

ARTICLE II

NAME; DESCRIPTION OF PROPERTY

2.01 Name. The name of the condominium created by this Declaration (the "Condominium") is "Sunset Condominiums at Northern Bay."

2.02 Legal Description. The land comprising the Property (the "Land") is located in the Town of Strong's Prairie, County of Adams, State of Wisconsin, and is legally described on Exhibit A attached hereto and made a part hereof.

2.03 Address. The address of the Condominium is 1841 20th Avenue, Arkdale, WI 54613.

ARTICLE III

DESCRIPTION OF UNITS

3.01 Identification of Units. The Condominium shall initially consist of up to eighteen buildings (individually, a "Building" and collectively, the "Buildings") each of which shall contain eight (8) units (individually a "Unit" and collectively the "Units") as identified on the condominium plat attached hereto as Exhibit B and made a part hereof (the "Condominium Plat"). Five (5) Buildings identified on the Condominium Plat as Buildings 17, 18, 19, 20 and 31, consisting of a total of forty (40) Units are constructed as of the date hereof. The Condominium Plat shows floor plans for each Unit showing the layout, boundaries and dimensions of each Unit. The initial Units shall be identified by a Unit number as set forth on Exhibit C and as numbered on the Condominium Plat. The Condominium shall be subject to expansion as described in Article VI. Each owner of a Unit is referred to as a "Unit Owner." Where a Unit has been sold under a land contract, the purchaser (and not the vendor) shall be the Unit Owner.

3.02 Boundaries of Units. The boundaries of each Unit (except the Hotel Unit and the Community Clubhouse Unit, as described in Sections 6.06 and 6.07, below) shall be as follows:

(a) Upper Boundary. The upper boundary of the Unit shall be the interior lower surface of the undecorated finished ceiling extended to an intersection with the perimetrical boundaries.

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

(c) **Perimetrical Boundary.** The perimetrical boundaries of the Unit shall be vertical planes of the inside surface of the exterior walls (in the case of exterior walls) or the vertical planes measured from the midpoint of the interior walls (in the case of walls separating Units), in either case extending to intersections with each other and with the upper and lower boundaries.

3.03 Description of Units. It is intended that the surface of each plane described above (be it tiles, papered, paneled, carpeted or otherwise covered) is included as part of each defined Unit. The Unit shall include, without limitation, all improvements now or hereafter located within such boundaries, including:

(a) Windows and doors (with hardware) which provide direct access to or within the Unit, with the exception of exterior doors to common hallways in a Building which shall be Limited Common Elements as defined below.

(b) Interior lights and light fixtures.

(c) Cabinets.

(d) Floor, wall, baseboard, or ceiling electrical outlets and switches and the junction boxes serving them.

(e) Telephone, telefax, cable television, computer, internet, stereo or other sound systems, if any, including outlets, switches, hardware and other appurtenances serving them.

(f) Plumbing fixtures, hot water heaters, fire sprinklers, if any, water softeners, if any, and the piping, valves, and other connecting and controlling mechanisms and devices lying between the fixture and water or sewage lines serving more than one (1) Unit.

(g) The heating, ventilating and air conditioning system, including the control mechanisms, all vents from the Unit to the exterior of the Condominium, including vents for furnaces, clothes dryer, range hood, all other exhaust fans, and such other vents appurtenant to each Unit, condensers and all connections, thereto serving each Unit.

Specifically not included as part of a Unit are those structural components of each Building and any portion of the plumbing, electrical or mechanical systems of the Building serving more than one (1) Unit, even if located within the Unit. Any

structural components, plumbing, electrical, mechanical and public or private utility lines running through a Unit that serve more than one Unit are Common Elements.

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

3.05 Future Addition of Garage. If a Unit Owner desires to erect a garage to be attached to its Unit or expand an existing garage, such Unit Owner shall present its request to the Association together with plans and specifications for such garage addition. The Association shall, in good faith, consider such request and shall make such accommodations to the Unit Owner as the Association, in its sole discretion, deems to be in the best interest of the Condominium. The Association may condition approving such request upon the Unit Owner entering into a lease, easement or other agreement with the Association to allow the garage or expansion to exist upon the Land and within the Common Elements without further amendment to this Declaration. Any such garage or expansion shall be treated as part of the Unit for all purposes. The Association shall have no obligation to accommodate any such request of any Unit Owner. Any approved garage or expansion shall not affect the Unit Owners' percentage interests in the Common Elements.

ARTICLE IV

COMMON ELEMENTS; LIMITED COMMON ELEMENTS; HARBOR AREA

4.01 Common Elements. The common elements (the "Common Elements") include the following:

- (a) The Land;
- (b) The paved driveway, private streets, pedestrian walkways, if any, bicycle pathways, if any, situated on the Land;
- (c) The foundations, columns, pilasters, girders, beams, supports, main walls (which shall be defined as exterior walls and surfaces, structural walls, roof trusses and roofs);

any damage or injury resulting from pesticides or other materials used for maintenance of the Golf Course: the Declarant or its successors, the Association or its members (in their capacity as such); successors-in-title to the Golf Course, or assigns; any developer, builder or contractor (in their capacities as such); any officer, director or partner of the foregoing, or any officer or director of any partner.

ARTICLE IX

INSURANCE

9.01 Fire and Extended Loss Insurance. The board of directors of the Association shall, at its option, obtain and maintain fire, casualty, and special form insurance coverage for the Common Elements and for the Association's service equipment, supplies and personal property. Each Unit Owner shall obtain and maintain fire, casualty, and special form insurance coverage for the Unit and all improvements located therein for not less than the full replacement value thereof. Insurance coverage for the Common Elements shall be reviewed and adjusted by the board of directors of the Association from time to time to ensure that the required coverage is at all times provided. The insurance, if any, maintained by the Association shall be written on the Condominium's Common Elements in the name of the Association as insurance trustee for the individual Unit Owners in their respective percentage interests in the Common Elements, and may list each Unit Owner as an additional insured with respect to its Unit. The policy shall contain the standard mortgagee clause, which shall be endorsed to provide any proceeds shall be paid to the Association, as insurance trustee, for the use and benefit of any Mortgagee as its interest may appear. All premiums for such insurance shall be Common Expenses. In the event of damage to or destruction of all or part of the Condominium insured hereunder, the proceeds of the insurance shall be paid to the Association, as insurance trustee, for the Unit Owners and the Mortgagees and distributed as provided in Article X.

9.02 Public Liability Insurance. The board of directors of the Association shall obtain and maintain a comprehensive liability insurance policy insuring the Association, its officers, directors, and the Unit Owners against any liability arising out of the maintenance, repair, ownership, or use of the Common Elements. Liability coverage shall be for at least \$1,000,000 per occurrence for personal injury and/or property damage. The insurance coverage shall be written on the Condominium in the name of the Association as insurance trustee for the Association, its directors and officers, and for the individual Unit Owners in their respective percentage interests in the Common Elements. Such insurance policy shall contain a "severability of interest" or cross-liability endorsement which shall

preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners. All premiums for such insurance shall be Common Expenses. Each Unit Owner shall have the right to insure its own Unit for personal benefit.

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

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

9.05 Standards for All Insurance Policies. All insurance policies provided under this Article IX shall be written by companies duly qualified to do business in the State of Wisconsin, with a general policyholder's rating of at least "A" and a financial rating of at least Class VII, as rated in the latest edition of Best's Key Rating Guide, unless the board of directors of the Association determines by unanimous vote or unanimous written consent that any policy may be issued by a company having a different rating.

ARTICLE X

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

**THIRD AMENDMENT TO DECLARATION
OF CONDOMINIUM OF SUNSET CONDOMINIUMS AT NORTHERN BAY**

WHEREAS, on December 5, 2003, Northern Bay, LLC, a Wisconsin limited liability company ("Declarant") did execute that certain Declaration of Condominium for Sunset Condominiums at Northern Bay, recorded in the Office of the Register of Deeds for Adams County on January 27, 2004, as Document Number 430632, as amended by the First Amendment to Declaration of Condominium of Sunset Condominiums at Northern Bay (Phase 1), dated November 12, 2004 and recorded with the Adams County Register of Deeds on November 12, 2004 in Volume 3765, Page 55, as Document Number 38863 and the Second Amendment to Declaration of Condominium of Sunset Condominiums at Northern Bay (Phase 2), dated January 21, 2005, and recorded with the Adams County Register of Deeds on February 7, 2005 in Volume 3833, page 22 as Document Number 441027 (collectively the "Declaration") and Condominium Plat recorded on January 27, 2004 in File 1 of Condo Plats, Envelope 55, as Document Number 430633, as amended by the First Amendment to and Restatement of Sunset Condominiums at Northern Bay, Phase 1, Boundary Addendum, Expansion Area Addendum and Floor Plan Addendum and a Phase 2 Addendum to the Plat of Condominium for Sunset Condominiums at Northern Bay dated February 4, 2005, and recorded with the Adams County Register of Deeds on February 7, 2005 in File 1, Envelope 60, as Document Number 441028 (collectively the "Plat"). As used herein "Condominium" shall collectively refer to the "Declaration" and the "Plat."

WHEREAS, the Declarant wishes to amend the Declaration by deleting the proposed Hotel Unit provisions from the Declaration and amending the provisions dealing with obligations to acquire insurance; and

WHEREAS, Declarant has obtained the consent of sufficient Unit Owners within the Condominium to effect such amendment;

NOW THEREFORE, this Third Amendment to Declaration of Condominium of Sunset Condominiums at Northern Bay ("Third Amendment") hereby amends the Declaration as follows:

1. Section 6.06 of the Declaration is hereby deleted in its entirety. Declarant shall have no right to include a Hotel Unit in any expansion of the Condominium.
2. All references to "Hotel Unit" in the Declaration are hereby deleted, namely in Sections 3.02, 6.02, and 8.05.
3. The first two sentences of Section 9.01 shall be replaced with the following:

The Association shall obtain and maintain fire, casualty, and multi-peril insurance on a full replacement basis. Such insurance shall cover the entire Condominium including the Units, Common Elements, Limited Common Elements, fixtures, building service equipment and supplies, personal property of the Association, and the following types of property contained in Units, regardless of the ownership thereof: (a) fixtures, improvements and alterations that are attached to or part of the building or structure; and (b) cabinetry and appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundry, security or

housekeeping. The maximum deductible for the policy required under this Section shall be the lesser of \$10,000.00 or one percent (1%) of the policy face amount. The insurance required under this Section shall include a standard mortgage clause and shall name the Mortgagees as additional insureds. Each Unit Owner shall obtain and maintain fire, casualty, and special form insurance coverage for all items not covered by the Association's policy, such as personal property and furnishings of the Unit Owner, for not less than the replacement value thereof.

4. The terms and provisions set forth in this Third Amendment shall run with and bind the land described in said original Declaration, together with and including all present and future owners, occupants and mortgagees, and all parties claiming an interest in said real estate, their heirs, personal representatives, successors and assigns, until such time as the Condominium established by the Declaration and all rights of the Declarant to expand shall have terminated in accordance with the terms and provisions as set forth in the Declaration, by operation of law, or by the required voluntary action on the party of the Declarant and/or the Unit Owners of Sunset Condominiums at Northern Bay.

IN WITNESS WHEREOF, the undersigned Declarant, Northern Bay, LLC, does hereby execute this Third Amendment to Declaration to be recorded in the Office of the Register of Deeds for Adams County, Wisconsin.

Dated this 3rd day of August, 2005.

NORTHERN BAY, LLC
a Wisconsin limited liability company

By: The GilRan Group, LLC,
a Wisconsin limited liability company

By: 
William W. Ranguette, Manager

[Signatures continue on next page]