






125 588  
significant

## Contract Cover Sheet

Note: Shaded areas are for County Executive review.

Department <b>Administration</b>		Contract/Addendum #: <b>13027</b>	
1. This contract, grant or addendum: <input checked="" type="checkbox"/> AWARDS <input type="checkbox"/> ACCEPTS		<div style="display: flex; justify-content: space-between;"> <span>Contract</span> <span>Addendum</span> </div>	
2. This contract is discretionary <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>If Addendum, please include original contract number</p> <p><input type="checkbox"/> POS <input type="checkbox"/></p> <p><input type="checkbox"/> Grant <input type="checkbox"/></p> <p><input type="checkbox"/> Co Lease <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Co Lessor <input type="checkbox"/></p> <p><input type="checkbox"/> Intergovernmental <input type="checkbox"/></p> <p><input type="checkbox"/> Purchase of Property <input type="checkbox"/></p> <p><input type="checkbox"/> Property Sale <input type="checkbox"/></p> <p><input type="checkbox"/> Other <input type="checkbox"/></p> </div> <div style="width: 45%;"></div> </div>	
3. Term of Contract or Addendum: <b>98 years</b>			
4. Amount of Contract or Addendum: <b>\$1,000,000</b>			
5. Purpose: <b>To support the family supportive housing project at Tree Lane in the City of Madison</b>			
6. Vendor or Funding Source: <b>Tree Lane Apartments LLC</b>			
7. MUNIS Vendor Code: <b>new</b>			
8. Bid/RFP Number: <b>n/a</b>			
9. If grant: Funds Positions? <input type="checkbox"/> Yes <input type="checkbox"/> No Will require on-going or matching funds? <input type="checkbox"/> Yes <input type="checkbox"/> No			
10. Are funds included in the budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
11. Account No. & Amount, Org & Obj.		CPADMIN 58715 Amount \$ <b>750000</b>	
Account No. & Amount, Org & Obj.		CPADMIN 58720 Amount \$ <b>250000</b>	
Account No. & Amount, Org & Obj.		Amount \$ _____	
12. If this contract awards funds, a purchase requisition is necessary. Enter requisition # & year <b>N/A</b>			
13. Is a resolution needed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please attach a copy of the Resolution. If Resolution has already been approved by the County Board, Resolution No. & date of adoption <b>2016 - 588</b>			
14. Does Domestic Partner equal benefits requirement apply? <input type="checkbox"/> Yes <input type="checkbox"/> No			
15. Director's Approval: 			

Contract Review/Approvals				Vendor	
Initials	Ftnt	Date In	Date Out	Vendor Name	
 Received	_____	<b>3-23-17</b>	_____	Contact Person   Phone No.  E-mail Address	
 Controller	_____	_____	<b>3/23/17</b>		
 Corporation Counsel	_____	<b>3-23-17</b>	<b>3-23-17</b>		
 Risk Management	_____	<b>3/23/17</b>	<b>3/23/17</b>		
 Purchasing	_____	_____	<b>3/23/17</b>		
_____ County Executive	_____	_____	_____		

### Footnotes:

- 
- 

Return to:	Name/Title: <b>Chuck Hicklin</b> Phone: <b>266-4109</b> E-mail Address: _____	Dept.: _____ Mail Address: _____
------------	---	-------------------------------------

## Certification

The attached contract: *[check as many as apply]*

- ☐ conforms to Dane County's standard Purchase of Services Agreement form in all respects
- ☐ conforms to Dane County's standard Purchase of Services Agreement form with modifications and is accompanied by a revision copy<sup>1</sup>
- ☒ is a non-standard contract which has been reviewed or developed by corporation counsel and which has not been changed since that review/development
- ☐ is a non-standard contract previously review or developed by corporation counsel which has been changed since that review/development; it is accompanied by a revision copy<sup>1</sup>
- ☐ is a non-standard contract not previously reviewed by corporation counsel; it is accompanied by a revision copy
- ☐ contains non-standard/indemnification language which has been reviewed or developed by risk management and which has not been changed since that review/development
- ☐ contains non-standard insurance/indemnification language which has been changed since review/development or which has not been previously seen by risk management; it is accompanied by a revision copy
- ☐ contains non-standard affirmative action/equal opportunity language which has been reviewed or developed by contract compliance and which has not been changed since that review/development
- ☐ contains non-standard affirmative action/equal opportunity language which has been changed since the earlier review/development by contract compliance or which has not been previously seen by contract compliance; it is accompanied by a revision copy<sup>1</sup>

Date: 3-23-17

Signed: \_\_\_\_\_

Telephone Number 6-4519

Print Name: \_\_\_\_\_

Carlos Pabellon

**Major Contracts Review (DCO Sect. 25.20)** This review applies only to contracts which both exceed \$100,000 in disbursements or receipts and which require county board review and approval.

**Executive Summary** (attach additional pages, if needed).

1. **Department Head** ☐ Contract is in the best interest of the County.  
Describe any deviations from the standard contracting process and any changes to the standard Purchase of Services Form Agreement.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

2. **Director of Administration** ☐ Contract is in the best interest of the County.  
Comments:

Date: 3/23/17

Signature: \_\_\_\_\_

3. **Corporation Counsel** ☐ Contract is in the best interest of the County.  
Comments:

Date: 3/23/17

Signature: \_\_\_\_\_

<sup>1</sup> A revision copy is a copy of the contract which shows the changes from the standard contract or previously revised/developed contract by means of overstrikes (indicating deletions from the standard language) and underlining (showing additions to the standard language).

Document Number

ASSIGNMENT AND  
ASSUMPTION OF OPTION TO  
PURCHASE AGREEMENT

This Assignment and Assumption of Option to Purchase Agreement (this "Assignment") is made by and between Heartland Housing, Inc., an Illinois corporation ("Assignor"), and County of Dane, a Wisconsin body corporate created pursuant to Chapter 59 of the Wisconsin Statutes ("Assignee").

WITNESSETH:

WHEREAS, the Community Development Authority of the City of Madison, a Wisconsin housing authority ("CDA"), was granted an option to purchase the real property described on the attached Exhibit A under that certain Option to Purchase Agreement dated as of January 27, 2015, and recorded February 19, 2015, in the Office of the Register of Deeds, Dane County, Wisconsin, as Document No. 5130028, by and between CDA and City of Madison, a Wisconsin municipal corporation (the "Original Agreement");

WHEREAS, CDA assigned all of its right, title and interest in and to its option under the Option Agreement to Assignor pursuant to that certain Assignment and Assumption of Option to Purchase Agreement dated as of January 28, 2015, and recorded March 2, 2015, in the Office of the Register of Deeds, Dane County, Wisconsin, as Document No. 5132224, by and between CDA and Assignor (together with the Original Agreement, the "Option Agreement"); and

WHEREAS, Assignor desires to assign all of its rights, title and interest in and to Assignor's option under the Option Agreement to Assignee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns and transfers to Assignee all of Assignor's rights, title and interest in, to and under, the Option Agreement. Assignee accepts the assignment made hereby, and agrees to assume all of Assignor's rights, title and interest under the Option Agreement.

Recording Area

This Document should be returned to:

Joseph D. Shumow  
Reinhart Boerner Van Deuren s.c.  
22 East Mifflin Street, Suite 600  
Madison, Wisconsin 53703

251/0708-233-0809-8

Parcel Identification Number (PIN)

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have entered into this Assignment and Assumption of Option to Purchase Agreement this \_\_\_\_ day of March, 2017.

HEARTLAND HOUSING, INC.,  
an Illinois corporation

By: Michael Goldberg  
Michael Goldberg, Executive Director

State of Illinois                    )  
  ) ss.:  
County of Cook                )

Personally came before me, this 9 day of March, 2017, the above named Michael Goldberg, Executive Director of Heartland Housing, Inc., known to me to be the person who executed the above and foregoing instrument and acknowledged that he executed the foregoing as such Executive Director as the deed of such corporation, by its authority.

Kristina Butler  
Notary Public, State of Illinois  
Kristina Butler  
(print or type name)  
My Commission: 9/12/2020



COUNTY OF DANE,  
a Wisconsin body corporate

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

State of Wisconsin                    )  
  ) ss.:  
County of Dane                        )

Personally came before me, this \_\_\_\_ day of \_\_\_\_\_, 2017, the above named  
\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_, \_\_\_\_\_ of County of  
Dane, Wisconsin, and acting in said capacity and known to me to be the persons who executed the  
foregoing instrument and acknowledged the same.

\_\_\_\_\_  
Notary Public, State of Wisconsin

\_\_\_\_\_  
(print or type name)  
My Commission: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

This instrument drafted by:  
Maya S. Zahn Rhine  
Reinhart Boerner Van Deuren s.c.

EXHIBIT A  
LEGAL DESCRIPTION

Lot 2, Certified Survey Map No. 8493, as recorded on February 25, 1997, with the Dane County Register of Deeds, Volume 46 of Certified Surveys, pages 193-198, as Document No. 2834147, in the City of Madison, Dane County, Wisconsin.

Tax Parcel No.: 251-0708-233-0809-8

**DECLARATION OF CONDOMINIUM FOR  
TREE LANE CONDOMINIUM**

Return to:  
David M. Sanders  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, WI 53202

251/0708-233-0809-9

Parcel Numbers

**This is not a conveyance under Section 77.21(1), Wis. Stats. and is not subject to the Wisconsin real estate transfer fee or return.**

There are no objections to this condominium or condominium amendment with respect to Chapter 703 Wis. Stats. and it is hereby approved for recording.

\_\_\_\_\_  
Director of Planning and Community & Economic Development  
City of Madison

\_\_\_\_\_  
Date



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## DECLARATION OF CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM (this "Declaration"), is made this \_\_\_\_ day of \_\_\_\_\_, 2017, by **Tree Lane Apartments, LLC**, a Wisconsin limited liability company (the "Declarant").

### ARTICLE I

#### DECLARATION

Declarant hereby declares that it is the sole owner of a leasehold interest in the Land (as defined in Section 2.02), together with all easements, rights and appurtenances pertaining thereto (the "Property"), and further declares that the Property is hereby submitted to the condominium form of ownership as provided in Chapter 703, Wisconsin Statutes (the "Condominium Ownership Act").

### ARTICLE II

#### NAME; DESCRIPTION OF PROPERTY

2.01 Name. The name of the condominium created by this Declaration (the "Condominium") is "Tree Lane Condominium."

2.02 Legal Description. The land subject to the leasehold interest comprising the Property (the "Land") is located in the City of Madison, County of Dane, 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 7933 Tree Lane, Madison, WI.

### ARTICLE III

#### DESCRIPTION OF UNITS

3.01 Identification of Units. The Condominium shall initially consist of two units (individually a "Unit" and collectively the "Units") located in the one building (the "Building") identified on the condominium plat recorded in the office of the register of Deeds for Dane County, Wisconsin (the "Condominium Plat"), together with the Common Elements as described in Article IV. The Condominium Plat shows floor plans for each Unit and the boundaries and dimensions of each Unit. The Units shall be identified as Unit One and Unit Two, as labeled on the Condominium Plat. 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 shall be as follows:

(a) Upper Boundary. The upper boundary of the Unit shall be the interior lower surface of the supporting members of the roof or floor above the highest level of the Unit, 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 of the lowest level of the Unit extended to an intersection with the perimetrical boundaries.

(c) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the imaginary vertical planes having elevations that coincide with: (a) in the case of interior walls separating the Unit from another Unit, the midpoint of the interior walls; (b) in the case of exterior walls, the exterior surface of the drywall or other interior finish; (c) in the case of a wall separating a Unit from any interior Common Elements, the exterior surface of the drywall or other interior finish (determined from the standpoint of a person inside the Unit) and (d) in the case of exterior windows, the exterior surface of the windows; in all of the foregoing cases, extending to intersections with each other and with the upper and lower boundaries.

It is intended that the surface of each plane described above (be it drywall, tiles, wallpaper, paneling, carpeting or otherwise covered) is included as part of each defined Unit.

3.03 Additional Items Included as Part of Unit. The Unit shall also include each of the following items that serve such Unit exclusively, whether or not located within the boundaries described in Section 3.02:

(a) Windows and doors (with all opening, closing and locking mechanisms and all hardware) which provide direct access to or within the Unit.

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

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

(d) 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.

(e) The heating, ventilating and air conditioning system, including the furnaces, air conditioning equipment, 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 the exterior surfaces thereof, the insulation systems, 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, insulation systems, plumbing, electrical, mechanical and public or private utility lines running through a Unit that serve more than one Unit are Common Elements.

## ARTICLE IV

### COMMON ELEMENTS; LIMITED COMMON ELEMENTS

4.01 Common Elements. The common elements (the "Common Elements") are all of the Condominium except for the Units. The Common Elements include, without limitation, the following:

- (a) The Land;
- (b) The paved driveway, private streets, pedestrian walkways, if any, and bicycle parking, 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);
- (d) That part of the fire sprinkler system, if any, and its associated piping and operating mechanisms serving more than one Unit;
- (e) Any other portion of the improvements to the Land which is not included within the boundary of a Unit as described above; and

4.02 Limited Common Elements. Certain Common Elements as described in this Section shall be reserved for the exclusive use of the Unit Owners of one or more but less than all of the Units. Such Common Elements shall be referred to collectively as "Limited Common Elements." The following Common Elements shall be reserved for the exclusive use of one or more Unit Owners as described herein:

- (a) The parking spaces identified on the Condominium Plat as designated and reserved for any Unit.

#### 4.03 Conflict Between Unit Boundaries; Common Element Boundaries.

- (a) If any portion of the Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common Elements as a result of the duly-authorized construction, reconstruction

or repair of a Building, or as a result of settling or shifting of a Building, then the existing physical boundaries of such Units or Common Elements shall be conclusively presumed to be the boundaries of such Units or Common Elements, regardless of the variations between the physical boundaries described in Sections 3.02 and 3.03 or elsewhere in this Declaration or shown on the Condominium Plat and the existing physical boundaries of any such Units or Common Elements.

(b) If any portion of the Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common Elements as a result of the duly-authorized construction, reconstruction or repair of a Building, or as a result of settling or shifting of a Building, then a valid easement for the encroachment and for its maintenance shall exist so long as such Building stands; provided, however, that if any such encroachment or easement materially impairs any Unit Owner's enjoyment of the Unit owned by such Unit Owner or of the Common Elements in the judgment of the board of directors of the Association (as defined below), such encroachment shall be removed or just compensation shall be provided to each injured Unit Owner within ninety (90) days of the discovery of the encroachment.

(c) Following any change in the location of the boundaries of the Units under this Section 4.03, the square footages of all affected Units or Common Elements shall continue to be determined by the square footages as shown on the Condominium Plat, if any, for all purposes under this Declaration.

## ARTICLE V

### PERCENTAGE INTERESTS; VOTING

5.01 Percentage Interests. The undivided percentage interest in the Common Elements (the "Percentage Interest") appurtenant to Unit One shall be \_\_\_\_% and to Unit Two shall be \_\_\_\_%.

5.02 Conveyance or Encumbrance of Percentage Interest. Any deed, mortgage or other instrument purporting to convey or encumber any Unit shall be deemed to include the Unit Owner's Percentage Interest in insurance proceeds or condemnation awards even though such interest is not expressly described or referred to therein.

5.03 Voting. Unit One shall have two (2) votes appurtenant to such Unit and Unit Two shall have one (1) vote appurtenant to such Unit at meetings of the Association (as defined in Article VII).

5.04 Multiple Owners. If there are multiple owners of any Unit, their votes shall be counted in the manner provided in the Bylaws.

5.05 Limitations on Voting Rights. No Unit Owner shall be entitled to vote on any matter submitted to a vote of the Unit Owners until the Unit Owner's name and

current mailing address, and the name and address of the Mortgagee of the Unit, if any, has been furnished to the secretary of the Association. The bylaws of the Association may contain a provision prohibiting any Unit Owner from voting on any matter submitted to a vote of the Unit Owners if the Association has recorded a statement of condominium lien on the Unit and the amount necessary to release the lien has not been paid at the time of the voting.

## ARTICLE VI

### GROUND LEASE

The Land is subject to a ground lease dated \_\_\_\_\_ from Dane County, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes, as landlord and Tree Lane Apartments, LLC, a Wisconsin limited liability company, as Tenant (the "Ground Lease"). The Condominium and the right of the Unit Owners and the Association are subject to the terms of the Ground Lease. The Association shall comply with all of the terms of the Ground Lease and take all actions necessary to maintain the Ground Lease in full force and effect.

## ARTICLE VII

### CONDOMINIUM ASSOCIATION

7.01 General. Following the conveyance of the first Unit to any person other than Declarant, all Unit Owners shall be entitled and required to be a member of an association of Unit Owners known as "Tree Lane Condominium Association" (the "Association"), which shall be responsible for carrying out the purposes of this Declaration, including exclusive management and control of the Common Elements and facilities of the Condominium, which may include the appointment and delegation of duties and responsibilities hereunder to a committee or subcommittee commissioned by the Association for that purpose. The Association shall be a non-statutory unincorporated association and shall be governed by the Association Agreement (the "Association Agreement"). The powers and duties of the Association shall include those set forth in the bylaws (the "Bylaws"), the Condominium Ownership Act and this Declaration. A Unit Owner may delegate to any lessee of a Unit all or any portion of such Unit Owner's rights as a member of the Association by written notice to the Association. All Unit Owners, tenants of Units and all other persons and entities that in any manner use the Property or any part thereof shall abide by and be subject to all of the provisions of all rules and regulations of the Association (collectively, the "Rules and Regulations"), this Declaration and Bylaws. The Association shall have the exclusive right to promulgate, and to delegate the right to promulgate, the Rules and Regulations from time to time and shall distribute to each Unit Owner, the updated version of such Rules and Regulations upon any amendment or modification to the Rules and Regulations. Any new rule or regulation or any revision to an existing rule and regulation shall become effective immediately upon distribution to the Unit Owners.



7.02 Declarant Control. Notwithstanding anything contained in this Declaration to the contrary, the Declarant shall totally govern the affairs of the Condominium and pay all expenses thereof until a Unit has been sold to any person other than the Declarant. The Declarant may exercise any rights granted to, or perform any obligations imposed upon, Declarant under this Declaration through its duly authorized agent.

7.03 Board of Directors. The affairs of the Association shall be governed by a board of directors. Within thirty (30) days after the conveyance of a Unit to a purchaser, the Association shall hold a meeting, and the Unit Owners shall appoint a board of directors pursuant to the Bylaws.

7.04 Maintenance and Repairs.

(a) By Association. Except as provided in Sections 7.04(b) and 7.04(c), the Association shall be responsible for the management and control of the Common Elements and shall maintain the same in good, clean and attractive order and repair, and shall have an easement over the entire Condominium for the purpose of carrying out these responsibilities. In addition, the Association shall be responsible for snow plowing all sidewalks, driveways, private street, parking areas, the maintenance, repair and replacement of all outdoor amenities, including lawns, landscaping, sidewalks, bicycle paths, driveways and parking areas. The Association shall be responsible for replacing when necessary any Common Elements.

(b) By Unit Owner. Each Unit Owner shall be responsible for, and shall pay for, the maintenance, repair, and replacement of all other improvements constructed within the Unit (including the electrical, heating and air conditioning systems serving such Unit, and including any ducts, vents, wires, cables or conduits designed or used in connection with such electrical, heating or air conditioning systems) and all Limited Common Elements appurtenant to their Unit, except to the extent any repair cost for any of the foregoing is paid by the Association's insurance policy described in Section 9.01. Each Unit and its appurtenant Limited Common Elements shall at all times be kept in good condition and repair. If any Unit, portion of a Unit or a Unit's appurtenant Limited Common Elements for which a Unit Owner is responsible falls into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or a condition that results in damage to the Common Elements, the Association, upon fifteen (15) days' prior written notice to the Unit Owner of such Unit, shall have the right to correct such condition or to restore the Unit or Limited Common Elements to its condition existing prior to the disrepair, or the damage or destruction if such was the cause of the disrepair, and to enter into such Unit for the purpose of doing so, and the Unit Owner of such Unit shall promptly reimburse the Association for the cost thereof. All amounts due for such work shall be paid within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Association, be levied against the Unit as a Special Assessment under Section 7.07.

(c) Damage Caused by Unit Owners. To the extent (i) any cleaning, maintenance, repair or replacement of all or any part of any Common Elements or the Unit is required as a result of the negligent, reckless or intentional act or omission of any Unit Owner, tenant or occupant of a Unit, or (ii) any cleaning, maintenance, repair, replacement or restoration of all or any part of any Common Element or the Unit is required as a result of an alteration to a Unit by any Unit Owner, tenant or occupant of a Unit, or the removal of any such alteration (regardless of whether the alteration was approved by the Association or any committee thereof) or (iii) the Association is required to restore the Common Elements or the Unit following any alteration of a Common Element or Limited Common Element required by this Declaration, or the removal of any such alteration, the Unit Owner that committed the act or omission or that caused the alteration, or the Unit Owners of the Unit occupied by such tenant or occupant or responsible for such guest, contractor, agent or invitee, shall pay the cost of such cleaning, maintenance, repair, replacement and restoration.

7.05 Common Expenses. Any and all expenses incurred by the Association in connection with the management, maintenance, repair and replacement of the Condominium, maintenance of the Common Elements (but not the Limited Common Elements) and other areas described in Section 7.04 and administration of the Association shall be deemed to be common expenses (the "Common Expenses"), including, without limitation, expenses incurred for: landscaping and lawn care; snow shoveling and plowing; improvements to the Common Elements; common grounds security lighting; municipal utility services provided to the Common Elements; trash collection; and maintenance and management salaries and wages.

7.06 General Assessments. The Association shall levy monthly general assessments (the "General Assessments") against the Unit Owners for the purpose of maintaining a fund from which Common Expenses may be paid. The General Assessments against the Unit Owners shall be assessed in proportion to their Percentage Interests. General Assessments shall be due in advance on the first day of each month, or in such other manner as the Association may set forth in the Bylaws. Any General Assessment not paid when due shall bear interest until paid, as set forth in the Bylaws and, together with interest, collection costs, and reasonable attorneys' fees, shall constitute a lien on the Unit on which it is assessed if a statement of condominium lien is filed within two (2) years after the assessment becomes due as provided in the Condominium Ownership Act.

7.07 Special Assessments. The Association may, whenever necessary or appropriate, levy special assessments (the "Special Assessments") against the Unit Owners, collectively, for deficiencies in the case of destruction or condemnation as set forth in Section 10.05 and Section 11.05 for defraying the cost of improvements to the Common Elements or for any other purpose for which the Association may determine a Special Assessment is necessary or appropriate for the improvement or benefit of the Condominium. In addition, the Association may levy Special Assessments against individual Unit Owners for the collection of monies owed to the Association under any

provision of this Declaration, including, without limitation, Section 7.04 and Article XIV. Special Assessments shall be paid at such time and in such manner as the Association may determine. Any Special Assessment or installment not paid when due shall bear interest until paid, as set forth in the Bylaws and, together with the interest, collection costs and reasonable attorneys' fees, shall constitute a lien on the Unit on which it is assessed if a statement of condominium lien is filed within two (2) years after the Special Assessment becomes due as provided in the Condominium Ownership Act.

7.08 Common Surpluses. In the event that the surpluses of the Association (the "Common Surpluses") should be accumulated, other than surpluses in any construction fund as described in Section 10.06 and Section 11.06, such Common Surpluses may be credited against the Unit Owners' General Assessments in proportion to their respective Percentage Interests or may be used for any other purpose as the Association may determine.

7.09 Certificate of Status. The Association shall, upon the written request of an owner, purchaser or Mortgagee of a Unit, issue a certificate of status of lien. Any such party may conclusively rely on the information set forth in such certificate.

7.10 Management Services. The Association shall have the right to enter into a management contract with a manager selected by the Association (the "Manager") under which services may be provided to the Unit Owners. The management contract shall be subject to termination by the Association under Section 703.35 of the Wisconsin Statutes.

## ARTICLE VIII

### ALTERATIONS AND USE RESTRICTIONS

#### 8.01 Unit Alterations.

(a) A Unit Owner may make improvements and alterations within its Unit; provided, however, that such improvements or alterations shall not impair the structural soundness or integrity or lessen the structural support of any portion of the Condominium, and shall not impair any easement. A Unit Owner may not change the dimensions of or the exterior appearance of a Unit or any portion of the Common Elements without obtaining the prior written permission of the Association, which permission may be denied in the sole discretion of the Association. Any approved improvement or alteration which changes the exterior dimensions of a Unit must be evidenced by recording a modification to this Declaration and the Condominium Plat before it shall be effective and must comply with the then applicable legal requirements for such amendment or addendum. Furthermore, any approved improvements or alterations must be accomplished in accordance with applicable laws and regulations, must not unreasonably interfere with the use and enjoyment of the other Units and the Common Elements, and must not be in violation of any underlying mortgage, land contract or similar security interest.

(b) A Unit Owner acquiring an adjoining part of another Unit may remove all or any part of the intervening partition wall or create doorways or other apertures therein. This may be done even if the partition wall may, in whole or in part, be a Common Element, provided that those acts do not impair the structural integrity or lessen the support of any portion of the Condominium, do not reduce the value of the Condominium, and do not impair any easement. The creation of doorways or other apertures is not deemed an alteration of boundaries.

#### 8.02 Relocation of Boundaries.

(a) If the Unit Owners of adjoining Units desire to relocate their mutual boundary, the affected Unit Owners shall prepare and execute appropriate instruments.

(b) An amendment to the Declaration and an addendum to the Condominium Plat shall identify the Units and shall state that the boundaries between those Units are being relocated by agreement of the Unit Owners thereof. The amendment shall contain words of conveyance between those Unit Owners, and when recorded shall also be indexed in the name of the grantor and grantee, if applicable. If not stated, the prior allocation shall govern, until such time as the Unit Owners shall record an amendment to that effect with the Dane County Register of Deeds.

(c) Plats and plans showing the altered boundaries and the dimensions thereof between adjoining Units, and their identifying numbers or letters, shall be prepared. The plats and plans shall be certified as to their accuracy in compliance with Subsection 703.13(6) of the Wisconsin Statutes, by civil engineer, architect, or licensed land surveyor authorized to practice his or her profession in the State of Wisconsin.

(d) No boundaries of any Units may be relocated without the written consent of the Mortgagees of the Units affected.

(e) After appropriate instruments have been prepared and executed, those instruments shall become effective when the adjoining Unit Owners and the Association have executed them and they have been recorded with the Dane County Register of Deeds. The recording thereof shall be conclusive evidence that the relocation of boundaries did not violate the Condominium documents.

8.03 Expenses. All expenses involved in any improvements, alterations boundary changes or Unit separations approved by the Association or permitted under this Article, whether or not completed, including all expenses to the Association, shall be borne by the Unit Owner or Unit Owners involved and may be charged as a special assessment to the affected Units in accordance with Section 7.07.

8.04 Use and Restrictions on Use of Unit. No unlawful use shall be made of the Property or any part thereof. Unit One shall be used for residential purposes and Unit

Two shall be used for commercial purposes permitted under the applicable zoning ordinances and not for any other purpose unless otherwise authorized by the Association prior to the commencement of such use.

8.05 Nuisances. No nuisances shall be allowed upon the Property, nor any use or practice that is unlawful or interferes with the peaceful possession and proper use of the Condominium by the Unit Owners or that would cause an increase in the premiums for insurance required to be maintained by the Association under Section 9.01. All parts of the Condominium shall be kept in a clean and sanitary condition, and no fire or other hazard shall be allowed to exist. No Unit Owner shall permit any use of its Unit or of the Common Elements that increases the cost of insuring the Condominium.

8.06 Lease of Units. Each Unit or any part thereof may be rented by written lease, provided that the lease contains a statement obligating all tenants to abide by this Declaration, the Bylaws and the Rules and Regulations and providing that the lease is subject and subordinate to the same.

8.07 Signs. Subject to Section 703.105 of the Wisconsin Statutes, no sign of any kind shall be displayed to the public view on any Unit without the written consent of the Association.

8.08 Easements Serving each Unit. The Owner of each Unit shall have an easement for ingress and egress from such Owner's Unit to the exterior of the Building over such portion of the other Unit as is reasonably necessary to utilize such easement ("Access Easements"). In addition, the Owner of Unit 2 shall have an easement to use the restrooms located \_\_\_\_\_ (the "Facilities Easement" and collectively with the Access Easement, the "Easements"). The Easements shall benefit the Unit Owners, their employees, tenants, guests and invitees. The Easements may be subject to the Association's Rules and Regulations provided such Rules and Regulations shall not unreasonably limit any Unit Owner's access to or from its Unit or the Unit 2 Owner's right to use the restrooms.

## ARTICLE IX

### INSURANCE

9.01 Fire and Extended Loss Insurance. The board of directors of the Association shall, obtain and maintain fire, casualty, and special form insurance coverage for the Units, the Common Elements and for the Association's service equipment, supplies and personal property. Insurance coverage for the Units and 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 Units and Common Elements in the name of the Association as insurance trustee for the individual Unit Owners in their respective Percentage Interests, and may list each Unit Owner as an insured with respect to its Unit. The policy shall contain the standard mortgagee clause, which shall be endorsed to provide that 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 or such higher limit as may be adopted from time to time by the Association. 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. 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. The Association may elect to maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. All premiums for such insurance shall be Common Expenses.

9.04 Directors' and Officers' Insurance. The Association may elect to maintain insurance on behalf of any person who is or was a director or officer of the Association against liability asserted against or incurred by him or her in any such capacity or arising out of his or her status as such in an amount to be determined in the discretion of the Association to comport with the prevailing commercial practice.

9.05 Unit Owners' Insurance. Each Unit Owner shall insure all of its own personal property (whether or not such personal property is stored within the Unit owned by such Unit Owner or any Common Element or Limited Common Element) and any insurable portion of the Unit not covered by the Association's insurance as specified herein, and shall also maintain in effect at all times a comprehensive liability policy. Each such policy shall name the Association as an additional insured. The liability policy shall provide for coverage in the minimum amount of at least \$1,000,000 per occurrence for personal injury and/or property damage or such higher minimum as is needed in the discretion of the Association to comport with the prevailing commercial practice. Nothing shall prohibit Unit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks; provided, however, that each Unit Owner's own property insurance coverage shall be excess coverage only and the insurance obtained by the Association, as required under Section 9.01, shall at all times be primary coverage. Unit Owners are encouraged to

submit copies of the disclosure materials for the Condominium to their insurance carriers in order to ensure adequate property and liability coverages.

9.06 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.

## ARTICLE X

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

10.01 Determination to Reconstruct or Repair. If all or any part of the Condominium becomes damaged, or is destroyed, by any cause, the damaged portion shall be repaired or reconstructed except as provided otherwise in this Section 10.01. Any decision not to repair or reconstruct shall be subject to any and all then-existing easement rights.

(a) Damage Less Than Five Percent of Replacement Cost. If the cost to repair or reconstruct the damaged portion of the Condominium is less than five percent of the replacement cost of all improvements constituting the Condominium, the damaged portion of the Condominium shall be repaired or reconstructed even if the cost of such repair or reconstruction exceeds the available insurance proceeds. Acceptance by a Unit Owner of a deed to a Unit shall be deemed to be consent to the authorization to the Association to repair or reconstruct, as may in the future be needed from time to time, up to such stated amount. If such authorization is challenged, whether through action taken at a meeting of the Unit Owners or otherwise, the issue of whether to repair or reconstruct shall be put to a vote of all of the Unit Owners entitled to vote, and such repair or reconstruction shall be deemed approved if all votes appurtenant to any one (1) Unit are cast in favor of such repair or reconstruction.

(b) Damage Equal to or Greater Than Five Percent of Replacement Cost; Insurance Not Available. If the cost to repair or reconstruct the damaged portion of the Condominium is equal to or greater than five percent (5%) of the replacement cost of all improvements constituting the Condominium and insurance proceeds are insufficient to complete such repair or reconstruction, the damaged

Condominium shall be repaired or reconstructed unless within thirty (30) days of the date the Association receives repair or reconstruction estimates, the Unit Owners having sixty percent (60%) or more of the votes consent in writing to not repair or reconstruct the damaged portion of the Condominium. Delivery of such written consent under the circumstances described in this Section 10.01(c) shall be deemed to be consent to subject the Condominium to an action for partition.

10.02 Plans and Specifications. Any reconstruction or repair shall, as far as is practicable, be made in accordance with the maps, plans, and specifications used in the original construction of the Condominium, unless (a) the Unit Owners having at least a majority of the votes approve of the variance from such plans and specifications; (b) the Board of Directors authorizes the variance; and (c) in the case of reconstruction of or repair to any of the Units, the Unit Owners of the damaged Units authorize the variance. In the event that a variance is authorized from the maps, plans, and specifications contained in the Condominium Plat or this Declaration, an amendment shall be recorded by the Association setting forth such authorized variance.

10.03 Responsibility for Repair. In all cases after a casualty has occurred to the Condominium (except as otherwise provided in Section 10.01), the Association has the responsibility of reconstruction and repair, and immediately shall obtain reliable and detailed estimates of the cost to rebuild or repair.

10.04 Insurance Proceeds and Construction Fund. Insurance proceeds held by the Association as trustee pursuant to Section 9.01 shall be disbursed by the Association for the repair or reconstruction of the damaged portion of the Condominium. Unit Owners and Mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless there is a surplus of insurance proceeds after the damaged portion of the Condominium has been completely restored or repaired as set forth in Section 10.06.

10.05 Assessments For Deficiencies. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair by the Association, a Special Assessment shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to the Condominium shall be in accordance with each Unit Owner's Percentage Interest. All assessed funds shall be held and disbursed by the Association as trustee for the Unit Owners and Mortgagees involved.

10.06 Surplus in Construction Funds. All insurance proceeds, condemnation awards and Special Assessments held by the Association as trustee for the purpose of rebuilding or reconstructing any damage to the Condominium are referred to herein as "Construction Funds." It shall be presumed that the first monies disbursed in payment of costs of reconstruction or repair are insurance proceeds. If there is a balance in the Construction Funds after payment of all costs of reconstruction or repair, such balance shall be divided among the Unit Owners according to their respective Percentage Interests.



10.07 Partition and Sale Upon Consent. If (a) following damage or destruction described in Section 10.01(c), the Unit Owners having Sixty Percent (60%) or more of the votes consent to subject the Condominium to an action for partition, and (b) the Mortgagees of at least Fifty-one Percent (51%) of the mortgaged Units agree to an action for partition, the Association shall record with the office of the Register of Deeds for Dane County, Wisconsin, a notice setting forth such facts, and upon the recording of such notice, the Condominium shall be subject to an action for partition, in which event the net proceeds of sale together with any amounts held by the Association as Construction Funds shall be considered as one (1) fund and shall be divided among the Unit Owners according to the Percentage Interest that is appurtenant to each Unit.

10.08 Mortgagees' Consent Required. No approval, consent or authorization given by any Unit Owner under this Article shall be effective unless it is consented to by the Mortgagee (if any) holding the first lien against the Unit.

## ARTICLE XI

### CONDEMNATION

11.01 Allocation of Award. Any damages for a taking of all or part of the Condominium shall be awarded as follows:

(a) If all of a Unit is taken, and the Association determines that it shall repair or restore the Condominium as described in Section 11.02 below, the award for the partial taking of the Unit shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award, plus any award for equipment, fixtures or improvements located therein, and for consequential damages to the Unit or the improvements located therein shall be allocated to the Unit Owner.

(b) If only a part of a Unit is taken, then, if the Association determines that it shall repair or restore the Unit as described in Section 11.02 below, the award for the partial taking of the Unit shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award, plus any award for equipment, fixtures or improvements located therein and for consequential damages to the Unit or the improvements located therein, shall be allocated to the Unit Owner.

(c) If part of the Common Elements are taken, then, if the Association determines that it shall repair or restore the Condominium as described in Section 11.02, below, the award for the partial taking of the Common Elements shall be provided to the Association as needed to fund such repair and restoration, and the balance of the award shall be allocated to all Unit Owners in proportion to their respective Percentage Interests.

(d) If the entire Condominium is taken, then any award for the taking of any Unit shall be allocated to the respective Unit Owner, and any award for the

taking of the Common Elements shall be allocated to all Unit Owners in proportion to their Percentage Interests.

11.02 Determination to Reconstruct Condominium. Following the taking of any part of the Condominium, then, if the Association determines that the Condominium can be restored to a useable whole, the Condominium shall be restored or reconstructed.

11.03 Plans and Specifications for Condominium. Any reconstruction shall, as far as is practicable, be made in accordance with the maps, plans and specifications used in the original construction of the Condominium.

11.04 Responsibility for Reconstruction. In all cases of restoration of the Condominium following a partial taking, the responsibility for restoration and reconstruction shall be that of the Association and it shall immediately obtain reliable and detailed estimates of the cost to rebuild.

11.05 Assessments for Deficiencies. If the condemnation award for the taking of the Condominium is not sufficient to defray the costs of reconstruction by the Association, Special Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Special Assessments shall be in proportion to each Unit Owner's respective Percentage Interest and shall constitute a Common Expense.

11.06 Surplus in Construction Fund. It shall be presumed that the first monies disbursed in payment of costs of reconstruction or restoration shall be from the award for taking. If there is a surplus of Construction Funds after payment of all costs of construction, such balance shall be divided among all Unit Owners in proportion to their respective Percentage Interests.

11.07 Percentage Interests Following Taking. Following the taking of all or any part of any Unit, the Percentage Interests appurtenant to any Unit shall be equitably adjusted to reflect the respective relative values of the remaining Units (or portions thereof) to all of the Units, determined without regard to the value of any improvements located within the Units except for those improvements that were part of the Unit as originally constructed. The Association shall promptly prepare and record an amendment to the Declaration reflecting the new Percentage Interests appurtenant to the Units.

11.08 Partition and Sale Upon Consent. If (a) pursuant to Section 11.02, the Association determines that, following a taking of any part of the Condominium, the Condominium cannot be restored to a usable whole, then, if the Unit Owners having Sixty Percent (60%) or more of the votes consent to subject the Condominium to an action for partition, and (b) the Mortgagees of at least Fifty-one Percent (51%) of the mortgaged Units agree to an action for partition, the Association shall record with the office of the Register of Deeds for Dane County, Wisconsin, a notice setting forth such facts, and upon the recording of such notice, the Condominium shall be subject to an action for partition, in which event the net proceeds of sale together with any amounts held by the Association as Construction Funds shall be considered as one (1) fund and

shall be divided among the Unit Owners according to their respective Percentage Interests.

## ARTICLE XII

### MORTGAGES

12.01 Notice. Any holder of a recorded mortgage or any vendor under a recorded land contract encumbering a Unit (a "Mortgagee") or any guarantor of a recorded mortgage or land contract encumbering a Unit that has so requested of the Association in a writing received by the Association's agent for service of process shall be entitled to receive timely written notice of the following matters:

- (a) The call of any meeting of the membership or the board of directors of the Association to be held for the purpose of considering any proposed amendment to this Declaration, the Articles or the Bylaws;
- (b) Any default under, any failure to comply with, or any violation of, any of the provisions of this Declaration, the Articles or Bylaws or the Rules and Regulations by the Unit Owner whose Unit is subject to the mortgage or land contract;
- (c) Any physical damage to the Condominium in an amount exceeding five percent (5%) of its replacement value;
- (d) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage or land contract;
- (e) Any sixty (60)-day delinquency in the payment of any charges and assessments owed under Article VII above by the owner of any Unit securing the mortgage or land contract;
- (f) A lapse, cancellation, or material modification of any insurance policy maintained by the Association or land contract; and
- (g) Any proposed action that requires the consent of a specified percentage of Mortgagees.

12.02 Amendment of Provisions Affecting Mortgagees. Notwithstanding the provisions of Article XIII of this Declaration, neither Section 12.01 nor any Section of this Declaration requiring the approval of any Mortgagee to any action shall be amended unless all Mortgagees have given their prior written approval. The Mortgagees of at least Fifty-one Percent (51%) of the mortgaged Units must consent to an amendment that is materially adverse to the Mortgagees' interests. If a Mortgagee does not respond within sixty (60) days after receipt of proper notice of any written proposal to amend this Declaration, such amendment shall be deemed approved by that Mortgagee, provided

such notice was delivered to the Mortgagee by certified or registered mail with a "return receipt" requested.

12.03 Owners of Unmortgaged Units. Except as otherwise set forth in Section 12.02 above, whenever any provision contained in this Declaration requires the consent or approval (whether by vote or in writing) of a stated number or percentage of Mortgagees to any decision, each Unit Owner of any unmortgaged Unit shall be considered a "Mortgagee" as well as a "Unit Owner" for purposes of such provision.

12.04 Condominium Liens. Any Mortgagee who obtains title to a Unit under the remedies provided in the mortgage or land contract against the Unit or through foreclosure shall not be liable for more than six (6) months of the Unit's unpaid dues and assessments accrued before the date on which the holder acquired title.

## ARTICLE XIII

### AMENDMENT

Except as otherwise provided by the Condominium Ownership Act, or as otherwise provided in this Declaration, this Declaration may be amended with the written consent of not less than the number of Unit Owners who together hold at least two-thirds (2/3) of the total voting interests held by all Unit Owners. No Unit Owner's consent shall be effective without the consent of the first mortgagee of such Unit. Copies of amendments shall be certified by the president and secretary of the Association in a form suitable for recording. A copy of the amendment shall be recorded with the Register of Deeds for Dane County, and a copy of the amendment shall also be mailed or personally delivered to each Unit Owner at its address on file with the Association.

## ARTICLE XIV

### REMEDIES

The Association shall have the sole right to enforce the provisions hereof or any of its orders by proceedings at law or in equity against any person or persons violating or attempting to violate any provision of the Declaration, either to restrain or cure the violation or to recover damages, or both, for a period which shall include thirty (30) days from the date of the filing with the Association of a petition by any person who shall be a Unit Owner subject to this Declaration on the date of the filing, petitioning the Association to redress the violation or attempted violation of any of the provisions of this Declaration by any other persons. Liability among multiple owners of a Unit shall be joint and several. (Nothing herein shall be deemed to limit the rights of the City of Madison or the County of Dane to enforce any zoning codes, ordinances, regulations or other requirements which may be identical or similar to the requirements of this Declaration.) Such period of thirty (30) days shall be considered to be a period for the consideration of the petition by the Association and in the event the Association denies or fails to act upon the petition to the satisfaction of the petitioner within the thirty (30) day

period, thereafter petitioner shall have the right to enforce the provisions hereof (except for the collection of charges and assessments under Article VII), to the extent that he or she shall so have petitioned, by proceedings at law or in equity against any person or persons violating or attempting to violate the provisions of this Declaration, either to restrain the violation or to recover damages, or both, provided, however, that any such person shall be a Unit Owner and commence such proceedings against such other person or persons within a period of sixty (60) days from (i) the date of the Association's denial of such petition, or (ii) the passage of the aforementioned thirty (30) day period for consideration of the petition by the Association. The Association or the petitioning Unit Owner(s), as the case may be, shall have the right to recover court costs and reasonable attorneys' fees in any successful action brought against another Unit Owner to enforce, or recover damages for a violation of, this Declaration. Any damages collected by the Association shall be distributed, first, to pay for all costs of enforcement, and secondly to the owners of the Units damaged by the violation pro rata. Notwithstanding the foregoing, if any Unit Owner fails to comply with the terms and conditions of this Declaration, and such failure continues beyond any applicable cure period, the Association shall have the right to cure on behalf of the Unit Owner and such Unit Owner shall promptly reimburse the Association for the cost thereof within ten (10) days after receipt of written demand therefor. Alternatively, the Association may, at the option of the Association, levy such amounts against the Unit as a Special Assessment under Article VII.

## ARTICLE XV

### GENERAL

15.01 Utility Easements. The Declarant hereby reserves for the Association acting by and in the discretion of its board of directors, the rights to grant to the City of Madison and County of Dane, public or semi-public utility companies or adjacent property owners, easements and rights-of-way for the erection, construction and maintenance of all poles, wires, pipes and conduits for the transmission of electricity, gas, water, telephone and for other purposes, for sewers, stormwater drains, gas mains, water pipes and mains, and similar services and for performing any public or quasi-public utility function or for providing access or similar rights to adjacent property owners that the board of directors may deem fit and proper for the improvement and benefit of the Condominium or otherwise appropriate. Such easements and rights-of-way for utilities shall be confined, so far as possible in underground pipes or other conduits, with the necessary rights of ingress and egress and with the rights to do whatever may be necessary to carry out the purposes for which the easement is created.

15.02 Right of Entry. By acceptance of a Condominium Deed, each Unit Owner shall have granted a right of entry and access to its Unit to the Association to correct any condition originating in its Unit and threatening another Unit or the Common Elements, to install, alter or repair mechanical or electrical services or other Common Elements in its Unit or elsewhere in the Condominium, and to maintain and repair Common Elements and other areas as described in Section 7.04. Such entry shall be made with prior notice

to the Unit Owners, and shall be scheduled for a time reasonably convenient to the Unit Owners, except in the case of an emergency when injury or property damage will result in delayed entry. Such entry shall be done with as little inconvenience to the Unit Owners as practical, and any damage caused thereby shall be repaired by the Association and treated as a Common Expense, except as allocable to an individual Unit or Units for cause in the discretion of the board of directors.

15.03 Notices. All notices and other documents required to be given by this Declaration or by the Bylaws of the Association shall be sufficient if given to one (1) registered owner of a Unit regardless of the number of owners who have an interest therein. Notices and other documents to be served upon Declarant shall be given to the agent for service of process specified in Section 15.06. All owners shall provide the secretary of the Association with an address for the mailing or service of any notice or other documents and the secretary shall be deemed to have discharged his or her duty with respect to the giving of notice by mailing it or having it delivered personally to such address as is on file with him or her.

15.04 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or unenforceability of the remaining portion of said provision or of any other provision hereof.

15.05 Declarant Access During Construction of Improvement. During any period in which (a) Declarant is constructing Buildings and other improvements on the Property, (b) Declarant is performing any warranty work, or (c) Declarant is replacing or repairing any Common Elements or Limited Common Elements, the Declarant, the Declarant and its contractors, and subcontractors, and their respective agents and employees, shall have an access easement to all parts of the Condominium as may be required in connection with said work.

15.06 Agent for Service of Process. The Declarant shall be the agent for service of process in any action against the Association or brought under the Condominium Ownership Act. Service may be made upon the Declarant by serving Tree Lane Apartments, LLC at 1218 West Highland Avenue, Milwaukee, Wisconsin 53233; provided, however, that the board of directors of the Association may at any time by duly-adopted resolution designate a successor registered agent for service of process. The designation of such person as agent shall become effective upon the execution and filing of a statement of change of registered agent with the Department of Financial Institutions as provided in the Condominium Ownership Act and the Wisconsin Nonstock Corporation Law.

15.07 Assignment of Declarant's Rights. The rights granted to the party named as "Declarant" in this Declaration may be assigned by a written, recorded instrument to any other party who assumes such rights, and, upon the recording of any such instrument, such assignee shall become, and succeed to all rights and powers granted to, "Declarant" under this Declaration.

15.08 Conflicts. In the event a conflict exists among any provisions of this Declaration, the Bylaws and the Rules and Regulations, the Declaration shall prevail over the Bylaws and Rules and Regulations; and the Bylaws shall prevail over the Rules and Regulations.

15.09 Rights of Declarant's Investor Member. Notwithstanding any provision of this Declaration to the contrary, U.S. Bancorp Community Development Corporation and its successors and assigns, as the investor member of Declarant, shall have all rights of a Mortgagee under this Declaration, and it shall be copied on all notices sent in accordance with Section 15.03 of this Declaration at the following address:

U.S. Bancorp Community Development Corporation  
1307 Washington Avenue, Suite 300  
St. Louis, Missouri 63103  
Attn: Director of LIHTC Asset Management

[Execution Page Follows]





CONSENT OF MORTGAGEE

The undersigned, being the holder of a mortgage executed by Tree Lane Apartments, LLC to the undersigned recorded in the office of the Register of Deeds of Dane County, Wisconsin on \_\_\_\_\_ as Document No. \_\_\_\_\_, does hereby consent to all of the terms and conditions of the foregoing Declaration, and agrees that its interest in the Property shall be subject in all respects to the terms thereof.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2017.

BMO Harris Bank N.A.

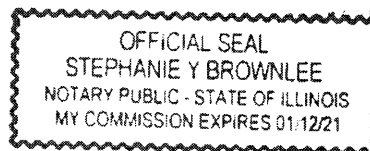
By: Katherine B. Mazzocco  
Name: Katherine B. Mazzocco  
Title: VP

STATE OF ILLINOIS       )  
                                      ) ss.  
COUNTY OF COOK       )

Personally came before me this 22nd day of March, 2017, the Senior Vice President of Community Development Lending of BMO Harris Bank N.A., who executed the foregoing instrument and acknowledged the same.



Name: Stephanie Brownlee  
Notary Public, State of Illinois  
My Commission: \_\_\_\_\_



This document drafted by  
and should be returned to:  
David M. Sanders  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, WI 53202  
(414) 298-1000

## EXHIBIT A

### LEGAL DESCRIPTION

Leasehold estate created by indenture of lease entered into by and between Dane County, as lessor(s), and \_\_\_\_\_, LLC, as lessee(s), dated \_\_\_\_\_, a memorandum of which was recorded in the office of the Register of Deeds for Dane County, Wisconsin on \_\_\_\_\_, as Document No. \_\_\_\_\_, demising premises situated in said County and State and described as follows: Lot Two(2), Certified Survey Map No. 8493, recorded in the Office of the Register of Deeds for Dane County, Wisconsin on February 25, 1997 in Volume 46 of Certified Survey Maps, Page 193, as Document No. 2834147, located in the City of Madison, Dane County, Wisconsin.

PINs: 251/0708-233-0809-9

## GROUND LEASE

In consideration of the mutual promises and covenants contained in this Ground Lease (“**Lease**”), Landlord and Tenant agree as follows:

### 1. FUNDAMENTAL LEASE PROVISIONS AND DEFINITIONS.

DATE OF LEASE: \_\_\_\_\_, 2017

“**LANDLORD**”: County of Dane, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes

“**LANDLORD’S ADDRESS**”: City-County Building, Room 425  
210 Martin Luther King, Jr. Blvd.  
Madison, Wisconsin 53703

“**TENANT**”: Tree Lane Apartments, LLC,  
a Wisconsin limited liability company

“**TENANT’S ADDRESS**”: c/o Heartland Housing, Inc.  
208 South LaSalle Street, Suite 1300  
Chicago, Illinois 60604

“**PREMISES**”: The land described on Exhibit A attached hereto.

“**LEASE TERM**”: 98 years

“**COMMENCEMENT DATE**”: \_\_\_\_\_, 2017

“**TERMINATION DATE**”: \_\_\_\_\_, 2115

“**AFFORDABILITY PERIOD**”: The term of that certain Land Use Restriction Agreement, executed by Tenant and in favor of the Wisconsin Housing and Economic Development Authority (or its successors and assigns), such document referred to herein as the “**WHEDA LURA**”.

“**TAX CREDIT COMPLIANCE PERIOD**”: The 15-year period beginning with the first taxable year in which low-income housing tax credits are claimed, as the phrase “compliance period” is defined in 26 U.S.C. § 42(i)(1) and further interpreted by Internal Revenue Service guidance.

2. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, for the term and upon the conditions set forth in this Lease.

3.        **CONDITION AND PERMITTED USE.**

(a)        Tenant acknowledges and agrees that Tenant is leasing the Premises “as is,” and Landlord makes no warranties, express or implied, as to fitness, merchantability, use or condition of the premises. Tenant leases the Premises without representation or warranty by Landlord, express or implied, in fact or by law, and without recourse, with respect to: (i) the condition of the premises, and (ii) the ability to use the Premises for any particular purpose.

(b)        Tenant shall have the right to construct a 45-unit apartment complex, commercial space, and related improvements (collectively, the “**Improvements**”) on the Premises and to use the Premises and Improvements as an affordable housing project and commercial space to be subjected to a condominium regime known as Tree Lane Condominium, to be ultimately leased to and used by third parties unrelated to the Project. Improvements that consist of apartment units shall be operated by Tenant as “affordable housing” in compliance with the WHEDA LURA during the Affordability Period. A violation of the WHEDA LURA, as determined by WHEDA in its reasonable discretion, shall be deemed an event of default by Tenant of this Lease.

(c)        Tenant shall commence construction within sixty (60) days of the Commencement Date and shall diligently undertake and complete construction of the Improvements. Tenant shall complete construction of the Improvements by December 31, 2018. Tenant shall pay for all costs of constructing the Improvements. At all times during the term of this Lease, (A) Tenant shall be deemed the sole owner of the Improvements (except upon the permitted sale of all or any portion of the Improvements), (B) Tenant alone shall be entitled to all of the tax attributes of ownership including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Internal Revenue Code of 1986, as amended, and (C) Tenant shall have the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Improvements. Landlord shall cooperate with Tenant in obtaining all permits, including any conditional use permit, necessary for the construction or operation of the Improvements, as determined by the Tenant.

4.        **TERM.** The Lease Term shall commence on the Commencement Date and expire at midnight on the Termination Date, unless sooner terminated as hereinafter provided.

5.        **RENT.** Tenant has paid to Landlord on the date hereof the sum of \$98 as rent for the Premises for the entire Lease Term.

6.        **NET LEASE.** Landlord shall not be called upon to make any expenditure in connection with the Premises and all costs, expenses and obligations of every kind relating to the Premises which may arise or come due during the term of this Lease shall be paid by Tenant.

7. IMPOSITIONS. Tenant agrees to pay during the Lease Term all real estate taxes and special assessments assessed with respect to the Premises and Improvements and all personal property taxes assessed with respect to Tenant's personal property. In the event any real estate taxes or special assessments are payable on an installment basis, Tenant may elect to pay the same on such basis, in which event Tenant shall only be responsible for paying those installments due and owing during the Lease Term.

8. COMPLIANCE WITH LAW; LIENS.

(a) Tenant, at its sole cost and expense, shall comply with and cause the Premises and the Improvements to comply with all federal, state, local and other governmental statutes, laws, rules, orders, regulations, ordinances or recommendations affecting the Premises, the Improvements or any part thereof, or the use thereof, including those which require any structural changes in the Improvements whether or not any such statutes, laws, rules, orders, regulations, ordinances or recommendations which may hereafter be enacted involve a change of policy on the part of the governmental body enacting the same, and the Americans with Disabilities Act of 1992, as amended. Tenant shall comply with all obligations of record related to the Premises that run with the land.

(b) Tenant hereby covenants that Tenant and its agents, employees and contractors will not generate, store, use, treat or dispose of any "Hazardous Substances" (as hereinafter defined) in, on or at the Premises or any part of the Improvements, except for Hazardous Substances as are commonly legally used or stored (and in such amounts as are commonly legally used or stored) as a consequence of constructing the Improvements and using the Premises for its permitted use, as described in Section 3 of this Lease, but only so long as the quantities thereof do not pose a threat to public health or to the environment or would necessitate a "response action", as that term is defined in CERCLA (as hereinafter defined), and so long as Tenant strictly complies or causes compliance with all laws, statutes, rules, orders, regulations, ordinances and decrees concerning the use or storage of such Hazardous Substances. Tenant further covenants that neither the Premises nor any part of the Improvements shall ever be used by Tenant or its agents, contractors or employees as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances during the Term. Tenant shall cleanup and remediate any escape, seepage, leak, spill, discharge, emission or release of Hazardous Materials in, on or under the Premises occurring during the Term to the extent required by any federal, state or local governmental authority and as reasonably required by Landlord and in the time required by such governmental authority or within a reasonable time if no such time is prescribed.

For purposes of this Lease, "**Hazardous Substances**" shall mean and include those elements or compounds which are contained in the lists of hazardous substances or wastes now or hereafter adopted by the United States Environmental Protection Agency (the "**EPA**") or the lists of toxic pollutants designated now or hereafter by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious or radioactive by Comprehensive Environmental Response, Compensation and Liability Act or any Superfund or Superlien law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any

hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

This Section 8(b) shall survive cancellation, termination or expiration of this Lease.

(c) Subject to the provisions of Section 19 hereof, Tenant shall not create or permit to be created or to remain, and shall promptly after it becomes aware of such lien, discharge or bond over, at its sole cost and expense, any lien, encumbrance or charge upon the Premises, or any part thereof or upon Tenant's leasehold estate hereunder, that arises from the use or occupancy of the Premises by Tenant or by reason of any labor, service or material furnished or claimed to have been furnished to or for the benefit of Tenant or by reason of any construction, repairs or demolition by or at the direction of Tenant of all or any part of the Improvements. Tenant's investor member shall have the right, but not obligation, to contest any lien, encumbrance or charge upon the Premises, such action to be honored as if the action was taken by Tenant directly; provided, however, Tenant's investor member must bond over (or cause to be bonded over) said lien, encumbrance or charge.

Notice is hereby given that Landlord shall not be liable for the cost and expense of any labor, services or materials furnished or to be furnished with respect to the Premises at or by the direction of Tenant or anyone holding the Premises or any part thereof by, through or under Tenant and that no laborer's, mechanic's or materialman's or other lien for any such labor, service or materials shall attach to or affect the interest of Landlord in and to the Premises. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any improvements or repairs to or of the Premises or any part thereof, nor as giving Tenant any right, power or authority on behalf of Landlord to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof.

(d) If Tenant (and Tenant's investor member) fails to discharge or bond over any lien or to comply with any law as required herein and such failure continues for thirty (30) days after written notice from Landlord to Tenant, provided if such compliance is of a nature that it cannot be cured within such 30 day period, Tenant, and Tenant's investor member, shall have such additional times as is reasonably necessary (not to exceed 90 days) to so comply so long as such compliance is commenced within said 30 day period and diligently prosecuted to completion, and thereafter, Landlord with or without declaring a default hereunder and without relieving Tenant of any liability hereunder may, but shall not be obligated to, discharge or pay such lien (either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings) or cause compliance with such law, and any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith shall be paid by Tenant to Landlord within thirty (30) days after written demand by Landlord, which shall not be issued until the expiration of the periods noted above.

9. MAINTENANCE, REPAIR AND REPLACEMENT. Tenant shall, at its expense, keep and maintain in good order, condition and repair the Premises and all Improvements constructed thereon.

10. INSURANCE.

(a) Tenant agrees to carry, at its expense, property insurance insuring the Improvements and any personal property of Tenant from loss arising from fire or other casualty in an amount equal to their full replacement value. During construction of the Improvements, the property insurance shall be in the form of builder's risk insurance.

(b) Tenant agrees to carry, at its expense, a policy of commercial general liability insurance in which the limits of liability shall be not less than Three Million Dollars (\$3,000,000) combined single limit per occurrence. Landlord shall be named as an additional insured with respect to the commercial general liability insurance.

(c) All insurance required to be carried by Tenant shall be with an insurance company authorized to do business in the State of Wisconsin. Tenant shall deliver to Landlord certificates of insurance evidencing the insurance required to be carried by Tenant under this Lease prior to commencement of the Lease Term and upon renewals not less than 30 days prior to the expiration of such coverage.

11. INTENTIONALLY OMITTED.

12. UTILITIES. Tenant shall pay or cause to be paid all charges for gas, electricity, water, sewerage, heat or other fuel or power or any other utility or service used, rendered or supplied upon or in connection with the Premises.

13. CASUALTY. In the event of destruction or damage to the Improvements by fire or other casualty, Tenant shall be entitled to all insurance proceeds and shall, subject to the terms of any leasehold mortgage and the other terms of this Section 13, diligently proceed to make all repairs necessary to restore the Improvements to substantially the same condition in which they existed immediately prior to such destruction or damage, subject to delays beyond the control of Tenant. However, should the proceeds of insurance not be sufficient to rebuild the Improvements, Tenant shall have the option, exercisable in its sole and absolute discretion, by written notice to Landlord within sixty (60) days after the date of such casualty, to terminate this Lease upon which, Landlord shall have the option to demand that Tenant assign to Landlord its right to any insurance proceeds so that Landlord may demolish or repair the destroyed or damaged portion of the Improvements.

14. EMINENT DOMAIN. In the event the entire Premises are lawfully condemned or taken in any manner for any public or quasi-public use or purpose, or sold or conveyed in lieu of condemnation, this Lease shall terminate as of the date of such taking or conveyance. In the event only a portion of the Premises is taken or conveyed, this Lease shall remain in full force and effect unless Tenant terminates this Lease in its sole discretion. Tenant may terminate this Lease upon written notice thereof within 120 days of such taking

or conveyance. Subject to the terms of any leasehold mortgage, Tenant shall be entitled to recover from the proceeds of any award all costs, damages, expenses, liabilities and losses in any way arising out of or resulting from any taking including, without limitation, moving expenses, loss of tax credits, and the cost of any Improvements made by Tenant; provided, however, that Landlord, and not Tenant, shall be entitled to recover the value of any land (as opposed to the Improvements) taken.

15. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or transfer this Lease without first obtaining Landlord's written consent. Tenant shall have the right to sublease apartment units in the Improvements without the consent of Landlord. The commercial space at the Premises is governed by that certain Lease, dated as of the date hereof, by and between Landlord and a commercial tenant. Tenant shall not be required to obtain Landlord's consent in connection with the transfer, assignment or other conveyance of any membership interest in Tenant. Landlord shall not assign or transfer this Lease without first obtaining Tenant's written consent.

16. DEFAULT BY TENANT AND RIGHTS OF LANDLORD.

(a) If Tenant either (i) fails to pay any charges due hereunder when due and fails to cure said non-payment within ten (10) days after Tenant receives written notice of such non-payment from Landlord or (ii) fails to perform any other covenant, term, agreement or condition of this Lease within thirty (30) days after notice from Landlord (or, if performance cannot be completed within thirty (30) days, fails to commence to perform said covenant, term, agreement or condition within thirty (30) days after receipt of said notice from Landlord and to diligently prosecute same to completion), then, in any of such cases, Landlord, in addition to all other rights and remedies available to Landlord by law or by other provisions hereof, may, without process, immediately re-enter the Premises and remove all persons and property and, at Landlord's option, terminate this Lease as to all future rights of Tenant.

(b) Landlord agrees that it will take no action to effect a termination of this Lease (i) for any reason prior to the end of the Tax Credit Compliance Period (including any extended use period) or (ii) by reason of any default without first giving to Tenant's investor member prior written notice thereof, if the investor member has provided Landlord with written notice of its intention to, within a reasonable time, not to exceed sixty (60) days (or if the investor member is diligently pursuing the same, not to exceed 120 days), replace any managing member of Tenant and/or to admit an additional managing member and cause the new managing member to cure any Event of Default within a reasonable time after such entity has been admitted to as a member of Tenant; provided, however, that as conditions of such forbearance, Landlord must receive notice of the substitution of any managing member of Tenant within twenty (20) days following the expiration of the cure period given through Landlord's notice to the investor member, and Tenant, following such substitution of any managing member shall thereupon proceed with due diligence to cure such default. Landlord will also accept any timely cure by such investor member as a cure by Tenant. Additionally, Landlord specifically reserves the right to enforce specific performance of the affordability



requirements as set forth in the WHEDA LURA, upon a determination by WHEDA that Tenant has materially violated the WHEDA LURA.

17. QUIET ENJOYMENT. Landlord covenants that if Tenant observes and performs all the terms, covenants and conditions of this Lease on its part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject to the terms and conditions of this Lease.

18. SURRENDER OF PREMISES. Upon the termination of this Lease for any reason, (a) Tenant shall remove Tenant's goods, effects and fixtures and those of any other persons claiming under Tenant, and quit and deliver up the Premises to Landlord peaceably and quietly and (b) title to the Improvements shall automatically transfer to Landlord.

19. FINANCING.

(a) Landlord acknowledges that in connection with Tenant's construction of the Improvements on the Premises, Tenant will be obtaining financing from various lenders, and Landlord hereby consents to such financing. From time to time during the Lease Term, Tenant may be required or desire to refinance any existing loans in connection with the Premises. Landlord further acknowledges that the lenders may require Tenant to execute and deliver various documents that will need to be recorded against Tenant's interest in this Lease including, without limitation, land use restriction agreements, mortgages and deeds of trust (collectively, the "Encumbrances"), and such Encumbrances may affect all of Tenant's interests hereunder, but in no event shall such Encumbrances encumber Landlord's fee or other interest in the Premises. Landlord shall not finance the land or otherwise encumber its fee interest in the land.

(b) In the event Landlord's interest is conveyed to Tenant, or Tenant's interest is conveyed to Landlord, at any time the property is encumbered by a leasehold mortgage, no merger of estates shall result in extinguishing this Lease.

(c) Any leasehold mortgagee or its successors or assigns succeeding to the interest of Tenant hereunder by foreclosure or transfer in lieu of foreclosure shall have the right to assign or transfer this Lease upon prior consent by the Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

(d) Landlord agrees that it will take no action to effect a termination of this Lease by reason of any default without first giving each leasehold mortgagee written notice thereof and allowing each such mortgagee sixty (60) days to cure such default (or if such mortgagee is diligently pursuing a cure, a period not to exceed 120 days). A leasehold mortgagee desiring the benefit of this provision shall provide a notice address to Landlord within sixty (60) days following the recording of such mortgagee's mortgage. If the default is not curable by a leasehold mortgagee, then each leasehold mortgage shall have the right to enter into a new lease of the Premises with Landlord on the same terms for a period equal to the remaining Term of this Lease. If there are multiple leasehold mortgagees, the right to have a new lease shall be available to such mortgagees in the order of the priority of their

respective mortgages. A mortgagee shall notify Landlord within sixty (60) days following the receipt of Landlord's notice of default whether (i) the default is curable by such mortgagee or (ii) the default is curable and such mortgagee desires a new lease.

20. ESTOPPEL CERTIFICATE. The parties hereto agree that from time to time upon not less than ten days' prior request, such party will deliver a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Lease as modified is in full force and effect); (ii) that there is no default under any provision of this Lease, or, if in default, the nature and duration thereof in detail; and (iii) such further matters as are reasonably requested.

21. ACCESS TO PREMISES. Subject to applicable laws, Landlord shall have the right to enter upon the Premises during reasonable business hours upon reasonable prior notice (or, in the case of an emergency, at any time and with or without notice) for the purposes of making any inspection it may deem expedient to the proper enforcement of the terms, covenants, or conditions of this Lease, provided that such inspection shall not unreasonably interfere with Tenant's business.

22. MONITORING AND INSPECTION. Tenant shall timely supply to Landlord any reports related to monitoring and compliance with affordability provisions of the WHEDA LURA, including compliance reports provided by Wisconsin Housing and Economic Development Authority (or its successors or assigns).

23. INTENTIONALLY OMITTED.

24. MISCELLANEOUS PROVISIONS.

(a) The titles to sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) This Lease shall be governed by the laws of the State of Wisconsin.

(c) All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon Landlord and Tenant and their respective successors and assigns.

(d) The covenants and agreements of this Lease shall not be altered, modified or amended except in writing signed by Landlord and Tenant.

(e) Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect. If the intent of any sections of this Lease so indicate, the obligations of Landlord and Tenant pursuant to such sections of this Lease shall survive the termination of this Lease.

(f) All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served by facsimile, personal service or by mailing by registered or certified mail, postage prepaid, at the addresses or facsimile number set forth below or at such other address, or facsimile number, as the parties may from time to time designate to the other in writing. Landlord shall provide copies of all notices it sends to Tenant hereunder to Tenant's investor member at the address, or facsimile number, set forth in Section 1 or below, as applicable, or at such other address, or facsimile number, as the investor member may from time to time designate to Landlord in writing.

To Landlord:  
As listed in Section 1

To Tenant:  
As listed in Section 1

With a copy to:  
Reinhart Boerner Van Deuren s.c.  
22 E. Mifflin St., Suite 600  
Madison, Wisconsin 53703  
Attention: Joseph D. Shumow  
Facsimile number: 608-229-2100

To Tenant's investor member:  
U.S. Bancorp Community Development Corporation  
1307 Washington Ave, Suite 300  
St. Louis, MO 63103  
Attention: Director of LIHTC Asset Management  
Facsimile number: 314-335-2602

The time of rendition of any notice hereunder shall be deemed to be the time when the notice is either sent via confirmed facsimile, personally delivered or deposited in the mail as herein provided.

(g) Time periods or deadlines for Landlord's or Tenant's performance under any provisions of this Lease (except for the payment of money) shall be extended for periods of time during which the nonperforming party's performance is prevented due to circumstances beyond the party's control, including, without limitation, labor disputes, embargoes, governmental restrictions or regulations, inclement weather and other acts of God, war or other strife.

(h) Landlord and Tenant shall execute a memorandum of this Lease (the "**Memorandum**"), in the form substantially set forth in Exhibit B. Tenant shall cause the Memorandum promptly to be recorded in the real property records. Tenant shall pay all costs of recording the Memorandum.

(i) By signing below, the authorized officer of Landlord hereby certifies that this Lease has been approved and authorized by Landlord.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the parties hereto have executed or caused this Lease to be executed as of the day and year first above written.

LANDLORD:

COUNTY OF DANE, WISCONSIN  
a Wisconsin county and body corporate pursuant to  
Chapter 59 of the Wisconsin Statutes

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

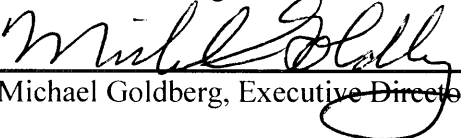
Attested by: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

TREE LANE APARTMENTS, LLC,  
a Wisconsin limited liability company

By: Tree Lane Apartments MM, LLC, Managing  
Member

By: Heartland Housing, Inc., Sole Member

By:   
Michael Goldberg, Executive Director

## EXHIBIT A

### Legal Description of Premises

Lot 2, Certified Survey Map No. 8493, as recorded on February 25, 1997, with the Dane County Register of Deeds, Volume 46 of Certified Surveys, pages 193-198, as Document No. 2834147, in the City of Madison, Dane County, Wisconsin.

Tax Parcel No.: 251-0708-233-0809-8

EXHIBIT B

Form of Memorandum of Ground Lease

*See attached.*

	Memorandum of Ground Lease	
Document Number	Document Title	
		Recording Area
		Drafted by and Return to:
		Reinhart Boerner Van Deuren s.c. Joseph D. Shumow 22 East Mifflin Street, Suite 600 Madison, Wisconsin 53703

Parcel Identification Number (PIN)



## MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease (the “**Memorandum**”) is made as of this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between County of Dane, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes, as landlord (“**Landlord**”), and Tree Lane Apartments, LLC, a Wisconsin limited liability company, as tenant (“**Tenant**”).

Pursuant to a Ground Lease dated as of the date hereof, as amended and incorporated herein by this reference (the “**Lease**”), Landlord leased to Tenant, commencing as of the date hereof (“**Commencement Date**”) and ending on the 98th anniversary of the Commencement Date that certain leased premises legally described on Annex A attached hereto and made a part hereof (the “**Premises**”).

This Memorandum is solely intended to provide notice to third parties of the Lease and of Tenant’s interest in the Premises. In the event of any inconsistency between the terms of the Lease and this Memorandum, the terms of the Lease shall control.

This Memorandum may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature Pages Follow.]*

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first above written.

LANDLORD:

DANE COUNTY, WISCONSIN  
a Wisconsin county and body corporate pursuant  
to Chapter 59 of the Wisconsin Statutes

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

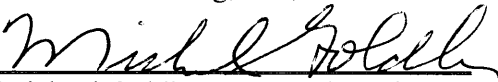
Attested by: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

TREE LANE APARTMENTS, LLC,  
a Wisconsin limited liability company

By: Tree Lane Apartments MM, LLC,  
Managing Member

By: Heartland Housing, Inc., Sole Member

By:   
Michael Goldberg, Executive Director

[Notary Blocks Follow.]


STATE OF WISCONSIN                    )  
  ) ss.  
COUNTY OF DANE                    )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2017, the above-named \_\_\_\_\_, known to be to the \_\_\_\_\_ and the above-named \_\_\_\_\_, known to be to the \_\_\_\_\_ each of Dane County, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes, who executed the foregoing instrument on behalf of said county.

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission: \_\_\_\_\_

STATE OF ILLINOIS                    )  
  ) ss.  
COUNTY OF COOK                    )

Personally came before me this 9 day of March, 2017, the above-named Michael Goldberg to me known to be the Executive Director of the Heartland Housing, Inc., the Sole Member of Tree Lane Apartments MM, LLC, the Managing Member of Tree Lane Apartments, LLC, who executed the foregoing instrument on behalf of said company.

  
\_\_\_\_\_  
Kristina Butler  
Notary Public, State of Illinois  
My Commission: 9/12/2020



STATE OF WISCONSIN                    )  
  ) ss.  
COUNTY OF DANE                        )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2017, the  
above-named \_\_\_\_\_, known to be to the \_\_\_\_\_ and the  
above-named \_\_\_\_\_, known to be to the \_\_\_\_\_ each of Dane  
County, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the  
Wisconsin Statutes, who executed the foregoing instrument on behalf of said county.

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission: \_\_\_\_\_

STATE OF ILLINOIS                    )  
  ) ss.  
COUNTY OF COOK                        )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2017, the  
above-named Michael Goldberg to me known to be the Executive Director of the  
Heartland Housing, Inc., the Sole Member of Tree Lane Apartments MM, LLC, the  
Managing Member of Tree Lane Apartments, LLC, who executed the foregoing  
instrument on behalf of said company.

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public, State of Illinois  
My Commission: \_\_\_\_\_

## ANNEX A

### Legal Description of Premises

Lot 2, Certified Survey Map No. 8493, as recorded on February 25, 1997, with the Dane County Register of Deeds, Volume 46 of Certified Surveys, pages 193-198, as Document No. 2834147, in the City of Madison, Dane County, Wisconsin.

Tax Parcel No.: 251-0708-233-0809-8

**WB-15 COMMERCIAL OFFER TO PURCHASE**

1 LICENSEE DRAFTING THIS OFFER ON \_\_\_\_\_ [DATE] IS (AGENT OF BUYER)  
2 (AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) ~~STRIKE THOSE NOT APPLICABLE~~  
3 **GENERAL PROVISIONS** The Buyer, County of Dane, a Wisconsin body corporate  
4 \_\_\_\_\_, offers to purchase the Property known as [Street Address] Unit Two of  
5 Tree Lane Condominium located at 7933 Tree Lane in the City  
6 of Madison, County of Dane, Wisconsin  
7 (Insert additional description, if any, at lines 109-115 or 277-286 or attach as an addendum per line 479), on the following terms:  
8 ■ PURCHASE PRICE: See Rider.  
9 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).  
10 ■ EARNEST MONEY of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ \_\_\_\_\_ will be  
11 mailed, or commercially or personally delivered within \_\_\_\_\_ days of acceptance to listing broker or  
12 \_\_\_\_\_.  
13 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.  
14 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the date of this Offer  
15 not excluded at lines 20-22, and the following additional items: None  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 All personal property included in purchase price will be transferred by bill of sale or \_\_\_\_\_  
19 \_\_\_\_\_  
20 ■ NOT INCLUDED IN PURCHASE PRICE: None  
21 \_\_\_\_\_  
22 \_\_\_\_\_  
23 **CAUTION: Identify trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines 303-310) to be excluded**  
24 **by Seller or which are rented and will continue to be owned by the lessor.**  
25 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included/excluded.**  
26 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical copies of the Offer.  
27 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines running from**  
28 **acceptance provide adequate time for both binding acceptance and performance.**  
29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before  
30 March \_\_\_\_\_, 2017. Seller may keep the Property on the market and accept  
31 secondary offers after binding acceptance of this Offer.  
32 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**  
33 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX ( ☐ ) ARE PART OF THIS OFFER ONLY IF  
34 THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A" OR ARE LEFT BLANK.  
35 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices to a  
36 Party shall be effective only when accomplished by one of the methods specified at lines 37-54.  
37 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at line 38 or 39.  
38 Seller's recipient for delivery (optional): Matt Melendes, Tree Lane Apartments, LLC  
39 Buyer's recipient for delivery (optional): Jan Zimmermann, County of Dane  
40 ☒ (2) **Fax:** fax transmission of the document or written notice to the following telephone number:  
41 Seller: ( 608 ) 229.2100 Buyer: ( 608 ) 224.3745  
42 ☒ (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a commercial delivery  
43 service, addressed either to the Party, or to the Party's recipient for delivery if named at line 38 or 39, for delivery to the Party's delivery address at  
44 line 47 or 48.  
45 ☒ (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to the Party's  
46 recipient for delivery if named at line 38 or 39, for delivery to the Party's delivery address at line 47 or 48.  
47 Delivery address for Seller: 320 E. Center Street, Milwaukee, WI 53212; with copy to Joseph Shumow, 22 E. Mifflin St., Ste. 600, Madison, WI 53202  
48 Delivery address for Buyer: 5201 Fen Oak Drive, Room 208, Madison, WI 53718  
49 ☒ (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line 53 or 54. If this is a  
50 consumer transaction where the property being purchased or the sale proceeds are used primarily for personal, family or household purposes,  
51 each consumer providing an e-mail address below has first consented electronically to the use of electronic documents, e-mail delivery and  
52 electronic signatures in the transaction, as required by federal law.  
53 E-Mail address for Seller (optional): mmelendes@heartlandalliance.org; with copy to jshumow@reinhardtllaw.com  
54 E-Mail address for Buyer (optional): zimmermann.jan@countyofdane.com  
55 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller constitutes personal delivery  
56 to, or Actual Receipt by, all Buyers or Sellers.

**PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of Conditions Affecting the Property or Transaction (lines 181-215) other than those identified in Seller's disclosure report dated \_\_\_\_\_ and Real Estate Condition Report, if applicable, dated \_\_\_\_\_, which was/were received by Buyer prior to Buyer signing this Offer and which is/are made a part of this offer by reference **COMPLETE DATES OR STRIKE AS APPLICABLE** and

**INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S)**

**CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. § 709.03 may be required. Excluded from this requirement are sales of property that has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal representatives who have never occupied the Property). Buyer may have rescission rights per Wis. Stat. § 709.05.**

**CLOSING** This transaction is to be closed no later than **See Rider**

\_\_\_\_\_ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

**CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association assessments, fuel and **none other**

**CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

☐ The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE APPLIES IF NO BOX IS CHECKED)

☐ Current assessment times current mill rate (current means as of the date of closing)

☐ Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

☒ **See Rider**

**CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be substantially different than the amount used for proration especially in transactions involving new construction, extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor regarding possible tax changes.**

☐ Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

**OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 109-115 or 277-286 or in an addendum attached per line 479. At time of Buyer's occupancy, Property shall be in broom swept condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

**LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) **STRIKE ONE** lease(s), if any, are \_\_\_\_\_

\_\_\_\_\_. Insert additional terms, if any, at lines 109-115 or 277-286 or attach as an addendum per line 479.

☐ **ESTOPPEL LETTERS:** Seller shall deliver to Buyer no later than \_\_\_\_\_ days before closing, estoppel letters dated within \_\_\_\_\_ days before closing, from each non-residential tenant, confirming the lease term, rent installment amounts, amount of security deposit, and disclosing any defaults, claims or litigation with regard to the lease or tenancy.

**RENTAL WEATHERIZATION** This transaction (is) (is not) **STRIKE ONE** exempt from Wisconsin Rental Weatherization Standards (Wis. Admin. Code Ch. SPS 367). If not exempt, (Buyer) (Seller) **STRIKE ONE** ("Buyer" if neither is stricken) shall be responsible for compliance, including all costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

**TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this Offer except: **no other**

\_\_\_\_\_. If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

**ADDITIONAL PROVISIONS/CONTINGENCIES** **See Rider.**

116 ☐ **PROPOSED USE CONTINGENCIES:** Buyer is purchasing the Property for the purpose of: \_\_\_\_\_

117 \_\_\_\_\_  
118 \_\_\_\_\_ [insert proposed use and type and size of building, if applicable; e.g.  
119 restaurant/tavern with capacity of 350 and 3 second floor dwelling units]. The optional provisions checked on lines 123-139 shall be deemed  
120 satisfied unless Buyer delivers to Seller by the deadline(s) set forth on lines 123-139 written notice specifying those items which cannot be  
121 satisfied and written evidence substantiating why each specific item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice,  
122 this Offer shall be null and void. Seller agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 123-139.

123 ☐ **EASEMENTS AND RESTRICTIONS:** This Offer is contingent upon Buyer obtaining, within \_\_\_\_\_ days of acceptance, at  
124 (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and  
125 restrictions affecting the Property and a written determination by a qualified independent third party that none of these prohibit or significantly  
126 delay or increase the costs of the proposed use or development identified at lines 116 to 118.

127 ☐ **APPROVALS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken) expense,  
128 all applicable governmental permits, approvals and licenses, as necessary and appropriate, or the final discretionary action by the granting  
129 authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's proposed use:

130 \_\_\_\_\_  
131 or delivering written notice to Seller if the item(s) cannot be obtained or can only be obtained subject to conditions which significantly increase  
132 the cost of Buyer's proposed use, all within \_\_\_\_\_ days of acceptance of this Offer.

133 ☐ **ACCESS TO PROPERTY:** This Offer is contingent upon Buyer obtaining, within \_\_\_\_\_ days of acceptance, at (Buyer's) (Seller's)  
134 STRIKE ONE ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public roads.

135 ☐ **LAND USE APPROVAL:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken)  
136 expense, a ☐ rezoning; ☐ conditional use permit; ☐ license; ☐ variance; ☐ building permit; ☐ occupancy permit; ☐ other \_\_\_\_\_

137 \_\_\_\_\_ CHECK ALL THAT APPLY, for the Property for its proposed use described  
138 at lines 116-118 or delivering written notice to Seller if the item(s) cannot be obtained or can only be obtained subject to conditions which  
139 significantly increase the cost of Buyer's proposed use, all within \_\_\_\_\_ days of acceptance.

140 ☐ **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) STRIKE ONE ("Seller providing" if neither is  
141 stricken) a \_\_\_\_\_ survey (ALTA/ACSM Land Title Survey if survey type is not  
142 specified) dated subsequent to the date of acceptance of this Offer and prepared by a registered land surveyor, within \_\_\_\_\_ days of  
143 acceptance, at (Buyer's) (Seller's) STRIKE ONE ("Seller's" if neither is stricken) expense. The map shall show minimum of \_\_\_\_\_ acres,  
144 maximum of \_\_\_\_\_ acres, the legal description of the Property, the Property's boundaries and dimensions, visible encroachments upon  
145 the Property, the location of improvements, if any, and: \_\_\_\_\_

146 \_\_\_\_\_ STRIKE AND COMPLETE AS APPLICABLE Additional map features  
147 which may be added include, but are not limited to: staking of all corners of the Property; identifying dedicated and apparent streets; lot  
148 dimensions; total acreage or square footage; utility installations; easements or rights-of-way. Such survey shall be in satisfactory form and  
149 accompanied by any required surveyor's certificate sufficient to enable Buyer to obtain removal of the standard survey exception on the title policy.

150 **CAUTION: Consider the cost and the need for map features before selecting them. Also consider the time required to obtain the map**  
151 **when setting the deadline.**

152 This contingency shall be deemed satisfied unless Buyer, within five (5) days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for  
153 delivery of said map, delivers to Seller a copy of the map and a written notice which identifies: (1) a significant encroachment; (2) information  
154 materially inconsistent with prior representations; (3) failure to meet requirements stated within this contingency; or (4) the existence of conditions  
155 that would prohibit the Buyer's intended use of the Property described at lines 116-118. Upon delivery of Buyer's notice, this Offer shall be null and  
156 void.

157 ☐ **DOCUMENT REVIEW CONTINGENCY:** This Offer is contingent upon Seller delivering the following documents to Buyer within  
158 \_\_\_\_\_ days of acceptance: CHECK THOSE THAT APPLY; STRIKE AS APPROPRIATE

159 ☐ Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.

160 ☐ A complete inventory of all furniture, fixtures, equipment and other personal property included in this transaction which is consistent with  
161 representations made prior to and in this Offer.

162 ☐ Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property to be free and clear  
163 of all liens, other than liens to be released prior to or at closing.

164 ☐ Rent roll.

165 ☐ Other \_\_\_\_\_

166 \_\_\_\_\_  
167 Additional items which may be added include, but are not limited to: building, construction or component warranties, previous environmental site  
168 assessments, surveys, title commitments and policies, maintenance agreements, other contracts relating to the Property, existing permits and  
169 licenses, recent financial operating statements, current and future rental agreements, notices of termination and non-renewal, and assessment  
170 notices.

171 All documents Seller delivers to Buyer shall be true, accurate, current and complete. Buyer shall keep all such documents confidential and  
172 disclose them to third parties only to the extent necessary to implement other provisions of this Offer. Buyer shall return all documents (originals  
173 and any reproductions) to Seller if this Offer is terminated.

174 ☒ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of the earlier of  
175 receipt of the final document to be delivered or the deadline for delivery of the documents, delivers to Seller a written notice indicating that this



contingency has not been satisfied. Such notice shall identify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s). Upon delivery of such notice, this Offer shall be null and void.

## **DEFINITIONS**

■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or written notice physically in the Party's possession, regardless of the method of delivery.

■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are defined to include:

- a. Defects in structural components, e.g. roof, foundation, basement or other walls.
- b. Defects in mechanical systems, e.g. HVAC, electrical, plumbing, septic, well, fire safety, security or lighting.
- c. Underground or aboveground storage tanks presently or previously on the Property for storage of flammable or combustible liquids, including but not limited to gasoline and heating oil.
- d. Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, lead paint, asbestos, radon, radium in water supplies, mold, pesticides or other potentially hazardous or toxic substances on the premises.
- e. Production of or spillage of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- f. Zoning or building code violations, any land division involving the Property for which required state or local permits had not been obtained, nonconforming structures or uses, conservation easements, rights-of-way.
- g. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to impose assessments against the real property located within the district.
- h. Proposed, planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the present use of the Property.
- i. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- j. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- k. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- l. Near airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- m. Portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- n. Property is subject to a mitigation plan required under administrative rules of the Department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the Property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county.
- o. Encroachments; easements, other than recorded utility easements; access restrictions; covenants, conditions and restrictions; shared fences, walls, wells, driveways, signage or other shared usages; or leased parking.
- p. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.
- q. Structure on the Property designated as a historic building, any part of the Property located in a historic district, or burial sites or archeological artifacts on the Property.
- r. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion charge or the payment of a use-value conversion charge has been deferred.
- s. All or part of the Property is subject to, enrolled in or in violation of a certified farmland preservation zoning district or a farmland preservation agreement, or a Forest Crop, Managed Forest (see disclosure requirements in Wis. Stat. § 710.12), Conservation Reserve or comparable program.
- t. A pier is attached to the Property that is not in compliance with state or local pier regulations.
- u. Government investigation or private assessment/audit (of environmental matters) conducted.
- v. Other Defects affecting the Property.

■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

(Definitions Continued on page 6)

**IF LINE 228 IS NOT MARKED OR IS MARKED N/A LINES 264-269 APPLY.**

☐ **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within \_\_\_\_\_ days of acceptance of this Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years, amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_. Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination fee in an amount not to exceed \_\_\_\_\_% of the loan. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

**CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 238 or 239.**

☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.

☐ **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_%. The initial interest rate shall be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_% per year. The maximum interest rate during the mortgage term shall not exceed \_\_\_\_\_. Monthly payments of principal and interest may be adjusted to reflect interest changes.

**If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 109-115 or 277-286 or in an addendum attached per line 479.**

**NOTE: If purchase is conditioned on buyer obtaining financing for operations or development consider adding a contingency for that purpose.**

☒ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline at line 229. **Buyer and Seller agree that delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of unacceptability.**

**CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

☒ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan commitment.

☒ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

☒ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification, sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

☐ **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon purchase price, accompanied by a written notice of termination.

**CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether deadlines provide adequate time for performance.**

**ADDITIONAL PROVISIONS/CONTINGENCIES** See Rider.

**DEFINITIONS CONTINUED FROM PAGE 4**

■ **ENVIRONMENTAL SITE ASSESSMENT:** An "Environmental Site Assessment" (also known as a "Phase I Site Assessment") (see lines 379-395) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property; (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment including the National Priorities List, the Department of Nature Resources' (DNR) Registry of Waste Disposal Sites, the DNR's Contaminated Lands Environmental Action Network, and the DNR's Remediation and Redevelopment (RR) Sites Map including the Geographical Information System (GIS) Registry and related resources. Any Environmental Site Assessment performed under this Offer shall comply with generally recognized industry standards (e.g. current American Society of Testing and Materials "Standard Practice for Environmental Site Assessments"), and state and federal guidelines, as applicable.

**CAUTION: Unless otherwise agreed an Environmental Site Assessment does not include subsurface testing of the soil or groundwater or other testing of the Property for environmental pollution. If further investigation is required, insert provisions for a Phase II Site Assessment (collection and analysis of samples), Phase III Environmental Site Assessment (evaluation of remediation alternatives) or other site evaluation at lines 109-115 or 277-286 or attach as an addendum per line 479.**

■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings; attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations. A Fixture does not include trade fixtures owned by tenants of the Property.

**CAUTION: Exclude Fixtures not owned by Seller such as rented fixtures. See lines 20-22.**

■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

■ **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers researching comparable sales, market conditions and listings, upon inquiry.

**EARNEST MONEY**

■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or otherwise disbursed as provided in the Offer.

**CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.**

■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or applicable Department of Safety and Professional Services regulations concerning earnest money. See Wis. Admin. Code Ch. REEB 18.

**TITLE EVIDENCE**

■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report, and Real Estate Condition Report, if applicable, and in this Offer, general taxes levied in the year of closing and Wisconsin Condominium Act, condominium declaration and plat and amendments thereto

\_\_\_\_\_ which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

**WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making improvements to Property or a use other than the current use.**

■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's lender.

■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's) (Buyer's) **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 365-371).

■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance commitment is delivered to Buyer's attorney or Buyer not more than **15** days after acceptance ("15" if left blank), showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 341-348, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title within **15** days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have a reasonable time, but not exceeding **5** days ("5" if left blank), from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior to the date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.

**CAUTION: Consider a special agreement if area assessments, property owners association assessments, special charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

☐ **ENVIRONMENTAL EVALUATION CONTINGENCY:** This Offer is contingent upon a qualified independent environmental consultant of Buyer's choice conducting an Environmental Site Assessment of the Property (see lines 288-302), at (Buyer's) (Seller's) expense **STRIKE ONE** ("Buyer's" if neither is stricken), which discloses no Defects. For the purpose of this contingency, a Defect (see lines 223-225) is defined to also include a material violation of environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the Property due to future migration from other properties. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

■ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller a copy of the Environmental Site Assessment report and a written notice listing the Defect(s) identified in the Environmental Site Assessment report to which Buyer objects (Notice of Defects).

**CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

■ **RIGHT-TO-CURE:** Seller (shall) (shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written Environmental Site Assessment report and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

396 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A  
 397 material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal  
 398 remedies.

399 If Buyer defaults, Seller may:

- 400 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 401 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual damages.

402 If Seller defaults, Buyer may:

- 403 (1) sue for specific performance; or
- 404 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

405 In addition, the Parties may seek any other remedies available in law or equity.

406 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the  
 407 courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above.  
 408 By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement.

409 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS**  
 410 **DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE**  
 411 **PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE**  
 412 **SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

413 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the  
 414 transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of the Parties  
 415 to this Offer and their successors in interest.

416 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total acreage or building square  
 417 footage figures, provided to Buyer by Seller or by a broker, may be approximate because of rounding, formulas used or other reasons, unless  
 418 verified by survey or other means.

419 **CAUTION: Buyer should verify total square footage or acreage figures and land, building or room dimensions, if material to Buyer's**  
 420 **decision to purchase.**

421 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer  
 422 shall have the right to walk through the Property to determine that there has been no significant change in the condition of the Property, except for  
 423 ordinary wear and tear and changes approved by Buyer, and that any Defects Seller has agreed to cure have been repaired in the manner agreed  
 424 to by the Parties.

425 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of closing or occupancy of  
 426 Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the Property  
 427 is damaged in an amount of not more than five percent (5%) of the selling price, Seller shall be obligated to repair the Property and restore it to  
 428 the same condition that it was on the day of this Offer. No later than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and  
 429 restoration. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at  
 430 option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating  
 431 to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However,  
 432 if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring the  
 433 Property.

434 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons registered with the  
 435 registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org> or by telephone at  
 436 (608) 240-5830.

437 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of this Offer. An  
 438 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than testing for  
 439 leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as  
 440 the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other analysis of these  
 441 materials. Seller agrees to allow Buyer's inspectors, testers, appraisers and qualified third parties reasonable access to the Property upon  
 442 advance notice, if necessary to satisfy the contingencies in this Offer. Buyer and licensees may be present at all inspections and testing. Except  
 443 as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

444 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to**  
 445 **determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the**  
 446 **contingency.**

447 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed  
 448 to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections  
 449 or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

450 ☐ **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 437-449). This Offer is contingent upon  
451 a qualified independent inspector(s) conducting an inspection(s) of the Property which discloses no Defects. This Offer is further contingent upon  
452 a qualified independent inspector or qualified independent third party performing an inspection of \_\_\_\_\_

453 \_\_\_\_\_ (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which  
454 discloses no Defects. Buyer shall order the inspection (s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections  
455 recommended in a written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 461.  
456 Each inspection shall be performed by a qualified independent inspector or qualified independent third party.

457 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as well as any follow-up  
458 inspection(s).**

459 For the purpose of this contingency, Defects (see lines 223-225) do not include conditions the nature and extent of which Buyer had actual  
460 knowledge or written notice before signing the Offer.

461 ☐ **CONTINGENCY-SATISFACTION:** This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance,  
462 delivers to Seller a copy of the inspection report(s) and a written notice listing the Defect(s) identified in the inspection report(s) to which Buyer  
463 objects (Notice of Defects).

464 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

465 ☐ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to  
466 cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating  
467 Seller's election to cure Defects, (2) curing the Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the  
468 work done within 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written  
469 inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will  
470 not cure or (b) Seller does not timely deliver the written notice of election to cure.

471 ☐ **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's property located at  
472 \_\_\_\_\_, no later than \_\_\_\_\_. If Seller accepts a bona fide secondary offer,  
473 Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a written waiver of the Closing of Buyer's Property  
474 Contingency and \_\_\_\_\_

475 \_\_\_\_\_  
476 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL CONTINGENCIES, OR  
477 PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within \_\_\_\_\_ hours of Buyer's Actual Receipt of said notice, this Offer shall be  
478 null and void.

479 ☒ **ADDENDA:** The attached Rider \_\_\_\_\_ is/are made part of this Offer.

480 This Offer was drafted by [Licensee and Firm] **Reinhart Boerner Van Deuren s.c.**

481 \_\_\_\_\_ on **March 6, 2017**

482 Buyer Entity Name (if any): **SEE RIDER FOR SIGNATURES**

483 (x) \_\_\_\_\_ **SEE RIDER**

484 Buyer's/Authorized Signature ▲ Print Name/Title Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

485 (x) \_\_\_\_\_ **SEE RIDER**

486 Buyer's/Authorized Signature ▲ Print Name/Title Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

487 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

488 \_\_\_\_\_ Broker (By) \_\_\_\_\_

489 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING  
490 AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS  
491 SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

492 Seller Entity Name (if any): **SEE RIDER FOR SIGNATURES**

493 (x) \_\_\_\_\_ **SEE RIDER**

494 Seller's/Authorized Signature ▲ Print Name/Title Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

495 (x) \_\_\_\_\_ **SEE RIDER**

496 Seller's/Authorized Signature ▲ Print Name/Title Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

497 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_

498 \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

499 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_

500 Seller Initials ▲ Date ▲ \_\_\_\_\_ Seller Initials ▲ Date ▲ \_\_\_\_\_

## RIDER TO OFFER TO PURCHASE

March \_\_, 2017

1. This Rider is made a part of the attached WB-15 Commercial Offer to Purchase (the “Form”) by and between the undersigned Buyer and the undersigned Seller. In the event of any conflict between the terms and conditions of this Rider and the other terms and conditions of the Form, the terms of this Rider shall control. The Form and this Rider are collectively referred to herein as the “Offer.”
2. Seller is developing a condominium to be known as Tree Lane Condominium (the “Condominium”) on the property located at 7933 Tree Lane in Madison, Wisconsin. The Condominium will consist of two units; namely, a residential unit known as “Unit One”; and a commercial space known as “Unit Two.” Unit Two will consist of approximately 5,150 square feet of commercial space in the basement and first floor of the Condominium. Unit One will consist of approximately 45 residential apartment units. Unit One will be operated as a low-income housing project.
3. The Property under this Offer consists of Unit Two, Seller’s undivided interest in the common elements and limited common elements appurtenant to Unit Two and all of the rights, interests, obligations and limitations as set forth in the condominium declaration and plat creating the Condominium and any amendments thereto.
4. Buyer acknowledges that the Condominium improvements have not yet been constructed. Seller shall be obligated to construct the Condominium improvements pursuant to the terms of this Offer. Attached hereto as Exhibit A is a list of plans and specifications for the exterior of the Condominium and Unit Two, which plans and specifications Buyer has approved. Seller shall not make any material changes to the approved plans and specifications for the exterior of the Condominium or Unit Two without the prior written consent of Buyer. A change shall be deemed material if it is a deviation from a specified type, size or specification of any parts or components used in connection with construction or if it decreases the quality or quantity of any specified parts or components. In the event Buyer requests any changes be made to the approved plans and specifications for Unit Two, Seller shall consider such requests or changes in good faith provided the changes do not increase costs or result in any delays.

Seller shall cause the construction of Unit Two to be completed on or before the date of closing in accordance with the terms of Section 7 below. Seller shall deliver to Buyer, on or before the date of closing, a temporary certificate of occupancy for Unit Two, listing conditions to issuance of permanent certificate, and an AIA G704 certification of substantial completion, duly executed by an architect, to include remaining punch list items and target completion of Unit Two.
5. Seller has delivered to Buyer the Condominium disclosure materials required by Wisconsin Statutes Section 703.33 including, without limitation, the condominium declaration and plat creating the Condominium and any amendments thereto, the by-laws, rules and regulations of the Tree Lane Condominium Association (the



“Association”) and the property management agreement (collectively, the “Condominium Documents”). Buyer has approved the Condominium Documents. No changes shall be made to the approved Condominium Documents, except as allowed by the terms of the Condominium Documents.

6. Buyer shall pay to Seller, at closing, a purchase price (the “Purchase Price”) for the Property in the amount of \$750,000.00. Buyer agrees and acknowledges that it shall deposit into an escrow account (the “Escrow Account”) the Purchase Price to be governed by the terms set forth in an escrow agreement, dated on or about the date hereof, by and among Buyer, Seller, and [BMO Harris Bank N.A.], as escrow agent (the “Escrow Agent”). The Escrow Account shall be held by the Escrow Agent in the name of Buyer. Seller and Buyer agree and acknowledge that upon the Closing Date, the Escrow Agent shall be instructed to break escrow, providing the Purchase Price to Seller and providing the deed for Unit Two to Buyer. In the event this transaction does not occur, any interest earned on the Escrow Account shall be delivered to the party entitled to receive the proceeds of the Escrow Account.
7. This transaction shall be closed at Seller’s attorneys’ office on the date that is 30 days after the Completion Date (as defined below) of Unit Two, unless another date or place is agreed to in writing (such date, the “Closing Date”). The “Completion Date” shall be the date on which the architect for the Condominium delivers to the Seller a certificate of substantial completion confirming that Unit Two has been substantially completed in accordance with the approved plans and specifications for same. The Completion Date shall be achieved no later than [December 31, 2018], subject to delays outside of Seller’s control (“Excusable Delays”). Excusable Delays shall include, without limitation, delays resulting from labor disputes, fire and other casualties, unusual delays in delivery, acts of God and acts and omissions of Buyer and Buyer’s consultants. In the event of any Excusable Delay, the time period for achieving the Completion Date shall automatically be extended by the amount of the Excusable Delay. In the event Seller does not achieve the Completion Date on or before [December 31, 2018], as such date may be extended for Excusable Delays, Seller shall pay to Buyer, as liquidated damages and as Buyer’s sole remedy, the amount of \$100 per day for each and every day thereafter until Seller achieves the Completion Date. The amount of any such liquidated damages shall be deducted from the Purchase Price at closing. In the event Seller receives written correspondence from any third party (including any investor member of Seller or lender to Seller) that said third party believes Unit Two will not be completed, Seller must promptly provide notice to Buyer of that determination, at which time Buyer may terminate this Agreement if Buyer reasonably determines that Unit Two will not be completed at any point. If Seller determines that it cannot complete Unit Two for any reason, then (a) Seller shall provide notice of such determination to Buyer; and (b) Buyer shall be entitled to a prompt release of the Purchase Price from the Escrow Account.
8. Buyer shall have the right to inspect the construction of the Condominium from time to time upon reasonable notice to Seller. Buyer shall use reasonable efforts to provide at least one day notice to Seller, but the notice may be provided the same day in the event Buyer cannot reasonably provide at least one day notice. Any inspection or



observation by Buyer during construction shall not be considered acceptance of any portion of Unit Two not in conformance with the terms of this Offer; provided, however, that if Buyer observes that any portion of Unit Two is not being constructed in accordance with the terms of this Offer, Buyer shall notify Seller thereof. Buyer shall not interfere with any construction activities being undertaken by Seller and shall comply with any safety procedures required by Seller or Seller's contractors in connection with any such inspections and/or access.

9. At closing, Seller shall assign to Buyer any and all warranties Seller obtains in connection with the construction of Unit Two. Seller shall cause the contractors to provide a warranty against defects for a period of one year after completion of Unit Two.
10. Seller shall pay real estate taxes for Unit Two in the taxable year of the Closing Date. After that time, Buyer shall be responsible for any real estate taxes with respect to Unit Two.

*[signature page follows]*

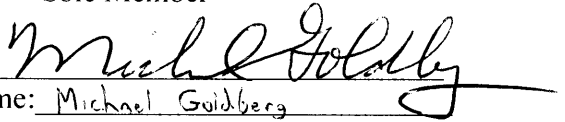
IN WITNESS WHEREOF, the parties hereto have executed this Commercial Offer to Purchase (including the Rider thereto) as of the date first set forth above.

SELLER:

TREE LANE APARTMENTS, LLC

BY TREE LANE APARTMENTS MM,  
LLC, Managing Member

BY HEARTLAND HOUSING, INC.,  
Sole Member

BY   
Name: Michael Goldberg  
Its: Executive Director

BUYER:

COUNTY OF DANE, WISCONSIN

BY \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

BY \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A

Plans & Specifications

[TO BE INSERTED]

BY-LAWS OF  
TREE LANE CONDOMINIUM ASSOCIATION

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership. The property located in Dane County, State of Wisconsin (the "Property") known as Tree Lane Condominium (the "Condominium") has been submitted to the provisions of the Wisconsin Condominium Ownership Act by a Declaration of Condominium (the "Declaration") recorded in the office of the Register of Deeds for Dane County on \_\_\_\_\_, as Document No. \_\_\_\_\_ and related condominium plat (the "Condominium Plat").

Section 2. Applicability of By-Laws and Definitions. These By-Laws are adopted as the By-Laws of Tree Lane Condominium Association (the "Association"), a non-statutory unincorporated association to serve as an association of unit owners under the Wisconsin Condominium Ownership Act. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof. The term "Property" and other capitalized terms used herein shall, unless the context or the Declaration requires otherwise, have the same meaning as used or defined in the Wisconsin Condominium Ownership Act.

Section 3. Office and Mailing Address. The office and mailing address of the Association and of the Board of Directors of the Association (the "Board of Directors") shall be located at 1218 West Highland Avenue, Milwaukee, Wisconsin 53233.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the Association and of the Property shall be governed by the Board of Directors. Until election of a new Board of Directors by the unit owners pursuant to section 1(c), Article III of these By-Laws, the Board of Directors shall consist of such three persons as shall have been designated by Tree Lane Apartments, LLC ("Declarant"). Thereafter the Board of Directors shall be composed of three persons appointed by the unit owners pursuant to Section 4 of this Article II.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property, except such powers and duties as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the unit owners or have been specifically reserved by or to the unit owners. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Property and the provisions of the Wisconsin Condominium Ownership Act, the Declaration, these By-Laws and rules and regulations hereunder.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the Property a managing agent and/or a manager, which may be the Declarant or a related party, at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

Section 4. Appointment and Term of Office. At each annual meeting of the unit owners, the owner of Unit One shall appoint two directors and the owner of Unit Two shall appoint one director. Directors shall serve for a term of two years. The members of the Board of Directors shall hold office until their respective successors shall have been appointed by the unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by the unit owner who appointed such director and a successor may then and there or thereafter be appointed by such unit owner to fill the vacancy thus created.

Section 6. Vacancies. Vacancies in the Board of Directors shall be filled by the appointment of a replacement director by the unit owner who appointed the director whose seat is vacant, and each person so appointed shall be a member of the Board of Directors for the remainder of the term of the member replaced and until a successor shall be appointed at the next annual meeting of the unit owners.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors shall be held within ten days following the first annual meeting of the unit owners at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Directors shall have been appointed, and no notice shall be necessary to the newly appointed members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or e-mail, at least 48 hours prior to the time of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on 48 hours' notice to each member of the Board of Directors, given by mail or e-mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one member of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place of the meeting. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting in such capacity.

Section 13. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, failure to adhere to the provisions of the Declaration or these By-Laws, negligence or otherwise, except for their own individual willful misconduct or bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be shared by all of the unit owners in accordance with their undivided percentage interests in common elements, and the liability of any single unit owner shall be limited to such proportionate share of the total liability. At the option of the Board of Directors, directors' liability insurance may be obtained and shall be paid for as a common expense.

Section 14. Methods of Conducting Meetings. Any and all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or may conduct the meeting through the use of, any means of communications by which either of the following occurs:

(a) All participating directors may simultaneously hear each other during the meeting; or

(b) All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors. If a meeting is to be conducted through the use of any of the means described in this section, all participating directors shall be informed that a meeting is taking place at which time official business may be transacted. A director participating in a meeting by any means described in this section is considered to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

Section 15. Action by Written Consent. An action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action is signed by two-thirds of the directors then in office. A consent under this section shall have the same force and effect as a vote of the Board of Directors taken at a meeting. If written action is taken under this section by all directors, the written action shall be effective when signed by all directors, unless a different effective date and time are specified

in the written consent. If written action is taken under this section by less than all directors, all directors shall be notified immediately of the text of the written consent and of its effective date and time. Failure to provide notice under this section shall not invalidate the action taken by written consent under this section. A director who does not sign or consent to the action taken by written consent shall not be liable for the action. If written notice is required, the written action shall be effective on the date specified in the written consent or on the tenth day after the date on which notice is given, whichever is later.

Section 16. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

### ARTICLE III

#### Unit Owners

##### Section 1. Annual Meetings.

(a) Until the first annual meeting of the unit owners as described below, the initial Board of Directors named in the Articles of Incorporation of the Association shall serve as the Board of Directors.

(b) Within thirty (30) days after the conveyance of a unit to a purchaser, the Declarant shall call a meeting of the unit owners. At such meeting the designees of the Declarant on the Board of Directors shall resign and the owner of Unit One shall appoint two directors and the owner of Unit Two shall appoint one director. Such successor shall serve until the first annual meeting of the unit owners. If such successor shall resign prior to the first annual meeting of the unit owners, a successor to him shall be appointed in the same manner.

(c) Thereafter the annual meetings of the unit owners shall be held on the second Monday of May of each succeeding year. At such meetings the Board of Directors shall be appointed by the unit owners in accordance with the requirements of section 4 of Article II of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting. Any meetings of the unit owners shall be held at the principal office of the Association or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having 25% of the total authorized

votes of all unit owners. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail to each unit owner of record or cause to be delivered to each unit owner a notice of each annual or special meeting of the unit owners, at least ten but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the address of his unit or at such other address as such unit owner shall have designated by notice in writing to the Secretary.

Section 5. Adjournment of Meetings. Any meeting of unit owners at which a quorum has or has not attended may be adjourned at the option of the unit owners by vote of a majority of the authorized votes of the unit owners who are present, either in person or by proxy, at such meeting. Any meeting which has been adjourned by the unit owners because of the lack of a quorum may be reconvened at such time as a quorum is obtained, without further notice. At such reconvened meeting at which a quorum is present, either in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 6. Title to Units. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation, limited liability company or partnership, or in the name of a fiduciary.

Section 7. Voting. There shall be two votes in the Association appurtenant to Unit One and one vote appurtenant to Unit Two. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the vote or votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any such proxy shall be effective only for a maximum period of 180 days following its issuance unless granted to a mortgagee, land contract vendor or lessee of a unit. Each unit owner (including the Declarant and the Board of Directors, if the Declarant or the Board of Directors or its designee shall then hold title to one or more units) shall be entitled to cast at all meetings of the unit owners the vote or votes appurtenant to each unit owned. Where ownership is in the name of two persons, the vote appurtenant to their unit may be cast by any one joint owner; provided, however, that if any joint owner protests promptly the casting of such vote to the person presiding over the meeting or files a written statement with the Secretary stating that thereafter the vote must be cast pro rata in accordance with each joint owner's interest in the unit, then such vote shall thereafter be cast pro rata by the joint owners in accordance with their interests in the unit. Where the unit is sold under a land contract, the land contract vendee shall be entitled to vote the vote appurtenant to said unit (where there are two vendees, they shall be considered joint owners). Notwithstanding the provisions of this section, if the Association has recorded a statement of condominium lien on a unit and the amount necessary to release the lien has not been paid at the time of the meeting, the owner(s) of such unit may not vote at any meeting of the Association.



Section 8. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those unit owners having more than 50% of the authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of section 7 of this Article III.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having 66-2/3% of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these By-Laws.

Section 11. Action by Written Ballot. Any action that may be taken at an annual or special meeting of Members may be taken without a meeting if the Corporation delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot under this section shall be valid only when: (a) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and (b) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes casts by ballot. A written ballot may not be revoked.

Section 12. Action by Written Consent. Any action required to be approved at a meeting of the Members, or any other action which may be approved at a meeting of the Members, may be approved without a meeting if a consent in writing, describing the actions so taken, is signed by at least 51% of the Members entitled to vote with respect to the subject matter thereof. All signatures on the written consent shall be dated and, in determining whether the required number of Members have signed the consent, only those signatures dated after the date of the most recent meeting of the Members may be counted. Written notice of Member approval under this section shall be given to all Members who have not signed the written consent. If written notice is required, Member approval under this section shall be effective ten days after such written notice is given.

Section 13. Membership.

(a) All unit owners shall be members of the Association. The foregoing is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. Land contract vendors shall not be members; land contract vendees shall be members. Membership shall be appurtenant to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Dane County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Dane County of a deed or other instrument establishing a change of record title to a unit or the recording in said office of a land contract. A certified copy of such

instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferee designated by such instrument or the vendee shall thereby become a member of the Association and the membership of the prior owner or vendor shall thereby be terminated. Until such delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of unit owners. The Association shall maintain a current roster of names and addresses of every unit owner to whom notice of meetings of the Association must be sent.

## ARTICLE IV

### Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice President must be members of the Board of Directors.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Wisconsin Business Corporation Law, including but not limited to the power to appoint from among the unit owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association. The offices of Vice President and Secretary may be held by the same person.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by the President of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

Section 10. Liability of the Officers. The officers shall not be liable to the unit owners for any mistake of judgment, failure to adhere to the provisions of the Declarations or these By-Laws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each officer against all contractual liability to others arising out of contracts made by the officers on behalf of the Association unless such contract shall have been made in bad faith. It is intended that the officers shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the unit owners arising out of any contract made by an officer or officers or out of the indemnity in favor of the officers shall be shared by all of the unit owners in accordance with their undivided percentage interests in the common elements, and the liability of any single unit owner shall be limited to such proportionate share of the total liability. At the option of the Board of Directors, officers or directors and officers liability insurance may be obtained and shall be paid for as a common expense.

## ARTICLE V

### Operation of the Property

Section 1. Determination of Common Expenses. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Property, determine the amount of the common expenses for the forthcoming year and allocate and assess such common expenses against the unit owners as provided in section 7.06 of the Declaration. The assessment for common expenses for the entire year shall be effective as of January 1 of each year but shall be payable in monthly installments. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of section 2 of this Article V. The common expenses shall also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital, for a reserve fund for the periodic maintenance, repair and replacement of common elements and limited common elements based upon the estimated remaining useful life

of such elements, for a reserve for contingencies, and for making up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by him, and shall furnish copies to all unit owners of each budget on which such common expenses are based. If the actual expenses of the Association exceed the budgeted expenses, or in the event of special circumstances requiring additional funds with respect to one or more units, the Board of Directors shall be empowered to meet whenever necessary and to assess additional common expenses or special assessments against one or more of the unit owners which shall be payable as the Board of Directors directs.

Section 2. Insurance. The Association shall be required to obtain and maintain or cause to be maintained, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all Buildings (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant, but not including furniture, furnishings or other personal property supplied or installed by unit owners), together with all heating equipment and other service machinery contained therein, and all limited common elements; such insurance shall cover the Property and shall name as insureds the Association, and all unit owners and their mortgagees and land contract vendors, as their interests may appear, in an amount equal to not less than the replacement value of the buildings, without deduction for depreciation, with inflation guard endorsement, if available. Each policy shall provide that proceeds shall be payable to the Association or the insurance trustee as provided herein as trustee for all unit owners and their mortgagees or land contract vendors as their interests may appear. All such policies shall provide that adjustment of loss shall be made by the Association, and that the net proceeds thereof, if \$10,000 or less, shall be payable to the Association, and if more than \$10,000, shall be payable to the insurance trustee.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least 30 days' prior written notice to the Association and to each first mortgagee and land contract vendor named as an insured in such policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings including all of the units and all of the common and limited common elements without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The Association shall also be required to obtain and maintain or cause to be maintained, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine (provided that such limits shall at all times equal or exceed the limit established by Declarant set forth below), covering each member of the Board of Directors, the managing agent or manager (if any), each officer of the Association and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year. Such liability

insurance shall provide that the policy may not be canceled or substantially modified without at least 30 days' prior written notice to the Association and to each other holder of a first mortgage or land contract vendor listed as a scheduled holder of a first lien in the policy. The Association shall obtain and maintain workmen's compensation insurance to the extent necessary to comply with any applicable laws.

By acceptance of the deed to his unit, each unit owner shall be deemed to have appointed the Association as his attorney-in-fact for the purpose of purchasing and maintaining the above-described policies of insurance, including, where applicable, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

Unit owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance, and that all reasonable efforts shall be made to place such additional insurance with the carrier issuing insurance obtained by the Association. The insurance obtained by the Association will not cover the contents of units or public liability claims arising out of occurrences happening within the boundaries of the units.

Section 3. Repair and Reconstruction After Damage. In the event of any damage to or destruction of the Property, unless the unit owners elect not to proceed with repair or reconstruction in accordance with Article X of the Declaration, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction of such damaged portion of the Property in accordance with Article X of the Declaration, and the Board of Directors shall disburse any insurance proceeds to the contractors engaged in such repair and reconstruction in appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall be a common expense and the Board of Directors may assess the unit owners for such deficit as part of the common expenses.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to section 11, Article III of these By-Laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Wisconsin Condominium Ownership Act. If, notwithstanding the foregoing provisions, such a determination is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

Section 4. Payment of Common Expenses. All unit owners shall be obligated to pay the common expenses assessed by the Board of Directors pursuant to the provisions of section 1 of this Article at such time or times and in such manner as the Board of Directors shall determine, including automatic withdrawals from the unit owners' checking accounts into a designated depository. A late charge of up to \$50 may be imposed by the Board of Directors

against a unit owner if any balance in common expenses remains unpaid more than five days after payment is due.

No unit owner shall be liable for the payment of any part of the common expenses assessed against his unit subsequent to a sale, transfer or other conveyance by him thereof (made in accordance with the provisions of section 1, Article VII of these By-Laws). A purchaser of a unit shall be liable for the payment of common expenses assessed against such unit prior to the acquisition by him of such unit except that if the Association or Board of Directors furnishes a statement pursuant to section 703.16 of the Wisconsin Condominium Ownership Act, such liability shall be limited to the amount set forth therein.

Each unit owner shall be obligated to pay common expenses hereunder notwithstanding the fact that he may have a pending dispute with the Association or the Board of Directors on any matter.

Section 5. Collection of Assessments. The Board of Directors shall take prompt action to collect from a unit owner any assessment due which remains unpaid by him for more than 30 days from the due date for its payment.

Section 6. Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Board of Directors the assessed common expenses, such unit owner shall be obligated to pay interest at the highest annual rate permitted by law or at 18% per annum, whichever is less, on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common expenses. The Board of Directors shall have the right and duty to attempt to recover such common expenses, together with interest thereon, and the expenses of the proceedings, including attorneys' fees, in an action brought against such unit owner, or by foreclosure of the lien on such unit granted by section 703.16 of the Wisconsin Condominium Ownership Act. The Board of Directors shall also have the right to prohibit such unit owner from voting at a meeting of the Association if the Association has recorded a statement of condominium lien on such unit and the amount necessary to release the lien has not been paid at the time of the meeting.

The Board of Directors shall also have the right to publish in the common elements of the Property the names of all unit owners who are more than 30 days delinquent in the payment of their assessments. By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to such publication.

Section 7. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Association or the Board of Directors, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same after such purchase. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Expenses. The Board of Directors shall promptly provide any unit owner, who makes a request in writing, with a written statement of his unpaid common expenses.

Section 9. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that the Board of Directors shall not have the right to alter or demolish items of construction), and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy such thing or condition by appropriate legal proceedings.

Section 10. Maintenance and Repair.

(a) All maintenance of and repairs to any unit, structural or nonstructural, ordinary or extraordinary shall be made by the owner of such unit (unless such repairs also require repairs or intrusions into the common elements or another unit). Each unit owner shall be responsible for the cleaning, maintenance and repair of all doors and windows appurtenant to his unit. Each unit owner shall be responsible for all damages to any other unit or to any common or limited common element resulting from his negligence, misuse, misconduct or neglect, except to the extent such damages may be caused by a peril for which insurance coverage is maintained by the Association.

If a unit owner fails to maintain his unit in a manner consistent with the standards of maintenance of the Condominium, the Association may, upon 30 days' written notice to such unit owner, proceed to arrange for the necessary maintenance or repair of the unit. All costs so incurred by the Association shall constitute a common expense which shall be specially assessed solely against the affected unit and the Association shall take such steps as are permitted or required by these By-Laws to enforce payment of such special assessment.

(b) All maintenance, repairs and replacements to the common elements shall be made by the Association and be charged to all the unit owners as a common expense (unless necessitated by the negligence, misuse, misconduct or neglect of a unit owner, in which case such expense shall be charged to such unit owner). All maintenance, repairs and replacements to the limited common elements shall be made by the Association and the costs therefor shall be specially assessed against only the unit or units to which such limited common elements are appurtenant or against the unit owner whose negligence, misuse, misconduct or neglect necessitated such maintenance, repair or replacement. All maintenance, repairs and replacements to a unit that also require repairs or intrusions into the common elements or another unit shall be made by the Association and the costs therefor shall be specially assessed against the affected unit or units or against the unit owner whose negligence, misuse, misconduct or neglect necessitated such maintenance, repair or replacement. The Association shall be responsible for snow removal from all roads and driveways as necessary. Each unit owner shall be responsible for snow removal from limited common element walkways.

Section 11. Use of Property. In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be subject to the following limitations:

(a) Unit Two shall be restricted to commercial use and Unit One shall be restricted to residential use.

(b) The common elements shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of units.

(c) No nuisances or noxious odors shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

(d) No unlawful use shall be made of the Property or any part thereof, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owner(s) concerned or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No tree or bush or other vegetation (whether planted by Declarant or naturally located) shall be removed from a common area without the prior written approval of the Board of Directors.

(f) All trash, garbage or other wastes shall be disposed of pursuant to City of Madison ordinances and any supplemental rules and regulations adopted by the Board of Directors.

Section 12. Structural Additions, Alterations or Improvements by Unit Owners. A unit owner may make additions, improvements or alterations within his unit which do not impair the structural integrity or lessen the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to, the exterior of his unit or of any portion of the Property (including the planting of trees and shrubs in any portion of the common or limited common elements) without the prior written approval of the Board of Directors. The Board of Directors and the Association shall not be liable to any contractor, subcontractor or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with such additions, alterations or improvements.

Section 13. Water Charges. Water service shall be supplied to all of the units and the common elements by the City of Madison. Expenses for water consumed or used in or in connection with the units and the common elements shall be a common expense.

Section 14. Electricity and Gas. Electricity and gas required to service the units and the common elements shall be supplied by the public utility companies serving the area, and shall be separately metered for each unit. Expenses for electricity and gas consumed or used in or in connection with the common elements and units shall be paid as a common expense.



Section 15. Sewer Charges. Sewer service shall be provided to the Property by the City of Madison. Sewer service for the units and the common elements shall be a common expense.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Directors, including without limitation, limitations on pets and parking. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 17. Right of Access. A unit owner shall grant a right of access to his unit to the Board of Directors, the manager, the managing agent, and any other person authorized by the Board of Directors, to make inspections, to correct any condition originating in his unit and threatening another unit or the common or limited common elements, to install, alter or repair mechanical or electrical services or other common or limited common elements in his unit or elsewhere in the Building, and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

## ARTICLE VI

### Mortgages

Section 1. Mortgage of Units. Each unit may be separately mortgaged.

Section 2. Notice to Board of Directors. A unit owner who mortgages his unit shall immediately notify the Board of Directors of the name and address of his mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgages of Units".

Section 3. Rights of Mortgagees. As to any mortgagee of a unit or insurer or guarantor of any unit mortgage (referred to below, collectively, as the "mortgagee") which has notified the Association in writing delivered or mailed by certified mail to the place of service of process stated in section 8 of the Declaration that it desires to receive notice of the following matters:

(a) The Board of Directors shall give the mortgagee written notice by mail of the call of any meeting of the membership or the Board of Directors of the Association to be held for the purpose of considering any proposed amendment to the Declaration, the Articles or the By-Laws;

(b) The Board of Directors shall give the mortgagee by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this Declaration, the Articles, the By-Laws and rules and regulations promulgated thereunder, and any amendments thereto, simultaneously with the giving of required notice to any unit owner which shall be not later than 30 days after such failure;

(c) The Board of Directors shall notify the mortgagee of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) The Board of Directors shall notify the mortgagee of physical damage to structure, fixtures or equipment of a unit in an amount exceeding \$50,000 when such damage is known to the Board of Directors and shall notify all mortgagees if common elements of the Condominium are damaged in an amount exceeding \$100,000. The Board shall also notify the mortgagee in writing of any condemnation proceedings concerning the Property; and

(e) The Board of Directors shall permit the mortgagee to examine during normal business hours books and records of the Association (including current copies of the Declaration, these By-Laws and all rules and regulations promulgated thereunder) and upon request shall furnish the mortgagee annual reports and such other financial data (including audited financial statements) as it sends to unit owners.

Section 4. Land Contracts. For purposes of this Article VI and elsewhere in these By-Laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

## ARTICLE VII

### Sales and Leases of Units

Section 1. Sales and Leases. Unit owners may sell or lease their units or any interest therein provided the provisions of this Article are complied with. A unit owner's sale of his unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements appurtenant thereto; (b) the interest of such unit owner in any units theretofore acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the Association ((a), (b) and (c) hereinafter collectively called the "appurtenant interests").

Section 2. No Severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of, except as a part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all units.

Section 3. Waiver of Right of Partition With Respect to Units Acquired by Association. In the event that a unit shall be acquired by the Association or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 4. Rental. Unit owners may rent their units by written lease to whomever and on whatever terms and conditions as they so desire provided all leases shall specifically obligate the tenants to abide by the Declaration, these By-Laws and rules and regulations promulgated thereunder.

Section 5. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Association all unpaid common expenses theretofore assessed by the Board of Directors against his unit.

## ARTICLE VIII

### Condemnation

Section 1. Common Elements. In the event of a taking in condemnation or by eminent domain of part or all of the common elements of the Property exclusive of any of the units, the award made for such taking shall be payable to the Association if such award amounts to \$10,000 or less, otherwise it shall be payable to the insurance trustee. The Association shall promptly undertake to restore the common elements. The proceeds of the award shall be disbursed to effect such restoration and any costs in excess of the award shall be a common expense. The Board of Directors shall effect such restoration in accordance with paragraph (a) of section 3, Article V of these By-Laws. If restoration is not undertaken or if the proceeds of the award exceed the cost of restoration, the proceeds (or excess proceeds) of the award shall be disbursed to the unit owners in proportion to their respective undivided percentage interests in the common elements.

Section 2. Units. In the event of a taking in condemnation or by eminent domain of any of the units exclusive of the common elements, or of any of the units and a portion of the common elements, the unit owners shall determine whether to permit repair or reconstruction of the units and common elements affected pursuant to Article XI of the Declaration. If the Association determines to permit repair or reconstruction and the unit owners affected unanimously elect to undertake repair or reconstruction of their units, the Board of Directors shall effect such repair or reconstruction in accordance with paragraph (a) of section 3, Article V of these By-Laws, except that any cost of repair or reconstruction of units in excess of the award shall be the sole expense of the owners of such units. If the Association determines not to repair or reconstruct or fails to vote within said 90-day period or the unit owners affected do not unanimously elect to repair or reconstruct, the entire net proceeds shall be disbursed to those unit owners whose units have been taken in proportion to their respective undivided percentage interests in the common elements. If any such unit owner is in default in paying common expenses, the amount of said common expenses shall be deducted from his share of the proceeds. Upon receipt of his share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association, of his undivided percentage interest in the common elements and shall thereafter no longer be considered a unit owner. The interests of the remaining unit owners in the common elements shall be recomputed by the Board of Directors, whose decision shall be final, to reflect said releases.

## ARTICLE IX

### Records

Section 1. Records and Reports. The Board of Directors or the managing agent shall keep detailed records of the actions of the Association and the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records, and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account of each unit which, among other things, shall contain the amount of each assessment of common expenses against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Association, prepared by an independent certified public accountant which report need not be certified, shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

## ARTICLE X

### Miscellaneous

Section 1. Notices. All notices to the Board of Directors or the Association shall be sent by registered or certified mail, c/o the managing agent, or if there is no managing agent, to the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. Except when delivered in person, all notices to any unit owner shall be mailed or hand delivered to his unit or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices to mortgagees of units shall be mailed or hand delivered to their respective addresses, as designated by the unit owners to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Notices to the unit owners or their mortgagees need not be mailed by registered or certified mail, except as otherwise provided in these By-Laws.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee. The insurance trustee shall be a financial institution in the State of Wisconsin, designated by the Board of Directors. The Board of Directors shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense.

Section 7. Conflicts. These By-Laws are set forth to comply with the requirements of the Wisconsin Condominium Ownership Act. In case any of these By-Laws conflicts with the provisions of such Act, the provisions of such Act shall control. In case any of these By-Laws conflicts with the provisions of the Declaration, the Declaration shall control.

## ARTICLE XI

### Amendments to By-Laws

Section 1. Amendments to By-Laws. These By-Laws may be modified or amended by (a) vote of at least 50% of the authorized votes of all unit owners, such vote to be taken at a meeting of unit owners duly held for such purposes; and (b) with respect to any modification or amendment that adversely affect the rights of mortgagees, the prior written consent of said mortgagees; provided, however, that if the mortgagee(s) fail to respond to any request for consent within 60 calendar days of receiving the notice of the proposed amendment, the mortgagee(s) shall be deemed to have consented to the amendment.

## LEASE

In consideration of the mutual promises and covenants contained in this Lease, County of Dane, Wisconsin (the "Landlord") and Tree Lane Apartments, LLC (the "Tenant") agree as follows as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018:

1.     **PREMISES.** Landlord agrees to lease to Tenant, and Tenant agrees to lease from Landlord, Unit Two (the "Premises") of Tree Lane Condominium (the "Condominium"). Tenant acknowledges that the Condominium is governed by a condominium declaration dated as of \_\_\_\_\_ (the "Condominium Declaration").

2.     **CONDITION OF PREMISES.** Tenant acknowledges and agrees that Tenant is leasing the Premises "AS IS", and Landlord makes no warranties, express or implied, as to fitness, merchantability, use or condition of the Premises. Tenant leases the Premises without representation or warranty of Landlord, express or implied, in fact or by law, and without recourse, with respect to: (a) the condition of the Premises and (b) the ability to use the Premises for any particular purpose.

3.     **COMMON ELEMENTS.** Tenant shall be entitled to the reasonable nonexclusive use of the common elements of the Condominium appurtenant to the Premises. Tenant's use of such common elements shall be subject to the terms of the Condominium Declaration.

4.     **TERM.** The Lease term shall commence upon the date hereof and shall terminate on the ninety-nine year anniversary of the date hereof.

5.     **RENT.** Tenant has paid to Landlord on the date hereof the sum of Twenty Dollars (\$20) as rent for the Premises for the entire Lease term.

6.     **UTILITIES AND SERVICES.** Tenant shall pay when due all charges for all utilities used in the Premises.

7.     **USE.** The Premises may be used and occupied for any lawful use permitted under the applicable zoning code. Tenant will not use the Premises in any manner that may increase the insurance risk or prevent the obtaining of insurance.

8. MAINTENANCE AND REPAIR. Tenant shall, at its expense, keep and maintain in good order, condition and repair the Premises.

9. COVENANTS.

(a) Compliance with Laws. Tenant agrees to comply with all laws, orders, ordinances and regulations and with any direction made pursuant to law of any public officer, relating to Tenant's use of the Premises.

(b) Surrender. Tenant agrees upon the termination of this Lease for any reason to remove Tenant's personal property and trade fixtures and those of any other persons claiming under Tenant, and to quit and deliver up the Premises to Landlord peaceably and quietly in as good order and condition as the same are at the commencement of this Lease or thereafter may be improved by Tenant, reasonable use and wear, fire and other casualty loss excepted.

(c) Personal Property Taxes. Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which become payable during the Lease term upon Tenant's equipment, furniture, fixtures and other personal property located in the Premises.

(d) Real Estate Taxes and Assessments. Tenant agrees to pay, before delinquency, any and all real estate taxes and special assessments levied or assessed and which become payable during the Lease term upon the Premises.

(e) Signage. Tenant may place any signs on the exterior of the Premises provided they comply with applicable municipal ordinances.

(f) Janitorial. Tenant shall, at its expense, obtain any janitorial services it desires.

10. INSURANCE. During the Lease term, Tenant shall keep in full force and effect, at its expense: (a) a policy of commercial general liability insurance covering the Premises, with a combined single limit of not less than \$1,000,000; and (b) insurance against fire, vandalism, malicious mischief and such other perils as are from time to time included in a "special form" property insurance policy, insuring Tenant's merchandise, trade fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Premises, in an amount not less than their full replacement value. Tenant's commercial general liability insurance policy shall name Landlord and Tenant as

insureds. A copy of the paid-up policies evidencing such insurance or certificates of insurers shall be delivered to Landlord prior to the commencement date of this Lease and upon renewals not less than 30 days prior to the expiration of such coverage. The property insurance for the Premises shall be maintained in accordance with the requirements of the Condominium Declaration.

11. **DAMAGE OR DESTRUCTION.** In case of damage to the Premises by fire, vandalism, malicious mischief or any other casualty, the Premises shall be repaired or rebuilt in accordance with the requirements of the Condominium Declaration.

12. **INDEMNIFICATION.** Tenant shall defend and indemnify Landlord and save it harmless from and against any and all liability, damages, costs and expenses, including reasonable attorneys' fees, arising from any negligence or willful misconduct of Tenant or its officers, members, contractors, licensees, agents, servants, employees, guests, invitees, visitors or subtenants in or about the Premises.

13. **IMPROVEMENTS AND ALTERATIONS.** Tenant may make, at any time and from time to time, any alterations or improvements ("Improvements") to the Premises it desires including, without limitation, alterations to Improvements previously made by Tenant. All Improvements shall be made at Tenant's sole cost and expense. Tenant shall obtain all necessary permits and provide Landlord with copies thereof. Tenant shall promptly repair any damage and perform any necessary cleanup resulting from any Improvements. All Improvements (except trade fixtures, furniture and equipment belonging to Tenant) in existence upon termination of this Lease shall be Landlord's property and shall remain upon the Premises, all without compensation to Tenant. Tenant agrees not to create, incur, impose or permit any lien against the Premises by reason of any Improvement and Tenant agrees to hold Landlord harmless from and against any such lien claim. At its expense, Tenant shall cause to be discharged, within thirty days of the filing thereof, any construction lien claim filed against the Premises for work claimed to have been done for, or materials claimed to have been furnished to, or on behalf of Tenant.

14. **EMINENT DOMAIN.** In the event the entire Premises is lawfully condemned or taken in any manner for any public or quasi-public use or purpose, or sold or conveyed in lieu of condemnation, this Lease shall terminate as of the date of such taking or conveyance. In the event only a portion of the Premises is taken or conveyed, the Premises shall be repaired or rebuilt in accordance with the



requirements of the Condominium Declaration. Landlord shall be entitled to all awards payable to Landlord for its fee interest in the Premises resulting from a taking, and Tenant shall be entitled to all awards payable to Tenant for its leasehold interest in the Premises resulting from a taking including, without limitation, moving expenses, the cost of any Improvements made by Tenant to the Premises and losses incurred by Tenant as a result of the taking.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign this Lease and/or sublet all or any portion of the Premises, without Landlord's consent, upon such terms as Tenant desires. Landlord acknowledges that Tenant may charge its subtenants higher rents than the rent that Tenant is paying under this Lease. Landlord shall have no right to any profits made by Tenant as a result of Tenant subletting all or any portion of the Premises.

16. DEFAULT.

(a) Defaults. If Tenant (i) fails to pay any installment of rent or other charges hereunder when due and such default is not cured within five days after receipt of written notice thereof from Landlord, or (ii) fails to perform any other covenant, term, agreement or condition of this Lease and such default is not cured within 30 days after receipt of written notice thereof from Landlord (unless the default is of a nature that it cannot be cured within 30 days, in which event Tenant must commence the cure within the 30-day period and diligently prosecute same to completion) then Landlord, in addition to all other rights and remedies available to Landlord at law or in equity or by other provisions hereof, may immediately re-enter the Premises and remove all persons and property and, at Landlord's option, terminate this Lease or terminate Tenant's right to possession of the Premises without terminating the Lease. Tenant further agrees that in case of any such termination Tenant will indemnify Landlord against all damages which Landlord may incur by reason of such termination including, without limitation, reasonable attorneys' fees.

If Tenant shall default in the observance or performance of any term or covenant of this Lease, or if Tenant shall fail to pay any sum of money, other than rent required to be paid by Tenant hereunder, Landlord may, without waiving or releasing Tenant, remedy such default at the expense of Tenant after notice and expiration of any applicable cure period. If Landlord makes any expenditures or incurs any obligations for the payment of money in connection with Tenant's default including, but not limited to, reasonable attorneys' fees, Tenant shall pay to

Landlord as additional rent such sums paid or obligations incurred, with costs and interest at the rate of 12% per year.

(b) Unpaid Sums. Any amounts owing from Tenant to Landlord under this Lease shall bear interest at the annual rate of 12% calculated from the date due until the date of payment.

17. **ESTOPPEL CERTIFICATE.** Within ten (10) days after written request from Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate in form and content reasonably acceptable to Landlord. Within ten (10) days after written request from Tenant, Landlord shall execute, acknowledge and deliver to Tenant an estoppel certificate in form and content reasonably acceptable to Tenant.

18. **SUBORDINATION.** This Lease, and the term and estate hereby granted, and all of the rights of Tenant hereunder, are subject and subordinate to a ground lease (the "Ground Lease") between Landlord and Tenant, dated as of \_\_\_\_\_, 2017.

19. **QUIET ENJOYMENT.** Landlord covenants that if Tenant shall pay the rent and observe and perform all the terms, covenants and conditions of this Lease on its part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject to the terms and conditions of this Lease.

20. **OPTION TO PURCHASE.**

(a) Landlord grants to Tenant during the term of this Lease the option to purchase the Premises at the purchase price of \$100.

(b) Tenant may exercise this option to purchase by written notice to Landlord (the "Notice of Exercise") given at any time after December 31, \_\_\_\_\_ during the term of this Lease. The closing of the purchase shall be held on a date selected by Tenant not more than 60 days after the date of the Notice of Exercise.

(c) Landlord shall at closing, upon payment of the required purchase price, convey the Premises to Tenant by warranty deed, free and clear of all liens, mortgages, or encumbrances of any kind and nature excepting municipal and zoning ordinances, recorded easements for public utilities, recorded building restrictions, the Condominium Declaration and the plat creating the Condominium, the Ground Lease, matters arising by or as the result of action of

Tenant during the term of this Lease, and matters which Tenant shall have consented to during the term of this Lease.

(d) Tenant shall be responsible, at its cost, for obtaining any title insurance it desires in connection with its purchase of the Premises. Landlord shall execute and deliver any affidavits or other documents reasonably requested by Tenant or the title insurance company in order for Tenant to obtain such title insurance.

(e) In the event of the exercise by Tenant of its option to purchase hereunder, this Lease shall terminate as of the date of closing and consummation of the purchase.

(f) Time is the essence of the exercise of the option and the resulting closing.

## 21. MISCELLANEOUS PROVISIONS.

(a) Successors and Assigns. This Lease shall inure to and be binding upon Landlord and Tenant and their respective successors and assigns.

(b) Non-waiver. Waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition of this Lease.

(c) Entire Agreement. This Lease contains all covenants and agreements between Landlord and Tenant relating to the Premises. No prior agreements or understandings pertaining thereto shall be valid or of any force or effect. This Lease shall not be altered, modified or amended except in writing signed by Landlord and Tenant.

(d) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) Notices. All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served by personal service or by mailing by registered or certified mail, postage prepaid, at such address as the parties may from time to time designate to the other in writing, with a copy to U.S.

Bancorp Community Development Corporation, 1307 Washington Avenue, Suite 300, St. Louis, Missouri 63103, Attention: Director of LIHTC Asset Management. The time of rendition of such notice shall be deemed to be the time when the notice is delivered to or rejected by the recipient.

Dated as of the date first set forth above.

LANDLORD:

DANE COUNTY, WISCONSIN


BY \_\_\_\_\_  
Its \_\_\_\_\_

TENANT:

TREE LANE APARTMENTS, LLC

By: Tree Lane Apartments MM, LLC,  
its Managing Member

By: Heartland Housing, Inc., its  
Manager

BY   
Michael Goldberg, Executive  
Director

## ESCROW AGREEMENT

This Escrow Agreement, dated as of \_\_\_\_\_, 2017 (together with any amendments or supplements hereto, this "Agreement"), among County of Dane, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes ("Buyer"), **TREE LANE APARTMENTS, LLC**, a Wisconsin limited liability company ("Seller") and **BMO HARRIS BANK N.A.**, a national banking association, as escrow agent (in such capacity, the "Escrow Agent"),

### WITNESSETH:

WHEREAS, Buyer and Seller have entered into that certain WB-15 Commercial Offer to Purchase (the "Contract") for the sale by Seller to Buyer of Unit Two of the Tree Lane Condominium as described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the Contract provides that the purchase price for the Property, in the amount of \$750,000, shall be deposited in escrow (the "Purchase Funds"); and

WHEREAS, Escrow Agent has agreed to make two loans to Seller for the construction of a real estate development which includes the Property (collectively, the "Construction Loan") (in this capacity, Escrow Agent shall be referred to as "Lender"); and

WHEREAS, Seller has collaterally assigned the Contract to Lender as security for the Construction Loan; and

WHEREAS, Escrow Agent has agreed to act as escrow agent for the Purchase Funds;

NOW, THEREFORE, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, the parties to this Agreement agree as follows:

## ARTICLE I

### Definitions, Representations and Warranties

Section 1.01. Definitions. Certain capitalized terms used in this Agreement are defined in the Preambles hereof. In addition, when used in this Agreement, the following terms shall have the meanings given to them by the language employed in this Section defining such terms, unless the context clearly indicates otherwise:

"Agreement" means this Escrow Agreement, and any and all amendments hereof or supplements hereto.

"Escrow Fund" means the Escrow Fund created pursuant to Section 3.01 hereof.

"State" means the state of Wisconsin.

Section 1.02. Representations and Warranties. Each of the parties to this Agreement represents and warrants as to itself to the other parties to this Agreement that:

(a) it has full power and authority to enter into, execute, deliver and perform its obligations under this Agreement;

(b) the execution and delivery of this Agreement has been duly authorized by all necessary corporate or governmental action of the party;

(c) when executed and delivered by each of the other parties hereto, this Agreement will constitute the valid and legally binding obligation of the party, enforceable against it in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally, the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies, and the reasonable exercise in the future by the State and its governmental bodies of the police and taxing powers inherent in the sovereignty of the State;

(d) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which has not been obtained on or before the execution and delivery of this Agreement is required for the execution and delivery of this Agreement or the consummation by the party of the transactions and obligations effected or contemplated by this Agreement; and

(e) the execution, delivery and performance of this Agreement and compliance with the provisions hereof by the party do not and will not conflict with or constitute on the part of the party a breach of or a default under any existing law, regulation, decree, order or resolution, or any agreement, indenture, mortgage, lease or other instrument, to which the party is subject or by which it or any of its Property is bound.

## **ARTICLE II**

### **Escrow of Buyer Funds**

Section 2.01. Creation of Escrow Fund. The Buyer hereby deposits the Purchase Funds with Escrow Agent to establish the Escrow Fund with the Escrow Agent in the name of the Buyer for the purposes and uses, and subject to the liens, limitations and requirements, set forth in this Agreement.

Section 2.02. Deposit of Funds. (a) Purchase Funds shall be deposited in the following account:

BMO Harris Bank, N.A.

Chicago, IL

ABA #071025661

Credit: County of Dane

Credit Account # \_\_\_\_\_

ATTN: \_\_\_\_\_ (312) 461-\_\_\_\_\_

(b) All investment earnings from moneys held in the Escrow Fund shall be maintained therein upon receipt by the Escrow Agent, without further authorization or direction from any party to this Agreement.

Section 2.03. Investment of Escrowed Funds. (a) Moneys in the Escrow Fund shall be invested as follows: In a Public Funds Money Market Account, provided that no investments shall be made except as shall comply with Wisconsin Stat. §66.0603 and Dane County Code of Ordinances §§ 26.72 – 26.77.

(b) At the time any moneys held in the Escrow Fund are invested, the Escrow Agent shall record the following information (if applicable) for each obligation in which such moneys are invested:

- (i) the purchase date of the obligation;
- (ii) the purchase price of the obligation;
- (iii) the accrued interest due on the obligation's purchase date;
- (iv) the face amount of the obligation; and
- (v) the interest rate of the obligation.

(c) The Escrow Agent shall keep full, complete and accurate records of the amount and date of all sums earned from the investment of moneys deposited in the Escrow Fund, and shall send copies of such records and the information described in this subsection to the Buyer and Seller promptly, but not more often than monthly.

Section 2.04. Security Interest in Escrow Fund. (a) The Purchase Funds and any other moneys deposited with the Escrow Agent pursuant to this Agreement or held in the Escrow Fund (including, without limitation, investment earnings on such moneys) shall be held by the Escrow Agent, pursuant to the terms of this Agreement, in the name of the Buyer. The Buyer and Seller (to the extent the Seller may be deemed to have any interest in the Escrow Fund) hereby grant to the Escrow Agent in its capacity as Lender a limited lien on and security interest in all moneys held in the Escrow Fund.

(b) The parties acknowledge that the security interest granted hereunder is a limited one, such that until such time, as any, that Lender has succeeded to ownership or control of the Property, and is able to convey the Property to Buyer consistent with the terms of the Contract, Lender shall have no right to receive any disbursement of the Escrow funds without the written consent of the Buyer.

(c) The Buyer and (to the extent applicable) the Seller authorize (and acknowledge the right of) the Lender to perfect any security interest created under this Agreement by filing financing statements which fully comply with the Wisconsin Uniform Commercial Code -- Secured Transactions. The Buyer and (to the extent applicable) the Seller further authorize (and acknowledge the right of) the Lender to file all necessary continuation statements, within the time prescribed by the Wisconsin Uniform Commercial Code -- Secured Transactions, in order to continue any security interest created by this Agreement.



(d) If, at any time, any of the information contained in any financing statement filed in connection with any security interests created by this Agreement, including, without limitation, the description of the collateral, shall change in such manner as to cause such financing statement to become misleading in any material respect or as may impair the perfection of the security interests intended to be created hereby, then the Lender shall promptly prepare an amendment to such financing statement as may be necessary to continue the perfection of the security interest intended to be created hereby, obtain the signatures of the debtor and secured party upon such amendment (if necessary), and file the same in any office where such amendment is required to be filed to continue the perfection of the security interest intended to be created hereby. The Seller shall pay all costs and expenses incurred in connection with the performance of the obligations set forth in this paragraph.

Section 2.05. Disbursement of Funds from Escrow Fund. (a) All moneys received or held by the Escrow Agent pursuant to the terms of this Agreement shall be disbursed by the Escrow Agent solely for the following purposes:

(i) upon transfer of the Property to Buyer, to Lender for the benefit of Seller to repayment of the Construction Loan, with any excess remaining following repayment of the Construction Loan to Seller;

(ii) if Lender has succeeded to ownership or control of the Property, upon transfer of the Property to Buyer, to Lender in satisfaction of the Purchase Price;

(iii) in the event the Contract is terminated pursuant to its terms, to the party or parties entitled to receive the Purchase Funds thereunder.

(b) All interest earned on the Escrow fund shall be paid to Buyer.

(c) The Escrow Agent is authorized and directed, without any further authorization or direction from any of the other parties to this Agreement, to disburse immediately moneys held in the Escrow Fund for the purposes and uses described in subsection (a) above.

### **ARTICLE III**

#### **Escrow Agent**

Section 3.01. Duties of Escrow Agent. (a) The Escrow Agent hereby accepts the duties and obligations hereby created, and agrees to perform and execute such duties and obligations upon the terms set forth in this Agreement.

(b) The Escrow Agent may perform the duties required of it hereunder by or through attorneys, agents, receivers or employees, and shall be entitled to the advice of counsel concerning all matters relating to its duties and obligations hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care. The Escrow Agent shall not be answerable for the exercise of any discretion or power under this Agreement, except only for its own willful misconduct or gross negligence.

(c) The Escrow Agent shall be entitled to payment and/or reimbursement by the Seller for reasonable fees for its services rendered hereunder, and all counsel fees and other

expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with such services; such fees shall not be paid from the Escrow Fund. The Seller agrees to indemnify and hold the Escrow Agent, its officers, employees, directors and agents harmless from and against any and all losses, costs, expenses, claims and liabilities whatsoever (including, without limitation, fees and expenses of attorneys) which may be imposed on, asserted against or incurred by the Escrow Agent related to or arising from the acceptance and performance by the Escrow Agent of its duties hereunder, except if caused by the willful misconduct or gross negligence of the Escrow Agent or any of its officers, employees, directors or agents, or otherwise resulting from any act or omission of the Escrow Agent or any of its officers, employees, directors or agents. The obligations of the Seller under this Section shall survive the termination or discharge of this Agreement.

(d) The Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, note, requisition or other paper or document which it, in good faith, believes to be genuine and to have been passed or signed by the proper board, body or person, or to have been prepared and furnished pursuant to any of the provisions of this Agreement, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements, and shall be protected and shall incur no liability in acting or proceeding in good faith in reliance thereon. The Escrow Agent, either as principal or agent, also engage in or be interested in any financial or other transaction with the Seller or Buyer or any entity related to such parties.

(f) The Escrow Agent may resign and be discharged of its duties and obligations hereunder by executing an instrument of resignation in writing specifying the date when such resignation shall take effect, and delivering the same to each of the other parties to this Agreement and not less than 15 days before the date specified in such instrument when such resignation shall take effect. Such resignation shall not take effect until such time as a successor to the Escrow Agent shall be appointed and shall have accepted such appointment.

(g) The Escrow Agent may be removed at any time upon 15 days' notice by an instrument in writing, appointing a successor, filed with the Escrow Agent so removed and executed jointly by the Seller and Buyer. Such removal shall not take effect until such time as the successor to the Escrow Agent so appointed shall have accepted such appointment.

(h) If the Escrow Agent shall resign, be removed or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or if for any other reason a vacancy shall forthwith and ipso facto exist in the office of Escrow Agent, a successor may be appointed by the Seller, with the consent of the Buyer. Within 15 days after any such appointment, the Seller shall cause written notice of such appointment to be given to each of the other parties to this Agreement.

(i) Every successor to the Escrow Agent appointed pursuant to the foregoing provisions shall be a trust company, a bank and trust company, or a national bank with trust powers, having a combined capital and surplus of at least \$25,000,000, if there be such a trust company, bank and trust company, or national bank willing and able to accept the trust on reasonable and customary terms.

(j) Any successor to the Escrow Agent appointed hereunder shall execute, acknowledge and deliver to the Buyer, the Seller and Lender an instrument accepting such

appointment, and thereupon such successor, without further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named "Escrow Agent" herein. Upon the written request of such successor, the Escrow Agent ceasing to act shall execute and deliver an instrument transferring to such successor all the estates, property, rights and powers hereunder of the Escrow Agent so ceasing to act, and the Escrow Agent so ceasing to act shall pay over to the successor all moneys and other assets at the time held by it hereunder.

(k) Any corporation, association or other entity into which the Escrow Agent may be merged or with which it may be consolidated, or any corporation, association or other entity resulting from any merger or consolidation to which the Escrow Agent is a party, shall be the successor to the Escrow Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

## **ARTICLE IV**

### **Miscellaneous**

Section 4.01. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 4.02. Article, Section and Paragraph Headings. The article, section and paragraph headings herein have been prepared for convenience only and are not part of this Agreement, and shall not be taken as an interpretation of any provision of this Agreement.

Section 4.03. Severability. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the party bound thereby to the full extent permitted by law.

Section 4.04. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Wisconsin.

Section 5.05. Notices and Other Communications. Any notice or other written communication required to be given pursuant to this Agreement may be delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return-receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission), addressed to the person to whom such notice or communication is to be given, at the following addresses:

If to Buyer: County of Dane, Wisconsin  
City-County Building, Room 421  
210 Martin Luther King Jr. Blvd.  
Madison, Wisconsin 53703  
Attn: Director of Workforce & Economic Development

If to Seller: Tree Lane Apartments, LLC  
208 South LaSalle Street  
Suite 1300  
Chicago, Illinois 60604

with a copy to: Reinhart Boerner Van Deuren S.C.  
1000 North Water Street, Suite 1700  
Milwaukee, Wisconsin 53202  
Attn: William Cummings

If to Escrow Agent: BMO Harris Bank N.A.  
115 South LaSalle Street, 20W  
Chicago, Illinois 60603  
Attention: Katherine B. Mazzocco

If to Lender: BMO Harris Bank, N.A.  
115 South LaSalle Street, 20W  
Chicago, Illinois 60603  
Attention: Katherine B. Mazzocco

Section 4.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 4.07. Amendments. This Agreement may not be amended except by an instrument in writing executed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, sealed and delivered as of the day and year first written above.

**BUYER:**

**DANE COUNTY, WISCONSIN,**  
a Wisconsin county and body corporate  
pursuant to Chapter 59 of the Wisconsin Statutes

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

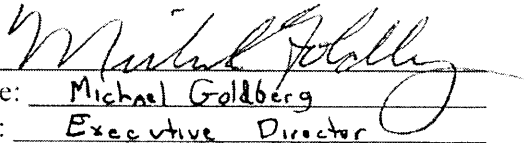
Attested by: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SELLER:**

**TREE LANE APARTMENTS, LLC,**  
a Wisconsin limited liability company

By: Tree Lane Apartments MM, LLC,  
Managing Member

By: Heartland Housing, Inc., Sole Member

By:   
Name: Michael Goldberg  
Title: Executive Director

**ESCROW AGENT:**

**BMO HARRIS BANK N.A.**

By: Katherine B. Mazzocco, VP  
Katherine B. Mazzocco, Vice President