope of authority provided in the Declaration; and

(j) take all other actions required to comply with all requirements of the Condominium Organizational Documents.

Except in the case of Special Individual Unit Assessments for utility charges, interest, late charges, returned check charges, court costs, arbitration costs, and/or attorney fees, prior to levying a Special Individual Unit Assessment, as provided in the Declaration, the Board shall give the Unit Owner or Owners written notice of the proposed Assessment that includes:

(i) a statement of the facts giving rise to the proposed Special Individual Unit Assessment, including, if applicable, a description of the property damaged, or the violation of the restriction, rule or regulation allegedly violated;

(ii) the amount of the proposed Special Individual Unit Assessment;

(iii) a statement that the Unit Owner has a right to a hearing before the Board to contest the proposed Special Individual Unit Assessment by delivering to the Board a written notice requesting a hearing within ten (10) days after the Unit Owner receives written notice of the proposed Special Individual Unit Assessment; and

(iv) in the case of a charge for violation of a restriction, rule or regulation, a reasonable date by which the Unit Owner must cure the alleged violation to avoid the proposed Special Individual Unit Assessment.

The notice by the Board given pursuant to the foregoing may be delivered personally to the Unit Owner to whom a Special Individual Unit Assessment is proposed to be charged, an Occupant of that Owner's Unit, or by certified mail, return receipt requested, or by regular mail. In the event after such hearing the Board determines to levy the proposed Special Individual Unit Assessment, the Board shall deliver to the Unit Owner written notice thereof within thirty (30) days of the date of that hearing.

Section 15. Delegation of Authority; Management; Contracts. The Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense; provided, however, that any agreement for professional management shall be terminable by the Association for cause on thirty (30) days' written notice; shall be terminable by either party without cause and without penalty, on written notice of ninety (90) days or less; and shall be bona fide and commercially reasonable at the time entered into under the circumstances then prevailing; provided, however, that for any professional management contract entered into before control of the Association is vested in Unit Owners (other than Declarant) the contract must give the Association the right to terminate it without cause and without penalty at any time after control of the Association has been transferred to or assumed by Unit Owners from the Declarant. Subject to the foregoing, nothing contained herein shall preclude Declarant, or any other entity designated by Declarant, from being employed as managing agent. The managing agent, or the Board, if there is no managing agent, shall have the authority to enter into contracts with Declarant or an affiliate of Declarant, as defined by an institutional first mortgagee or an agency or organization which purchases, insures, or guarantees first mortgages, for goods, services, or for any other thing, including, without limiting the generality of the foregoing, contracts for maintenance and repair services, provided the same are bona fide and commercially reasonable to the Unit Owners at the time entered into under the circumstances then prevailing. In any case, no management contract or agreement by the Association executed prior to the assumption of control of the Association by Unit Owners from the Declarant shall extend more than ninety (90) days, and no other contract, except for necessary utility services, shall extend more than one year, subsequent to that assumption of control unless renewed by vote of Unit Owners pursuant to the provisions of these Bylaws.

ARTICLE V

OFFICERS

Section 1. Enumeration of Officers. The officers of this Association shall be a president, a secretary, a treasurer and such other officers as the Board may from time to time determine. An officer need not be a Unit Owner or Director of the Association. The same person may hold more than one office.

Section 2. Election and Term. Except as otherwise specifically provided in the Declaration or by law, the officers of the Association shall be elected by the Board to serve until the Board elects their successors.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine.

Section 4. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Duties. The duties of the officers shall be as the Board may from time to time determine. Unless the Board otherwise determines, the duties of the officers shall be as follows:

(a) President. The president shall preside at all meetings of the Board and of Unit Owners; shall have the authority to see that orders and resolutions of the Board are carried out; and shall sign all legal instruments on behalf of the Association.

(b) Secretary. The secretary shall record the votes and keep the minutes and proceedings of meetings of the Board and of the Unit Owners; serve notice of meetings of the Board and of the Unit Owners; keep appropriate current records showing the names of Unit Owners of the Association together with their addresses; and shall act in the place and stead of the president in the event of the president's absence or refusal to act.

(c) Treasurer. The treasurer shall assume responsibility for the deposit of receipts in Association bank accounts and the investment of funds in such investment vehicles as the Board directs; the disbursement of such funds as directed by the Board; keeping proper books of account; preparation of a proposed annual budget and a statement of income and expenditures to be presented to the Unit Owners at annual meetings; and the delivery or mailing of a copy of all financial reports to each of the Unit Owners.

ARTICLE VI

COMMITTEES

The Board shall appoint a nominating committee and may appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE VII

BOOKS AND RECORDS

The books, records and financial statements of the Association, including current copies of the Declaration, Bylaws and effective rules and regulations, shall be available during normal business hours or under other reasonable circumstances, upon request to the Association, for inspection by Unit Owners, lenders, and the holders, insurers and guarantors of first mortgages on Units, pursuant to reasonable standards established from time to time by the Board by rule including, but not limited to, standards governing the type of documents that are subject to examination and copying, the times and locations at which those documents may be examined or copied, and the specification of a reasonable fee for copying the documents; provided, further, that the Board shall not be required to permit the examination and copying of materials and information permitted to be excluded from examination and copying under the Condominium Ownership Act or the disclosure of which is prohibited by the laws of the State of Wisconsin. During normal business hours or under other reasonable circumstances, the Association shall make available to prospective purchasers current copies of the Declaration, Bylaws, effective rules and regulations, and the most recent annual compiled financial statement, if such is prepared.

ARTICLE VIII

AUDITS

The Board shall cause the preparation and furnishing of an audited financial statement of the Association for the immediately preceding fiscal year, within a reasonable time following such request, in the following circumstances:

- (a) to each requesting Unit Owner within a reasonable time after request, at the expense of the Association, upon the two-thirds (2/3) vote of Unit Owners;
- (b) to each holder, insurer, or guarantor of a first mortgage upon a Unit which requests an audit, within a reasonable time thereafter, provided the audit, if an audited statement is not already available, shall be prepared at the expense of such requesting party; and
- (c) during such time, if any, as the Condominium contains fifty (50) or more Units, to each holder, insurer or guarantor of a first mortgage on a Unit who makes written request for an audit, within one hundred twenty (120) days of the Association's fiscal year end, at the expense of the Association.

ARTICLE IX

FISCAL YEAR

Unless otherwise changed by the Board, each fiscal year of the Association shall begin on the first day of January and terminate at the end of the 31st day of December of that year, except that the first fiscal year shall begin on the date of incorporation of this Association and terminate at the end of the next following 31st day of December.

ARTICLE X

AMENDMENTS

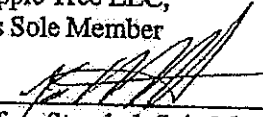
Any modification or amendment of these Bylaws shall be made only by means of an amendment to the Declaration, in the manner and subject to the approvals, terms and conditions set forth therein, and shall be effective from the time a certificate setting forth such modification or amendment is delivered for recording to the Outagamie County, Wisconsin Register of Deeds Office.

IN TESTIMONY WHEREOF, the undersigned, the sole member of the Association, has caused these Bylaws to be duly adopted on or as of the 10th day of August, 2006.

APPLE TREE-APPLETON ONE, LLC

By: Apple Tree Fox Valley, LLC,
Sole Member

By: Apple Tree LLC,
its Sole Member

By: 
Jeffrey Straubel, Sole Member

THE VILLAS AT APPLE CREEK

A WISCONSIN CONDOMINIUM

CONDOMINIUM RULES AND REGULATIONS

Effective: September, 2025

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ARTICLE I PURPOSE

These Rules and Regulations have been set forth to expand upon and to detail the information found in the Condominium Declaration and Bylaws under which the Villas at Apple Creek Condominium Unit Owners Association, Inc. ("Association") was formed. These Rules and Regulations have been developed and adopted by the Board of Directors (the "Board") of the Association to provide for an attractive and harmonious place to live. Capitalized terms shall have the same meaning as set forth in the Condominium Declaration, unless otherwise defined herein.

ARTICLE II PERSONAL PROPERTY

Section 1. PLACEMENT OF PERSONAL PROPERTY:

All personal property, such as lawn chairs or other furniture, grills, tables, etc., must be kept inside the patio or porch area, but not in entryways. Other personal property, such as bicycles, must be garaged. Items maintained within the patio area may not be visible above the patio fence, with the exception of patio furniture, covered grills, potted plants, American Flag and decorative items permitted in Article III, Section 2. Grill usage is defined in Article V, Section 1b

Section 2. APPROVAL REQUIRED:

Nothing may be hung or displayed, nor may signs, awnings, canopies, shutters, antennae or any other device or ornament be affixed to or placed upon the exterior walls, doors, fences or roof without prior written approval of the Condominium Association Board of Directors. The use of screws, nails or other hardware to affix an item to the exterior walls, doors, fences or roof is strictly prohibited.

Section 3 SATELLITE DISHES:

Satellite dishes may only be installed on the owner's patio or on the ground between the sidewalk and the building. They cannot be mounted on the side of the building or on the roof

ARTICLE III DECORATIVE ITEMS

Section 1. DECORATIVE ITEMS NOT PERMITTED:

Use of any of the following is not permitted:

- Bird feeders or bird baths (tree-hanging or free-standing) Mounted garden hose hangers;
- Wall plaques; Trellises; Flower boxes;
- Windsocks/wind chimes/decorative flags.
- Canopy tents and Gazebos.
- See Article II through Article VIII for additional restrictions.

Section 2. DECORATIVE ITEMS PERMITTED:

a. Stepping Stones – Up to three stepping stones are permitted in the mulched area around each home provided they are earth tone in color, no taller than four inches, and do not exceed fifteen inches in diameter.

b. Potted Plants / Planters – Up to five (5) earth tone pots are permitted outside the patio area. Pots shall not exceed 26” in diameter and 26” in height. Pots may be placed in the mulched area between shrubs. Pots may not be placed in such a manner that they block the sidewalk or interfere with pedestrian passage. Plant materials within the pots shall not exceed 38” in height as measured from the ground beneath the pot to the top of the plant. The overall height of a plant on a stand may not exceed 48” as measured from the ground beneath the stand to the top of the plant. Plant stands may only be kept within the patio area and must not be visible from outside the patio area. All pots must be removed from sidewalks by November 1 or by the first snowfall.

c. Shepherd's Hook – One or two shepherd's hooks for hanging plants are allowed inside the sidewalk or in the mulch immediately adjacent the patio area, but may not exceed 60” in height as measured from the adjacent ground to the topmost point.

d. Solar Walk Lights – Solar lights may be installed providing they conform to the following guidelines; lights must be no taller than 18” from their mounting surface, cannot be of ornate design, and must be of uniform earth-tone color. A maximum of 10 lights should be spaced at approximately equal distances apart. They may be placed on alternate sides of the walk, but must be in a mulched area. Lights must be kept in good repair, and occupant is responsible for any damage, including that of maintenance activity. Solar lights for flags are not included as a walk light and must follow flag pole requirements.

e. Solar patio/courtyard Lights – Lights may be attached ONLY with 3-M Command Strips on the inside of Patio. The lights must be below the top of the fence. Light bulbs may not be visible from the outside of the patio/courtyard.

f. Garden Hoses – The preferred storage location for hoses when not in use is inside the garage. However, **covered hose reels will be permitted**. Such hose reels must be of earth-tone color, and be put in the most inconspicuous spot available, such as behind bushes or in building offsets. They must be kept clean and well maintained, and as attractive as possible. Hoses must be reeled in when not in use.

g. Holiday Decorations – Christmas decorations such as one door wreath, lights, sprays, and other decorations are permitted to be placed on the exterior of a homeowner's unit provided no damage is done by the use of fasteners, tape, etc. (Hint: removable hangers such as the “Command” products made by 3M can be removed without damage)

No lights or decorations can be hung from gables or rain gutters. **No** plywood signs/decorations or stationary or rotating motion type spotlight which shines on the outside of the condo is permitted. No other exterior decorations are allowed. Decorations cannot be placed on the walkway near the front entrance as this hinders snow removal. Christmas decorations may be displayed **one** week before Thanksgiving but decoration lighting **cannot** be turned on until Thanksgiving. All holiday decorations must be removed by the following January 7. Other holidays can be decorated following the same guidelines, using a display period of one week before to one week after the holiday. Up to six pumpkins (not carved or decorated) can be put out in the fall, but must be removed immediately after Thanksgiving.

h. A decorative wreath, preferably of a seasonal nature, can be mounted on the front door, following the mounting procedure outlined above. **Also (1) decorative wreath can be placed on a court yard condo fence as per hanging instructions described.**

i. The American Flag – The U.S. American Flag may be flown or displayed at any time following American Flag protocol as stated in the Federal Flag Code Public Law 94-344 and The Wisconsin State Statute 710.17 and following the Villas at Apple Creek Rules and Regulations regarding flying the U.S. American Flag.

The American Flag can be flown or displayed at any time as long as the American Flag and/or flagpole is not attached to any patio/courtyard or building in any way.

In order to fly the U.S. American Flag (and ONLY the U.S. American Flag) the owner must do one of the following:

1. Install a Villas at Apple Creek approved flagpole at owner’s expense.
 - a. Request a copy of the Flag Pole Requirements from our management company or on our website (www.acvillas.com).
 - b. File a Request for Exterior Improvement. The form can be obtained from our management company or on our website (www.acvillas.com). Complete plans and drawings are to be included.
 - c. Exterior Improvement Application must be completed, filed with the Villas management company and approved by the board of directors before any work can proceed.
 - d. Flagpole height cannot exceed 16 feet.

2. Use a flagpole on the unit’s patio/courtyard , supported as one would support an umbrella, **unattached** to any element of the patio/courtyard or condo.
 - a. Flagpole cannot exceed 10 feet in height.
 - b. Flagpole can be used ONLY for the U.S. American Flag.
 - c. Flag is not to exceed 3 feet by 5 feet in size.

ARTICLE IV FLOWERS / GRASSES / LANDSCAPE PLANTS

Section 1. Flowers and Grasses

Annual and Perennial Flowers and Grasses may be planted by homeowners in the mulched area between the building and sidewalk around their home. Flowers/Grasses shall not be planted between existing shrubs. Flowers/Grasses shall not exceed 30" in height and shall not encroach on the sidewalk. Flowers/Grasses are not permitted around any tree.

Flowers/Grasses shall be well maintained by the homeowner throughout the growing season, and dead annuals shall be removed by the homeowner at the end of the season. Homeowners will receive a written notice regarding any Flowers/Grasses that are not maintained during the growing season and if corrective action is not taken by the homeowner within the time specified in the notice, the Flowers/Grasses will be subject to removal by the grounds keepers and the cost for removal will be billed to the homeowner. The Homeowners Association is not responsible for any homeowner planted Flowers/Grasses that are damaged from landscaping or mulching.

Watering of lawns is not permitted, but shrubs and trees can and should be watered during dry spells.

Section 2. Shrubs and Landscape Plants

Any planting of new shrubs or planting beds must receive prior written approval. Variance request forms are available from the Property Manager, or on our website. See our Policy Manual for procedural details. Occupants will be responsible for the life of new plantings for two years, after which those plants will become the property of the Homeowners Association, and the HOA will provide future maintenance.

ARTICLE V - OTHER ITEMS

Section 1. Prohibited Items in Common Elements and Limited Common Elements

Common Elements consist of all of the Condominium Property, including all of the land and all improvements thereon.

Limited Common Elements consist of an exterior parking area immediately in front of the Unit's garage, and a contiguous fenced-in patio area with a concrete pad. Each such Limited Common Element is reserved for the exclusive use of the Owners and Occupants of the unit.

a. The following items will be strictly prohibited in any Common Element of the Condominium and Limited Common Element: pools, swim spas, hot tubs, saunas, any type of yard sign, statue, statuette, yard or lawn ornament, artificial flowers, plant cages, ornamental rocks or stones (except stepping stones as previously noted in Article III, Section 2), cypress mulch, swing sets, permanently mounted hose reels (See Article III, Section 2 for description of approved hose storage), laundry poles or clotheslines, or other such items. Laundry (swimsuits, towels, rugs, etc., included) may not be hung on any building component.

b. No devices using natural flame, defined as wood, paper or wood products, are allowed in the community. Gas fueled fire pits, and gas, electric, or charcoal fired grills are acceptable, but must be kept 10 (ten) feet away from combustible surfaces. City of Appleton fire codes will apply.

ARTICLE VI EXTERIOR ALTERATIONS

Section 1. Alterations

No alterations, additions, fences, walls, patios, decks, etc., may be made to the exterior surface of the building, nor may any trees or shrubs be planted, transplanted or removed without prior written approval of the Board.

Section 2. Patios

As a limited common element, patios are defined as a concrete pad within a contiguous fenced-in area. The Association is responsible for the approved repair or replacement of a concrete pad patio. Homeowner patios currently of a different construction (e.g. paver or decorative concrete) requiring repair or replacement will be at homeowner's expense; unless they replace with a concrete pad patio. Any exceptions must be approved by the Board of Directors

Before proceeding, any patio repair or replacement must be submitted for Board of Directors approval via written Architectural Review request (AppFolio). Within 30 days of receipt, response to the Architectural Review will be provided to the homeowner.

Maintenance, including cleaning, weeding and repair of cosmetic chips or cracks (less than 1/4" in width or ¼" vertical displacement) will be the responsibility of the homeowner.

Section 3. Patio Gates

Patio gates may be installed, on homes for which they are not standard, at the resident's expense using only the approved design and specifications. Copies of the design and specifications are available from the Property Manager:

Section 4. Storm Doors

Storm doors may be added at the resident's expense using only the approved design and color. Specific information about approved storm doors may be obtained from the Property Manager.

Section 5. Windows

Before proceeding with any window replacements, alterations, additions or other changes, plans must be submitted for Board of Directors approval via a written Architectural Review request (AppFolio).

Within 30 days of receipt, response to the Architectural Review will be provided to the homeowner.

ARTICLE VII WINDOW AND WINDOW COVERINGS

All window coverings, whether draperies, blinds (vertical or horizontal), or valances, must be white, off-white, light beige or light gray on the exterior side.

ARTICLE VIII SIGNS

No advertising sign may be hung or displayed from inside the windows except professionally prepared "For Sale" (no "For Lease" or "For Rent" signs are permitted), or security system decals, which shall be limited in size and number. No real estate or other advertising signs are permitted in any Common Element.

ARTICLE IX PETS

In addition to the provisions of the Declaration and Association By-laws concerning animals, the following apply:

Section 1. Pets

No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in any of the Common Elements, except that appropriately contained birds and fish, and not more than a total of 2 dogs and cats (2 dogs, or 1 dog and 1 cat, or 2 cats), may be kept as household pets by Unit Owners, provided they are not kept or maintained for commercial or breeding purposes, and are kept subject to rules and regulations set forth below and such other rules and regulations which may be adopted by the Association regarding same.

Section 2. Prohibited Breeds

Breeds of a dangerous or unpredictable nature, such as dogs of various breeds which are commonly characterized as "attack dogs", shall not be kept anywhere in the condominium. Dogs affected by this section include all dogs which are one-half or more American Staffordshire Terrier, Staffordshire Terrier, American Pit Bull Terrier, Pit Bull Terrier, Miniature Pit Bull Terrier, Rottweiler or Chow Chow. Our Condominium Documents specify a maximum combined weight of pets shall not exceed 100 pounds.

Section 3. Control

All permitted pets shall be housed indoors. All pets, when outdoors, shall be maintained on a leash not more than eight (8) feet in length. Pets shall be supervised by a responsible individual at all times. Such individuals shall be responsible for the immediate clean-up of all pet litter. Nuisance or disruptive barking must be eliminated to the best of the owner's ability.

Section 4. Area

No pet shall be tethered outside in the Common Element; nor shall any pet be tied to any patio fence.

Section 5. Enforcement

Pet owners may be fined for violation of these policies, at the rate of \$50.00 for the first offense after written notification and \$75.00 for each additional offense. If pets become a nuisance, they may be ejected from the Condominium at the discretion of the Board of Directors.

ARTICLE X PARKING / VEHICLES

Section 1. Limitations on Parked Vehicles, Motorcycles

No boats, trailers, motorcycles, ATV's, motor homes, trucks (larger than a 3/4 ton pickup), snowmobiles, trailers, travel trailers, and the like or any vehicle with commercial advertising may be parked on any street or driveway overnight. Other vehicles used for recreation (conversion vans/recreational vehicles) not garage-able, will be permitted to park in limited common area (in front of garage) for not more than forty-eight (48) hours to allow for loading and unloading. Such vehicles must not exceed twenty (20) feet in length and must not block normal access of other residents. No vehicle may be parked in the Clubhouse parking areas for more than forty-eight (48) hours. Vehicles may not plug in or use clubhouse electricity or water without prior approval by the Board of Directors. Vehicles parked there for more than forty-eight (48) hours are subject to being towed at Unit Owner, guest, or occupant's expense. Commercial moving vans, when conducting contract business and commercial trucks when in the area to perform service or repair work are an authorized exception.

Section 2. Location of Parked Vehicles

All parking by residents or guests must be: (a) within the garage, (b) in the Limited Common Element in front of the garage door, (c) in the parking spaces at the Clubhouse area, or (d) on the side drive in such a manner so as not to block any other residents' access to the garage or street. Parking in the Limited Common Element during snow removal will result in the owner being held responsible for snow removal. Overnight parking is prohibited in the "turn-around" areas at the end of the driveway.

Section 3. Inoperable Vehicles/Repairs

Inoperable vehicles (with flat tires, expired license tags, etc.), or vehicles which cannot be identified as belonging to a resident, which are parked in any Common Element or Limited Common Element for more than 48 consecutive hours may be towed off the premises at the vehicle owner's expense. No repair work is permitted on vehicles in Limited Common Element or Common Element except for short-term emergency work (flat tire, battery charge, etc.).

Section 4. No Obstruction by Vehicle and Operation of Vehicle

No vehicle shall be parked in any manner which blocks any street or driveway, or the ingress/egress to any garage other than the owners. Reckless operation, excessive speed, and parking or driving on the lawn areas is prohibited.

Speed limit on Sienna Way and Tuscany Way is 14 MPH.

ARTICLE XI SWIMMING POOL

Section 1, Users

The pool is for the exclusive use of the Unit Owners and their guests. Any person who cannot be identified as a Unit Owner, or who is not accompanied by a Unit Owner, can be asked to leave the pool area. The pool rules are:

Section 2, Risk

All persons using the pool and pool facilities do so at their own risk and sole responsibility. There is no lifeguard.

Section 3. Supervision of Children

All children under the age of 18 must be accompanied by an adult resident age 18 or older.

Section 4. Guests

Guests are limited to four (4) per Unit, and **must** be accompanied by a Unit Owner or occupant at all times.

Section 5. Prohibitions in Pool Area:

The following are prohibited in the pool area:

- Animals or pets;
- Glass or other breakable items;
- Running, diving or disruptive behavior;
- Excessive noise, splashing or radios without headphones;
- Private pool parties;
- All rafts.
- Electrical devices.

Section 6. Swimwear

Swimming is permitted only in garments sold as swimwear. Wet swimwear is not permitted in the Clubhouse gathering area. Infants should also wear swimsuits - no diapers are permitted in the pool other than those made especially for wear in the water.

Section 7. Pool Furniture

Lounge chairs or tables may not be reserved and must be repositioned in the order intended (orderly fashion), after use. Umbrellas must be closed upon departure.

Section 8. Pool Hours

The pool will be open daily during swimming season from 9:00 am until 10:00 pm or as posted at the clubhouse.

Section 9. Grills

No grills are allowed inside the pool area.

ARTICLE XII CLUBHOUSE

The Clubhouse is for the private use of the Unit Owners and occupants. It is available for rental to residents only for non-profit parties or meetings. The following policies for rental of the Clubhouse apply:

- Pfefferle will charge a \$75.00 rental fee on Renting Owners account on the date of the reservation. If needed, Pfefferle will charge the renting Unit Owner's account for any extra cleanup or damage.
- Please check the AppFolio calendar for any conflicts before applying for a rental.
Reservations are granted on a first request basis. Reservation requests must be made to the Property Manager. The clubhouse bulletin board calendar is for reference only.
- Paid rentals have priority over condo related all other reservations.
- The board reserves the right to refuse or rescind to grant a rental agreement.
- Unsupervised children and teenage parties are prohibited; the booking owner must chaperone and assume all risk or damage.
- The renting Unit Owner will have exclusive use of the party room and meeting room only; It does not include any area outside of the Clubhouse. All catering must be done inside the Clubhouse.
No food trucks.
The guests may not use the pool or exercise equipment, and the pool may not be reserved for any party.
No party items will be furnished by the Association;
- The renting Unit Owner is responsible for all clean up and trash removal. Clean up must be satisfactorily completed on the day of the party.
- Damages to the Clubhouse or equipment and any follow-up cleaning done by the Association will be deducted from the deposit. If the deposit is an insufficient amount, billed to the renting Unit Owner's account. Unit Owner will be billed for the difference. furnished by the Association;
- The renting Unit Owner is responsible for all clean up and trash removal. Clean up must be satisfactorily completed on the day of the party. • Damages to the Clubhouse or equipment and any follow-up cleaning done by the Association will be billed to the renting Unit Owner's account.

ARTICLE XIII TRASH COLLECTION

Between November 1 and April 1, Trash containers shall not be set out prior to **3:00 p.m.** the day preceding collection

All other dates require trash containers to not be set out prior to **5:00 p.m.** the day preceding collection.

The containers must be picked up and placed inside the garage by 5:00 p.m. the day of collection.

Only trash containers with lids, or securely tied plastic bags are permitted for trash disposal. All trash for collection must be in appropriate containers and must be set out at the main street, next to the curb near the end of the driveway. Trash containers, when not set out for collection, must be kept inside the garage. Unit Owner will be responsible for clean-up of trash spillage from the containers. Compliance with governmental recycling and trash collection laws is required by all Unit Owners and Occupants.

ARTICLE XIV SOLICITATION AND GARAGE SALES

Solicitation by commercial enterprises is not authorized within the Condominium. In a like manner and due to restricted parking availability, garage sales and tag sales are specifically prohibited, unless approved by the Association as a planned Condominium activity.

ARTICLE XV CONDOMINIUM SALES

Any Unit Owner who sells his or her condominium is responsible for:

- Making certain the Association's Management Company is aware of ownership changes at the time a closing date is established.
- Inform Management Company of closing location and closing date and forwarding address.
- If on autopay, owner must stop autopay.
- Making certain all Condominium Assessments are current.
- Providing potential buyer(s) with Condominium disclosure documents required by law, as well as a copy of these Rules and Regulations.

ARTICLE XVI ENFORCEMENT

Notwithstanding the foregoing, the Board of Directors may utilize any of the following, in addition to other measures it deems necessary, in order to maintain compliance with the Rules and Regulations for the Condominium:

- Written notice;

- Fine of **\$50** for second offense or failure to comply within the time specified within notice; Fine of **\$75** for third offense or failure to comply within the time specified within a notice;
- Board Correction – After providing at least two written notices, including one notice indicating corrective action is planned; the Board may, at its discretion, coordinate correction of the noncompliant item or rules violation and bill the homeowner for the resulting costs.

ARTICLE XVII AMENDMENTS

These Rules and Regulations may be subject to change from time to time at the discretion, and by a majority vote, of the Board of Directors.

These Rules and Regulations adopted by the Board of Directors effective August, 2006. Revised by The Villas at Apple Creek HOA Board of Directors September, 2009; September 2011, April 2013, May 2015. May 2016. May 2017. December 2017. February 2020. August 2021, June 2022, May 2024, August 2024 and September 2025

Villas of Apple Creek Budget

	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget
OPERATING INCOME					
Condominium Fees	\$ 391,059.75	\$ 437,623.00	\$ 565,440.00	\$ 563,679.00	\$ 565,440.00
Water Dues	\$ 105,925.80	\$ 108,925.00	\$ 109,440.00	\$ 109,560.00	\$ 109,440.00
Checking Interest Income	\$ 148.43	\$ 242.46	\$ 120.00	\$ 47,964.66	\$ 95,730.19
Insurance Special Assessment		\$ 35,712.00		\$ 1,984.00	
Other Income			\$ -	\$ -	\$ -
Late Fee/Fines	\$ 525.00	\$ -			
Clubhouse Rental	\$ 600.00	\$ 675.00	\$ 750.00	\$ 1,400.00	\$ 900.00
TOTAL OPERATING INCOME	\$ 498,258.98	\$ 583,177.46	\$ 675,750.00	\$ 724,587.66	\$ 771,510.19
OPERATING EXPENSES					
Insurance	\$ 53,824.17	\$ 105,719.53	\$ 170,685.00	\$ 183,856.00	\$ 210,537.50
Management Fees	\$ 40,528.00	\$ 41,481.84	\$ 42,571.80	\$ 42,571.80	\$ 43,848.96
Professional Fees	\$ 215.00	\$ 1,437.36	\$ 225.00	\$ 525.00	\$ 525.00
Professional Fee - Tech	\$ 760.00	\$ 1,824.00	\$ 1,824.00	\$ 1,824.00	\$ 1,824.00
Community Events/Social		\$ 856.85	\$ 1,000.00	\$ 267.94	\$ 1,000.00
Postage	\$ 841.69	\$ 104.90	\$ 300.00	\$ 260.00	\$ 300.00
Miscellaneous	\$ 235.00	\$ 497.59	\$ 600.00	\$ 554.15	\$ 600.00
Administrative/Professional	\$ 96,403.86	\$ 151,922.07	\$ 217,205.80	\$ 229,858.89	\$ 258,635.46
Electric	\$ 6,631.99	\$ 6,890.44	\$ 5,760.00	\$ 5,693.75	\$ 6,050.00
Water/Sewer	\$ 104,940.17	\$ 105,878.11	\$ 109,440.00	\$ 106,299.27	\$ 109,086.22
Utilities	\$ 111,572.16	\$ 112,768.55	\$ 115,200.00	\$ 111,993.02	\$ 115,136.22
Damage property	\$ -	\$ -	\$ -	\$ -	\$ -
Pest Control	\$ 1,765.00	\$ 6,460.00	\$ 1,600.00	\$ 700.00	\$ 1,200.00
Repairs: Pfefferle WO	\$ 12,638.25	\$ 2,722.72	\$ 3,000.00	\$ 901.60	\$ 1,000.00
Repairs: Outside Vendors	\$ 10,681.18	\$ 31,679.41	\$ 13,000.00	\$ 20,574.48	\$ 21,266.38
Dryer Vent Cleaning	\$ 1,820.00	\$ 1,840.00	\$ 2,000.00	\$ 2,295.00	\$ 2,295.00
Project Manager	\$ 43,000.08	\$ 43,000.08	\$ 48,000.00	\$ 48,000.00	\$ 50,800.00
Building Maintenance	\$ 69,904.51	\$ 85,702.21	\$ 67,600.00	\$ 72,471.08	\$ 76,561.38
Landscaping	\$ 30,024.21	\$ 9,036.74	\$ 8,000.00	\$ 10,359.48	\$ 9,726.48
Lawn Care	\$ 108,522.97	\$ 139,766.40	\$ 139,766.40	\$ 139,766.40	\$ 139,766.40
Snow Removal	\$ 95,191.08	\$ 50,201.25	\$ 85,000.00	\$ 74,376.45	\$ 85,000.00
Ground/Lawns/Snow	\$ 233,738.26	\$ 199,004.39	\$ 232,766.40	\$ 224,502.33	\$ 234,492.88
Pond Treatment	\$ 13,598.10	\$ 18,610.16	\$ 21,870.00	\$ 23,352.95	\$ 23,951.22
Pond Maintenance	\$ 13,598.10	\$ 18,610.16	\$ 21,870.00	\$ 23,352.95	\$ 23,951.22
Storage Unit expenses	\$ 1,860.00	\$ 1,520.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Clubhouse cleaning	\$ 5,165.00	\$ 5,033.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Clubhouse Electric	\$ 3,212.60	\$ 2,879.02	\$ 3,345.00	\$ 2,141.86	\$ 3,345.00
Clubhouse Natural Gas	\$ 1,952.02	\$ 1,611.56	\$ 1,985.00	\$ 1,478.40	\$ 1,985.00
Clubhouse Furniture/Equipment	\$ 661.23	\$ 1,010.64	\$ 3,450.00	\$ 479.88	\$ 600.00
Clubhouse and/or Pool Phone	\$ 798.96	\$ 815.25	\$ 804.00	\$ 844.08	\$ 864.12
Clubhouse Cable TV/Internet	\$ 1,499.25	\$ 1,515.65	\$ 1,512.00	\$ 1,661.56	\$ 1,512.00
Clubhouse - Property tax	\$ 612.64	\$ 601.86	\$ 700.00	\$ 601.86	\$ 625.00
Clubhouse supplies	\$ 456.53	\$ 2,441.83	\$ 420.00	\$ 1,544.16	\$ 1,187.00
Pool Operations	\$ 7,928.53	\$ 5,848.80	\$ 5,000.00	\$ 11,306.69	\$ 6,168.75
Clubhouse/Pool Expenses	\$ 22,286.76	\$ 21,757.61	\$ 21,216.00	\$ 24,058.49	\$ 20,286.87
Total Operating Expenses	\$ 549,363.65	\$ 591,284.99	\$ 677,058.20	\$ 687,436.76	\$ 730,264.03
NET OPERATING INCOME	\$ (51,104.67)	\$ (8,107.53)	\$ (1,308.20)	\$ 37,150.90	\$ 41,246.16
Reserve Income					
Reserve Fees	\$ 200,430.00	\$ 200,262.00	\$ 145,920.00	\$ 145,834.00	\$ 145,920.00
Insurance Proceeds	\$ 54,892.49	\$ 189,458.84	\$ -	\$ -	\$ -
Special Assesment	\$ 66,880.00	\$ -	\$ -	\$ -	\$ -
Reserve Interest Income	\$ 22,825.27	\$ 29,857.96	\$ 27,281.35	\$ 31,405.72	\$ 26,808.19
Total Reserve Income	\$ 345,027.76	\$ 419,578.80	\$ 173,201.35	\$ 177,239.72	\$ 172,728.19
Reserve Expenses					
Capital Improvements	\$ 173,429.11	\$ 201,419.61	\$ 200,000.00	\$ 220,862.01	\$ 220,000.00
Other Legal Fees		\$ 61,811.10			
Total Reserve Expenses	\$ 173,429.11	\$ 263,230.71	\$ 200,000.00	\$ 220,862.01	\$ 220,000.00
Income Tax	\$ 2,060.00	\$ 6,622.00	\$ 8,874.65	\$ 7,756.00	\$ 22,627.93
Net Reserve Income	\$ 169,538.65	\$ 149,726.09	\$ (35,673.30)	\$ (51,378.29)	\$ (69,899.73)
OVERALL NET INCOME	\$ 118,433.98	\$ 141,618.56	\$ (36,981.50)	\$ (14,227.39)	\$ (28,653.57)
Operating Cash	\$ 17,758.70	\$ 62,997.52		\$ 68,711.50	\$ 109,957.66
Money Market Acct	\$ 270,815.55	\$ 220,192.80		\$ 182,121.69	\$ 129,248.95
CD's	\$ 387,561.74	\$ 543,942.32		\$ 568,557.81	\$ 590,633.89
Total Capital Reserve Fund	\$ 658,377.29	\$ 764,135.12		\$ 750,679.50	\$ 719,882.85
Roof and Soft Metail Replacement				\$ 342,511.00	\$ 720,000.00
Settlement Operating Cash				\$ 149,552.42	\$ 150,301.90
Settlement Money Market Reserve				\$ 2,657,821.88	\$ 1,937,821.88
Total Settlement Fund				\$ 2,807,374.30	\$ 2,088,123.78

The Villas Balance Sheet

Properties: The Villas at Apple Creek - 2228 Milestone Dr Appleton, WI 54913

As of: 12/31/2025

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Number	Account Name	Balance
ASSETS		
Cash		
1100-0000	Operating Cash	33,677.40
1100-0001	Saving Account	10.04
1100-0007	Roof Operating Account	17,797.15
1100-0008	Roof MM Account	2,814,363.47
1100-0101	MM Reserves	154,647.22
1106-0001	CD	53,945.12
1106-0003	CD	159,811.50
1106-0004	CD	114,989.30
1106-0005	CD	54,861.30
1106-0006	CD	184,829.11
	Total Cash	3,588,931.61
1105-5000	Prepaid Expense-Other	750.00
	TOTAL ASSETS	3,589,681.61
LIABILITIES & CAPITAL		
Liabilities		
2220-0000	Security Deposit-Satelite TV	300.00
2300-0000	Prepaid	25,164.95
	Total Liabilities	25,464.95
Capital		
3310-0000	Retained Earnings	489,653.14
	Calculated Retained Earnings	2,762,943.69
	Calculated Prior Years Retained Earnings	311,619.83
	Total Capital	3,564,216.66
	TOTAL LIABILITIES & CAPITAL	3,589,681.61

The Villas - Annual Budget - Comparative

Properties: The Villas at Apple Creek - 2228 Milestone Dr Appleton, WI 54913

As of: Dec 2025

Additional Account Types: None

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Account Number	Account Name	MTD Actual	MTD Budget	MTD \$ Var.	YTD Actual	YTD Budget	YTD \$ Var.	Annual Budget
Income								
4000-0000	MONTHLY INCOME							
4110-0000	Association Dues Income	47,730.15	47,120.00	610.15	565,757.15	565,440.00	317.15	565,440.00
4113-0000	Water Dues	9,240.00	9,120.00	120.00	109,980.00	109,440.00	540.00	109,440.00
4150-0100	Clubhouse Rental	0.00	75.00	-75.00	1,500.00	750.00	750.00	750.00
4170-0000	Interest Income	10.20	10.00	0.20	219.92	120.00	99.92	120.00
4190-0000	Special Assessment	0.00	0.00	0.00	1,984.00	0.00	1,984.00	0.00
4460-0000	Late Fee	0.00	0.00	0.00	600.00	0.00	600.00	0.00
	Total MONTHLY INCOME	56,980.35	56,325.00	655.35	680,041.07	675,750.00	4,291.07	675,750.00
	Total Operating Income	56,980.35	56,325.00	655.35	680,041.07	675,750.00	4,291.07	675,750.00
Expense								
5050-0000	ADMINISTRATIVE/ PROFESSIONAL							
5330-0000	Insurance	16,531.00	14,223.75	-2,307.25	167,325.00	170,685.00	3,360.00	170,685.00
5460-0000	Management Fees	3,547.65	3,547.65	0.00	42,571.80	42,571.80	0.00	42,571.80
5462-0000	Professional - Tech Fees	0.00	0.00	0.00	1,824.00	1,824.00	0.00	1,824.00
5465-0000	Professional Fees	0.00	0.00	0.00	525.00	225.00	-300.00	225.00
5466-0000	Community events/social	108.66	0.00	-108.66	682.77	1,000.00	317.23	1,000.00
5500-0000	Miscellaneous	0.00	50.00	50.00	1,222.87	600.00	-622.87	600.00
5530-2000	Postage	0.00	5.00	5.00	380.00	300.00	-80.00	300.00
	Total ADMINISTRATIVE/ PROFESSIONAL	20,187.31	17,826.40	-2,360.91	214,531.44	217,205.80	2,674.36	217,205.80
5139-0000	UTILITIES							
5160-0000	Electric	180.51	150.00	-30.51	6,455.70	5,760.00	-695.70	5,760.00
5730-0000	Water/Sewer	306.37	0.00	-306.37	108,842.65	109,440.00	597.35	109,440.00
	Total UTILITIES	486.88	150.00	-336.88	115,298.35	115,200.00	-98.35	115,200.00
5201-0000	BUILDING MAINTENANCE							
5380-0000	Pest Control	0.00	0.00	0.00	825.00	1,600.00	775.00	1,600.00

The Villas - Annual Budget - Comparative

Account Number	Account Name	MTD Actual	MTD Budget	MTD \$ Var.	YTD Actual	YTD Budget	YTD \$ Var.	Annual Budget
5630-0000	Repairs: Pfefferle Work Orders	0.00	0.00	0.00	844.72	3,000.00	2,155.28	3,000.00
5630-0010	Repairs/Maintenance	2,326.36	0.00	-2,326.36	25,802.96	13,000.00	-12,802.96	13,000.00
5630-0800	Project Managers	4,000.00	4,000.00	0.00	48,000.00	48,000.00	0.00	48,000.00
5665-0000	Dryer Vent Cleaning	0.00	0.00	0.00	2,295.00	2,000.00	-295.00	2,000.00
	Total BUILDING MAINTENANCE	6,326.36	4,000.00	-2,326.36	77,767.68	67,600.00	-10,167.68	67,600.00
5359-0000	GROUND - LAWNS/SNOW/ DRIVEWAYS							
5353-0000	Landscaping	0.00	0.00	0.00	14,210.23	8,000.00	-6,210.23	8,000.00
5360-0000	Lawn Care	0.00	0.00	0.00	139,766.40	139,766.40	0.00	139,766.40
5660-0000	Snow Removal	7,224.50	18,000.00	10,775.50	63,600.95	85,000.00	21,399.05	85,000.00
	Total GROUND - LAWNS/ SNOW/DRIVEWAYS	7,224.50	18,000.00	10,775.50	217,577.58	232,766.40	15,188.82	232,766.40
5515-0000	POND MAINTENANCE							
5435-0000	Maintenance - Pond	0.00	0.00	0.00	24,198.33	21,870.00	-2,328.33	21,870.00
5515-6000	Ponds - Muskrat Removal	0.00	0.00	0.00	2,634.00	0.00	-2,634.00	0.00
	Total POND MAINTENANCE	0.00	0.00	0.00	26,832.33	21,870.00	-4,962.33	21,870.00
5725-0000	Storage unit expenses	100.00	100.00	0.00	1,200.00	1,200.00	0.00	1,200.00
7000-0000	CLUBHOUSE / POOL EXPENSES							
7001-0000	Clubhouse Cleaning	500.00	400.00	-100.00	3,900.00	4,000.00	100.00	4,000.00
7003-0000	Clubhouse Electric	145.83	100.00	-45.83	2,021.34	3,345.00	1,323.66	3,345.00
7004-0000	Clubhouse Natural Gas	291.92	75.00	-216.92	1,527.88	1,985.00	457.12	1,985.00
7005-0000	Clubhouse Furniture/ Equipment	0.00	0.00	0.00	468.59	3,450.00	2,981.41	3,450.00
7006-0000	Clubhouse and/or Pool Phone	72.01	67.00	-5.01	864.12	804.00	-60.12	804.00
7007-0000	Clubhouse Cable TV/ Internet	100.00	126.00	26.00	1,557.56	1,512.00	-45.56	1,512.00
7008-0000	Clubhouse- Property Tax	0.00	0.00	0.00	601.86	700.00	98.14	700.00
7009-0000	Clubhouse Supplies	0.00	35.00	35.00	599.05	420.00	-179.05	420.00
7010-0000	Pool Operations	0.00	0.00	0.00	11,619.42	5,000.00	-6,619.42	5,000.00
7011-0000	Clubhouse Maintenance/ Repairs	361.14	0.00	-361.14	1,553.98	0.00	-1,553.98	0.00
	Total CLUBHOUSE / POOL EXPENSES	1,470.90	803.00	-667.90	24,713.80	21,216.00	-3,497.80	21,216.00

The Villas - Annual Budget - Comparative

Account Number	Account Name	MTD Actual	MTD Budget	MTD \$ Var.	YTD Actual	YTD Budget	YTD \$ Var.	Annual Budget
	Total Operating Expense	35,795.95	40,879.40	5,083.45	677,921.18	677,058.20	-862.98	677,058.20
	Total Operating Income	56,980.35	56,325.00	655.35	680,041.07	675,750.00	4,291.07	675,750.00
	Total Operating Expense	35,795.95	40,879.40	5,083.45	677,921.18	677,058.20	-862.98	677,058.20
	NOI - Net Operating Income	21,184.40	15,445.60	5,738.80	2,119.89	-1,308.20	3,428.09	-1,308.20
	Other Income							
4172-0000	Reserve Fee	12,293.00	12,160.00	133.00	146,328.00	145,920.00	408.00	145,920.00
4176-6000	Interest	2,200.04	1,972.39	227.65	31,266.13	27,281.36	3,984.77	27,281.36
4179-0000	Settlement Funds	0.00	0.00	0.00	4,800,000.00	0.00	4,800,000.00	0.00
4179-1000	Interest on Settlement Income	9,477.17	0.00	9,477.17	49,544.92	0.00	49,544.92	0.00
	Total Other Income	23,970.21	14,132.39	9,837.82	5,027,139.05	173,201.36	4,853,937.69	173,201.36
	Other Expense							
6100-1000	CAPTIAL IMPROVEMENTS							
6100-0000	Capital Improvements	15,550.00	0.00	-15,550.00	241,179.95	200,000.00	-41,179.95	200,000.00
6117-0000	Capital - Roof Replacement	0.00	0.00	0.00	366,623.50	0.00	-366,623.50	0.00
	Total CAPTIAL IMPROVEMENTS	15,550.00	0.00	-15,550.00	607,803.45	200,000.00	-407,803.45	200,000.00
6175-1000	Settlement Legal Fees	0.00	0.00	0.00	1,650,755.80	0.00	-1,650,755.80	0.00
7110-0000	Income Taxes	0.00	0.00	0.00	7,756.00	8,874.65	1,118.65	8,874.65
	Total Other Expense	15,550.00	0.00	-15,550.00	2,266,315.25	208,874.65	-2,057,440.60	208,874.65
	Net Other Income	8,420.21	14,132.39	-5,712.18	2,760,823.80	-35,673.29	2,796,497.09	-35,673.29
	Total Income	80,950.56	70,457.39	10,493.17	5,707,180.12	848,951.36	4,858,228.76	848,951.36
	Total Expense	51,345.95	40,879.40	-10,466.55	2,944,236.43	885,932.85	-2,058,303.58	885,932.85
	Net Income	29,604.61	29,577.99	26.62	2,762,943.69	-36,981.49	2,799,925.18	-36,981.49

1722003

Recorded
AUG. 18, 2006 AT 07:58AM
OUTAUGAMIE COUNTY
JANICE FLENZ
REGISTER OF DEEDS
Fee Amount: \$133.00



DECLARATION
THE VILLAS AT APPLE CREEK CONDOMINIUM

Attorney Daniel J. Lipman
Murphy Desmond S.C.
P.O. Box 2038
Madison, WI 53701-2038

133.00
62

Tax Parcel Nos. Part of 311 650107
311 0650 108
311 0650 109
311 0650 110
311 0650 111
311 0650 112
Part of 311 0650 131

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EXHIBITS

EXHIBIT A LEGAL DESCRIPTION, CONDOMINIUM PROPERTY

EXHIBIT B CONDOMINIUM PLAT

EXHIBIT C UNIT INFORMATION SHEET

EXHIBIT D UNIT TYPE INFORMATION SHEET

EXHIBIT E LEGAL DESCRIPTION, ADDITIONAL PROPERTY

EXHIBIT F CONDOMINIUM PLAT-ADDITIONAL PROPERTY

EXHIBIT G EXISTING RESTRICTIONS

DECLARATION

This is the Declaration of The Villas at Apple Creek Condominium made on or as of the 16th day of August, 2006, pursuant to the provisions of Chapter 703, Wisconsin Statutes (2003-2004) as thereafter amended (the "Act" or "Condominium Ownership Act").

RECITALS

A. Apple Tree-Appleton One, LLC, a Wisconsin limited liability company, "Declarant", is the owner in fee simple of all of the real property hereinafter described and the improvements thereon and appurtenances thereto.

B. Declarant desires to create on the real property hereafter described a site of individually owned units, and commonly owned areas and facilities, and to these ends to submit this property to condominium ownership under the Condominium Ownership Act.

DEFINITIONS

The terms used in this document shall have these meanings, unless the context requires otherwise:

1. "Additional Property" means the land, and improvements thereon, that may, at a subsequent time, be added to the Condominium Property and become a part of the Condominium.

2. "Articles" and "Articles of Incorporation" mean the Articles filed with the Wisconsin Department of Financial Institutions incorporating The Villas at Apple Creek Condominium Unit Owners Association, Inc. as a nonstock corporation under the provisions of Chapter 181 of the Wisconsin Statutes.

3. "Assessments" mean all charges, of whatever nature, levied by the Association against a Unit and its Owners, and includes:

(a) "Operating Assessments;"

(b) "Special Assessments for Capital Improvements;" and

(c) "Special Individual Unit Assessments," each of which is hereinafter defined in this Declaration.

4. "Association" and "The Villas at Apple Creek Condominium Unit Owners Association, Inc." mean the nonstock corporation created by the filing of the Articles and is also one and the same as the association created for the Condominium under the

Condominium Ownership Act.

5. “Board” and “Board of Directors” mean those persons who, as a group, serve as the board of directors of the Association.
6. “Bylaws” mean the bylaws of the Association, created under and pursuant to the provisions of the Condominium Ownership Act for the Condominium.
7. “Common Elements” means all of the Condominium Property, except that portion described in this Declaration as constituting a Unit or Units.
8. “Condominium” and “The Villas of Apple Creek Condominium” mean the condominium instruments for the Condominium Property created under and pursuant to the Condominium Ownership Act.
9. “Condominium Ownership Act” means Chapter 703 of the Wisconsin Statutes, and as may be hereinafter amended.
10. “Condominium Instruments” means this Declaration, the Bylaws, the Articles, the Plans, the Plat, any contracts pertaining to the management of the Condominium Property, the condominium disclosure statement provided for by the Condominium Ownership Act, and any other documents, contracts, or instruments establishing ownership of or exerting control over a condominium property or unit.
11. “Condominium Organizational Documents” means the Articles, the Bylaws, and this Declaration.
12. “Condominium Property” means the tract of land hereinafter described as being submitted to the Condominium Ownership Act, all buildings, structures and improvements situated thereon, and all easements, rights and appurtenances belonging thereto.
13. “Declarant” means whoever is designated in the recitals of this Declaration as creating the Condominium, and Declarant’s successors and assigns, provided the rights specifically reserved to Declarant under the Condominium Organizational Documents shall accrue only to such successors and assigns as are designated in writing by Declarant as successors and assigns of such rights.
14. “Declaration” means this instrument, by which the Condominium Property is hereby submitted to the provisions of the Condominium Ownership Act.
15. “Director” and “Directors” mean that person or those persons serving, at the time pertinent, as a Director or Directors of the Association.

16. "Eligible Mortgagees" means the holders of valid first mortgages on Units who have given written notice to the Association stating their names, addresses and Units subject to their mortgages.

17. "Limited Common Elements" means those Common Elements serving exclusively one Unit or more than one but less than all Units, the enjoyment, benefit or use of which are reserved to the lawful occupants of that Unit or Units either in this Declaration, or by the Board.

18. "Occupant" means a person lawfully residing in a Unit, regardless of whether or not that Person is a Unit owner.

19. "Person" means a natural individual, trustee, corporation, partnership, limited liability company, or other legal entity capable of holding title to real property.

20. "Plans" means the drawings for the Condominium, and are the Plans required pursuant to the provisions of the Condominium Ownership Act. A set thereof is attached hereto, but the same may be detached and filed separately herefrom by the appropriate public authorities.

21. "Unit" and "Units" mean that portion or portions of the Condominium Property described as a Unit or Units in this Declaration and indicated by Unit designation on the Plans, and is that portion of the Condominium constituting a "unit" or "units" of the Condominium under the provisions of the Condominium Ownership Act.

22. "Unit Owner" and "Unit Owners" or "Owner" and "Owners" mean that Person or those Persons owning a fee simple interest in a Unit or Units, each of whom is also a "member" of the Association, as defined in Chapter 181 of the Wisconsin Statutes.

THE PLAN

NOW, THEREFORE, Declarant hereby makes and establishes the following plan for condominium ownership of the below-described property under and pursuant to the provisions of the Condominium Ownership Act:

ARTICLE I

STATEMENT OF OWNER'S INTENT, PURPOSE AND DECLARATION

Section 1. Owner's Intent. Declarant is the owner in fee simple of all the real property herein described and the improvements thereon and appurtenances thereto. The Declarant desires to create on this property a site of individually owned Units, and commonly owned areas and facilities.

Section 2. Purpose. The purpose of this Declaration is to submit the described lands and the improvements constructed or to be constructed (the "Property") to the condominium form of ownership in accordance with the Condominium Ownership Act and the terms of this Declaration. This Declaration is being made to establish separate individual parcels from the Condominium Property to which fee simple interests may be conveyed; to create restrictions, covenants and easements providing for, promoting, and preserving the values of Units and the Common Elements and the well being of Unit Owners and Occupants; and to establish a Unit Owners' Association to administer the Condominium and the Condominium Property, administer and enforce the covenants, easements, charges and restrictions hereinafter set forth, and to raise funds through Assessments to accomplish these purposes.

Section 3. Declaration. Declarant hereby declares that the Condominium Property described below, including the land and all improvements to be constructed thereon and all easements and rights appurtenant to the land is subjected to the condominium form of ownership as provided in the Condominium Ownership Act.

ARTICLE II

THE LAND

A legal description of the land constituting the Condominium Property, located in the City of Appleton, Outagamie County, Wisconsin, is attached hereto as "Exhibit A".

ARTICLE III

DECLARANT, NAME AND REGISTERED AGENT

Section 1. Declarant. The Declarant is Apple Tree-Appleton One, LLC, a Wisconsin limited liability company whose address is 8313 Greenway Boulevard, Suite 200, Middleton, Wisconsin 53562.

Section 2. Name. The name by which the Condominium shall be known is "The Villas at Apple Creek Condominium".

Section 3. Registered Agent. The initial Registered Agent for services of process for the Condominium in general and for the Association formed or to be formed shall be Scott Berger whose address is 8313 Greenway Boulevard, Suite 200, Middleton, Wisconsin 53562. The Board may elect or appoint a successor Registered Agent.

ARTICLE IV

PURPOSES; RESTRICTIONS

Section 1. Purposes. This Declaration is being made to establish separate individual parcels from the Condominium Property to which fee simple interests may be conveyed; to

create restrictions, covenants and easements providing for, promoting, and preserving the value of Units and the Common Elements and the well being of Unit Owners and Occupants; and to establish a Unit Owners' Association to administer the Condominium and the Condominium Property, administer and enforce the covenants, easements, charges and restrictions hereinafter set forth, and to raise funds through Assessments to accomplish these purposes.

Section 2. Restrictions. The Condominium and the Condominium Property shall be benefited by and subject to the following restrictions:

(a) Animals. Except as hereinafter provided or as provided in the Bylaws or Rules and Regulations of the Association, no animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or on the Common Elements. Notwithstanding the foregoing, household domestic pets or further defined by the Association Bylaws or the Rules and Regulations, not bred or maintained for commercial purposes, may be maintained in a Unit, provided that: (i) the maintaining of animals shall be subject to such rules and regulations as the Board may from time to time promulgate, including, without limitation, the right to place limitations on the size, number and type of such pets, and the right to levy enforcement charges against Persons who do not clean up after their pets; and (ii) the right of an Owner or Occupant to maintain an animal in a Unit shall be subject to termination if the Board, in its sole and unfettered discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Condominium or other Units or Unit Owner(s) or Occupants.

(b) Architectural Control. Except for improvements constructed by Declarant or its designee during the initial construction, no building, fence, wall, sign or other structure or improvement shall be commenced, erected or maintained upon the Condominium Property, or any part thereof, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Board or its designated representative or representatives, in its or their sole and unfettered discretion. Nothing visible to the exterior shall be permitted to be hung, placed, displayed or maintained in Limited Common Elements unless approved, in writing, by the Board or its designated representative or representatives, in its or their sole and unfettered discretion, or unless the same is authorized by existing rule or regulation adopted by the Board. Notwithstanding any repair or maintenance provision contained herein to the contrary, the Board may require, as a condition to approval, that the responsibility for repairing and maintaining the addition or improvement shall be the responsibility of the requesting Unit Owner and all future Owners of that Unit.

(c) Common Element Uses. The Common Elements (except the Limited Common Elements) shall be used in common by Unit Owners and Occupants and

their agents, servants, customers, invitees and licensees, in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of Units. Unless expressly provided otherwise herein, no Common Elements shall be used for any purpose other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Unit Owners and Occupants.

(d) Construction in Easements. No structure, planting or other material shall be placed or permitted to remain within the easements for the installation and maintenance of utilities and drainage facilities which may damage or interfere with the installation and maintenance of utility lines or which may change the direction of the flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easement areas. The utility facilities within the easement areas shall be subject to the right of the Association to maintain the same, and its right to delegate that right to a public authority or utility.

(e) Conveyances. Each Unit shall be conveyed or transferred (voluntarily or involuntarily) as a separately designated and legally described fee simple interest subject to the terms, conditions and provisions hereof. The undivided interest of a Unit in the Common Elements shall be deemed to be conveyed or encumbered with the Unit even though that interest is not expressly mentioned or described in the deed, mortgage or other instrument of conveyance or encumbrance. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred to the same transferee. In any instrument of conveyance or creating an encumbrance, or in any other document legally describing a Unit, it shall be sufficient to lawfully describe a Unit and its interest in the Common Elements by referring to the Unit designation of the Unit and the appropriate recording references of the initial page of this Declaration and the Plans. The right of a Unit Owner to sell, transfer or otherwise convey that Owner's Unit is not subject to any right of first refusal, and any Unit Owner may transfer that Owner's Unit free of any such limitation. To enable the Association to maintain accurate records of the names and addresses of Unit Owners, each Unit Owner agrees to notify the Association, in writing, within five days after an interest in that Unit Owner's Unit has been transferred to another Person. In addition, each Unit Owner agrees to provide to a purchaser of that Owner's Unit a copy of the Condominium Organizational Documents and all effective rules and regulations.

(f) Discrimination/Handicapped Accommodation. No action shall at any time be taken by the Association or its Board which in any manner would discriminate against any Unit Owner in favor of another. In addition, notwithstanding any provision hereof, or any rule or regulation, the Board shall make reasonable accommodation if necessary to afford a handicapped Person equal opportunity to use and enjoy the Condominium Property, provided, that nothing contained herein shall

be construed to mean or imply that any such accommodation be at the cost of the Association.

(g) Limited Common Element Uses. Those portions of the Common Elements described herein and/or shown on the Condominium Plat as Limited Common Elements shall be used and possessed exclusively by the Unit Owners and Occupants of the Unit or Units served by the same, as specified in this Declaration, and shall be used only for the purposes intended and subject to the other provisions of this Declaration.

(h) Offensive Activities. No noxious or offensive activity or abusive or harassing behavior, or any form of intimidation or aggression, either verbal or physical, shall be engaged in or carried on in any Unit, or upon the Common Elements or Limited Common Elements, nor shall any be used in any way or for any purpose which may endanger the health of or unreasonably disturb any Occupant, or which might intimidate or interfere with the activities of any Occupant or representative of the Association or its managing agent, or their licensees or invitees.

(i) Reallocations. Boundaries between Units and/or appurtenant Limited Common Elements shall not be adjusted nor undivided interests in Units reallocated (except in the event of an expansion of the Condominium), nor rights to use Limited Common Elements reallocated, without the express prior written consent of the Board, which it may exercise in its sole and unfettered discretion.

(j) Renting and Leasing. No Unit or part thereof shall be rented or used for transient or hotel purposes, which is defined as: (i) rental under which Occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (ii) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Unit only. No lease may be of less than an entire Unit. Any lease agreement shall be in writing, shall provide that the lease shall be subject in all respects to the provisions hereof, and to the Bylaws, rules and regulations promulgated from time to time by the Association or Board, and shall provide that the failure by the tenant to comply with the terms of the Condominium Organizational Documents and lawful rules and regulations shall be a default under the lease. Prior to the commencement of the term of a lease the Unit Owner shall notify the Board, in writing, of the name or names of the tenant or tenants and the time during which the lease term shall be in effect. In addition, in order to assure that the Condominium, from time to time, meets and file a copy of the lease with the Owners Association the requirements of institutional first mortgagees and institutional and governmental agency guarantors and mortgage insurers necessary to qualify buyers and owners and/or the Condominium for owner-occupant residential financing, and to maintain the character of the Condominium as primarily a housing community for owner-occupants, the Board, from time to time, may adopt rules limiting or restricting the

number of Units in the Condominium that may be rented, provided that no such rule shall limit or restrict the right of (i) an institutional first mortgagee, insurer, or guarantor which takes title to a Unit by deed in lieu of foreclosure, or a purchaser at a foreclosure sale, or the immediate successor in title to the Unit of that institutional first mortgagee, insurer, guarantor or purchaser, to rent the Unit(s) so acquired, or (ii) Declarant, or Declarant's assignee who becomes a successor developer of the Condominium, to rent a Unit or Units owned by Declarant or such successor. Except as otherwise specifically provided herein, no more than 10% of the Units may be leased at any time on a first come first serve basis by the Declarant or Unit Owners. Such Units may continue to be leased for as long as they have not been unleased for a consecutive 12 month period. Thereafter such previously leased Unit shall be replaced by the next eligible Unit that has been requested permission to lease by its Owner or the Declarant. The Association shall maintain a list of Units which exceed the 10% leasing limit whose Owner or the Declarant has requested in writing that the Unit be placed on the list to be leased. This list shall be used in order of receipt of the request to lease to determine priority if a rental opportunity becomes available pursuant to the leasing provisions of this Declaration, Association Bylaws or Rules and Regulations. Leases shall not be for less than four consecutive months.

(k) Replacements. Any building erected to replace an existing building containing Units shall be of new construction, be of comparable structure type, size, design and construction to that replaced, and shall contain a like number of Units of comparable size to the Units in the building replaced.

(l) Rules and Regulations. In addition to adopting and enforcing rules and regulations in the instances specifically herein mentioned, the Board may, from time to time, adopt and enforce such further reasonable rules and regulations as it deems necessary or desirable to promote harmony, to serve the best interests of the Unit Owners, as a whole, and the Association, and to protect and preserve the nature of the Condominium and the Condominium Property. A copy of all rules and regulations shall be furnished by the Board to the Owners of each Unit prior to the time when the same shall become effective.

(m) Signs; Commercial Devices. No sign, insignia, display, device, or form of external evidence of commercial advertising or use of any kind shall be displayed to the public view on the Condominium Property or on anything on the Condominium Property, except: (i) on the Common Elements, signs regarding and regulating the use of the Common Elements, provided they are approved by the Board; (ii) on the interior side of the window of a Unit, one professionally prepared sign not in excess of nine square feet in size, advertising the Unit for sale; and (iii) on the Common Elements and model Units, signs advertising the sale of Units by Declarant during the period of its sale of Units shall be permitted, provided, if these limitations on use of signs, or any part thereof, are determined to be unlawful, only the signs described in subitem (i), above, shall be permitted after Declarant's period of sales of Units.

(n) Structural Integrity. Nothing shall be done in any Unit, or in, on or to the Common or Limited Common Elements, which may impair the structural integrity of any improvement.

(o) Unit Uses. Except as otherwise specifically provided in this Declaration, no Unit shall be used for any purpose other than as a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto; provided, however, that no Unit may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an Occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the Unit), making professional telephone calls or corresponding, in or from a Unit, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; (ii) it shall be permissible for Declarant to maintain, during the period of its sale or rental of Units, one or more Units, whether hereby made a part of the Condominium, or added hereafter, as sales and rental models and offices, and for storage and maintenance purposes, (iii) one or more of such Units or a portion thereof may be maintained for the use of the Association in fulfilling its responsibilities.

(p) Vehicles. The Board may promulgate rules and regulations restricting or prohibiting the parking of automobiles, motorcycles, vans, buses, inoperable vehicles, trucks, trailers, boats and recreational vehicles on the Common Elements, including the Limited Common Elements, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other lawful actions as the Board, in its sole discretion, deems appropriate.

(q) Visible Areas. Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows (except interior inoffensive drapes, curtains, or louvered blinds) or placed on the outside walls of a building or otherwise outside of a Unit, or any part thereof, and no awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, satellite dish, or any other device or ornament, shall be affixed to or placed upon an exterior wall or roof or any part thereof, or the exterior of any door or window, or in, on, or over a patio, porch or balcony, visible to the exterior, unless authorized by the Board or required by applicable law to be permitted, but, in such case, subject to such lawful rules and regulations as the Board may adopt from time to time.

(r) Existing Restrictions. On the date this Declaration is recorded the Condominium shall be subject to those covenants, conditions, restrictions and

easements shown on Exhibit G attached hereto.

ARTICLE V

IMPROVEMENT DESCRIPTIONS

Section 1. Residential Buildings. There are 16 fourplex residential buildings initially to be a part of the Condominium, each containing four dwelling units, and 2 duplex residential buildings making a total of sixty-eight (68) dwelling units. The residential buildings are of traditional architectural style, ranch type (although some dwelling units may have a partial second story), with fourplex layouts, so that each dwelling unit in a building faces in a different direction, and so that the garage spaces in each building adjoin at the center of the building. There are no basements. These buildings are of wood frame construction, on poured concrete footings and slab, with wood siding, brick and cultured stone trim, aluminum facia, and asphalt shingle roofs. The principal materials of which these buildings are constructed are wood, glass, concrete, cultured stone or brick, fiberglass shingle, and drywall. The residential buildings are located as shown on the Plans.

Section 2. Other. Each dwelling unit has a private exterior entrance, an exterior parking area immediately in front of the dwelling unit's attached garage, and either an enclosed veranda or a contiguous fenced-in patio area with either a concrete pad, or a paver patio. Also on and a part of the Condominium are portions of private roadways, mailbox facilities, walkways and driveways. The Condominium also contains an outdoor swimming pool and a clubhouse built of similar architectural style and similar materials as the residential buildings. The clubhouse contains approximately 3,000 square feet and consists of a community room, exercise room, kitchen, mechanical room, two restrooms, and two offices.

ARTICLE VI

UNITS

Section 1. Unit Designations and Postal Addresses. Each of the dwelling units, each of which is called "a Unit", is legally designated by a number, corresponding with Declarant's number of the building in which that Unit is situated, a dash ("-"), and a number corresponding with the numerical portion of the street address of that Unit. The Unit designation of each Unit is shown on the Plans where that Unit is located. The location and designation of each Unit is also shown on the sketch Plat plan attached hereto as "Exhibit B". Information concerning the Units, with a listing of proper Unit designations, is shown on the attached "Exhibit C".

Section 2. Composition of Units.

(a) Unit Composition. Each Unit constitutes a single fee simple interest

and consists, among other things, of the space in the building designated by that Unit's designation on the Plans that is bounded by the undecorated interior surfaces of the perimeter walls, the unfinished surface of the floor at the lowest level, and the unfinished interior surface of the ceiling of the highest floor, all projected, if necessary by reason of structural divisions such as interior walls and partitions, to constitute complete enclosures of space, and all improvements within that space. Without limiting the generality of the foregoing, or, as appropriate, in addition, each Unit shall include:

(i) the decorated surfaces, including paint, lacquer, varnish, wall covering, tile and other finishing material applied to floors, ceilings, and interior and perimeter walls, carpeting, if any, and the plaster, paneling and other finishing wall material;

(ii) the finished walls, ceilings and floors themselves, but not the building's supporting elements, such as but not limited to rafters and joists, above the ceiling at the Unit's highest level, and the sub-flooring below the finished floors themselves at the lowest level of the Unit, and the structural walls or structural components thereof to which the finished walls, such as but not limited to plaster, drywall, and paneling are affixed;

(iii) all windows, skylights, if any, and screens and doors, including storm doors and windows, if any, and the frames, sashes and jambs, and the hardware therefore;

(iv) all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the building and from utility pipes, lines or systems serving the entire building or more than one Unit thereof, including, without limiting the generality hereof, built-in cabinets, dishwashers, garbage disposal units, refrigerators, stoves and hoods, television antennas and cables, furnaces, hot water heaters, heat pumps, air conditioning units (even though located outside the bounds of a Unit), and components of the foregoing, if any;

(v) all plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts, conduits and apparatus, wherever located, which serve only that Unit;

(vi) all control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and ceilings which service only the Unit or the fixtures located therein;

(vii) all interior walls that are not necessary for support of the structure, and all components thereof and all space encompassed thereby;

(viii) the portion of fireplaces, if any, actually within the interior of a Unit and the vents and dampers therefore accessible from the Unit's interior;

(ix) the space in the attached garage;

(x) the space in the attached enclosed veranda, if any; and

(xi) the attic space or storage space above the living area of a Unit, and the crawl space below a Unit, if any, to which the Unit has direct and exclusive access;

The Unit excludes, however, all of the following items, whether or not located within the bounds of that Unit:

(i) any supporting element of the building contained in interior walls, floors and ceilings;

(ii) all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which serve any other Unit; and

(iii) fireplace stacks and chimneys, if any.

(b) Unit Types, Sizes, Locations and Components. The type, composition, and approximate interior area of each Unit are shown on the attached Exhibit D. The location, dimensions, type and composition of each Unit are also shown on the Plans on Exhibit C. Each Unit has its own central air conditioning system, gas furnace, hot water heater and a fireplace.

ARTICLE VII

COMMON AND LIMITED COMMON ELEMENTS

Section 1. Common Elements - Description. All of the Condominium Property, including all of the land and all improvements thereon and appurtenances thereto, except those portions labeled or described herein or on the Plans as a part of a Unit, are Common Elements.

Section 2. Limited Common Elements - Description. Those portions of the Common Elements that are labeled or designated "Limited Common Elements" or "Limited Common Areas" on the Plans or as so described herein are Limited Common Elements. In the case of each Unit these Limited Common Elements consist of an exterior parking area immediately in front of the Unit's garage, and in the case of Units without a screened veranda, a

contiguous fenced-in patio area with a concrete pad. Each such Limited Common Element is reserved for the exclusive use of the Owners and Occupants of the Unit or Units it is designed or designated to serve.

Section 3. Undivided Interest. The undivided interest in the Common Elements of each Unit is shown on the attached Exhibit C, and, in each case, is based on each Unit having an equal value and thus, results in each Unit having an equal undivided interest. The Common Elements shall be owned by the Unit Owners as tenants in common, and ownership thereof shall remain undivided. No Unit Owner may waive or release any rights in the Common Elements. Further, the undivided interest in the Common Elements of a Unit shall not be separated from the Unit to which it appertains

ARTICLE VIII

UNIT OWNERS' ASSOCIATION AND DECLARANT CONTROL

Section 1. Establishment of Association. The Association has been formed to be and to serve as the Unit Owners' Association of the Condominium. Declarant is the sole member of the Association as of the date of execution of this Declaration.

Section 2. Membership. Membership in the Association shall be limited to the Unit Owners. Every Person who is or becomes a record Owner of a fee or undivided fee simple interest in a Unit is a Unit Owner and shall be a member of the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit, and transfer of a Unit shall automatically transfer membership in the Association to the transferee.

Section 3. Voting Rights. Each Unit Owner shall be entitled to one vote for each Unit owned in fee simple, and a proportionate part of a vote for ownership of an undivided fee simple interest in a Unit, provided, that unless timely challenged by an owner of a fee simple interest in a Unit, any owner of a fee simple interest in that Unit may cast the entire vote with respect to that Unit. The Board, from time to time, may suspend the right of a member to vote with respect to his, her or its Unit for failure to pay Assessments when due, or for failure to observe the terms hereof, the Bylaws, or rules and regulations of the Association, adopted by the Board from time to time.

Section 4. Board of Directors.

(a) The Board initially shall be those three persons named as the initial Directors pursuant to the provisions of the Articles, or such other person or persons as may from time to time be substituted by Declarant. No later than the time when twenty-five percent (25%) of the Units have been sold and conveyed by the Declarant, the Unit Owners shall meet, and the Unit Owners other than the Declarant

shall elect at least twenty-five percent (25%) of the Directors.

(b) Upon the earlier of (i) ten (10) years from the date of the establishment of the Association, or (ii) thirty (30) days after the sale and conveyance, to purchasers in good faith and for value of seventy-five percent (75%) of the Units, the Association shall meet and all Unit Owners, including the Declarant, shall elect at least 33 1/3% of the Directors.

(c) Not later than forty-five (45) days following the expiration of the Declarant's control, the Association shall hold a meeting and the Unit Owners shall elect officers of the Association and a Board of Directors consisting of at least three (3) directors.

(d) The terms of the Directors shall be staggered so that the terms of one-third of the Directors will expire and successors will be elected at each annual meeting of the Association. Thereafter, at such annual meetings, successors to the Directors whose terms then expire shall be elected to serve three-year terms. Notwithstanding the foregoing, the Unit Owners, by the vote of the Unit Owners, may, from time to time, change the number and terms of Directors; provided, that in any such event the terms of not less than one-third (1/3) of the Directors shall expire annually.

(e) Notwithstanding the foregoing, Declarant shall have the right at any time to waive its right to select one or more Directors or to vote in an election of Directors.

Section 5. Delegation of Authority; Management and Contracts.

(a) Delegation of Authority. The Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent.

(b) Management and Contracts. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense; provided, however, that any agreement for professional management shall be terminable by the Association for cause on thirty (30) days written notice; shall be terminable by either party without cause and without penalty, on not less than ninety (90) days written notice; shall not exceed one year unless renewed by agreement of the parties for successive one year periods and shall be bona fide and commercially reasonable at the time entered into under the circumstances then prevailing. Subject to the foregoing, nothing contained herein shall preclude Declarant, or any other entity designated by Declarant, from being employed as managing agent. The managing agent, or the Board, if there is no managing agent, shall have the authority to enter into contracts with Declarant or an affiliate of Declarant, as defined by an institutional first mortgagee or an agency or

organization which purchases or insures first mortgages, for goods, services, or for any other thing, including, without limiting the generality of the foregoing, contracts for the providing of maintenance and repair services, provided the same are bona fide and commercially reasonable to the Unit Owners at the time entered into under the circumstances then prevailing. In any case, no agreement by the Association executed prior to the transfer of control of the Association to the Unit Owners (other than Declarant) shall extend more than one year subsequent to that transfer or assumption of control unless renewed by vote of Unit Owners pursuant to the provisions of the Bylaws.

Section 6. Declarant Control.

(a) Except as provided in Section 703.15(2)(d) of the Wisconsin Condominium Ownership Act and Sections 4 and 5 of this Article. The 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 directors.

(b) From the date of this Declaration until all Units of the Condominium have been sold to Unit Owners, notwithstanding any provision herein to the contrary, Declarant reserves the right to continue development work in accordance with the plans for the Condominium, conduct promotional and sales activities using unsold Units and the Common Elements, and do all other acts Declarant deems necessary in connection with the development of the Condominium and sale of Units so long as said acts do not violate the rights of the Unit Owners or their mortgagees or cause unreasonable interference with the uses and enjoyment of the Units and Common Elements.

Section 7. Assignability of Declarant's Rights. The Declarant reserves the right to assign its Declarant rights, powers and obligations by a written recorded instrument to any other party who assumes such rights, powers and obligations. Upon the recording of any such assignment, such assignee shall become the "Declarant" under this Declaration and shall succeed to all such rights, powers and obligations. Such amendment need be signed only by the assignor and the assignee named therein.

ARTICLE IX

MAINTENANCE AND REPAIR

Section 1. Association Responsibility. The Association, to the extent and at such times as the Board, in its exercise of business judgment, determines to allocate funds therefore, shall maintain, repair and replace all improvements constituting a part of the Common Elements, including the Limited Common Elements, and including but not limited to utility facilities serving more than one Unit, utility lines in the Common Elements, lawns,

shrubs, trees, walkways, drives, parking areas, fireplace stacks, liners and chimneys, and the structural portions and exterior portions of all buildings and improvements which are a part of the Common Elements, including the Limited Common Elements, and that do not constitute part of a Unit, provided that the Association shall not be responsible for the cleaning and housekeeping of Limited Common Elements or components thereof. Except to the extent, if any, that a loss is covered by insurance maintained by the Association, and then only to the extent the net insurance proceeds are available for that purpose, the Association shall not have the responsibility to pay the cost of repair or maintenance of any Unit, or component thereof, or the repair, maintenance or replacement of personal property within a Unit, or improvements made by Unit Owners hereafter.

Section 2. Reserve Fund. 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. This reserve fund shall not be a Statutory Reserve Account under Section 703.163 of the Wisconsin Statutes.

Section 3. Individual Responsibility. Each Unit Owner shall repair and maintain the Unit or Units, and all components thereof, owned by that Unit Owner, and improvements made by Unit Owners hereafter, and perform cleaning and housekeeping with respect to Limited Common Elements appurtenant to that Owner's Unit. Without limiting the generality of the foregoing, this repair and maintenance responsibility of a Unit Owner shall include repair, maintenance and replacement of all windows, screens and doors, including the frames, sashes and jambs, and the hardware therefore. In the event a Unit Owner shall fail to make a repair or perform maintenance required of that Unit Owner, or in the event the need for maintenance or repair of any part of any Unit or part of any of the Common Elements or Limited Common Elements is caused by the negligent or intentional act of any Unit Owner or Occupant, or is a result of the failure of any Unit Owner or that Unit Owner's predecessors in title to timely pursue to conclusion a claim under any warranty, express, implied, or imposed by law, the Association may perform the same, and if the cost of such repair or maintenance is not covered by insurance, whether because of a deductible or otherwise, the cost thereof shall constitute a Special Individual Unit Assessment on the Unit owned by that Unit Owner and on that Unit Owner. The determination that such maintenance or repair is necessary, or has been so caused, shall be made by the Board.

ARTICLE X

UTILITY SERVICES

Each Unit Owner by acceptance of a deed to a Unit agrees to pay for utility services separately metered or separately charged by the utility company to that Unit, and to reimburse the Association for that Unit's share of any utility cost that the Board, or its designee, reasonably determines is attributable to use by that Owner's Unit. Water and sewer usage for a condominium building shall be prorated equally among the Units in the

Condominium. All other utility costs shall be common expenses and paid by the Association.

ARTICLE XI

INSURANCE; LOSSES

Section 1. Special Broad Form Casualty Insurance. The Board shall have the authority to and shall obtain insurance for all buildings, structures, fixtures and equipment, and common personal property and supplies now or at any time hereafter constituting a part of the Common Elements, the Limited Common Elements, or common property of the Association, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against under "special form" policies, or, if not available, or not available at competitive rates, a policy that includes the "broad form" covered causes of loss, in amounts at all times sufficient to prevent the Unit Owners from becoming co-insurers under the terms of any applicable coinsurance clause or provision and not less than one hundred percent (100%) of the current insurable replacement cost of such items (exclusive of land, foundations, footings, excavations, and other items normally excluded from coverage). This insurance shall also:

(a) provide for coverage of interior walls, windows and doors and the frames, sashes, jambs and hardware therefore, even though these improvements may be parts of Units;

(b) provide coverage for built-in or installed improvements, fixtures and equipment that are part of a Unit;

(c) have (i) an agreed amount and inflation guard endorsement, when that can be obtained, (ii) building ordinance or law endorsement, if any building, zoning, or land-use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs, providing for contingent liability from the operation of building laws, demolition costs, and increased costs of construction; and, (iii) when applicable, a steam boiler and machinery coverage endorsement, which provides that the insurer's minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000) of the insurable value of the building or buildings housing the boiler or machinery (or a separate stand-alone boiler and machinery coverage policy);

(d) provide that no Assessment may be made against a first mortgage lender, or its insurer or guarantor, and that any Assessment under such policy made against others may not become a lien on a Unit and its appurtenant interests superior to a first mortgage;

(e) be written in the name of the Association for the use and benefit of the

Unit Owners, or its authorized representative, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor to such trustee, for the use and benefit of the individual Unit Owners;

(f) contain or have attached the standard mortgagee clause commonly accepted by institutional first mortgage holders, insurers, and guarantors, which (i) must provide that the carrier shall notify the named insured and each first mortgagee named in the mortgage clause at least ten days in advance of the effective date of any reduction in, cancellation of, or substantial change in the policy, and (ii) must be endorsed to provide that any loss shall be paid to the Association (or its insurance trustee), as a trustee for each Unit Owner and each such Unit Owner's mortgagee, and, unless otherwise prohibited by a nationally recognized institutional first mortgage holder, insurer, or guarantor, to the holders of first mortgages on Units;

(g) have a deductible amount no greater than the lesser of ten thousand dollars (\$10,000) or one percent (1%) of the policy face amount;

(h) be paid for by the Association as a common expense;

(i) contain a waiver of the transfer of recovery rights by the carrier against the Association, its officers and Directors, and all Unit Owners;

(j) provide that the insurance shall not be prejudiced by any acts or omissions of individual Unit Owners who are not under the control of the Association; and

(k) be primary, even if a Unit Owner has other insurance that covers the same loss.

Section 2. Liability Insurance. The Association shall obtain and maintain, at the Association's cost and as a common expense, a policy of commercial/general liability insurance covering all of the Common Elements, public ways and any other areas under the Association's supervision, and Units, if any, owned by the Association, even if leased to others, insuring the Association, the Directors, and the Unit Owners and Occupants, with such limits as the Board may determine, but no less than the greater of (a) the amounts generally required by institutional first mortgage holders, insurers, and guarantors for projects similar in construction, location and use, (b) one million dollars (\$1,000,000) arising out of a single occurrence. This insurance shall contain a "severability of interest" provision, or, if it does not, an endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association, the Board, Unit Owners or Occupants, and shall include, without limitation, coverage for legal liability of the insureds for property damage, bodily injuries and deaths of persons resulting from the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Each such policy must

provide that it may not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage on a Unit.

Section 3. Fidelity Coverage. From and after such time as Declarant no longer controls the Association, the Board shall obtain, or cause to be obtained, and maintain, a fidelity bond or policy providing coverage for the Association against dishonest acts on the part of Directors, managers, trustees, employees, agents, and volunteers responsible for or handling funds belonging to or administered by the Association. The fidelity bond or policy shall name the Association as the named insured and shall be written in an amount sufficient to provide protection, which is in no event less than the greater of (a) an amount equal to the Association's reserve funds plus three months' Assessments on all Units, or (b) the maximum amount that will be in the custody of the Association or its managing agent at any time while the bond or policy is in force. In connection with such coverage, an appropriate endorsement to the bond or policy to cover any persons who serve without compensation shall be added if the bond or policy would not otherwise cover volunteers. The bond or policy shall provide that it shall not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association, and any insurance trustee, and any servicer on behalf of any holder, guarantor or insurer of any mortgage on a Unit who requires such rights. Any management agent who handles funds of the Association shall maintain a fidelity bond or policy providing coverage of no less than that required of the Association, which bond or policy names the Association as an additional insured.

Section 4. Hazard Insurance Carrier. Each policy of hazard insurance obtained pursuant hereto shall be obtained from an insurance company authorized to write such insurance in the State of Wisconsin which has a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports—International Edition*, an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurer Solvency Review*, or a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*. Insurance issued by a carrier that does not meet the foregoing rating requirements will be acceptable if the carrier is covered by reinsurance with a company that meets either one of the A.M. Best general policyholder's ratings or one of the Standard and Poor's claims-paying ability ratings mentioned above.

Section 5. Other Association Insurance. In addition, the Board may purchase and maintain, at the Association's cost and as a common expense, contractual liability insurance, Directors' and officers' liability insurance, and such other insurance as the Board may determine.

Section 6. Insurance Representative; Power of Attorney. There may be named under

any policy obtained by the Association, as an insured on behalf of the Association, its authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any such policy. Each Unit Owner, by acceptance of a deed to a Unit, irrevocably appoints the Association or such designated representative, or such successor, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; and the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or such designated representative, or such successor, shall receive, hold or otherwise properly dispose of any proceeds of insurance, in trust, for Unit Owners and their first mortgage holders, as their interests may appear. This power is for the benefit of each and every Unit Owner, and their respective first mortgage holders, and the Association, and the Condominium, runs with the land, and is coupled with an interest.

Section 7. Unit Owners' Insurance. Any Unit Owner or Occupant may carry such insurance in addition to that provided by the Association pursuant hereto as that Unit Owner or Occupant may determine, subject to the provisions hereof, and provided that no Unit Owner or Occupant may at any time purchase individual policies of insurance against loss by fire or other casualty covered by the insurance carried pursuant hereto by the Association. In the event any Unit Owner or Occupant violates this provision, any diminution in insurance proceeds resulting from the existence of such other insurance shall be chargeable to the Unit Owner who acquired or whose Occupant acquired such other insurance, who shall be liable to the Association to the extent of any diminution and/or loss of proceeds. Without limiting the foregoing, a Unit Owner or Occupant may obtain insurance against liability for events occurring within a Unit, losses with respect to personal property and furnishings, and losses to improvements owned by the Unit Owner or Occupant, provided that if the Association obtains insurance for permanent improvements and built-in fixtures and equipment, then the insurance obtained by the Unit Owner with respect to improvements within the Unit shall be limited to the type and nature of coverage commonly referred to as "tenants' improvements and betterments". All such insurance separately carried shall contain a waiver of subrogation rights by the carrier as to the Association, its officers and Directors, and all other Unit Owners and Occupants.

Section 8. Sufficient Insurance. In the event the improvements forming a part of the Common Elements or any portion thereof shall suffer damage or destruction from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken by the Association and the insurance proceeds shall be used in payment therefore; provided, however, that in the event that within sixty (60) days after such damage or destruction the Unit Owners and Eligible Mortgagees, if they are entitled to do so pursuant to the provisions of this Declaration, shall elect to terminate the Condominium, then such repair, restoration or reconstruction shall not be undertaken.

Section 9. Insufficient Insurance. In the event the improvements forming a part of the Common Elements or any portion thereof shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, unless the Unit Owners and Eligible Mortgagees if they are entitled to do so pursuant to the provisions of this Declaration, shall elect within sixty (60) days after such damage or destruction not to make such repair, restoration or reconstruction, the Association shall make repairs, restoration or reconstruction of the Common Elements so damaged or destroyed at the expense (to the extent not covered by insurance) of all Unit Owners in proportion to their respective undivided interests in the Common Elements. Should any Unit Owner refuse or fail after reasonable notice to pay that Unit Owner's share of such cost in excess of available insurance proceeds, the amount so advanced by the Association shall be assessed against the Unit of such Unit Owner and that Assessment shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the nonpayment of Assessments.

Section 10. Lender Requirements. Notwithstanding the foregoing provisions of this Article, the Association shall at all times maintain hazard insurance, liability insurance, and fidelity insurance coverage conforming with the requirements then governing the making of a first mortgage loan, or the purchase, guaranty, or insurance of first mortgages, by national institutional lenders, guarantors or insurers of first mortgage loans on condominium units.

ARTICLE XII

DAMAGE RESTORATION; TERMINATION

Section 1. Restoration of Substantial Damage or Destruction. In the event of substantial damage to or destruction of all Units in a residential building, or the taking of one or more Units in any condemnation or eminent domain proceedings, the Association shall promptly restore or replace the same, unless an election is made not to do so, as hereinafter provided.

Section 2. Election Not to Restore; Termination. The Association may, with the consent of Unit Owners entitled to exercise not less than eighty percent (80%) of the voting power of Unit Owners, and with the consent of Eligible Mortgagees, both given within sixty (60) days after damage or destruction determine not to repair or restore the damage or destruction and to terminate the Condominium. In any such an event, all of the Condominium Property shall be sold as upon partition. In the event of such an election not to repair or restore substantial damage or destruction or reconstruct such Unit or Units, the net proceeds of insurance paid by reason of such damage or destruction, or the net amount of any award or proceeds of settlement arising from such proceedings, together with the proceeds received from the sale as upon partition, or in the case of an election otherwise to terminate the Condominium, the net proceeds from the partition sale, shall be distributed

among the Owners of the Units, and the holders of their respective first mortgage liens (as their interests may appear), in the proportion of their undivided interests in the Common Elements.

Section 3. Rehabilitation and Renewal. The Association, with the consent of the Unit Owners entitled to exercise not less than seventy-five percent (75%) of the voting power of the Unit Owners, and with the consent of Eligible Mortgagees, may determine that the Condominium is obsolete in whole or in part and elect to have the same renewed and rehabilitated. The Board shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a common expense.

ARTICLE XIII

CONDEMNATION

Section 1. Standing. Except as hereinafter provided, the Association, or its designated representative, or authorized successor, as trustee, shall represent the Unit Owners in any condemnation or eminent domain proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of all or any part of the Condominium Property, and shall have the sole and exclusive right to settle losses with the condemning authority and to receive the award or proceeds of settlement, for the use and benefit of the Unit Owners and their mortgagees as their interests may appear. Notwithstanding the foregoing, in the event that a Unit Owner may lawfully pursue and realize upon a claim for incidental and consequential losses or damage to that Unit Owner resulting from a taking under the power of eminent domain, such as for relocation and moving expenses, loss of favorable mortgage terms, and other such individual incidental or consequential losses, that Unit Owner may, at that Unit Owner's election, separately pursue such claim, provided that pursuing the same, or the realization of an award thereof, neither jeopardizes, in any way, an action by the Association to recoup the losses incurred by it, or any other Unit Owner, or the direct loss with respect to the Unit itself, or with regard to the usability thereof, and does not diminish any award for any such loss.

Section 2. Use of Proceeds. The award or proceeds of settlement in any actual or threatened condemnation or eminent domain proceedings, after reduction by the costs, if any, incurred in obtaining the same, shall be applied first to the cost of restoring or replacing all damaged or taken improvements on the remaining Condominium Property in accordance with the Plans, or in accordance with any new plans and specifications therefore approved by Unit Owners exercising no less than seventy-five percent (75%) of the voting power of Unit Owners, and the consent of Eligible Mortgagees.

Section 3. Insufficient Proceeds. If the award or proceeds are insufficient for such purpose, the excess cost shall be paid by the Association and, to the extent funds of the Association are insufficient therefore, in the judgment of the Board, such excess cost shall be a common expense and assessed among the Units in the same manner as Special

Assessments for Capital Improvements are assessed. Except as hereinafter provided, the balance of any such award or proceeds of settlement, if there is an excess, shall be allocated and disbursed to the Unit Owners, and their first mortgagees, as their interests may appear, in proportion to the relative undivided interests of the Units in the Common Elements.

Section 4. Non-Restorable Unit. Notwithstanding the foregoing, in the event that as a result of any such taking, and consequent restoration or replacement, any Unit could not reasonably be restored to a condition comparable to that which existed prior to the taking, or could not be replaced, prior to the allocation and disbursement of any sum to any other Unit Owner or that Unit Owner's mortgagee, there shall be allocated and disbursed from such award or proceeds, to each Unit Owner whose Unit cannot be so restored or replaced, and that Unit Owner's respective first mortgagee, as their interests may appear, such amount as is equal to the then fair market value of the Unit that cannot be so restored or replaced. Thereupon, such Unit or Units, and the Owners thereof, shall be immediately and automatically divested of any interest in the Condominium, the Condominium Property, and the Association, including, without limiting the generality of the foregoing, divestment of an undivided interest, vote, membership in the Association, and liability for common expenses. All such rights and interests shall be reallocated among all other Units and Unit Owners in the same relative proportions as those rights and interests were prior to such taking. To illustrate, upon a Unit being divested from the Condominium, (a) the voting right of that Unit will be equally allocated among all other Units, and their Owners, since the Unit Owners of each Unit prior thereto had an equal vote, and (b) the undivided interest of that Unit will be reallocated among all other Units in the proportion of their relative undivided interests prior to such taking.

Section 5. Power of Attorney. Each Unit Owner, by acceptance of a deed to a Unit, appoints the Association, or its designated representative, as that Unit Owner's attorney-in-fact to represent that Unit Owner, settle losses, receive and utilize the award or proceeds of settlement, and do all things necessary or desirable for such attorney-in-fact to exercise the rights and fulfill the responsibilities of the Association set forth in this Article with respect to condemnation or eminent domain proceedings. This power is for the benefit of each and every Unit Owner, each holder of a first mortgage on a Unit, the Association, and the real estate to which it is applicable, runs with land, is coupled with an interest, and is irrevocable.

ARTICLE XIV

GRANTS AND RESERVATIONS OF RIGHTS AND EASEMENTS

Section 1. Easements of Enjoyment; Limitations. Every Unit Owner shall have a right and easement of enjoyment in, over and upon the Common Elements and an unrestricted right of access to and from that Unit Owner's Unit, subject to the right of the Board to make reasonable rules and regulations concerning the use and management of the Common Elements and the Limited Common Elements, provided that no such rule or regulation shall limit or prohibit the right of ingress and egress to a Unit, or any part thereof,

or to that Unit's parking facilities. Each Unit Owner shall be deemed to have delegated that Unit Owner's right of enjoyment to the Common Elements and to ingress and egress to the Occupants of that Owner's Unit.

Section 2. Easements for Encroachments. Each Unit and the Common Elements and Limited Common Elements shall be subject to and benefited by easements for encroachments on or by any other Unit and upon the Common Elements and Limited Common Elements created or arising by reason of overhangs; or by reason of deviations in construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvements; or by reason of errors on the Plans. Valid easements for these encroachments and for the maintenance of same, as long as the physical boundaries of the Units after the construction, reconstruction, repairs, etc. will be in substantial accord with the description of those boundaries that appear herein or on the Plans, shall and do exist so long as the encroachments remain.

Section 3. Easements Reserved to Declarant. Non-exclusive easements are hereby reserved to Declarant, its successors and assigns, over and upon the Common Elements and Limited Common Elements as follows:

(a) for so long as Declarant, its successors and assigns have the right to expand the Condominium and to access for the purpose of completing improvements for which provision is made in this Declaration, provided that such right of access shall be to the extent, but only to the extent, that access thereto is not otherwise reasonably available;

(b) for the periods provided for warranties hereunder or by law, for purposes of making repairs required pursuant to those warranties or pursuant to contracts of sale made with Unit purchasers;

(c) for the initial sales and rental period, for each phase of development to maintain and utilize one or more Units and appurtenances thereto, and/or a portion or portions of the Common Elements for sales and management offices and for storage and maintenance, model Units, parking areas for sales and rental purposes, and advertising signs;

(d) for so long as Declarant, its successors and assigns, have the right to expand the Condominium, to extend utility lines from the Common Elements onto the Additional Property, and thereafter to service the same; and

(e) unless and until, if ever, the Condominium has been expanded to encompass all of the Additional Property, to Owners and Occupants of all or any part of the Additional Property, for pedestrian and vehicular access over the streets and walkways that may from time to time be a part of the Condominium Property, for ingress to and egress from the Additional Property, and each part thereof, and a public

street, and to extend the same onto the Additional Property. In this connection, the Association, at all times, shall maintain an unimpeded route of vehicular and pedestrian ingress and egress over and upon the Condominium Property to and from the Additional Property and a public street.

The rights and easements reserved pursuant to the provisions of this Section shall be exercised and utilized, as the case may be, in a reasonable manner, and in such way as not to unreasonably interfere with the operation of the Association and the rights of Owners and Occupants of Units.

Section 4. Easements for Proper Operations. Easements to the Association shall exist upon, over and under all of the Condominium Property for ingress to and egress from, and the installation, replacing, repairing and maintaining of, all utilities, including, but not limited to water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and the road system and all walkways, and for all other purposes necessary for the proper operation of the Condominium Property. By these easements it shall be expressly permissible for the Association to grant to the appropriate public authorities and/or the providing companies and contractors permission to construct and maintain the necessary appurtenances and improvements on, above, across and under the Condominium Property, so long as such appurtenances and improvements do not unreasonably interfere with the use and enjoyment of the Condominium Property. Should any public authority or other company furnishing a service request a specific easement, permit, or license, the Board shall have the right to grant such easement, permit, or license without conflicting with the terms hereof. In addition, in the event the Board determines that the grant of easement rights to others is in the best interest of the Association, the Association shall have the right to grant the same, provided that use of the same would not, in the sole judgment of the Board, unreasonably interfere with the use and enjoyment of the Condominium Property by Owners and Occupants.

Section 5. Easement for Support. Every portion of a building or utility line or any improvement on any portion of the Condominium Property contributing to the support of another building, utility line or improvement on another portion of the Condominium Property shall be burdened with an easement of support for the benefit of all other such buildings, utility lines, improvements and other portions of the Condominium Property.

Section 6. Easement for Services. Non-exclusive easements are hereby granted to all police, firemen, ambulance operators, mailmen, delivery men, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and the Association, but not to the public in general, to enter upon the Common Elements in the performance of their duties, subject to such reasonable rules and regulations as the Board may establish from time to time.

Section 7. Entry for Repair, Maintenance and Restoration. The Association shall have a right of entry and access to, over, upon and through all of the Condominium Property,

including each Unit and the Limited Common Elements, to enable the Association to perform its obligations, rights and duties pursuant hereto with regard to maintenance, repair, restoration and/or servicing of any items, things or areas of or in the Condominium Property. In the event of an emergency, the Association's right of entry to a Unit and its appurtenant Limited Common Elements may be exercised without notice; otherwise, the Association shall give the Owners or Occupants of a Unit no less than twenty-four (24) hours advance notice prior to entering a Unit or its appurtenant Limited Common Elements.

Section 8. Power of Attorney. Each Unit Owner, by acceptance of a deed to a Unit, appoints the Association or its designated representative, as that Unit Owner's attorney-in-fact, to execute, deliver, acknowledge and record, for and in the name of such Unit Owner, such deeds of easement, licenses, permits, and other instruments as may be necessary or desirable, in the sole discretion of the Board, or its authorized representative, to further establish or effectuate the foregoing easements and rights. This power is for the benefit of each and every Unit Owner, the Association, and the real estate to which it is applicable, runs with the land, is coupled with an interest, and is irrevocable.

Section 9. General. Unless specifically limited herein otherwise, the foregoing easements shall run with the land and pass with the title to the benefited properties, shall be appurtenant to the properties benefited thereby, shall be enforceable by the Owners of the properties benefited thereby, and shall be perpetual. The easements and grants provided herein shall in no way affect any other recorded grant or easement. Failure to refer specifically to any or all of the easements and/or rights described in this Declaration in any deed of conveyance or in any mortgage or other evidence of obligation shall not defeat or constitute an intention not to reserve said rights or easements, but the same shall be deemed conveyed or encumbered, as the case may be, along with the Unit.

ARTICLE XV

ASSESSMENTS AND ASSESSMENT LIENS; RESERVE FUNDS

Section 1. Types of Assessments. For each Unit within the Condominium, Declarant hereby covenants and agrees, and each Unit Owner by acceptance of a deed to a Unit (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association: (a) Operating Assessments, (b) Special Assessments for Capital Improvements, (c) Milestone Drive Future Assessment, and (d) Special Individual Unit Assessments, all of such Assessments to be established and collected as hereinafter provided.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote and provide for the health, safety and welfare of Unit Owners and Occupants and the best interests of the Condominium Property.

Section 3. Elements; Apportionment; Due Dates.

(a) Operating Assessments.

(i) Prior to the time any Unit Owner is to be charged Assessments by the Association, the Board shall establish for the remainder of the Association's fiscal year, and prior to the beginning of each fiscal year of the Association thereafter, the Board shall estimate for the next fiscal year, common expenses of the Association, consisting of the following:

a. that period's estimated cost of the maintenance, repair, and other services to be provided by the Association;

b. that period's estimated costs for insurance premiums to be provided and paid for by the Association;

c. that period's estimated costs for utility services not separately metered or charged to Unit Owners;

d. the estimated amount required to be collected to maintain a working capital reserve fund, to assure availability of funds for normal operations of the Association, in an amount deemed adequate by the Board, but in no event less than an amount equal to two months' currently estimated Assessments on all Units;

e. an amount deemed adequate by the Board in its sole and unfettered discretion, and without vote of Unit Owners, to establish or augment an existing reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements for which cash reserves over a period of time in excess of one year ought to be maintained; and

f. that period's estimated costs for the operation, management and administration of the Association, including, but not limited to, fees for property management, fees for legal and accounting services, costs of mailing, postage, supplies and materials for operating the Association, and the salaries, wages, payroll charges and other costs to perform these services, and any other costs constituting common expenses not otherwise herein specifically excluded.

(ii) The Board shall allocate to each Unit that Unit's share of all of these common expenses, pro rata in accordance with each respective Unit's undivided interest in the Common Elements, and thereby establish the Operating Assessment for each separate Unit. For administrative convenience, any such Assessment may be rounded so that monthly installments will be in whole dollars.

(iii) The Operating Assessment shall be payable in advance, in equal monthly installments, provided that nothing contained herein shall prohibit any Unit Owner from prepaying Assessments in annual, semiannual, or quarterly increments. The due dates of any such installments shall be established by the Board or, if it fails to do so, an equal monthly pro rata share of the Operating Assessment for a Unit shall be due the first day of each month.

(iv) If the amounts so collected are, at any time, insufficient to meet all obligations for which those funds are to be used, the deficiency shall be assessed by the Board among the Units and their Owners on the same basis as heretofore set forth, provided, that if common expenses are incurred by the Association prior to the time the Association commences to levy Assessments against Units, Declarant shall pay the same (subject to its right, if any, to reimbursement from Unit purchasers contained in individual contracts for the sale of a Unit or Units or, if not, from the Association).

(v) If Operating Assessments collected are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be retained as reserves, or as reductions in future Assessments, as determined by the Board, in its sole discretion, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to Unit Owners.

(vi) Each Unit's share of the working capital reserve fund shall be collected at the time the sale of the Unit is closed. The working capital reserve fund shall be transferred to the Association for deposit at or prior to the time Unit Owners other than Declarant control the Association.

(b) Special Assessments for Capital Improvements.

(i) In addition to Operating Assessments, the Board may levy, at any time, Special Assessments for Capital Improvements to construct, reconstruct or replace capital improvements on the Common Elements to the extent that reserves therefore are insufficient, provided that new capital improvements not replacing existing improvements (except new capital improvements required to comply with applicable law or governmental regulation, or to correct any deficiency or defect creating a safety or health hazard to Occupants) shall not be constructed, nor funds assessed therefore, if the cost thereof in any fiscal year would exceed an amount equal to five percent (5%) or more of that fiscal year's budget, without the prior consent of Unit Owners exercising not less than seventy-five percent (75%) of the voting power of Unit Owners and the consent of Eligible Mortgagees.

(ii) Each Special Assessment for Capital Improvements shall be prorated among all Units and their Owners in proportion to the respective undivided interests of the Units in the Common Elements, and shall become due and payable on such date or dates as the Board determines following written notice to the Unit Owners.

(c) Milestone Drive Future Assessment. The City of Appleton has advised Declarant that in the future the City will replace the binder course of asphalt on Milestone Drive in the Condominium Property with concrete, curb, gutter and a concrete paved road. The costs of the work will be assessed and paid for by a Special Assessment of each Unit Owner of the Condominium through the Association.

(d) Special Individual Unit Assessments. The Board shall levy Special Individual Unit Assessments against an individual Unit, or Units, and the Unit Owner or Owners thereof, to reimburse the Association for those costs incurred in connection with that Unit or Units properly chargeable by the terms hereof to a particular Unit (such as, but not limited to, the cost of making repairs that are the responsibility of a Unit Owner; the cost to reimburse the Association for that Owner's Unit's share of any utility cost that the Board, or its designee, reasonably determines is attributable to that Owner's Unit; the portion of the cost of casualty and/or liability insurance provided by the Association that the Board determines is attributable to a particular use of a Unit or course of conduct by a Unit Owner or Occupant of that Owner's Unit; returned check charges; and a Unit Owner's interest, late charges, collection costs, and enforcement, and arbitration charges properly chargeable to a Unit and its Owners pursuant hereto). Each Special Individual Unit Assessment shall become due and payable on such date as the Board determines and gives written notice to the Unit Owners subject thereto. Additionally, during the early years of the Condominium's existence, and until such time as real estate taxes and Assessments are split into separate tax bills for each Unit, the Association shall have the right to pay the real estate taxes and Assessments attributable to the Condominium Property in the event the same have not been paid, when due, and assess each Unit and Owners of that Unit that Unit's share of such real estate taxes and Assessments as a Special Individual Unit Assessment. The share of those taxes and Assessments attributable to a Unit shall be computed by multiplying the total taxes and Assessments for all of the Condominium Property by the undivided interest in Common Elements attributable to that Unit. The calculation by the Association of the Units' and its Owners' shares of taxes and Assessments shall be binding upon all Unit Owners.

Section 4. Effective Date of Assessment. Any Assessment created pursuant hereto shall be effective, provided it is created as provided herein, if written notice of the amount thereof is sent by the Board to the Unit Owner subject thereto at least ten (10) days prior to the due date thereof, or if to be paid in installments, the due date of the first installment thereof. Written notice mailed or delivered to a Unit Owner's or Unit Owners' Unit shall constitute notice to that or those Unit Owners, unless the Unit Owner or Unit Owners have

delivered written notice to the Board of a different address for such notices, in which event the mailing of the same to that last designated address shall constitute notice to that Unit Owner or those Unit Owners.

Section 5. Effect of Nonpayment of Assessment; Remedies of the Association.

(a) If any Assessment or installment or portion of any installment of an Assessment is not paid within at least ten (10) days after the same is due, the entire unpaid balance of the Assessment shall immediately become due and payable, without demand or notice, unless the Board, in its sole discretion, determines not to accelerate the installments.

(b) If any Assessment or installment or portion of any installment of an Assessment is not paid within at least ten (10) days after the same is due, the Board, at its option, and without demand or notice, may (i) charge interest on the entire unpaid balance (including the accelerated portion thereof) at such rate as the Board, from time to time, establishes by rule; or if the Board fails to establish a rate by rule, at the rate of ten percent (10%) per annum, (ii) charge a reasonable, uniform, late fee, as established from time to time by the Board, by rule, and (iii) charge the cost of collection, including attorney fees and other out-of-pocket expenses.

(c) Operating Assessments and both types of Special Assessments, together with interest, late fees, and costs, including attorney fees, shall be a lien in favor of the Association upon the Unit against which each such Assessment is made.

(d) The Assessments, both general and special, of common expenses, together with such interest as the Association may impose hereunder or under the By-laws for delinquencies, and the costs of collection and actual attorney fees shall 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 of the Wisconsin Statutes.

(e) If any Assessment, both general and special, of common expenses is delinquent and a statement of Condominium lien as described in Section 703.16(9) of the Wisconsin Statutes has been recorded against a Unit, the Association may suspend the voting rights of the delinquent Unit Owner.

(f) 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.

(g) 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 Outagamie 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 including actual attorneys' fees. 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 or 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 that 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.

(h) 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 or 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.

(i) Each such Assessment together with collection costs, shall also be the joint and several personal obligation of the Unit Owners who owned the Unit at the time when the Assessment fell due. The obligation for delinquent Assessments, interest, late charges and costs shall be the personal obligation of that or those Unit Owner or Owners' successors in title unless expressly assumed by the successors, or required by applicable law; provided, however, that the right of the Association to a lien against that Unit, or to foreclose any lien thereon for these delinquent Assessments, interest, late charges and costs, shall not be impaired or abridged by reason of the transfer, but shall continue unaffected thereby, except as provided in Section 6 of this Article.

(j) The Association, as authorized by the Board, may file a lien or liens to secure payment of collection costs, bring or join in an action at law against the Unit Owner or Owners personally obligated to pay the same, and an action to foreclose a lien, or any one or more of these. In any foreclosure action, the Owner or Owners affected shall be required to pay a reasonable rental for that Unit during the pendency of such action. The Association in any foreclosure action involving a Unit or Units shall be entitled to become a purchaser at the foreclosure sale. In any such foreclosure action, interest and costs of such action (including attorneys' fees) shall be added to the amount of any such Assessment, to the extent permitted by Wisconsin

law.

(k) No claim of the Association for Assessments and charges, whether in a collection action, foreclosure action, or otherwise, shall be subject to setoffs, off sets, counterclaims, or cross claim, including, without limiting the generality of the foregoing, claims that the Association has failed to provide the Unit Owner with any service, goods, work, or materials, or failed in any other duty.

(l) No Unit Owner or Owners may waive or otherwise escape liability for the Assessments provided for in this Declaration by non-use of the Common Elements, or any part thereof, or by abandonment of that Owner's or those Owners Unit.

(m) Assessments shall run with the land, are necessary to continue the care, repair and maintenance of Units and their undivided interests in the Condominium Property, and to continue to provide utility and security service, and, accordingly, Assessments accruing or becoming due during the pendency of bankruptcy proceedings shall constitute administrative expenses of the bankrupt estate.

Section 6. Subordination of the Lien to First Mortgages. The lien of the Assessments and charges provided for herein shall be subject and subordinate to the lien of any duly executed first mortgage on a Unit recorded prior to the date on which such lien of the Association arises, and any holder of such first mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid installments of Assessments and charges against the mortgaged Unit which became due and payable prior, in the case of foreclosure, to the date of the sale, and, in all other cases, to the date legal title vested in the successor owner. The foregoing will not relieve any successor Unit Owner from the obligation for Assessments accruing thereafter. Notwithstanding the foregoing, rental payments a receiver collects during the pendency of a foreclosure action shall first be applied to the payment of the portion of common expenses chargeable to the Unit and its Owners during the foreclosure action.

Section 7. Assessment Against Declarant Prior to Transfer of Units. During such time period that title to any Unit has not been transferred to a non-Declarant Unit Owner which are subject to this Declaration, all non-Declarant Unit Owners shall pay a monthly general assessment equal to their ownership portion of the Units subject to this Declaration of the amount set forth in the estimated budget for that year. During these periods, non-Declarant Unit Owners shall not receive a monthly statement of assessment but shall pay the amount specified in the budget which shall be due on the first day of each month. The Declarant shall become liable for the payment of assessments upon first occupancy by a tenant or the date of first transfer of title of each newly constructed Unit owned by Declarant. During the period of Declarant control of the Association under Section 703.15(2)(c) of the

Wisconsin Statutes, no Assessments shall be assessed against any Unit owned by Declarant. During the period of Declarant control, however, the Assessments payable by any Unit Owner other than Declarant shall not exceed the amount that Unit Owner would be charged if Declarant's Units were subject to full Assessments, based on the annual operating budget then in effect. During the period of Declarant control, Declarant shall pay the deficit if the total Assessments payable by Unit Owners other than Declarant do not cover total Common Expenses. Furthermore, if the Association has established a statutory reserve account under Section 703.163 of the Wisconsin Statutes, (a) no reserve fund assessments shall be levied against any Unit until a certificate of occupancy has been issued for that Unit, and (b) payment of any reserve fund assessments against any Unit owned by Declarant may be deferred until the earlier to occur of (i) the first conveyance of such Unit, or (ii) five (5) years from the date exterior construction of the Building in which the Unit is located has been completed

Section 8. Certificate Regarding Assessments. The Board shall, upon demand, for a reasonable charge, furnish a certificate signed by the president, treasurer, secretary or other designated representative of the Association, setting forth whether the Assessments on a specified Unit have been paid. This certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

ARTICLE XVI

EXPANSIONS

Section 1. Reservation of Expansion Option. Declarant expressly reserves the option to expand the Condominium Property but only within the limitations, and subject to the terms, set forth in this article.

Section 2. Limitations on Option. Declarant has no limitations on its option to expand the Condominium Property except as provided in this Article, or elsewhere in this Declaration, and except as otherwise so expressly limited, has the sole right, power, and authority to expand the Condominium Property without the consent of any Unit Owner or Owners.

Section 3. Maximum Expansion Time. Except as hereinafter provided, Declarant's option to expand the Condominium Property shall expire and terminate at the end of ten (10) years from the date this Declaration is recorded. Declarant shall have the right to waive Declarant's option to expand at any time. There are no other circumstances that will terminate the option prior to the expiration of the time limit.

Section 4. Legal Descriptions. A legal description or descriptions of all of the property that is part of the Additional Property, and that, through exercise of Declarant's option, may be added to the Condominium Property by submission to the Condominium Ownership Act as part of this condominium, is attached hereto as "Exhibit E" and together

with any improvements placed thereon and added thereto, referred to herein collectively as the Additional Property.

Section 5. Composition of Portions Added. Neither all nor any portion of the Additional Property must be added to the Condominium Property, nor, if any of the Additional Property is added, shall it be required that a particular portion of the Additional Property must be added, provided that portions added meet all other requirements set forth in this Article; and provided further, that all improvements that are a part of the Additional Property added to the Condominium Property shall be substantially completed prior to the addition. There are no limitations fixing the boundaries of portions added, or regulating the order in which portions are added.

Section 6. Time for Adding Portions. Portions of the Additional Property may be added to the Condominium Property from time to time, and at different times, within the time limits previously described.

Section 7. Improvement Location Limitations. There are no established or defined limitations as to the location of any improvements that may be made on any portion of the Additional Property added to the Condominium Property except such limitations as may then be in effect by reason of the laws and lawful rules and regulations of the appropriate governmental bodies and authorities having jurisdiction.

Section 8. Maximum Number of Units. The maximum total number of Units that may be created on the Additional Property and added to the Condominium Property is eighty-four (84) units consisting of twenty (20) fourplexes and two (2) duplexes, provided, that the foregoing shall neither limit nor restrict nor be so construed as to limit or restrict the number of dwelling units or other improvements that may be constructed on all or any portion of the Additional Property that is not added to the Condominium Property. Subject to the foregoing total maximum of Units that may be added to the Condominium Property, there is no limit as to the maximum number of Units per acre that may be created on any portion of the Additional Property added to the Condominium Property other than as may, from time to time, be imposed by law.

Section 9. Non-Residential Uses. No Units may be created on the Additional Property or portions thereof and added to the Condominium Property that are not restricted exclusively to residential use.

Section 10. Compatibility of Structures. All structures erected on all or any portion of the Additional Property and added to the Condominium Property will be consistent and compatible with structures then on the Condominium Property in terms of structure type, quality of construction, the principal materials to be used, and architectural style, and design. Comparable style and design shall be deemed to exist if the exterior appearance of the structures on the Additional Property is compatible and harmonious with those then on the Condominium Property. Design shall not be deemed to be incompatible or not comparable

because of changes in the number of dwelling units in a building, types or mix of types of dwelling units in a building, changes in number of garage parking spaces, variances in setbacks or locations of structures in relation to other improvements, changes in design or finish detail, or minor changes in size.

Section 11. Improvements Other than Structures. If all or a portion of the Additional Property is added to the Condominium Property, drives, sidewalks, yard areas, stormwater drainage facilities, and other non-structural improvements similar to those then on the Condominium Property shall be constructed on that Additional Property, and no other non-structural improvements.

Section 12. Types of Units. All Units that are created on all or any portion of the Additional Property and added to the Condominium Property shall be of the same types as the types of Units then on the Condominium Property, or as otherwise described herein, provided, however, that any such Units shall be deemed of the same types notwithstanding changes in interior layout, changes in design or finish detail, or minor changes in size.

Section 13. Limited Common Elements. Declarant reserves the right with respect to all or any portion of the Additional Property added to the Condominium Property to create Limited Common Elements therein of substantially the same type as those areas and improvements now so designated as such. The precise size and number of such newly created Limited Common Elements cannot be ascertained precisely, because those facts will depend on how large each portion added may be, the size and location of the buildings and other improvements on each portion, and other factors presently undetermined. Subject to the foregoing, there are no limits as to the types, sizes, and maximum number of Limited Common Elements that may be subsequently assigned to Units.

Section 14. Procedures for Expansion. All or any portion of the Additional Property shall be added to the Condominium Property by the execution and filing for record by Declarant, or its successor as Owner of the portion added and as assignee of the right to expand the Condominium, in the manner provided by the Condominium Ownership Act, of an amendment to the Declaration that contains the information and drawings with respect to the Additional Property and improvements thereon added required by the Condominium Ownership Act. Exhibits E and F, include, in general terms, the outlines of the land, buildings, and common elements of new property that may constitute Additional Property. At such time as Declarant adds all or any portion of the Additional Property to the Condominium Property, it shall record an addendum to the Plat that includes the detail and information concerning the Additional Property as required in the original Condominium Plat.

Section 15. Effects of Expansion. Except as hereinafter specifically provided otherwise, upon the recording with the Outagamie County, Wisconsin Register of Deeds Office of an amendment to the Declaration adding all or any portion of the Additional Property to the Condominium Property:

(a) the added portion shall thereafter be subject to and benefited by all of the terms and provisions hereof, to the same extent and with the same effect as if that added portion had been provided herein as constituting part of the Condominium Property, that is, the rights, easements, covenants, restrictions, and Assessment plan set forth herein shall run with, bind, and benefit the added portion in the same manner, to the same extent, and with the same force and effect as the terms of this Declaration apply to the Condominium Property, provided, that non-exclusive easements are reserved to Declarant, its successors and assigns, over and upon the Common Elements and Limited Common Elements in property added to the Condominium (i) for a five (5) year period of time from the date of the closing by Declarant of the first sale of a Unit in that property added to a bona fide purchaser, for access to and for the purpose of completing improvements in that portion added, (ii) for the periods provided for warranties, or by law, for purposes of making repairs required pursuant to warranties, and (iii) for the initial sales and rental period for Units to maintain and utilize one or more of those Units and appurtenances thereto, and/or a portion or portions of the Common Elements for sales and management offices and for storage and maintenance, and model Units, parking areas for sales and rental purposes, and advertising signs;

(b) the Owner or Owners of a Unit or Units in the added portion shall thereupon become members of the Association, to the same extent, with the same effect, subject to the same obligations, and imbued with the same rights, as all other members, including, without limiting the generality of the foregoing, one vote for each Unit owned by that Unit Owner or those Unit Owners;

(c) the undivided interests of Units in the Common Elements, as so expanded, shall be reallocated on the basis of percentage each type of Unit, as set forth on Exhibit D, so that the undivided interest of each Unit of each type added shall be the same as each other Unit of that type, and so that the undivided interest of a Unit of one type to one of another type is in the same ratio as those interests are with respect to the Units initially a part of the Condominium, subject to the right of Declarant to make adjustments, of thousandths of a percent, so that the total of all interests equals precisely 100%;

(d) with respect to Units added, Operating Assessments shall commence the later of (i) the first day of the calendar month next following the date the documents adding the Units were duly recorded or (ii) the date established by the Association for the commencement of any Operating Assessment, and shall be prorated based on the number of full calendar months remaining in the year for which the Operating Assessments were levied; and

(e) in all other respects, all of the provisions of this Declaration shall include and apply to such additional portions, and to the Owners, mortgagees, and

lessees thereof, with equal meaning and of like force and effect.

ARTICLE XVII

NOTICES TO AND VOTING RIGHTS OF MORTGAGEES

Section 1. Notices. Any Eligible Mortgagee, upon written request to the Association (which request states the name and address of such Eligible Mortgagee and the Unit Designation), shall be entitled to timely written notice by the Association of:

(a) any proposed addition to, change in, or amendment of the Condominium Organizational Documents of a material nature, including any addition to, change in, or amendment of any provision establishing, providing for, governing, or regulating: (i) voting rights; (ii) increases in Assessments that raise the previously assessed amount by more than twenty-five percent (25%), Assessment liens, or priority of such liens; (iii) reductions in reserves for maintenance, repair, and replacement of Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Elements (including the Limited Common Elements), or rights to their use; (vi) redefinition of boundaries of any Unit; (vii) convertibility of Units into Common Elements or vice versa; (viii) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium; (ix) hazard or fidelity insurance requirements; (x) imposition of any restrictions on the leasing of Units, (xi) imposition of any restrictions on a Unit Owner's right to sell or transfer that Owner's Unit; (xii) if the Condominium consists of fifty (50) or more Units, a decision by the Association to establish self-management if professional management had been required previously by the Condominium instruments or by an Eligible Mortgagee; (xiii) restoration or repair of the Condominium Property after damage or partial condemnation in a manner other than specified in the Condominium instruments; (xiv) termination of the legal status of the Condominium after substantial destruction or condemnation occurs; or (xv) expressly benefiting mortgage holders, insurers, or guarantors. No addition to, change in, or amendment of the Condominium Organizational Documents shall be considered material if it is for the purpose of correcting technical errors, or for clarification only.

(b) any proposed decision or action that: (i) terminates professional management and establishes self-management when professional management has been required previously by an Eligible Mortgagee; (ii) causes restoration or repair of the Condominium Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Organizational Documents; (iii) substantial damage or destruction not be restored; (iv) the Condominium Property be renewed or rehabilitated; (v)

significant new capital improvements not replacing existing improvements be constructed; or (vi) would, without addition to, change in, or amendment of the Condominium Organizational Documents, make any change with respect to the items described in subparagraph (a) of Section 1 of this Article.

(c) (i) any condemnation or casualty loss that affects either a material portion of the Condominium Property or the Unit securing its mortgage; (ii) any delinquency for sixty (60) days in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the mortgage; (iii) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (iv) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees. A holder, insurer or guarantor of a first mortgage lien on a Unit which has sent a written request to the Association stating both its name and address and the Unit Designation or address of the Unit on which it holds, insures or guarantees the mortgage shall be entitled to timely written notices of the events described in this subsection (c).

Section 2. Voting Rights. No action with respect to which Eligible Mortgagees are entitled to notice, as provided in subparagraphs (a) or (b) of Section 1 of this Article, may be taken without the consent of Eligible Mortgagees of Units to which not less than fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Mortgagees appertain, provided, further, that no action to terminate the Condominium or that would have that effect other than by reason of substantial destruction or condemnation of the Condominium Property, shall be taken without the consent of Eligible Mortgagees of Units to which not less than seventy-five percent (75%) of the votes of Units subject to mortgages held by Eligible Mortgagees appertain.

ARTICLE XVIII

AMENDMENTS

Section 1. Power to Amend. Except as otherwise specifically provided herein, additions to, changes in, or amendment of this Declaration (or the other Condominium Organizational Documents) shall, in addition to consents required of Eligible Mortgagees, if any, require the consent of Unit Owners exercising not less than seventy-five percent (75%) of the voting power of Unit Owners. Notwithstanding the foregoing:

(a) the consent of all Unit Owners, including Declarant (so long as it owns a Unit or has the right to expand the Condominium) shall be required for any amendment effecting a change in:

(i) the boundaries of any Unit;

(ii) the undivided interest in the Common Elements appertaining to a Unit or the liability for common expenses appertaining thereto;

(iii) the number of votes in the Association appertaining to any Unit;

(iv) the fundamental purposes to which any Unit or the Common Elements are restricted; or

(v) the provisions and requirements of this Article XVIII.

(b) the consent of Unit Owners exercising not less than eighty percent (80%) of the voting power of Unit Owners shall be required to terminate the Condominium;

(c) in any event, each Unit Owner by acceptance of a deed to a Unit is deemed to and does give and grant a power of attorney, which right and power is coupled with an interest and runs with the title to a Unit and is irrevocable:

(i) to Declarant, for so long as Declarant owns any Unit, to amend the Condominium Organizational Documents, to the extent necessary to (A) conform to the requirements then governing the making of a mortgage loan or the purchase, guaranty, or insurance of mortgages by an institutional lender or an institutional guarantor or insurer of a mortgage on a Unit, provided that the appropriate percentage (as described elsewhere herein) of Eligible Mortgagees is obtained (if required), or (B) correct typographical or factual or obvious errors or omissions the correction of which would not impair the interest of any Unit Owner, mortgagee, insurer, or guarantor; provided further, that if there is a Unit Owner other than Declarant, the Declaration shall not be amended to increase the scope or the period of control of Declarant; and

(ii) to the Board, without a vote of Unit Owners, to amend the Declaration in any manner necessary for any of the following purposes:

a. to meet the requirements of institutional mortgagees, guarantors and insurers of first mortgage loans, or the requirements of insurance underwriters;

b. to bring the Declaration into compliance with requirements of the Condominium Ownership Act;

c. to correct clerical or typographical errors in this Declaration or an exhibit or amendment hereto; and

d. to designate a successor to the person named to receive

service of process for the Association, provided, the naming of a successor need not be by amendment hereto if the change of statutory agent is appropriately filed with the Wisconsin Department of Financial Institutions.

An Eligible Mortgagee of a Unit who receives a written request to approve changes, additions, or amendments sent by certified or registered mail, return receipt requested, and who does not deliver or post to the requesting party a negative response within thirty (30) days after receipt of the same, shall be deemed to have approved such request.

Section 2. Method to Amend. An amendment to this Declaration (or the Plans or the Bylaws), adopted with the consents of Unit Owners and Eligible Mortgagees, or by the Board, shall be executed with the same formalities as this Declaration was executed by two officers of the Association and shall contain their certification that such amendment was duly adopted in accordance with the foregoing provisions. Any amendment adopted by Declarant or a duly empowered successor Declarant pursuant to authority granted by it pursuant to the Declaration shall be duly executed by it with the same formalities as to this Declaration and shall contain the certification of such signor or signors that such amendment is made pursuant to authority vested in Declarant or any duly empowered successor Declarant by the Declaration. Any amendment duly adopted and executed in accordance with the foregoing provisions shall be effective upon the recording of the same with the Outagamie County, Wisconsin Register of Deeds Office.

ARTICLE XIX

GENERAL PROVISIONS

Section 1. Covenants Running With the Land. The covenants, conditions, restrictions, easements, reservations, powers of attorney, liens, and charges created hereunder or hereby shall run with and bind the land, and each part thereof, and shall be binding upon and inure to the benefit of all parties having any right, title or interest in or to all or any part of the Condominium Property, and the Association, and their respective heirs, executors, administrators, successors and assigns.

Section 2. Actions. In addition to any other remedies provided in this Declaration, Declarant (only with respect to those rights directly benefiting Declarant), the Association, and each Unit Owner shall have the right (but not the duty) to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens and charges set forth herein or in the Bylaws or now or hereafter imposed by or through the Association's rules and regulations. Failure by Declarant, the Association or by any Unit Owner to proceed with such enforcement shall in no event be deemed a waiver of the right to enforce at a later date the original violation or a subsequent violation, nor shall the doctrine of laches nor any statute of limitations bar the enforcement of any such restriction, condition, covenant, reservation, easement, lien or charge. Further, the Association and each Unit

Owner shall have rights of action against each other for failure to comply with the provisions of the Condominium Organizational Documents, rules and regulations, and applicable law, and with respect to decisions made pursuant to authority granted thereunder, provided, the Association shall have the right to assess reasonable charges against a Unit Owner who fails to comply with the same, including the right to assess charges for the costs of enforcement; and provided, further, that neither the Association nor its Directors, officers, or other representatives, shall be liable to any Unit Owner or Occupant, or their invitees, for damage to any Unit or any part thereof, or any personal property of such Unit Owner, Occupant or invitee, or for injury to such person, unless the damage or injury was proximately caused by the gross negligence or the intentional tortious act of the Association or such Director, officer or other representative. Notwithstanding the foregoing, the Association shall have the right to initiate or prosecute eviction proceedings to evict a tenant of a Unit, either in its own name, as agent of the Association, or in the name of the Unit Owner.

Section 3. Severability. Invalidation of any one or more of these covenants, conditions, restrictions or easements by judgment or court order shall in no way affect any other provisions, which provisions shall remain in full force and effect. In the event any language of this Declaration conflicts with mandatory provisions of the Condominium Ownership Act, the latter's requirements shall prevail and the conflicting language shall be deemed to be invalid and void, provided that such invalidity shall in no way affect any other provisions of this Declaration, which provisions shall remain in full force and effect.

Section 4. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, men or women, shall in all cases be assumed as though in such case fully expressed.

Section 5. Captions. The captions of the various provisions of this Declaration are not part of the context hereof, but are merely labels to assist in locating the various provisions hereof.

Section 6. Conflict in Condominium Documents. In the event a conflict exists among any provision of this Declaration, the Articles, the Bylaws, or any administrative rules and regulations, or between any of them, the order of priority of prevalence shall be the Declaration, the Articles, the Bylaws and the administrative rules and regulations, in that order.

Section 7. 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.

Section 8. No Right of First Refusal. The right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar

CONSENT OF MORTGAGEE

Associated Bank, National Association, Mortgagee, hereby consents to the foregoing Declaration of Condominium.

Dated: August 16, 2006, 2006

Associated Bank, National Association Mortgagee

By: [Signature]
Name: James E. Justman
Title: Vice President

By:
Name:
Title:

STATE OF WISCONSIN)
COUNTY OF Brown) ss.

Personally came before me this 16th day of August, 2006, the above-named James E. Justman and [Signature], to me known to be the Vice President and [Signature] of Associated Bank, respectively who by the authority and on its behalf executed the foregoing and acknowledged the same.

[Signature]

Julie A. Houdek
Notary Public, State of Wisconsin
My Commission: July 25, 2007

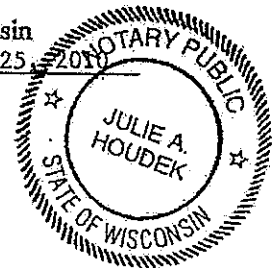


EXHIBIT A

DECLARATION OF CONDOMINIUM THE VILLAS AT APPLE CREEK CONDOMINIUM Legal Description, Condominium Property

Parcel 1:

Lot 7, APPLE CREEK CENTER, located in the Southwest ¼ of Section Seven (7), Township Twenty-one (21) North, Range Eighteen (18) East, City of Appleton, Outagamie County, Wisconsin, except that portion of said Lot 7 described as follows:

Beginning at the northwest corner of Lot 7, APPLE CREEK CENTER, thence South 88 degrees 08 minutes 38 seconds East, along the north line of said Lot 7, a distance of 122.36 feet; thence South 50 degrees 27 minutes 55 seconds East, along the northeast line of said Lot 7, a distance of 402.09 feet; thence South 29 degrees 01 minutes 31 seconds West, along the easterly line of said Lot 7, a distance of 10.17 feet; thence North 50 degrees 27 minutes 55 seconds West, 400.53 feet; thence North 88 degrees 08 minutes 38 seconds West, 122.44 feet; thence along the east right of way line of Glenhurst Lane, 10.59 feet along the arc of a curve to the right, having a radius of 970.00 feet and a chord of 10.59 feet, which bears North 21 degrees 07 minutes 15 seconds East to the point of beginning, containing 5237 square feet.

Parcel 2:

Lot 1, Certified Survey Map No. 5211, filed in the Office of the Register of Deeds for Outagamie County, Wisconsin on October 12, 2005, in Volume 29 on Page 5211, as Document No. 1684253, being Lots 8 through 12, APPLE CREEK CENTER, located in the Southwest ¼ of Section Seven (7), Township Twenty-one (21) North, Range Eighteen (18) East, City of Appleton, Outagamie County, Wisconsin.

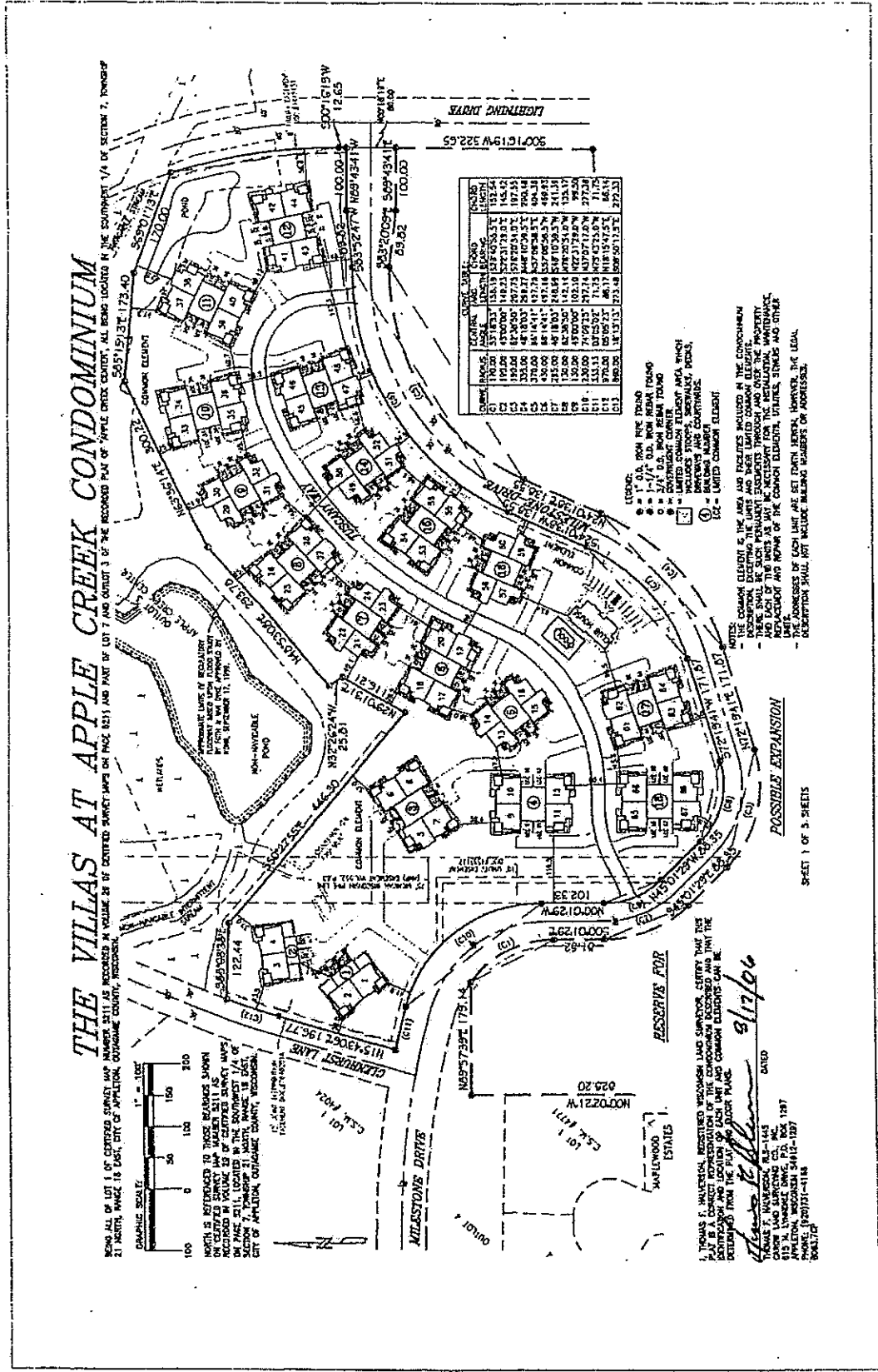
Parcel 3:

Part of Outlot 3, APPLE CREEK CENTER, located in the Southwest ¼ of Section Seven (7), Township Twenty-one (21) North, Range Eighteen (18) East, City of Appleton, Outagamie County, Wisconsin, more fully described as follows:

Beginning at the northwest corner of Lot 1, Certified Survey Map No. 5211; thence along the northerly right of way line of Milestone Drive, 56.63 feet along the arc of a curve to the left, having a radius of 230.00 feet and a chord of 56.49 feet which bears North 37 degrees 14 minutes 02.5 seconds West; thence North 89 degrees 57 minutes 39 seconds East, along the south line of said Lot 7, APPLE CREEK CENTER, 289.91 feet; thence North 29 degrees 01 minutes 31 seconds East, along the southeast line of said Lot 7, a distance of 103.46 feet; thence South 50 degrees 27 minutes 55 seconds East, 45.77 feet; thence South 29 degrees 01 minutes 31 seconds West, along a northerly line of said Lot 1, Certified Survey Map No. 5211, also being a southerly line of Outlot 3, APPLE CREEK CENTER, 121.58 feet; thence South 89 degrees 57 minutes 39 seconds West, along a northerly line of said Lot 1, also being the south line of said Outlot 3, a distance of 282.23 feet to the point of beginning, containing 17,871 square feet. Subject to all easements and restrictions of record.

EXHIBIT B
CONDOMINIUM PLAT

EXHIBIT B



THE VILLAS AT APPLE CREEK CONDOMINIUM

BEING ALL OF LOT 1 OF CERTAIN SURVEY MAP NUMBER 2111 AS RECORDED IN VOLUME 28 OF CERTIFIED SURVEYS ON PAGE 8211 AND PART OF LOT 7 AND OUTLET 3 OF THE RECORDED PLAY OF APPLE CREEK CENTER, ALL BEING LOCATED IN THE SOUTHWEST 1/4 OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 18 EAST, CITY OF APPLINGTON, OUAVERA COUNTY, WISCONSIN.

GRAPHIC SCALE: 1" = 100'

100 0 50 100 150 200

NOTES: IS REFERENCED TO THESE PLANS SHOWN AS RECORDED IN VOLUME 28 OF CERTIFIED SURVEYS ON PAGE 8211, LOCATED IN THE SOUTHWEST 1/4 OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 18 EAST, CITY OF APPLINGTON, OUAVERA COUNTY, WISCONSIN.

RESERVE FOR

THOMAS F. WALTERSON, REGISTERED WISCONSIN LAND SURVEYOR, CERTIFY THAT THIS PLAN IS A CORRECT REPRESENTATION OF THE LAND AND COMMON ELEMENTS CAN BE DERIVED FROM THE PLAN AND ADJACENT PLANS.

THOMAS F. WALTERSON, R.S.-1445
 613 N. WISCONSIN AVE., P.O. BOX 1287
 APPLINGTON, WISCONSIN 54812-1287
 PHONE: (920)751-4118
 9/17/06

LEGEND:

- 1 - 1/2 B.R. FROM RISE DRINK
- 1 - 1/2 B.A. FROM REAR TANK
- 1 - 1/2 B.H. FROM REAR TANK
- 1 - 1/2 B.T. FROM REAR TANK
- 1 - 1/2 B.W. FROM REAR TANK
- UNITED COMMON ELEMENTS AREA WHICH INCLUDES STAIRS, ELEVATORS, VESTIBULES AND COURTYARDS
- UNITED COMMON ELEMENTS

NOTES:

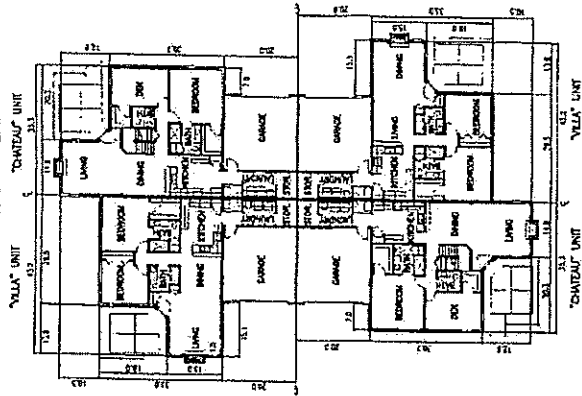
- THE COMMON ELEMENTS IN THE AREA AND FACILITIES INCLUDED IN THE CONDOMINIUM PLANS SHALL BE SUBJECT TO PERMANENT EASEMENTS THROUGHOUT AND OVER THE PROPERTY AND EACH OF THE UNITS AS MAY BE NECESSARY FOR THE REGULATION, MAINTENANCE, REPAIR, REPLACEMENT AND REPAIR OF THE COMMON ELEMENTS, UTILITIES, STAIRS AND OTHER FACILITIES AND DEVICES.
- THE ADDRESSES OF EACH UNIT ARE SET FORTH HEREIN, HOWEVER, THE LEGAL DESCRIPTION SHALL NOT INCLUDE BUILDING NUMBERS OR ADDRESSES.

EXHIBIT B

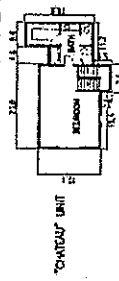
THE VILLAS AT APPLE CREEK CONDOMINIUM

REMARK: ALL OF LOT 1 OF CERTIFIED SURVEY WAS RECORDED IN VOLUME 28 OF CERTIFIED SURVEY MAPS ON THESE SECTIONS AND PART OF LOT 7 AND OUTLOT 3 OF THE REDUCED PLAN OF "PALE CREEK CONDO" ALL BEING LOCATED IN THE SOUTHWEST 1/4 OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 15 EAST, CITY OF APPLETON, WISCONSIN COUNTY, WISCONSIN.

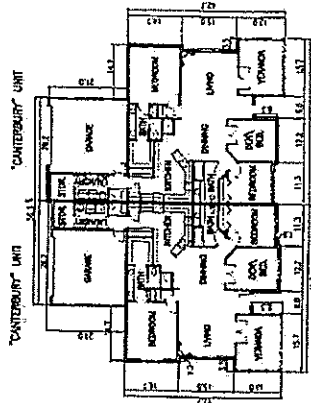
FIRST FLOOR PLAN



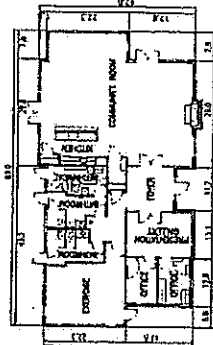
SECOND FLOOR PLAN



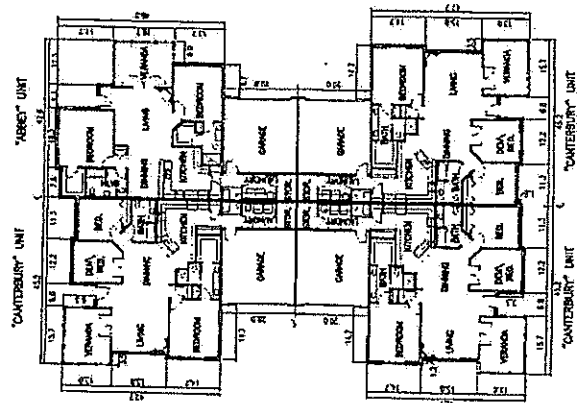
BUILDINGS:
3, 7, 8, 14 AND 18
RESERVE FOR POSSIBLE EXPANSION* BUILDINGS:
20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 40



BUILDINGS:
1 AND 2
RESERVE FOR POSSIBLE EXPANSION* BUILDINGS:
19 AND 30



CLUB HOUSE
COMMON ELEMENT - 2,025 SQUARE FEET



BUILDINGS:
3, 4, 6, 8, 10, 11, 12, 15, 15, 17 AND 18
RESERVE FOR POSSIBLE EXPANSION* BUILDINGS:
20, 21, 22, 23, 24, 25, 27, 28, 31, 33, 35, 36, 37 AND 38

SCALE: 1" = 20'

SHEET 3 OF 5 SHEETS

EXHIBIT C

**DECLARATION OF CONDOMINIUM
THE VILLAS AT APPLE CREEK CONDOMINIUM**

Unit Information

Building Number	Unit Number	Unit Address	Unit Type	Undivided Interest	*Interior Unit Sq. Ft.	Interior Garage Sq. Ft.	Total Interior Sq. Ft.
1	1	2102 Milestone Drive	C-3	1.00	1774	412	2186
1	2	2104 Milestone Drive	C-4	1.00	1789	392	2181
2	3	2110 Milestone Drive	C-3	1.00	1774	412	2186
2	4	2112 Milestone Drive	C-4	1.00	1789	392	2181
3	5	2118 Milestone Drive	A-1	1.00	1637	395	2032
3	6	2120 Milestone Drive	C-1	1.00	1772	396	2168
3	7	2210 Tuscany Way	C-1	1.00	1772	396	2168
3	8	2212 Tuscany Way	C-2	1.00	1794	395	2189
4	9	2202 Tuscany Way	C-1	1.00	1772	396	2168
4	10	2206 Tuscany Way	C-2	1.00	1794	395	2189
4	11	2200 Tuscany Way	A-1	1.00	1637	395	2032
4	12	2204 Tuscany Way	C-1	1.00	1772	396	2168
5	13	2218 Tuscany Way	V	1.00	1245	396	1641
5	14	2222 Tuscany Way	CH	1.00	1869	396	2265
5	15	2216 Tuscany Way	CH	1.00	1869	396	2265
5	16	2220 Tuscany Way	V	1.00	1245	396	1641
6	17	2302 Tuscany Way	C-1	1.00	1772	396	2168
6	18	2306 Tuscany Way	C-2	1.00	1794	395	2189
6	19	2300 Tuscany Way	A-1	1.00	1637	395	2032
6	20	2304 Tuscany Way	C-1	1.00	1772	396	2168
7	21	2312 Tuscany Way	V	1.00	1245	396	1641
7	22	2316 Tuscany Way	CH	1.00	1869	396	2265
7	23	2310 Tuscany Way	CH	1.00	1869	396	2265
7	24	2314 Tuscany Way	V	1.00	1245	396	1641
8	25	2322 Tuscany Way	C-1	1.00	1772	396	2168
8	26	2326 Tuscany Way	C-2	1.00	1794	395	2189
8	27	2320 Tuscany Way	A-1	1.00	1637	395	2032
8	28	2324 Tuscany Way	C-1	1.00	1772	396	2168
9	29	2332 Tuscany Way	V	1.00	1245	396	1641
9	30	2336 Tuscany Way	CH	1.00	1869	396	2265
9	31	2330 Tuscany Way	CH	1.00	1869	396	2265
9	32	2334 Tuscany Way	V	1.00	1245	396	1641
10	33	2402 Tuscany Way	C-1	1.00	1772	396	2168
10	34	2406 Tuscany Way	C-2	1.00	1794	395	2189
10	35	2400 Tuscany Way	A-1	1.00	1637	395	2032
10	36	2404 Tuscany Way	C-1	1.00	1772	396	2168

EXHIBIT C

DECLARATION OF CONDOMINIUM
THE VILLAS AT APPLE CREEK CONDOMINIUM

Unit Information

Building Number	Unit Number	Unit Address	Unit Type	Undivided Interest	*Interior Unit Sq. Ft.	Interior Garage Sq. Ft.	Total Interior Sq. Ft.
11	37	2412 Tuscany Way	C-1	1.00	1772	396	2168
11	38	2416 Tuscany Way	A-1	1.00	1637	395	2032
11	39	2410 Tuscany Way	C-2	1.00	1794	395	2189
11	40	2414 Tuscany Way	C-1	1.00	1772	396	2168
12	41	2420 Tuscany Way	A-1	1.00	1637	395	2032
12	42	2422 Tuscany Way	C-1	1.00	1772	396	2168
12	43	2424 Tuscany Way	C-1	1.00	1772	396	2168
12	44	2426 Tuscany Way	C-2	1.00	1794	395	2189
13	45	2401 Tuscany Way	C-1	1.00	1772	396	2168
13	46	2405 Tuscany Way	C-2	1.00	1794	395	2189
13	47	2403 Tuscany Way	A-1	1.00	1637	395	2032
13	48	2407 Tuscany Way	C-1	1.00	1772	396	2168
14	49	2321 Tuscany Way	V	1.00	1245	396	1641
14	50	2325 Tuscany Way	CH	1.00	1869	396	2265
14	51	2323 Tuscany Way	CH	1.00	1869	396	2265
14	52	2327 Tuscany Way	V	1.00	1245	396	1641
15	53	2311 Tuscany Way	C-1	1.00	1772	396	2168
15	54	2315 Tuscany Way	C-2	1.00	1794	395	2189
15	55	2313 Tuscany Way	A-1	1.00	1637	395	2032
15	56	2317 Tuscany Way	C-1	1.00	1772	396	2168
16	57	2301 Tuscany Way	V	1.00	1245	396	1641
16	58	2305 Tuscany Way	CH	1.00	1869	396	2265
16	59	2303 Tuscany Way	CH	1.00	1869	396	2265
16	60	2307 Tuscany Way	V	1.00	1245	396	1641
17	61	2211 Tuscany Way	C-1	1.00	1772	396	2168
17	62	2215 Tuscany Way	A-1	1.00	1637	395	2032
17	63	2213 Tuscany Way	C-2	1.00	1794	395	2189
17	64	2217 Tuscany Way	C-1	1.00	1772	396	2168
18	65	2201 Tuscany Way	C-2	1.00	1772	396	2168
18	66	2205 Tuscany Way	C-1	1.00	1794	395	2189
18	67	2203 Tuscany Way	A-1	1.00	1637	395	2032
18	68	2207 Tuscany Way	C-1	1.00	1772	396	2168

* Includes veranda if part of a Unit

EXHIBIT D

DECLARATION OF CONDOMINIUM THE VILLAS AT APPLE CREEK CONDOMINIUM

Unit Types

Type

- V (Fourplex Classic III Villa). Contains a kitchen, living/dining room, two baths, two bedrooms or a bedroom and a den, a laundry room, a storage room, and a garage, all at ground level.
- CH (Fourplex Classic III Chateau). Contains same rooms as a Classic III Villa except that it has one and one-half baths at the first floor level, and a partial second floor level with a bedroom and a full bath.
- A I (Fourplex Cathedral II Abbey A-1). Contains a kitchen, living room, dining room, two baths, two bedrooms or a bedroom and a den, a veranda, a laundry room, a storage room and a garage, all at ground level.
- C-1 (Fourplex Cathedral II Canterbury C-1). Same as Cathedral II Abbey A-1, except it also includes a den or optional 3rd bedroom.
- C-2 (Fourplex Cathedral II Canterbury C-2). Same as Cathedral II Canterbury C-1, except it has a different Approximate Interior Square Footage.
- C-3 (Duplex Cathedral II Canterbury C-3). Same as Cathedral II Canterbury C-1, except it has a different Approximate Interior Square Footage.
- C-4 (Duplex Cathedral II Canterbury C-4). Same as Cathedral II Canterbury C-1, except it has a different Approximate Interior Square Footage.

EXHIBIT E

**DECLARATION OF CONDOMINIUM
THE VILLAS AT APPLE CREEK CONDOMINIUM**

Legal Description, Additional Property

Lot 2, Certified Survey Map No. 5211, filed in the Office of the Register of Deeds for Outagamie County, Wisconsin on October 12, 2005, in Volume 29 on Page 5211, as Document No. 1684253, being Lots 13 through 19, APPLE CREEK CENTER, located in the Southwest ¼ of Section Seven (7), Township Twenty-one (21) North, Range Eighteen (18) East, City of Appleton, Outagamie County, Wisconsin.

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EXHIBIT F

**DECLARATION OF CONDOMINIUM
THE VILLAS AT APPLE CREEK CONDOMINIUM**

Plat, Additional Property

EXHIBIT G

DECLARATION OF CONDOMINIUM THE VILLAS AT APPLE CREEK CONDOMINIUM

Existing Restrictions

1. General real estate taxes for the current year not yet due and payable.
2. Matters shown on the plat of Apple Creek Center (Document No. 1503948) and matters shown on Certified Survey Map No. 5211 (Document No. 1684253).
3. Utility Easement given to Michigan Wisconsin Pipe Line Company by Condemnation of Lands owned by William and Viola Calmes, in Lis Pendens filed October 19, 1960 as Document No. 530728.
4. 75 foot Michigan Wisconsin Pipe Line (ANR) Company Easement as shown on the recorded plat of the subject property and as disclosed in instruments recorded in Volume 552 of Records, page 65 and in Volume 552 of Records, page 63.
5. Distribution Easement Underground Joint, recorded January 2, 2002, as Document No. 1445131.
6. Utility Easement to Wisconsin Telephone Company and American Telephone and Telegraph Company, recorded February 5, 1942 in Volume 271, Deeds, page 601, as Document No. 1626068.
7. Nonexclusive Joint Distribution Easement for Electric, Gas, Fiber Optic and Cable recorded October 21, 2003 as Document No. 1583177, rights transferred by Document No. 1626068.
8. Amended and Restated Protective Covenants for Apple Creek Center recorded October 23, 2003 as Document No. 1583643.

First Amendment to Amended and Restated Protective Covenants for Apple Creek Center recorded March 18, 2004 as Document No. 1603117.

Second Amendment to Amended and Restated Protective Covenants for Apple Creek Center recorded September 8, 2005 as Document No. 1679368.

Third Amendment to Amended and Restated Protective Covenants for Apple Creek Center dated February 10, 2006 and recorded February 14, 2006 as Document No. 1699158.
9. Development Agreement recorded January 13, 2004 as Document No. 1594856.

(All recording information is for those documents recorded with the Outagamie County, Wisconsin Register of Deeds.)