

Date: 10/18/2022

From: James Stopple, Madison Property Management, Inc.

To: All Midtown Commons Unit Owners

Re: New Declarant and Board Members

Midtown Commons was developed by Declarant's Michael Fisher and Karl Madsen in 2001. At some time after that, Madsen and Fisher sold their Declarant rights and the development of Midtown Commons to Peter Frautschi. In late 2011, Peter Frautschi asked Madison Property Management, Inc. (MPM) to manage Midtown Commons.

In summer 2020, Peter Frautschie sold his last commercial lot and Declarant rights to Jcap Corporation of Eau Claire, WI. During the ensuing 12 months, I worked with Jcap to get there 260+ unit development project approved by the city of Madison.

Then, in mid 2021, Jcap decided to sell of their approved development project versus developing it.

In spring 2022, Jcap sold their 260+ Midtown development project and Declarant rights to RPP Midtown LLC of Chicago.

Now, RPP Midtown LLC has, as the Declarant of Midtown Commons Neighborhood Association, signed a Management Agreement with MPM to manage the Association and, pursuant to section 7.1 of the Midtown Commons Neighborhood Association Declaration of Bylaws, RPP Midtown LLC has named the following three individuals as members of the Board of Directors and officers of the Association:

- Alex Milanoski
- Greg Moyer
- Keith Fanelli

I have also attached a copy of the minutes of an October 14, 2022 meeting held by Declarant Greg Moyer, owner of RPP Midtown LLC for your reference.

For reference, below find Sections of the Declaration of Bylaws of Midtown Commons Neighborhood Association Inc.

5.4 *Transfer of Developer's Rights.* Developer retains the right to transfer all of Developer's rights under this Declaration, including the right to expand Mid Town Commons by the recording of a final plat of the Second Addition to Mid Town Commons. Such transfer shall be in the form of a written assignment duly executed and recorded by the Developer sufficient to transfer Developers rights under this Article V to the transferee named in such assignment.

6.2 *Notice of Election & Nomination.* During the month of July of each year the Association, by its then incumbent Board, shall nominate at least three and not more than five persons to serve on the Board. A list of the persons so nominated by the Board shall be mailed to all of the members at the address shown on the membership roster. The mailing shall be by ordinary U.S. Mail for first class delivery. The Board shall also include, as additional persons nominated to be on the Board of Directors, any person named in a written petition to place a person's name on the ballot duly signed by at least ten (10) members of the Association. Any such petition to nominate a person to be on the ballot must be filed with any member of the Board on or before June 30th of each year.

6.3 *Ballot Procedure.* The mailing described in §6.2 shall include a ballot form and return envelope. Each member shall be entitled to vote for up to three (3) persons to be on the Board of Directors. Any ballot which casts votes for more than three persons shall be wholly disregarded. The three nominees who obtain the most votes shall be elected to the Board. To be valid, a ballot must be either hand delivered to any incumbent Board member or be postmarked on or before August 31st.

6.4 *Term of Office.* Each member of the Board shall serve for a term of one (1) year commencing October 1st and ending September 30th.

6.5 *Alternative Meeting Procedure.* As a complete alternative to the mailed ballot procedure under §6.3, the Association may call an annual meeting of the members of the Association to be held during the month of September at a reasonable time and place determined by the Board. The Board shall cause a written notice of the annual meeting to be mailed to each member of the Association at least fifteen (15) days in advance of the meeting. Members may vote either in person or by written proxy filed with the Secretary of the Association at or before the time of the meeting. The purpose of each annual meeting shall be to elect directors nominated according to the procedures described in §6.2, or by nomination duly made and seconded at the time of the meeting, and to conduct such other business as may properly come before the membership. The election of directors at the meeting shall be conducted by written ballot, and the three (3) persons who receive the most votes shall be elected to the Board.

**ARTICLE VII:
DEVELOPER'S RETAINED CONTROL**

7.1 *In General.* Until the event of "turnover" of control of the Association under §7.3, Developer is and shall remain in complete control of the Association and its Board of Directors, and shall have the exclusive right to name and designate the members of the Board of Directors and all officers of the Association.

7.2 *Initial Board of Directors.* Until "turnover" of control under §7.3, the Association's Board shall consist of Michael J. Fisher, Karl C. Madsen and Richard V. Gibson. Until "turnover" under §7.3, any one or all of them may be removed by the Developer and different directors appointed by the Developer.

7.3 *Turnover of Control.* Developer shall turn over control of the Association to a Board duly elected by the members of the Association when the

Developer ceases to be the owner of any of the real estate described in §1.3. Developer may, in Developer's discretion, relinquish control of the Association to a Board elected by the members at any earlier time. The procedure for election of successor members of the Board shall be consistent with the provisions of Article VI, except the nomination and election may occur at any time.

7.4 *Transfer of Developer's Control.* Developer may transfer Developer's right of retained control to any successor developer by a written and recorded assignment. Any such assignment shall include the Developer's right to amend this Declaration under §8.5.

8.5 *Developer's Right to Amend.* Notwithstanding any other term or provision of this Declaration, or any restriction or amendment elsewhere set forth in this Declaration, Developer expressly retains the right to amend this Declaration and to amend the Bylaws of the Association at any time prior to turnover of Developer's control of the Association to an elected Board. Any such amendment shall be effective commencing upon the date of the recording of an instrument setting forth the text of the amendment, duly executed by the Developer.

On October 14, 2022, Greg Moyer, owner of RPP Midtown LLC and the Declarant of Midtown Commons Neighborhood Association, held a meeting for the purpose of appointing a Board of Directors of Midtown Commons pursuant to Section 7.1 of the declaration of bylaws of Midtown Commons Neighborhood Association, Inc.

Mr. Moyer then appointed the following as sole members and officers of the Board of Directors for the Association:

- Alex Milanoski
- Greg Moyer
- Keith Fanelli

Subsequent to the appointment of the members of the Board of Directors, a Board meeting was held

After discussion, a motion was made, seconded and unanimously approved to adopt the Midtown Commons Neighborhood Association budget below for 2023.

Midtown Commons Neighborhood Association / 2023 Operating Budget			
1./1/2022			
INCOME	2022 BUDGET	2022 ACTUAL 9/27/2022	2023 BUDGET
410501 Condo Fees (by Lot #)	42,000.00	42,007.55	43,510.42
480014 Misc. Income	-	955.61	
4650 INTEREST INCOME	-	0.32	
TOTAL INCOME	42,000.00	42,963.16	43,510.42
EXPENSE			
5150 BAD DEBT EXP	-	1,292.60	-
530104 Snow Removal	5,000.00	3,140.00	6,250.00
530102 Landscape	500.00	-	-
5350 Insurance	1,200.00	664.00	700.00
540001 Legal Fees	1,000.00	6,507.58	7,500.00
5424 Licenses/Fees	-	10.00	25.00
542401 Online Pmt Fees	20.00	27.10	100.00
5500 Management Fees	4,750.00	3,166.64	4,750.00
5700 Repairs & Maintenance	5,000.00	-	-
5760 Taxes	125.00	21.50	25.42
5400 Professional	160.00	170.00	160.00
5765 Trash Removal	13,000.00	8,284.04	13,750.00
577507 Water & Sewer	2,500.00	1,724.83	2,500.00
5850 Miscellaneous Expense	1,500.00	220.00	500.00
6150 Transfer to Reserves	7,250.00	5,437.85	7,250.00
TOTAL EXPENSE	42,005.00	30,666.14	43,510.42

There being no further business to come before the meeting, the meeting was adjourned.

Minutes were prepared by Manager, James Stoppole of Madison Property Management, Inc.

Attached find sections of the Declaration of Bylaws that deal with the budget.

Sections of the Bylaws dealing with the budget.

4.1 *In General.* The Association, acting by a majority vote of its Board of Directors, shall establish budgets and levy assessments as provided in this Article IV.

4.2 *Annual Budget.* On or before October 31st of each year the Board shall adopt a budget of estimated expenses for the calendar year next following adoption of the budget. The budget shall include reasonable reserves to anticipate unforeseen or unexpected expenses, and further reserves to establish a fund to anticipate future maintenance and repair obligations in connection with the alleys and any telecommunications or broadband services provided by the Association. On or before November 15th of each year a true copy of the budget as so adopted shall be mailed to the record owner of each lot of Mid Town Commons subject to assessment at such owner's last known address on the books and records of the Association, together with a notice of the amount of the assessment against such owner calculated as provided in §4.3.

4.6 *Due Date of Assessments.* All assessments levied against the owner of each lot are fully due and payable to the Association on or before January 15th of each year. Assessments not paid in full on or before January 30th of each year shall accrue simple interest at the rate of eighteen percent (18%) per annum calculated from January 1st until the entire assessment is fully paid and satisfied. The amount of such assessment shall be the personal obligation of each lot owner of record as of January 1st of each year. Any unpaid assessment together with interest accrued thereon shall also constitute a lien from and after the recording of a Notice of Lien as set forth in §4.8.