

BY-LAWS OF
WATER STREET LOFTS CONDOMINIUM ASSOCIATION, INC.

(a nonstock, not for profit corporation)

ARTICLE I
Introduction

A. Adoption. These By-Laws are adopted as the By-Laws of the Water Street Lofts Condominium Association, Inc.

B. Applicability. These By-Laws, together with the Articles of Incorporation of the Association, the Declaration for Water Street Lofts Condominium ("Declaration"), and the Wisconsin Condominium Ownership Act ("**Act**"), Chapter 703 of the Wisconsin Statutes as the same may be amended, renumbered or renamed from time to time, shall be applicable to and govern and control the property which is part of Water Street Lofts Condominium ("**Condominium**") and all present and future Unit Owners, mortgagees, lessees, and occupants of Units and their successors and/or assigns and any other persons who may use the facilities of Condominium. The acceptance of a deed of conveyance or a mortgage or the entering into a land contract or lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, these By-Laws and any Rules and Regulations, and as they may be amended from time to time, are accepted, ratified, and that they will comply with them.

These By-Laws shall be deemed covenants running with the land and shall be binding on the Unit Owners, their heirs, administrators, personal representatives, successors and assigns.

ARTICLE II
Name, Address and Purpose

The name of the Corporation is Water Street Lofts Condominium Association, Inc., a Wisconsin nonstock, not for profit corporation ("**Association**"). The initial principal office of the Association shall be 200 S. Water Street, Milwaukee, Wisconsin 53204. The Association may have offices at such other places as the Board of Directors ("**Board**") of the Association may from time to time determine. The purpose of the Association is to govern the affairs of the Condominium as provided in the Act, subject to the terms and conditions of the Declaration for Water Street Lofts Condominium.

ARTICLE III Definitions

The terms used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context otherwise requires.

ARTICLE IV Members, Voting and Meetings

A. Membership and Voting Rights.

1. Membership. Each Unit Owner upon acquiring title to a Unit under terms of the Declaration shall automatically become a member of the Association and shall remain a member of the Association until such time as the ownership of such Unit ceases for any reason, at which time the membership in the Association shall automatically cease. Each membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically upon conveyance of that Unit. Membership in the Association may not be transferred, except in connection with the transfer of a Unit. Upon transfer of a Unit, the Association shall, as soon as possible thereafter, be given written notice of such transfer, including the name and current mailing address of the new Unit Owner, identification of the Unit, date of transfer, name of the person designated to vote, and any other information about the transfer which the Association may deem pertinent, and the Association shall make appropriate changes to the Membership Roster effective as of the date of transfer.

2. Voting Rights. There shall be one (1) vote in the Association for each Residential Unit owned by a member, including Residential Units owned by Declarant. If more than one (1) person holds title to a Residential Unit, the membership related to that Residential Unit shall be shared by such persons in the same proportionate interests and by the same type of tenancy in which the title to the Residential Unit is held; however, such persons shall designate one (1) person ("**Designated Voter**") to cast the vote appurtenant to that Residential Unit. Voting rights may not be split, and shared membership interests must be voted by the Designated Voter for the Residential Unit. A Parking Unit Owner who does not also own a Residential Unit shall not have any voting rights in the Association.

3. Membership Roster. Every Unit Owner shall furnish the Association with the name(s) of the Unit Owner and a current mailing address, the Unit number and the name of the Designated Voter for the Unit. No vote may be cast at meetings of the Association for any Residential Unit until such information is furnished by the Residential Unit Owner. The Association shall maintain a current Membership Roster showing the Unit Owner of each Unit, the Unit Owner's mailing address, and the Designated Voter where applicable. In the event a Unit Owner changes the Unit Owner's mailing address, the Unit Owner shall notify the Association in writing of such change. A Designated Voter may be changed by written notice delivered to the Secretary of the Association. Said written notice must be signed by a majority of the persons having ownership interest in the Residential Unit. In the event the Association files a Statement of Condominium Lien on a Unit for

failure to pay assessments or other expenses, the Unit Owner, and their Designated Voter if applicable, shall be prohibited from voting at any membership meeting unless and until the amount necessary to release that lien has been paid at the time of the membership meeting.

B. Quorum and Proxies for Members' Meetings. A quorum for members' meetings shall exist if more than fifty percent (50%) of the Residential Units are represented at the meeting, in person or by proxy. Votes may be cast in person or by proxy in accordance with designations in the Membership Roster. Except as otherwise provided herein, the act of a majority of votes present in person or by proxy at any meeting at which a quorum is present shall be an act of the members. Proxies shall be valid only for a maximum period of one hundred eighty (180) days following issuance of same, unless sooner revoked, and must be filed with the Association at least twenty-four (24) hours before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

C. Time, Place, Notice, and Calling of Members' Meetings. Written notices of all meetings, annual and special, stating the time and place within the State of Wisconsin, and the purpose for which the meeting is called shall be given by the President or Secretary of the Association (unless waived in writing by all members) to each member at the member's address as it appears on the Membership Roster of the Association and shall be mailed or personally delivered not less than ten (10) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings. Meetings shall be held at such time and place as may be designated by the Board of Directors, within the State of Wisconsin.

D. Annual and Special Meetings. The annual meeting shall be held on the third (3rd) Tuesday of January each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President or any two (2) members of the Board of Directors and must be called by such officer upon receipt of a written request signed by members with one-third (1/3) or more of all votes entitled to be cast. No business shall be transacted at a special meeting except as stated in the notice unless consented to by four-fifths (4/5) of the members present at such meeting, either in person or by proxy.

E. Method of Conducting Meetings. All membership meetings will be conducted in accordance with the then current edition of Robert's Rules of Order. The President shall preside at all membership meetings and the Secretary shall record the resolutions passed at such meetings. Two (2) non-board members appointed by the President shall count the votes at membership meetings. The order of business at all meetings of the Association shall be as follows:

1. Roll call.

2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes of preceding meeting.
4. Reports of officers.
5. Reports of committees.
6. Election of directors (when applicable).
7. Unfinished business.
8. New Business (Annual meetings only; unless consented to at Special meeting).

ARTICLE V

Board of Directors

A. Initial Board of Directors. The initial Board of Directors shall consist of three (3) persons, appointed by Declarant from time to time, who need not be members of the Association, to serve until control of the Association passes to the Unit Owners pursuant to the terms of the Declaration and these By-Laws.

B. Unit Owners Interim Election of Directors. Notwithstanding the foregoing, prior to the conveyance of 25% of the Common Elements by the Declarant to purchasers, a special meeting of the Association shall be called, at which time Residential Unit Owners other than Declarant shall elect at least 25% of the Board of Directors, and prior to the conveyance of 50% of the Common Elements by the Declarant to purchasers, an Association meeting shall be held and the Residential Unit Owners other than Declarant shall elect at least 33-1/3% of the Board of Directors.

C. Number and Qualifications of Directors. After control of the Association passes to the Unit Owners pursuant to the terms of the Declaration, the Board of Directors shall consist of three (3) persons, to be classified with respect to the terms for which they severally hold office as set forth in paragraph E below. Each Director shall be a member of the Association; or, in the event that such member of the Association is not a natural person, the appointee of such member of the Association. Not more than one of the Directors may be a non- Residential Unit Owner.

D. Powers and Duties of the Board of Directors. The affairs of the Association, including management and operation of the Condominium property, shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws. The Board of Directors may, to the extent it deems advisable, contract for management services or a managing agent with respect to the administration and operation of the Condominium. However, any such contract shall include a provision that the contract may be terminated by the Association, without penalty, upon sixty (60) days prior written notice at any time after the Declarant's right to control the Association terminates as provided in Article VII of these By-Laws. The Board of Directors may hire such other personnel as it shall determine for the proper operation of the Condominium. Such powers and duties shall be exercised in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws.

The Board of Directors may borrow money for and on behalf of the Association as it deems advisable and necessary for the operation of the Association and may pledge, mortgage or grant security interests in the assets of the Association or Condominium; provided, however, that the Board of Directors may not borrow, and may not pledge, mortgage or grant a security interest in the Common Elements or Limited Common Elements without the prior approval of a majority of the members of the Association given at a regular or special meeting of the members. The Board of Directors may acquire and convey property, both real and personal, tangible and intangible, of any kind or nature for and on behalf of the Association as it deems advisable and necessary for the operation of the Association. All such property shall be titled in the name of the Association. The Board of Directors may not acquire or convey property with a cost of more than One Thousand Dollars (\$1,000.00) without the prior approval of a majority of the members of the Association given at a regular or special meeting of the members.

E. Election and Terms of Directors. Not later than forty-five (45) days after Declarant relinquishes control of the Association, the members shall hold a meeting and elect three (3) directors to hold office until the next annual meeting of the members of the Association. At the first annual meeting of the Association after control passes to the Unit Owners, the members shall elect three (3) directors to be classified with respect to the terms for which they hold office as follows:

One (1) director whose terms will expire after one (1) year (at the next future annual meeting of the Association).

One (1) director whose term will expire after two (2) years (at the second future annual meeting of the Association).

One (1) director whose term will expire after three (3) years (at the third future annual meeting of the Association).

The successors to the directors whose terms expire as set forth shall be elected to hold office for a term of three (3) years or until their successors are duly elected and qualified or until any of said directors shall have been removed in the manner hereinafter provided, so that the term of one director shall expire in each year.

F. Vacancies on Board. Vacancies on the Board of Directors caused by any reason other than removal of a director by a vote of the members shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members at which that class of directors is to be elected.

G. Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the members present or represented at such meeting providing a quorum is in

attendance, and a successor may then and there be elected to fill the vacancy thus created.

H. Initial Directors Meeting. The first meeting of a Board, after one or more Directors have been newly elected, shall be held within ten (10) days of such election at such place as shall be fixed by the Directors at the meeting at which such Directors were newly elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

I. Regular Meetings and Notice. A regular annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members. Notice of the regular annual meeting of the Board of Directors shall not be required.

J. Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President or by two (2) directors on three (3) days prior written notice to each director, given personally or by regular mail, which notice shall state the time, place and purpose of the meeting.

K. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver by such director of notice of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

M. Liability of Directors. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as a director of the Association, if such person (a) exercised and used the same degree of care and skill as a prudent person would have exercised or used under the circumstances in the conduct of his or her own affairs or, (b) took or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by an officer or employees of the Association which he or she had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he or she may be entitled as a matter of law. The Board of Directors may provide directors' liability insurance in such amounts and with

such coverage as may be determined by the Board of Directors to be necessary or advisable from time to time.

N. Compensation. No director of the Association shall receive any fee or other compensation for services to the Association except by specific resolution of the membership.

ARTICLE VI

Officers

A. Designation, Election and Removal. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, to be elected annually by the Board of Directors. 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 or her successor shall be elected at the regular meeting of the Board of Directors, or at any special meeting called for that purpose. Any two or more offices, except a combination of the offices of President and Secretary and a combination of the offices of President and Vice-President, may be held by the same person.

B. President. The President shall be selected from among the members of the Board of Directors and shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all the general powers and duties which are usually vested in the office of the President, including, but not limited to, the power to sign, together with any other officer designated by the Board, any contracts, checks, drafts or other instruments on behalf of the Association in accordance with the provisions herein. The President shall also perform such duties and have such authority as are delegated by the Board of Directors.

C. Vice-President. The Vice-President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice-President are unable to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

D. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the Association; keep and maintain the Membership Roster; have charge of the Association's books and records; and shall, in general, perform all duties incident to the office of the Secretary.

E. Treasurer. The Treasurer shall have responsibility for the Association's funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and financial records and books of account on behalf of the Association. He or she shall be responsible for the deposit of all monies and all valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also be responsible

for the billing and collection of all common and special charges and assessments made by the Association.

F. Liability of Officers. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as an officer of the Association, if such person (a) exercised and used the same degree of care and skill as a prudent person would have exercised or used under the circumstances in the conduct of his or her own affairs or, (b) took or omitted to take such action in reliance upon advice of counsel for the Association or upon statements made or information furnished by an officer or employees of the Association which he or she had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he or she may be entitled as a matter of law. The Board of Directors may provide officers' liability insurance in such amounts and with such coverage as may be determined by the Board of Directors to be necessary or advisable from time to time.

G. Compensation. No officer of the Association shall receive any fee or other compensation for services to the Association except by specific resolution of the membership.

ARTICLE VII Declarant Control

Notwithstanding any other provisions contained in these By-Laws, Declarant, its successors and assigns, shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association and to amend the By-Laws or rules and regulations of the Association until the earlier of: (a) three (3) years from the date of the first conveyance of a Unit by Declarant to any person other than Declarant; (b) thirty (30) days after the conveyance of seventy-five percent (75%) of the Common Elements to purchasers by Declarant; or, (c) such earlier time as may be determined by Declarant, subject in each case to the provisions of the Act. Each owner of a Unit in the Condominium shall be deemed, by acceptance of the deed to a Unit, to agree, approve and consent to the rights of Declarant to so control the Association.

ARTICLE VIII Operations of the Property

A. The Association. The Association, acting through the Board of Directors, shall be responsible for administration, maintenance, management and operation of the Condominium property, in accordance with the Act, the Declaration, the Articles of Incorporation and these By-Laws.

B. Rules and Regulations. The Association, through the Board of Directors, may from time to time adopt rules and regulations governing the operation, maintenance and use of the Units and the Common Elements and facilities by the Unit Owners and occupants. Such Rules and Regulations of the Association shall be consistent with the terms of the Declaration or the contracts, documents and easements

referred to in the Declaration and shall be designed to prevent unreasonable interference with the use of the respective Units and the Common Elements and facilities by persons entitled thereto. The Association members, their lessees or guests, and any occupants of the Units shall conform to and abide by all such Rules and Regulations. A violation of any such Rules or Regulations shall constitute a violation of the Declaration and these By-Laws. The Rules and Regulations may be adopted, altered and amended or repealed by either the members of the Association or the Board of Directors, in each case by an affirmative vote of sixty-seven percent (67%) or more of the votes present or represented at a meeting at which a quorum is in attendance, provided that no rule or regulation adopted by the members shall be amended or repealed by the Board of Directors if the rule or regulation so adopted so provides. The Association through its Board of Directors shall designate such means of enforcement as it deems necessary and appropriate including fines, penalties and/or special assessments ("fines"). Any such fines shall be deemed liquidated damages for breach of the Rules and Regulations of the Association which are accepted by Unit Owners upon becoming members of the Association. Any such fines shall be deemed to be assessments in the same manner as common expenses.

C. Common Expenses. The Board of Directors shall determine the common expenses of the Association and shall prepare an annual operating budget for the Association in order to determine the amount of the common charges payable by each Unit to meet the estimated common expenses of the Association for the ensuing year. A portion of the general annual assessment may be allocated to and assessed among Unit Owners owning boat slip rights. Except for any portion related to any separate assessments for boat slips, the amounts required by such budget shall be assessed and charged against the Units and allocated among the members of the Association according to their respective percentages of ownership in the Common Elements of the Condominium as set forth in the Declaration. The portion of the general annual assessment related to boat slip rights may be charged on a per slip basis. The common charges shall be prorated and paid monthly to the Association on or before the first (1st) day of each month. If not paid on or before the due date, the charges shall bear interest at the rate of twelve percent (12%) per annum until paid in full. All assessments until paid, plus all accrued interest and actual costs of collection, including actual attorney's fees, shall constitute a lien on the Units on which they are assessed.

D. Operating Budget. The annual operating budget shall provide for two (2) funds, one of which shall be designated the "operating fund" and the other the "reserve fund". The operating fund shall be used for all common expenses which occur with greater than annual frequency, such as amounts required for the cost of maintenance of the Common Elements and Limited Common Elements, management services, insurance, common services, administration, materials and supplies. The reserve fund shall be used for contingencies and periodic expenses such as painting or renovation. In the event the Association incurs extraordinary expenditures not originally included in the annual budget, then such sums as may be required in addition to the operating fund shall be first charged against the reserve fund. In the event that both funds prove inadequate to meet the necessary common expenses, the directors may levy a further assessment equally against each Unit Owner in proportion to their percentage interests in the Common Elements,

unless such special assessment relates to Limited Common Elements, in which case the special assessment may be prorated and allocated to the Unit Owners of the Units to which the affected Limited Common Elements are assigned or appurtenant..

E. Reserve Fund. The reserve fund may also be used to discharge mechanics liens or other encumbrances levied against the Condominium or against each Unit, if resulting from action by the Association. The Unit Owner or Owner's responsibility for any lien that is paid by the Association but not the obligation of the Association shall be specially assessed for the full amount thereof. The directors may also use the reserve fund for the maintenance and repair of any Unit if such maintenance and repair, although the obligation of the Unit Owner, is necessary to protect the Condominium. The full amount of the cost of any such maintenance or repair shall be specially assessed to the Unit Owner responsible therefore.

F. Annual Budget - Preparation and Review. The annual budget shall be prepared and determined by December 10 of each calendar year. The Board of Directors shall advise all members of the Association in writing of the amount of common charges payable on behalf of each Unit by the date of the annual members' meeting and shall furnish copies of the budget on which such common charges are based to each member. If within fifteen (15) days after the annual membership meeting a petition is presented to the Board of Directors protesting such charges or the budget upon which they are based, and the petition is signed by members representing more than fifty percent (50%) of the membership entitled to vote, then the directors shall notify all members of the meeting called for the sole purpose of reviewing such charges or budget. At such meetings, the vote of more than fifty percent (50%) of the membership entitled to vote may revise the budget and charges and such revised budget and corresponding charges shall replace for all purposes the ones previously established; provided, however, that the annual budget and charges (except contributions to the reserve fund) may not be revised downward to a point lower than the average total budget for the preceding two (2) years. If a budget and charges have not been established and made for any two (2) preceding years, then the annual budget and charges (except contributions to the reserve fund) may not be revised downward until two (2) years of experience exist.

G. Defaults and Liens. If a member of the Association is in default in the payment of any charges, expenses, assessments, and/or fines, ("**assessments**") for a period of more than thirty (30) days ("**delinquent**"), the Association may accelerate the entire amount of the annual common charges and any other assessments remaining unpaid with respect to such delinquent member and the member's Unit for purposes of collection and/or enforcement of the lien against the Unit for all such unpaid charges. All assessments until paid plus all accrued interest and actual costs of collection, including but not limited to actual attorney's fees incurred in connection with such collection, shall constitute a lien on the Units on which they are assessed if a Statement of Condominium Lien as provided in the Act is filed in the land records of the Clerk of the Circuit Court of Milwaukee County, Wisconsin within two (2) years after the assessment becomes due. If a member of the Association is delinquent, the member, the member's family, lessees and guests may be prohibited from using the recreational facilities located on the Common Elements until all delinquent assessments have been paid. All matters concerning

collection of assessments shall be administered by the Board of Directors. If any member of the Board of Directors is delinquent, the delinquent member shall not be allowed to vote on any matters concerning the collection of such delinquent assessments. If the number of delinquent members of the Board of Directors is such that the remaining members do not constitute a quorum for purposes of taking any collection action, the non-delinquent member(s) shall be able to take any action deemed advisable even though such member(s) may constitute less than a quorum. In addition to any other action authorized for collection of assessments as provided in the Act, any member of the Board of Directors who is delinquent may be removed from office by a vote of a majority of the non-delinquent member(s) of the Board of Directors even though such member(s) constitute less than a quorum.

ARTICLE IX

Repairs and Maintenance

A. Individual Units. Each Unit Owner, at such Unit Owner's sole expense, shall be responsible for keeping the interior of such Unit Owner's Unit and all of its equipment and fixtures in good, clean and attractive condition, order and repair, and shall be responsible for interior decorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the Unit Owner's Unit. Each Unit Owner must perform properly or cause to be performed all maintenance and repair work within such Unit Owner's Unit which, if omitted, would affect other Unit Owners and such Unit Owner shall be personally liable to the Association or to other Unit Owners, as the case may be, for any damages caused by such Unit Owner's failure to do so. Without in any way limiting the foregoing, in addition to decorating and keeping the interior of the Unit in good repair, each Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, doors and windows (including washing and replacement of broken glass), screens and screening, lighting fixtures, refrigerators, ranges, microwave ovens, heating and air conditioning equipment, including appurtenant compressor and equipment, dishwashers, disposals, laundry equipment such as washers and dryers, interior electrical wiring and fixtures, doorbells or other fixtures and equipment which may be in, or connect with, the Unit or the Limited Common Elements appurtenant to such Unit Owner's Unit. A Unit Owner may not change the exterior appearance of a Unit or of any other portions of the Condominium without the permission of the Board of Directors.

B. Common Elements and Facilities and Limited Common Elements. The Association shall be responsible for the management and control of the Common Elements and facilities and Limited Common Elements and shall cause the same to be kept in good, clean and attractive condition, order and repair, except to the extent Unit Owners are responsible for the routine cleaning of Limited Common Elements as provided in paragraph C below. All expenses of such maintenance shall be a common expense of the Association except for any expenses related to Limited Common Elements, in which case such expenses shall be allocated and charged to the Unit Owners of the Units to which the affected Limited Common Elements are appurtenant or assigned.

C. Unit Owner's Responsibility as to Limited Common Elements. Each Unit Owner shall, at the Unit Owner's sole expense, be responsible for the routine cleaning of the Limited Common Elements appurtenant or assigned to such Unit Owner's Unit. No objects or structures, other than movable furniture or decorative pieces, shall be placed upon the Limited Common Elements without the prior written consent of the Board of Directors of the Association. Each Unit Owner shall have the right to decorate the Limited Common Area appurtenant exclusively to such Unit Owner's Unit in a nonstructural manner provided that decorations which are visible to other Units or to the public shall have the prior written approval of the Board of Directors.

D. Disputes. In the event of any dispute between two or more Unit Owners including, but not limited to, use or maintenance of a Common Element or Limited Common Element, such dispute shall be submitted to the Board of Directors of the Association and the determination of a majority of the Board shall be final and binding upon such Owners.

E. Association Services. The Association may provide any service or maintenance requested by a Unit Owner with respect to individual Units or Limited Common Elements that the Association is able and willing to provide or perform and shall specially assess such requesting owner therefore.

ARTICLE X

Duties and Obligations of Unit Owners

A. General. The Units, and the Common Elements and facilities and Limited Common Elements, shall be occupied and used in accordance with the Declaration, the Articles of Incorporation, these By-Laws and any Rules and Regulations of the Association adopted by the Board of Directors.

B. Initial Rules and Regulations. The initial Rules and Regulations of the Association are as follows:

1. Use of Residential Units. No Unit Owner shall occupy or use a Residential Unit or the Limited Common Elements appurtenant thereto, or permit the same or any part thereto to be occupied or used for any purpose other than as a private residence for the Unit Owner, the Unit Owner's family or the Unit Owner's lessees or guests and (but not or) for such additional non-residential uses as are permitted under the Declaration and the laws, ordinances and regulations of the City of Milwaukee, Milwaukee County, State of Wisconsin and the Wisconsin Department of Natural Resources.

2. Use of "Live/Work" and Parking Units. No Unit Owner shall occupy or use a non-"live/work" Unit or the Limited Common Elements appurtenant thereto, or a Parking Unit, or permit the same or any part thereto to be occupied or used for any purpose other than as permitted under the Declaration and the laws, ordinances and regulations of the City of Milwaukee, Milwaukee County and the State of Wisconsin.

3. Wiring. No radio, C.B., television, satellite dish or other antenna or any wiring for any purpose may be installed on the exterior of the Building, except that necessary for common service to members and/or with Association prior written approval. The Association may grant approval upon such terms and conditions it deems appropriate. Such approval may be withheld by the Association arbitrarily.

4. Signs. Except for sales signs placed by Declarant, no sign, advertisement, notice or other lettering that is visible from outside the Unit shall be exhibited, inscribed, painted or affixed by any Unit Owner on any part of the outside or inside of the Units or Building without the prior written consent of the Association. The Association may consent upon such terms and conditions it deems appropriate. Such consent may be withheld by the Association arbitrarily.

5. Obstruction. The hallways, stairs, sidewalks, entrances and any other walkways or passageways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Units and the Building. All Common Elements shall be used only for their intended purposes. No article belonging to Unit Owners shall be kept in or on the Common Elements except as otherwise provided with respect to Limited Common Elements and such areas shall at all times be kept free of obstruction.

6. Wash Lines. No wash lines of any kind will be maintained outside a Unit.

7. Window Coverings. The exterior face of all window coverings, whether fabric or other material, must be of a color and type approved in writing by the Association in order to maintain uniformity of appearance from the outside of the Building. This includes, but is not limited to, drapes, curtains, blinds, or shades.

8. Garbage. Garbage shall be separated for purposes of recycling and deposited in the appropriate containers supplied by the Association in the areas designated by the Association for that purpose.

9. Grills. Every Unit Owner who uses an outdoor grilling equipment on their balcony or the roof deck area is required to have a fire extinguisher located on or near the grilling equipment. Near shall be defined as within ten (10) feet of the equipment when said equipment is used. Unit Owners shall operate grilling equipment in a safe and responsible manner thereby controlling the fire, smoke and odors so as not to disturb their neighbors or to create a fire hazard. The Association reserves the right to further limit, restrict or eliminate the use of grilling equipment in the future.

10. Pets. No dogs shall be permitted other than one (1) dog under 50 pounds owned by a Unit Owner at the time of the purchase of a Unit from Declarant or a subsequent Unit Owner, which shall not be replaced if such dog dies or is lost. Dogs and cats shall be the only animals kept in any Unit. No dog or cat shall be permitted outside a Unit unless on a leash and within the control of a person. Owners are responsible for the behavior of their pets and their handlers.

11. Rooftop and Recreation Facilities. The rooftop and recreation facilities are governed by the following regulations:

- a. The Association reserves the right to open or close such areas at any time, in its sole discretion.
- b. The hours of use of such areas shall be as established by the Association.
- c. Unit Owners will be held responsible for all actions of their guests and their children.
- d. No abusive or profane language or breach of the peace will be tolerated.
- e. No pets are allowed in these areas.
- f. Children under ten (10) years of age must be accompanied by an adult or responsible party fourteen (14) years of age or older.

12. Disturbances. No Unit Owner may make or permit any disturbing noises in the Building whether made by the Unit Owner or the Unit Owner's family, friends, servants, or pets, or permit anything to be done by such persons that will interfere with the rights, comforts and conveniences of other Unit Owners.

13. Children. The activities and behavior of all children when upon the Condominium property shall be regulated by an adult, including physical supervision where necessary. The Board of Directors, or their designated representatives, shall, at all times, have the authority to reasonably require that the Unit Owner, lessee, guest, or other adult who is responsible for a particular child, remove him or her from any Common Element if the child's conduct is such that they believe this action is necessary for safety or to preserve the rights, comforts and convenience of other Unit Owners.

14. Leasing. The rental or lease of a Unit shall be for a period not less than one hundred eighty (180) days. All lessees must be registered with the Association or its agent. All leases must be in writing, have a copy of By-Laws and Rules and Regulations of the Association attached and contain a provision that the Lessee shall abide by the Declaration, By-Laws and Rules and Regulations of the Association as they exist and may be amended from time to time. Any Unit Owner leasing the Unit shall be responsible for all costs, including attorney's fees and disbursements of the Association, in enforcing the Declaration, By-Laws and Rules and Regulations against any Lessee. Any lease shall prohibit subletting or assignment by Lessee. To prevent the overcrowding and/or overuse of the rooftop and recreational facilities of the Condominium, leases shall convey all of the interest of the Unit Owner in the Unit, Common Elements and Limited Common Elements during the term of the lease. No rooms in any Unit may be rented and no transient tenants may be accommodated.

15. Increase of Insurance Rates. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would increase the rate of insurance on the premises or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any government body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Unit Owner or any invitee of any Unit Owner, and each Unit Owner shall indemnify and hold the Association and the other Unit Owners harmless against all loss resulting from such damage or waste caused by a Unit Owner or a Unit Owner's family, guests, invitees or lessees to the Association or the other Unit Owners.

16. Fire Protection. Smoke alarms shall be maintained in such areas of each Unit as may be directed by local ordinance or the Rules and Regulations of the Association and Unit Owners shall not store flammable liquids in any area of the Unit or Common Elements.

17. Noxious Activity. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Elements or in the Limited Common Elements as may become any annoyance or nuisance (including the use of audio equipment, musical instruments, televisions, or radios at such time or in such volumes of sound as to be objectionable) to any other Unit Owner or to any other person at any time lawfully occupying any Unit.

C. Conflict. The above Rules and Regulations and those which may be hereafter adopted by the Association are in addition to the Declaration and contracts, declarations and easements set forth in the Declaration and, in the event of a conflict, the Declaration and the contracts, declarations and easements set forth and referenced therein shall govern.

D. Enforcement of Rules. Any violation of these Rules and Regulations are to be reported promptly in writing to the Board of Directors.

1. Fines. A violation of any of the Rules and Regulations of the Association, as passed by the Board of Directors, may result in a fine being assessed against the Unit Owner and/or the Unit Owner's lessees, up to a maximum fine of \$500.00 for each separate violation. The fines shall be determined by the Board of Directors of the Association. Notification of the imposition of any fine shall be made by certified mail to the party involved. In the event of an imposition of a fine, the Unit Owner and/or lessee against whom the fine has been assessed, may petition the Board of Directors of the Association, on or before the date of the next regularly scheduled meeting of the Board of Directors, for the removal of, or the reduction of, the fine, and that Unit Owner or lessee may present evidence at that time to the Board of Directors. After the evidence has been presented, the Board of Directors shall make a final determination in the matter, and any fine so determined, shall be due and payable within thirty (30) days of the date of that meeting. In the event that the Unit Owner

and/or lessees do not petition the Board of Directors, as required under this paragraph, the fine, as assessed by the Board of Directors, shall be due and payable within ten (10) days of the date of the notification to the party involved, as required by this paragraph. Any fine under this paragraph shall be a lien against the Unit in which the party fined has an interest. Any fine under this paragraph shall be collectible by the Association in the same manner and under the same terms as any assessments against Units pursuant to Article VIII of the By-Laws of the Association. The Board of Directors may fine Unit Owners and/or lessees under this paragraph for violation of the Declaration, Articles of Incorporation, By-Laws, and/or Rules and Regulations of the Association.

2. Use Restrictions. In addition to imposing a money penalty, the Board of Directors may exclude any person from the use of the rooftop or recreation facilities. Where any person not a permanent resident in the Condominium creates any disturbance or grounds for belief exist that such person may create a disturbance or commit an act of vandalism, such guest or person may be excluded from the Building or the common areas. Unit Owners or their lessee shall take all necessary action to immediately assist in such removal and/or exclusion. The Board of Directors shall have full authority to impose any sanctions necessary or appropriate to assure compliance with this rule. When it is not possible for a majority of the Board of Directors to convene, any director may issue any order necessary on behalf of the Board and such order shall be the order of the Board until such time as the Board shall act in the matter.

3. Board of Directors' Orders. Failure to obey such an order shall be deemed a violation of these rules and subject Unit Owner or lessee to the penalties and sanctions herein provided for. In all cases affecting the common areas, the Board of Directors shall have broad authority to take effective action and such authority shall extend to any and all situations irrespective of whether a specific rule exists to cover such situation. In all such cases, all residents shall be required to obey an order of the Board of Directors or any order issued by a director until the Board of Directors shall act further in the matter. In any case where an order is issued by any on director, the right of appeal to the full Board of Directors shall exist but such order shall be obeyed until the matter can be heard by the full Board of Directors. The Board of Directors shall conduct a hearing on the matter as soon as is practical.

4. Waiver or Variance. A variance or waiver of any rule, due to special or extraordinary circumstance, may be granted by the Board of Directors upon written request by a Unit Owner. Such variance or waiver shall be granted in writing and may be revoked by sixty-seven percent (67%) of the Unit Owners at any special or general meeting.

5. Violations subject to Penalty. Each separate occurrence or each day that any of these rules are violated shall subject the violator to the penalty or penalties prescribed in these rules. In the event any Unit Owner or lessee is duly notified to appear at a meeting of the Board of Directors on a complaint for the alleged infraction of any rule or rules, such failure to appear may be deemed by the Board of Directors may proceed to assess an appropriate penalty or take other appropriate action.

6. Collection of Fines. All penalties or other fees assessed by the Board of Directors on these rules shall be deemed to be fees for the maintenance of the common areas and collectible in the same manner as monthly maintenance fees are collected. In the event such fees are not paid in thirty (30) days, the amount assessed shall be a lien on the property interest of the owner which lien may be collected or foreclosed. The collection procedures herein provided for are in addition to all others provided for by law.

ARTICLE XI

General

A. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December in each year unless a different fiscal year is elected on the first annual tax return filed by the Association.

B. Address. The mailing address of the Association shall be c/o Bieck Management, Inc., 5205 N. Ironwood Road, Glendale, Wisconsin 53217 until such time as a new mailing address may be designated by the Association. The Association may have other offices at such other places as the Board of Directors may from time to time determine.

C. Seal. The Association shall have no corporate seal.

ARTICLE XII

Amendments

A. By Members. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the members at any meeting called for such purpose by the affirmative vote of Unit Owners having sixty-seven percent (67%) or more of the votes in the Association. No such alteration, amendment, repeal or adoption (unless merely technical or clarifying in nature) shall be effective unless the Association has received the written consent to such action from at least fifty-one percent (51%) of the eligible mortgagees of Units in the Condominium. An eligible mortgagee is a first mortgage holder who has filed a written request with the Association that such mortgagee be notified in advance, along with the Unit Owners, of any such proposed actions requiring the consent of Unit Owners. Each eligible mortgagee shall be entitled to one (1) vote for each Unit on which it holds a mortgage.

B. Rights of Declarant. No amendment of these By-Laws shall alter or abrogate the rights of Declarant as contained in these By-Laws.

ARTICLE XIII

Miscellaneous

A. Record of Ownership. Every Unit Owner shall promptly cause to be duly recorded on files of record, the deed, lease, assignment or other conveyance to the Unit Owner of such Unit or other evidence of the title thereto and shall file such lease with, and

present such other evidence of the Owner's title to the Board of Directors and the Secretary shall maintain all such information in the Membership Roster of Association.

B. Mortgages. Any Unit Owner who mortgages such Unit Owner's Unit or any interest therein shall notify the Association of the name and address of such Unit Owner's mortgagee, and also of any release of such mortgage, and the Association shall maintain all such information in the Membership Roster of the Association.

C. Indemnity of Officers, Directors and Employees. Every person who is or was a director or an officer of the Association (together with the heirs, executors and administrators of such person) shall be indemnified by the Association against all loss, costs, damages and expenses (including reasonable attorneys' fees) asserted against, incurred by or imposed upon him or her in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings, to which he or she is made or threatened to be made a party by reason of he or she being or having been such director or officer, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such director or officer in relation to the matter involved. The Association, by its Board of Directors, may indemnify in like manner, or with any limitations, any employee or former employee of the Association with respect to any action taken or not taken in his or her capacity as such employee. The foregoing rights of indemnification shall be in addition to all rights to which officers, directors or employees may be entitled as a matter of law. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any member or owner of a Unit who is or has been an employee, director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him or her under and by virtue of the Declaration, the Act, the Articles and By-Laws of the Association, as a member of the Association or owner of a Unit.

D. Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Act, which shall control in case of any conflict. All terms herein (except where the context shall clearly indicate otherwise) shall have the same meanings as in the Declaration or the Act.

E. Interpretation. In case any provision, in whole or in part, of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the Unit Owners.

F. Discrimination Prohibited. No bylaw or rule adopted under a bylaw and no covenant, condition or restriction set forth in the Declaration or the deed or other conveyance instrument to a Unit may be applied to discriminate against an individual based upon his or her sex, race, color, sexual orientation, disability, religion, national origin, marital status, family status, lawful source of income, age, ancestry or as otherwise described in s. 106.50 of the Wisconsin Statutes.