# DISCLOSURE MATERIALS

Marine Terminal Lofts Condominium
311 N. Erie Street
Unit 2 of Marine Terminal Building Condominium
Milwaukee, Wisconsin

Declarant/Seller:
Mandel Riverfront Holdings I LLC
c/o Mandel Group, Inc.
301 East Erie Street
Milwaukee, WI 53202

Declarant's Agent:
Mandel Group, Inc.
301 East Erie Street
Milwaukee, WI 53202

THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISIONS CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY, *WITH THE EXCEPTION OF THE EXECUTIVE SUMMARY*, BE RELIED UPON AS CORRECT AND BINDING. FOR A COMPLETE UNDERSTANDING OF THE EXECUTIVE SUMMARY, CONSULT THE DISCLOSURE DOCUMENTS TO WHICH A PARTICULAR EXECUTIVE SUMMARY STATEMENT PERTAINS. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE. IF THE SELLER DELIVERS LESS THAN ALL OF THE DOCUMENTS REQUIRED, YOU MAY, WITHIN 5 BUSINESS DAYS FOLLOWING THE RECEIPT OF THE DOCUMENTS, DELIVER A REQUEST FOR ANY MISSING DOCUMENTS. IF YOU TIMELY DELIVER A REQUEST FOR MISSING DOCUMENTS, YOU MAY, AT ANY TIME WITHIN FIVE BUSINESS DAYS FOLLOWING THE EARLIER OF THE RECEIPT OF THE REQUESTED DOCUMENTS OR THE SELLER'S DEADLINE TO DELIVER THE REQUESTED DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

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    A. A statement by the Building Declarant, based on a report prepared by Hammel, Green & Abrahamson, the architects of record for the Building, which describes the present condition of those structural components and mechanical and electrical installations of the original building that are to remain as part of the building and that are material to the use and enjoyment of the building, begins at Tab ..... 18

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# EXECUTIVE SUMMARY

## MARINE TERMINAL LOFTS CONDOMINIUM

This Executive Summary is a brief summary of only some of the key provisions contained in the Condominium Documents for Marine Terminal Lofts Condominium (the "Lofts Condominium Documents"). It is not intended to be complete and you will need to review the attached Lofts Condominium Documents and the Building Condominium Documents for an accurate and complete description of your rights and responsibilities under the Lofts Condominium Documents.

1. Lofts Condominium:. Marine Terminal Lofts Condominium (the "Lofts Condominium"). Initially, the Lofts Condominium shall consist of 83 Units.

2. Lofts Declarant: Mandel Riverfront Holdings I LLC.

3. Expansion Plans. Declarant does not have any expansion plans for the Lofts Condominium.

4. Governance: The Lofts Condominium will be governed by Marine Terminal Lofts Condominium Association, Inc. (the "Lofts Association"), a Wisconsin non stock, non profit corporation. The Lofts Association's initial address will be c/o Mandel Riverfront Holdings I LLC, c/o Mandel Group, Inc., 301 East Erie Street, Milwaukee, WI 53202. Your Unit will be entitled to one, two or three votes in the Lofts Association; the exact number of votes appurtenant to your Unit is more particularly set forth in **EXHIBIT C** to the Lofts Declaration. The Lofts Association will be engaging a professional management company (the "Managing Agent") to manage the Lofts Condominium. There are no management agreements or contracts in place at this time. The initial Managing Agent may be an affiliate of the Lofts Declarant. Until a Managing Agent is selected for the Building Condominium, you may contact Robert B. Monnat at Mandel Group, Inc. if you have questions with respect to the management of the Building Condominium.

5. Building Condominium. The Lofts Condominium is a subcondominium created within the Residential Unit of the Marine Terminal Building Condominium. The Building Condominium Documents are also included within the Disclosure Package, together with an executive summary for the Marine Terminal Building Condominium. The Board of Directors of the Lofts Condominium is entitled to appoint two members of the Lofts Association to serve as members of the Board of Directors of the Building Association and to appoint a representative to act as the "owner" of the Residential Unit pursuant to the Building Condominium Documents and to cast the votes of the Residential Unit in connection therewith. You should read the Building Condominium Documents carefully as they set forth certain rights and responsibilities that will affect you and your unit.

6. Special Amenities.

a. Arcade. The Building Condominium will include an arcade which is generally described in the Executive Summary for the Building Condominium. The arcade is a general common element of the Building Condominium.

b. Docks. A system of docks and boatslips (the "Dock System") is appurtenant to the Lofts Condominium as a Limited Common Element under the Building Condominium. Please see Item 20 of this Executive Summary for a more detailed summary in connection with Dock System.

c. Riverwalk. The Riverwalk is a general common element to the Building Condominium and is more specifically dealt with in Item 21 of this Executive Summary.

d. Parking. Approximately 151 parking spaces are located in the basement of the building and up to 27 of those parking spaces are subject to a permanent, perpetual, exclusive easement in favor of the Commercial Unit Owner pursuant to the Building Condominium Documents. The remaining parking spaces may each be assigned or designated to a specified Unit(s) as more specifically provided in Section 2.9 of the Lofts Declaration. The number of parking spaces appurtenant to your Unit, but not the exact designation of those parking spaces, is set forth in **EXHIBIT C** to the Lofts Declaration. Declarant will be responsible for the initial designation of specific numbered parking spaces to your Unit and the initial designations will be set forth in the parking records to be maintained by the Lofts Association. The parking spaces are located in the basement of the original structure. The layout and size of the parking spaces, drive aisles and the other components of the parking facility are subject to the building's original construction, including column size and spacing. Certain aspects of the parking facility do not conform to modern parking dimensions. For more information with respect to these matters, please see Section 29 of the Lofts Declaration.

7. Maintenance and Repair of Units. Except as described in Item 8 of this Executive Summary, as the owner of your Unit, you are responsible for the repair and maintenance of your Unit and the Limited Common Elements appurtenant thereto, including the maintenance, repair and replacement of all personal property, appliances, fixtures, utility and HVAC systems, flooring, wall coverings, window treatments, and cabinetry included as part of or located within your Unit and the Limited Common Elements appurtenant thereto, including without limitation, balconies and terraces. Although the Lofts Association may be responsible for undertaking repairs to certain items included as part of the your Unit and the Limited Common Elements appurtenant thereto, you will be responsible for reimbursing the Building Association for the costs of maintaining, repairing or replacing those items. In addition, if you or your family members or any of your guests negligently cause damage to the Common Elements of the Lofts Condominium, you may be responsible for the cost of repairing the damage. Please see Section 6.1(b) of Bylaws and the Chart of Maintenance Responsibilities attached as EXHIBIT A to the Lofts Bylaws for more detail on the responsibilities to maintain and repair your Unit and the Limited Common Elements appurtenant to your Unit.

8. Maintenance, Repair and Replacement of General Common Elements of the Lofts Condominium. Except to the extent that said maintenance, repair and/or replacement obligations are those of the Building Association pursuant to the Building Condominium Documents, the Lofts Association will be responsible for the maintenance, repair and replacement of General Common Elements of the Lofts Condominium. The Lofts Association is also responsible for the maintenance, repair and replacement of any structural components of the Limited Common Elements of the Lofts Condominium. The costs of ordinary repairs and maintenance will be handled primarily through Common Expense assessments. If a repair and/or replacement is required that costs in excess of Common Expense assessments, then the Board of Directors of the Lofts Association has the authority to levy a special assessment against the Units to cover any shortfalls. The Lofts Association will be establishing reserves for the replacement of Common Elements of the Lofts Condominium and those reserves can be used for replacement and repair costs as determined by the Board of Directors of the Lofts Association. Please see Section 6.1(a), Section 6.2 and Section 6.3(a) and EXHIBIT A of the Lofts Bylaws for more information in connection with the Lofts Association's rights and responsibilities for repair, maintenance, alterations or improvements and the authority of the Board of Directors of the Lofts Association to levy assessments against the Units in connection with those items. You should also review the Building Condominium Documents which set forth the Building Association's rights and responsibilities for repair, maintenance, alterations or improvements and the authority of the Board of Directors of the Building Association to levy assessments against the Residential Unit (of which your Unit is a part) in connection with those items.

9. Rental of Units. You may rent your Unit, but only in compliance with the Building Condominium Documents and the Lofts Condominium Documents. Article VII of the Building Declaration, Article VII of the Lofts Declaration, Section 6.4(a) of the Building Bylaws, and Section 6.5(b) of the Lofts Bylaws contain certain restrictions in connection with leasing, including, without limitation, requiring that all leases entered into by owner(s) of Units are for a term of six months or more, that owner(s) of a Unit provide a copy of any such leases to the Lofts Association, and that all Unit Owners require their tenants to be bound by the terms of the Building Condominium Documents and the Lofts Condominium Documents. The Building Declarant and the Lofts Declarant are subject to significantly less stringent leasing restrictions.

10. Unit Alterations. You may not alter the exterior of your Unit or any Limited Common Elements appurtenant to your Unit without the consent of the Board of Directors of the Building Association and/or the Lofts Association. Article XII of the Building Declaration and Article XII of the Lofts Declaration and Sections 6.3(a), 6.3(b) and 6.4 of the Building Bylaws and Section 6.3(a) and 6.5 of the Lofts Bylaws set forth restrictions on alterations and the rights and responsibilities of the Board of Directors of the Lofts Association in connection therewith. The provisions governing the combination of two Units into one Unit, the division of one Unit into more than one Unit and other relocations of boundaries between Units are primarily set forth in Article VIII, Article XI of the Building Declaration, Section 6.3 of the Building Bylaws and Section 6.3 of the Lofts Bylaws. The Lofts Declarant has the right to make certain modifications, alterations and/or boundary relocations to Units, in particular Units owned by the Lofts Declarant. In general, the Lofts Declarant's rights to make such alterations are contained in Section 2.6, Section 2.7 and Article XII of the Lofts Declaration.

11. Pets. Ownership of pets is restricted pursuant to subsections (l), (m), and (n) of Section 6.5 of the Lofts Bylaws. In general, no Unit Owner may keep more than two orderly domestic pets without the approval of the Board of Directors and such pets cannot be kept or maintained for commercial purposes or for breeding. Please review the above referenced sections and Section 6.4 of the Building Bylaws if you desire to maintain or keep pets in your Unit.

12. Reserves. The Lofts Association will maintain reserves for repairs and replacements of Common Elements of the Lofts Condominium beyond routine maintenance. Because the Lofts Association will be maintaining these reserves, the Lofts Declarant intends to opt out of the statutory reserve account provided under Section 703.163 of the Condominium Act, as amended effective November 1, 2004.

13. Fees on Units Owned by Lofts Declarant. Assessments commence as to a Unit upon the first conveyance of a Unit to a person or entity other than the Lofts Declarant. The Lofts Declarant's obligation to pay Common Expense assessments and special assessments for Units that have not been conveyed to third party purchasers is limited to an amount equal to the shortfall, if any, between (i) the budgeted annual operating expenses for Units that have been sold to third party purchasers and (ii) the actual operating expenses for that calendar year, provided, however, that the amount to be paid by the Lofts Declarant may not exceed the Common Expense assessments which would otherwise be paid by the Units owned by the Lofts Declarant if the Lofts Declarant's obligations were not so limited. Please see Section 5.1 of the Lofts Declaration for more detailed information on the Lofts Declarant's responsibilities to pay common expenses and special assessments. Dock owners also have certain obligations to pay Common Expenses and assessments which obligations are also more particularly set forth in Article 5 of the Lofts Declaration, Article 5 of the Lofts Bylaws and Article 14 of the Lofts Bylaws. For more information in connection with Common Expenses and assessments, please see Article V of the Declaration and Article V of the Lofts Bylaws.

14. Amendments. Your rights as a Unit Owner of a Unit may be altered or modified by an amendment to the Building Declaration, Building Bylaws or Building Rules and Regulations and/or by an amendment to the Lofts Declaration, Lofts Bylaws or Lofts Rules and Regulations. Under certain limited circumstances, Building Declarant has the right to unilaterally make amendments to the Building Declaration and/or Building Bylaws, and the Lofts Declarant has the right to unilaterally make amendments to the Lofts Declaration and/or the Lofts Bylaws. If the amendments are material and you are buying your Unit directly from the Lofts Declarant, the Condominium Act provides you with the right to terminate your purchase agreement under certain circumstances. If the Building Declarant or the Lofts Declarant makes nonmaterial amendments, you will not have the right to terminate your purchase agreement. Building Declarant also has the right to make certain minor alterations and clarifications to the Building Declaration and the Building Bylaws and the Lofts Declarant has the right to make certain minor alterations and clarifications to the Lofts Declaration and the Lofts Bylaws. In general, the Building Declarant's rights in connection with amending or modifying the Building Condominium Documents are set forth in Sections 2.6, 2.7, Article IX and Article XI of the Building Declaration and Article XIII of the Building Bylaws and the Lofts Declarant's rights in connection with amending or modifying the Lofts Condominium Documents are set forth in Section 2.6, 2.7, Article IX and Article XI of the Lofts Declaration

and Article XIII of the Lofts Bylaws. In addition, any Unit Owner(s) owning Units to which 66-2/3% of the votes in the Lofts Association appertain have the right to amend the Lofts Declaration. Pursuant to the Condominium Act, a Unit Owner's consent to an amendment is not effective unless the Unit Owner's mortgagee also consents to an amendment. Any Unit Owner(s) owning Units to which 67% of the votes in the Lofts Association appertain also have the right to amend the Lofts Bylaws. A majority of the Board of Directors of the Lofts Association has the right to amend the Lofts Rules and Regulations. Please see Article IX of the Lofts Declaration and Article XIII of the Lofts Bylaws for more details on amending the Lofts Condominium Documents. Please see the Executive Summary of the Building Condominium Documents and Articles IX of the Building Declaration and Article XIII of the Building Bylaws for details on amending the Building Condominium Documents.

15. Use Restrictions. Certain restrictions on the use of your Unit are set forth in the Lofts Condominium Documents. In particular, please see Article VI of the Lofts Declaration, Section 6.5 of the Lofts Bylaws and the Lofts Rules and Regulations.

16. Sales of Units by Declarant. Lofts Declarant has reserved certain rights and easements during the period of time that Lofts Declarant is continuing to market and sell Units. In general, those rights and easements are contained in Article IV and Article VII of the Lofts Declaration and Section 6.5 and Section 7.3 of the Lofts Bylaws.

17. Grievance Procedure. Article XII of the Lofts Bylaws sets forth the rights of Unit Owners and the Lofts Association in connection with a Unit Owner who is alleged to have failed, or has failed, to comply with the Lofts Condominium Documents and the rights of a Unit Owner to pursue a grievance procedure or to defend him or herself against claims that he or she has violated the Lofts Condominium Documents.

18. Easements Granted to Commercial Unit. Please see the Executive Summary for the Building Condominium Documents with respect to certain easements granted to the Commercial Unit of the Building Condominium over and across certain areas of the Residential Unit of the Building Condominium, of which your Unit is a part.

19. Docks. The Lofts Declarant and/or the Building Declarant have obtained a permit from the Wisconsin Department of Natural Resources to construct the Dock System. Pursuant to the Building Declaration, the Dock System is a limited common element appurtenant to the Residential Unit, of which your Unit is a part. It is anticipated that designated boat slip(s) will be conveyed to certain Unit Owners as a Limited Common Element(s) appurtenant to said Unit Owner's Unit. If a boat slip is a Limited Common Element to your Unit, then you are automatically a member of the "Dock Owners Group." The Dock Owners Group is not a separate legal entity, but is formed for the purpose of allowing the "owners" of boat slips ("Dock Owners") to make decisions in connection with the Dock System, including, without limitation, the maintenance, repair and replacement thereof. The Lofts Association will be responsible for implementing any such maintenance, repair and replacement decisions, including without limitation, contracting for any necessary maintenance or repair work. The costs associated with the Dock System will be assessed against the members of the Dock Owners Group, based on the number of boats slips appurtenant to said Unit Owner's Unit. For more information in connection with the Dock Owners Group and the Dock System, please review Sections 2.10,

2.11, 2.12, 2.13 and 7.3 of the Lofts Declaration and Article V, Section 6.1, Section 6.3 and Article XIV of the Lofts Bylaws.

20. Riverwalk. The Riverwalk is a general common element to the Building Condominium and is more particularly described in the Executive Summary for the Building Condominium Documents. For more information in connection with the Riverwalk, please review Section 16.10 and Section 16.11 of the Lofts Declaration and Sections 16.10 and Section 16.11 of the Building Declaration.

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The purpose of this Executive Summary is to assist you in reviewing the Lofts Condominium Documents. As noted above, however, it is not complete and, thus, may not be accurate, even as to the items listed and summarized above. You should assume that there are provisions and information contained in the Disclosure Package that will be of importance and significance to you as a Unit Owner that are not included in this Executive Summary. You should also assume there are provisions and information contained in the Building Condominium Documents, also included as part of the Disclosure Package, that will be of importance and significance to you as a Unit Owner that are also not included in this Executive Summary or the Executive Summary of the Building Condominium Documents.

**EXECUTIVE SUMMARY**

MARINE TERMINAL BUILDING CONDOMINIUM

This Executive Summary is a brief summary of only some of the key provisions contained in the Condominium Documents for Marine Terminal Building Condominium (the "Building Condominium Documents"). It is not intended to be complete and you will need to review the attached Building Condominium Documents for an accurate and complete description of your rights and responsibilities under the Building Condominium Documents.

1. Building Condominium:. Marine Terminal Building Condominium (the "Building Condominium"). Initially, the Building Condominium shall consist of one Residential Unit and one Commercial Unit.

2. Building Declarant: Mandel Riverfront Holdings II LLC, as successor in interest to Mandel Riverfront Holdings I LLC.

3. Expansion Plans. Building Declarant does not have any expansion plans for the Building Condominium.

4. Governance: The Building Condominium will be governed by Marine Terminal Building Condominium Association, Inc. (the "Building Association"), a Wisconsin non stock, non profit corporation. The Building Association's initial address will be c/o Mandel Riverfront Holdings II LLC, c/o Mandel Group, Inc., 301 East Erie Street, Milwaukee, WI 53202. The Residential Unit is entitled to fifty (50) votes in the Building Association. The Commercial Unit is entitled to fifty (50) votes in the Building Association. The Residential Unit shall be entitled to appoint 2 members of the Board of Directors of the Building Association and the Commercial Unit shall be entitled to appoint 2 members to the Board of Directors of the Building Association. The Building Association will be engaging a professional management company (the "Managing Agent") to manage the Building Condominium. There are no management agreements or contracts in place at this time. The initial Managing Agent may be an affiliate of the Building Declarant. Until a Managing Agent is selected for the Building Condominium, you may contact Robert B. Monnat at Mandel Group, Inc. if you have questions with respect to the management of the Building Condominium.

5. Percentage Interest. The Percentage Interest of the Residential Unit in the Building Condominium is 78.2% and the Percentage Interest of the Commercial Unit in the Building Condominium is 21.8%.

6. Residential Condominium. The Building Condominium Documents permit the owner of either the Residential Unit or the Commercial Unit to submit its Unit to a subcondominium declaration creating a condominium within said unit subject to and as more particularly set forth in Article VIII of the Building Condominium. The owner of the Residential Unit intends to or has already submitted the Residential Unit to the Declaration of Marine Terminal Lofts Condominium (the "Lofts Declaration") creating a condominium within the Residential Unit (the "Lofts Condominium") with initially 83 residential condominium units contained therein, all as more particularly provided in the Lofts Declaration. The Marine

Terminal Lofts Condominium Association, Inc. (the "Lofts Association") is deemed to be the "owner" of the Residential Unit. The manner in which the Lofts Association selects its representatives to the Board of Directors of the Building Association and selects its representative to make the decisions of the "owner" of the Residential Unit are more particularly set forth in the Bylaws for the Lofts Association (the "Lofts Bylaws").

7. Special Amenities.

a. Arcade. The Building Condominium will include an arcade which is the elevated covered outdoor area along the Erie Street side of the building and is located on the first floor of the building (the "Arcade"). The Arcade is a General Common Element of the Building Condominium.

b. Docks. Certain docks and boat slips (the "Dock System") have been or may be constructed as part of the Building Condominium. The Dock System will be a Limited Common Element to the Residential Unit. If any of the boat slips included within the Dock System have not been conveyed to owners of residential condominium units within the Residential Unit, then said boat slips may be assigned to the owner of the Commercial Unit as a Limited Common Element appurtenant to the Commercial Unit. Please see the Lofts Condominium Documents at Tabs 3 and 4 for additional provisions regarding the Dock System.

c. Riverwalk. The Building Condominium will include a Riverwalk located along the Milwaukee River as more particularly described in Item 20 of this Executive Summary.

8. Maintenance and Repair of Residential Unit. Except as described in Item 9 of this Executive Summary, the owner(s) of the Residential Unit are responsible for the repair and maintenance of the Residential Unit and the Limited Common Elements appurtenant thereto, including the maintenance, repair and replacement of all personal property, appliances, fixtures, flooring, wall coverings, window treatments, and cabinetry included as part of or located within the Residential Unit and the Limited Common Elements appurtenant thereto, including without limitation, balconies, terraces, interior walls and the Dock System. Although the Building Association may be responsible for undertaking repairs to certain items included as part of the Residential Unit, the owner(s) of the Residential Unit will be solely responsible for reimbursing the Building Association for the costs of maintaining, repairing or replacing those items. In addition, if you or your family members or any of your guests cause damage to the Common Elements of the Building Condominium, you may be responsible for the cost of repairing the damage. Please see Section 6.1 of Bylaws for more detail on the responsibilities to maintain and repair the Residential Unit and the Commercial Unit and the Limited Common Elements appurtenant to said Units.

9. Maintenance, Repair and Replacement of General Common Elements of the Building Condominium. The Building Association will be responsible for the maintenance, repair and replacement of General Common Elements of the Building Condominium. The Building Association is also responsible for the maintenance, repair and replacement of any structural components of Limited Common Elements of the Building Condominium, other than

the Dock System. The costs of ordinary repairs and maintenance will be handled primarily through Common Expense assessments. If a repair and/or replacement is required that costs in excess of Common Expense assessments, then the Board of Directors of the Building Association has the authority to levy a special assessment against the Residential Unit and/or the Commercial Unit to cover any shortfalls. The Building Association will be establishing reserves for the replacement of Common Elements of the Building Condominium and those reserves can be used for replacement and repair costs as determined by the Board of Directors of the Building Association. Please see Section 6.1(a), Section 6.2 and Section 6.3(a) of the Building Bylaws for more information in connection with the Building Association's rights and responsibilities for repair, maintenance, alterations or improvements and the authority of the Board of Directors of the Building Association to levy assessments against the Residential Unit and the Commercial Unit in connection with those items.

10. Rental of Units. You may rent your unit, but only in compliance with the Building Condominium Documents and the Lofts Condominium Documents and only on an approved form of lease. Article VII of the Building Declaration and Section 6.4(a) of the Building Bylaws and certain provisions of the Lofts Condominium Documents contain certain additional restrictions with respect to leasing, including, without limitation, requiring that the owner of the Commercial Unit provide a notice of the lease to the Building Association, that all leases entered into by owner(s) of the Residential Unit are for a term of six months or more, that owner(s) of the Residential Unit provide a copy of any such leases to the Building Association, and that all Unit Owners require their tenants to be bound by the terms of the Building Condominium Documents. The Building Declarant is subject to significantly less stringent leasing restrictions.

11. Unit Alterations. The owner(s) of the Residential Unit may not alter the exterior of the Residential Unit or any Limited Common Elements appurtenant to the Residential Unit without the consent of the Board of Directors of the Building Association. The owner(s) of the Commercial Unit may not alter the exterior of the Commercial Unit or any Limited Common Elements appurtenant to the Commercial Unit, except that the owner(s) of the Commercial Unit do(es) have the right to install signage for the benefit of the Commercial Unit on the property or attached to or adjacent to the exterior walls or windows of the Commercial Unit or attached to or adjacent to the Arcade. Article XII of the Building Declaration and Sections 6.3(a) and 6.4 of the Building Bylaws set forth restrictions on alterations and the rights and responsibilities of the Board of Directors of the Building Association in connection therewith. The provisions governing the combination of two Units into one Unit, the division of one Unit into more than one Unit and other relocations of boundaries between Units are primarily set forth in Article VIII and Article XI of the Building Declaration and Section 6.3 of the Building Bylaws. The Building Declarant has the right to make certain modifications, alterations and/or boundary relocations to Units, in particular Units owned by the Building Declarant. In general, Building Declarant's rights to make such alterations are contained in Section 2.6, Section 2.7 and Article XII of the Building Declaration.

12. Parking. There will be approximately 151 parking spaces located in the Residential Unit in the basement of the Building. The Commercial Unit has the right pursuant to a permanent, perpetual, exclusive easement to use up to twenty-seven (27) parking spaces in the basement portion of the Residential Unit.

13. Pets. Section 6.4 of the Building Bylaws contains certain restrictions on pets and, in general, prohibits certain species, including pit bulls and rottweilers, within the Building Condominium and requires that all pets be in compliance with applicable laws. The Lofts Condominium Documents contain additional restrictions in connection with pets.

14. Reserves. The Building Association will maintain reserves for repairs and replacements of Common Elements of the Building Condominium beyond routine maintenance. Because the Building Association will be maintaining these reserves, the Building Declarant intends to opt out of the statutory reserve account provided under Section 703.163 of the Condominium Act, as amended effective November 1, 2004.

15. Fees on Units Owned by Building Declarant. Assessments commence as to the Residential Unit and the Commercial Unit upon the first conveyance of a residential condominium unit within the Residential Unit to a person or entity other than Building Declarant or an affiliate. Assessments are generally based on each Unit's percentage interest; provided, however, that contractors providing services to the Building Condominium will be requested to allocate the cost of their services between the Residential Unit and the Commercial Unit, in which event, each Unit will typically be billed in accordance with such allocation. For more information in connection with Common Expenses and assessments, please see Article V of the Building Declaration and Article V of the Building Bylaws.

16. Amendments. Your rights as a Unit Owner of a residential condominium unit within the Residential Unit may be altered or modified by an amendment to the Building Declaration, Building Bylaws or Building Rules and Regulations. Under certain limited circumstances, Building Declarant has the right to unilaterally make amendments to the Building Declaration or Building Bylaws. If the amendments are material and you are buying your unit directly from the Building Declarant or its affiliate, the Lofts Declarant, the Condominium Act provides you with the right to terminate your purchase agreement under certain circumstances. If the Building Declarant makes nonmaterial amendments, you will not have the right to terminate your purchase agreement. Building Declarant also has the right to make certain minor alterations and clarifications to the Building Declaration and the Building Bylaws. In general, the Building Declarant's rights in connection with amending or modifying the Building Condominium Documents are set forth in Sections 2.6, 2.7, Article IX and Article XI of the Declaration and Article XIII of the Building Bylaws. In addition, any Unit Owner(s) owning Units to which 66 2/3% of the votes in the Building Association appertain have the right to amend the Building Declaration. Pursuant to the Condominium Act, a Unit Owner's consent to an amendment is not effective unless the Unit Owner's mortgagee also consents to an amendment. Any Unit Owner(s) owning Units to which 67% of the votes in the Building Association appertain also have the right to amend the Building Bylaws. Because the two Units in the Building Condominium each have fifty (50) votes, in most circumstances, it will take the approval of both the owner(s) of the Residential Unit and the owner(s) of the Commercial Unit to amend either the Building Declaration or the Building Bylaws. A majority of the Board of

Directors of the Building Association has the right to amend the Building Rules and Regulations. Please see Article IX of the Building Declaration and Article XIII of the Building Bylaws for more details on amending the Building Condominium Documents.

17. Use Restrictions. Certain restrictions on the use of your unit are set forth in the Building Condominium Documents. In particular, please see Article VI of the Building Declaration, Section 6.4 of the Building Bylaws and the Building Rules and Regulations. Additional use restrictions are set forth in the Lofts Condominium Documents.

18. Sales of Units by Declarant. Building Declarant has reserved certain rights and easements during the period of time that Building Declarant is continuing to market, sell or lease Units. In general, those rights and easements are contained in Article IV and Article VII of the Building Declaration and Section 6.4 and Section 7.3 of the Building Bylaws.

19. Easements Granted to Commercial Unit. The Building Declaration grants certain easements within the Residential Unit for the benefit of the users and occupants of the Commercial Unit as follows:

a. Rooftop Equipment Easement. The Commercial Unit has a permanent, perpetual, nonexclusive easement to place rooftop equipment on the roof of the Residential Unit as more particularly provided in Section 4.1(f) of the Building Declaration.

b. Satellite/Antenna Easement. The Commercial Unit has a permanent, perpetual, nonexclusive easement for the placement of satellite dishes and/or antenna related equipment on the roof of the Residential Unit as more particularly provided in Section 4.1(g) of the Building Declaration.

c. Parking Space Easement. The Commercial Unit has a permanent, perpetual, exclusive easement for the use of up to 27 parking spaces within the basement portion of the Residential Unit, as more particularly provided in Section 4.1(h) of the Building Declaration.

d. Service Areas: Ingress and Egress. The Commercial Unit has a permanent, perpetual, nonexclusive easement for access to and from the Service Areas located in the basement portion of the Residential Unit, as more particularly provided in Section 4.1(i) of the Building Declaration.

e. Bicycle Storage. The Commercial Unit has a permanent, perpetual, exclusive easement for use of the bicycle storage area located in the basement portion of the Residential Unit as more particularly provided in Section 4.1(j) of the Building Declaration.

f. Elevator Easement. The Commercial Unit has a permanent, perpetual, nonexclusive easement for use of the elevators to travel between the basement and first floor of the Building for use by parties desiring to enter or exit the Commercial Unit through the parking facility located in the basement, all as more particularly provided in Section 4.1(k) of the Building Declaration.

20. Riverwalk. The Riverwalk is the easement area running the entire length of the Property along the Milwaukee River, including twenty-five feet (as measured from the dockwall) within the North Milwaukee Street stub and will include the walking surface, landscaping and any water taxi stop, lighting, decorative railing, benches, trash receptacles, sculptures and sculpture foundations located from time to time thereon.

a. Development and Riverwalk Agreement. In connection with the development of the Building Condominium, Mandel Riverfront Holdings I LLC, predecessor to Building Declarant and the Declarant under the Marine Terminal Lofts Condominium Declaration will enter or has entered into the Marine Terminal Development and Riverwalk Agreement (the "Riverwalk Agreement") with the City of Milwaukee providing for the construction of the Riverwalk. The Building Association and the Unit Owners will be responsible for certain obligations under the Riverwalk Agreement. For more information regarding the Riverwalk, please see Section 16.10 of the Declaration. The Riverwalk Agreement is attached hereto at Tab 19.

b. Riverwalk Easement. In connection with the development of the Riverwalk, the Building Association and the City of Milwaukee will be entering into an easement agreement, which will set forth certain requirements regarding insurance, maintenance, right of entry, public rights, rules and regulations, decorations, utilities, and alterations. Both the Building Association and the Unit Owners will be responsible for certain obligations pursuant to the Riverwalk Easement. For more information regarding the Riverwalk Easement, please see Section 16.13 of the Building Declaration. The Riverwalk Easement is attached hereto at Tab 19.

21. Special Privilege Letter. In connection with the development of the Building Condominium, a Special Privilege Letter has been issued, which allows the Building Declarant to construct certain privately owned improvements and encroachments in the public rights of way. The Building Association shall be responsible for complying with terms of the Special Privilege Letter and paying all fees associated therewith. For more information regarding the Special Privilege Letter, please see Section 16.14 of the Declaration. The Special Privilege Letter is attached hereto at Tab 20.

* * *

The purpose of this Executive Summary is to assist you in reviewing the Building Condominium Documents. As noted above, however, it is not complete and, thus, may not be accurate, even as to the items listed and summarized above. You should assume that there are provisions and information contained in the Disclosure Package that will be of importance and significance to you as a Unit Owner that are not included in this Executive Summary.

# DECLARATION

# OF

# MARINE TERMINAL LOFTS CONDOMINIUM

Document Number

**DECLARATION**
**OF**
**MARINE TERMINAL LOFTS**
**CONDOMINIUM**

Recording Area

Name and Return Address

Sarah O. Jelencic
Foley & Lardner LLP
777 East Wisconsin Avenue
Suite 3600
Milwaukee, Wisconsin 53202-5367

429-0220-000-7

Parcel Identification Number (PIN)

**DECLARATION**
**OF**
**MARINE TERMINAL LOFTS CONDOMINIUM**

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# DECLARATION
# OF
# MARINE TERMINAL LOFTS CONDOMINIUM

This Declaration is made as of this ____ day of _____, 2006 by Mandel Riverfront Holdings I LLC, a Wisconsin limited liability company (hereinafter referred to as the "Declarant").

Declarant owns certain real property located in the City of Milwaukee, County of Milwaukee, State of Wisconsin and more particularly described in **EXHIBIT A** attached hereto and made a part hereof and consisting of Residential Unit of Marine Terminal Building Condominium and the appurtenant undivided interests in the common elements appurtenant to Residential Unit (hereinafter referred to as the "Property") and Declarant does hereby declare that the Property is hereby made subject to this Declaration, established under the Wisconsin Condominium Ownership Act. The Property and any and all improvements now or subsequently placed thereon and any and all easement rights and appurtenant rights belonging thereto shall be known and described as Marine Terminal Lofts Condominium (hereinafter referred to as the "Condominium") with an address at Residential Unit of Marine Terminal Building Condominium, 311 East Erie Street, Milwaukee, Wisconsin 53202.

The Property is already subject to that certain Declaration of Marine Terminal Building Condominium (the "Building Declaration") and comprises Residential Unit of Marine Terminal Building Condominium. Declarant hereby creates a condominium within said Residential Unit by subjecting the Property to this Declaration which will thereby be deemed to be a "Subdeclaration" under the Building Declaration and each unit created hereby will be deemed to be a "Subunit" under the Building Declaration. The Property, each and every Subunit, the Condominium, this Declaration and all of the other Condominium Documents shall be subject and subordinate to the Building Declaration and to the Building Condominium Documents.

## ARTICLE I
## DEFINITIONS

Section 1.1 Undefined Capitalized Terms. Capitalized terms not otherwise defined herein or on the Plat (as hereinafter defined) shall have the meanings specified or used in the Act.

Section 1.2 Defined Terms. The following terms shall have the following specific meanings when used herein:

(a) "Act" means Chapter 703: Wisconsin Condominium Ownership Act of the Wisconsin Statutes, as amended and renumbered from time to time.

(b) "Balconies" mean the hanging steel framed limited common elements located adjacent to the exterior of the Building on the second and third floors, which are functional Balconies and not merely ornamental. The term "Balcony" means a single such balcony. A Balcony is a Limited Common Element appurtenant to the Unit to which it is immediately adjacent.

(c) "Board of Directors" or "Board" means the governing body of the Lofts Association.

(d) "Boat Slips" as defined in Section 2.3(h).

(e) "Building" means the building of which the Property is a part.

(f) "Building Articles" means the Articles of Incorporation of Marine Terminal Building Condominium Lofts Association, Inc., as the same may be amended, modified or supplemented from time to time.

(g) "Building Assessments" shall mean any and all common expense assessments, special assessments or other assessments levied pursuant to the Building Condominium Documents with respect to the Property.

(h) "Building Association" means Marine Terminal Building Condominium Lofts Association, Inc.

(i) "Building Bylaws" means the Bylaws of Marine Terminal Building Condominium Lofts Association, Inc., as the same may be amended, modified or supplemented from time to time.

(j) "Building Common Elements" means the common elements of the Building Condominium.

(k) "Building Condominium" means Marine Terminal Building Condominium.

(l) "Building Condominium Documents" means the Building Declaration, the Building Bylaws, the Building Articles and the Building Rules and Regulations.

(m) "Building Declarant" means the then Declarant pursuant to the Building Declaration.

(n) "Building Declaration" means the Declaration of Marine Terminal Building Condominium, as the same may be amended, modified or supplemented from time to time.

(o) "Building Rules and Regulations" means the rules and regulations for Marine Terminal Building Condominium, as the same may be amended, modified or supplemented from time to time.

(p) "Bylaws" means the Bylaws of the Lofts Association as the same may be amended, modified or supplemented from time to time.

(q) "City" means the City of Milwaukee, Wisconsin.

(r) "Commercial Unit" shall mean Unit 1 of the Marine Terminal Building Condominium, which Unit is located on the first floor of the Building.

(s) "Common Elements" both "General" and "Limited", mean all parts of the Condominium other than the Units, as more fully set forth in Sections 2.3, 2.4 and 2.5 of this Declaration.

(t) "Common Expenses" means and includes all sums lawfully assessed against the Unit Owners by the Lofts Association, including, without limitation, (i) expenses of administration, maintenance, repair or replacement of the Common Elements, including insurance premiums and contributions to such reserves as may be established, and (ii) expenses declared Common Expenses pursuant to the provisions of the Act or this Declaration or the Bylaws, including, without limitation, the Building Assessments and any costs incurred pursuant to the Riverwalk Agreement or the Riverwalk Easement.

(u) "Condominium" means Marine Terminal Lofts Condominium.

(v) "Condominium Documents" consist of this Declaration, the Articles of Incorporation of the Lofts Association, the Bylaws and the Rules and Regulations.

(w) "Declarant" means Mandel Riverfront Holdings I LLC, a Wisconsin limited liability company, its successors and assigns, and any successors or assigns thereof to which Mandel Riverfront Holdings I LLC specifically assigns all of the rights of Declarant hereunder by an express written assignment, whether or not recorded. Any assignment may be made on a non-exclusive basis. The transfer of control of the Lofts Association does not constitute a termination of the rights of Declarant. Further, to the extent permitted under the Act, a lender may succeed to the rights of Declarant without assuming the obligations or liabilities of Declarant.

(x) "Declaration" means this Declaration of Marine Terminal Lofts Condominium, as the same may be amended, modified or supplemented from time to time.

(y) "Dock Owner" means a Unit Owner or, if applicable, the Owner of Commercial Unit of the Building Condominium, who owns as a Limited Common Element to its Unit or , if applicable, as a limited common element to Commercial Unit of the Building Condominium, one or more Boat Slips, which Boat Slips are also Building Common Elements which are appurtenant to the Condominium as limited common elements under the Building Condominium Documents.

(z) "Dock Owners Group" means the Dock Owners Group described in Section 2.12.

(aa) "Dock Wall" means the sea wall constructed or to be constructed along the shore line of the Milwaukee River abutting portions of the Property for the length of the Riverwalk. The Dock Wall is a Building Common Element

(bb) "Eligible Mortgagee" means any person or entity who is the holder or a governmentally approved insurer or guarantor of an Eligible Mortgage and who has requested the Lofts Association to notify it of any proposed action pursuant to Section 10.3.

(cc) "Eligible Mortgage" means any of the following (i) a recorded first deed of trust or mortgage encumbering a Unit or (ii) any junior mortgage which is to the Declarant or a seller of a Unit.

(dd) "Floor Plans" consist of the plans attached hereto and made a part hereof as **EXHIBIT B** and any addendum thereto, showing perimeter outline particulars of the Property and the Units, which plans are being recorded as part of the Plat pursuant to the Act simultaneously with this document and constituting a part of this Declaration, as the same may be amended from time to time.

(ee) "General Common Elements" means those portions of the Common Elements designated in this Declaration or the Plat or Floor Plans as being General Common Elements.

(ff) "Governmental Regulations" means any and all laws, rules, regulations, ordinances, court orders or decrees issued or promulgated by any governmental authority, agency or instrumentality or any court having jurisdiction in connection therewith.

(gg) "Limited Common Elements" means those portions of the Common Elements designated in this Declaration or on the Plat or Floor Plans as being Limited Common Elements.

(hh) "Lofts Association" means Marine Terminal Lofts Condominium Association, Inc., the association of the Unit Owners in the Condominium.

(ii) "Managing Agent" means any professional managing company employed to perform duties and services for the Condominium in accordance with the Act, this Declaration and the Bylaws.

(jj) "Parking Space(s)" means any one or more than one of the numbered Parking Spaces located in the basement level of the Condominium Unit.

(kk) "Percentage Interest" means the undivided percentage interest of each Unit in the Common Elements as set forth in Section 3.1 of this Declaration, as amended from time to time in accordance with the provisions of the Act and this Declaration.

(ll) "Plat" means the Plat of Survey of the Condominium being recorded pursuant to the Act simultaneously with this document and constituting a part of this Declaration, as the same may be amended from time to time.

(mm) "Property" means Residential Unit of the Marine Terminal Building Condominium and the appurtenant undivided interests in the common elements appurtenant thereto as more particularly described in the description attached hereto and made a part hereof

as **EXHIBIT A**, and further described on the condominium plat of survey attached hereto and made a part hereof as **EXHIBIT A-1**, and any amendments or addenda thereto.

(nn) "Reserved General Common Elements" means those portions of the Common Elements, if any, designated in this Declaration or on the Plat and Floor Plans as being Reserved General Common Elements.

(oo) "Residential Unit" shall mean and refer to the Property which is comprised of Unit 2 of the Marine Terminal Building Condominium as more particularly described above.

(pp) "Riverwalk" means the easement area running the entire length of the Property along the Milwaukee River. Improvements to the Riverwalk include the walking surface, landscaping, and any water taxi stop, lighting, decorative railing, benches, trash receptacles and sculptures and/or sculpture foundations located from time to time thereon. The Riverwalk is a Building Common Element.

(qq) "Riverwalk Agreement" means the Marine Terminal Development and Riverwalk Agreement described in Section 16.10 of Article XVI of this Declaration.

(rr) "Riverwalk Easement" means the Grant of Easement Agreement (Marine Terminal Riverwalk) as described in Section 16.11 of Article XVI of this Declaration.

(ss) "Rules and Regulations" means the rules and regulations adopted from time to time by the Board of Directors pursuant to the Bylaws.

(tt) "Service Elements" means all utility services and systems, including, without limitation,, heating, ventilating and air conditioning, gas, electricity, sewer/water and plumbing, services, lines, pipes, wires, vents, flues, chimneys, ducts, cables, conduits, communication lines and systems, fire prevention installations and systems, stairwells, elevators, elevator shafts and equipment, building security systems, and building service equipment located within the Condominium and not included as part of the Building Common Elements.

(uu) "Sunscreens" means the louvered metal systems which are designed to block sun and attached to the Balcony framing system along the southwest elevation of the Building. The Sunscreens are Building Common Elements.

(vv) "Terrace" means the area located on the top 3rd Floor of the Building forming the roof thereof and lying between the edge of said fourth floor roof and the exterior of the 4th Floor of the Building and which forms outdoor Terrace area for the occupants of the 4th Floor.

(ww) "Unit" means a Unit as defined in the Act, as separately described as a Unit on the Plat, on the Floor Plans, in the Section of this Declaration entitled "Description of Units" and any amendment or addendum to any of the foregoing.

(xx) "Unit Owner" means any natural person, combination of natural persons, corporation, partnership, limited liability company, association, trust or other entity capable of

holding title to real property, or any combination thereof which owns fee simple title to a Unit or has equitable ownership to a Unit as a land contract vendee, but does not include any mortgagee, as such, unless and until such mortgagee takes title to a Unit by foreclosure or process in lieu thereof.

## ARTICLE II
## DESCRIPTION

Section 2.1 Description of Property. The Property consists of Residential Unit of the Building Condominium and the interests appurtenant thereto and is comprised of the basement level of the Building Condominium and floors 2, 3, 4 and 5 as more particularly provided in the Building Condominium Documents. The Property will initially contain from 83 Units and appurtenant facilities. The number of Units may be reduced or increased as a result of Declarant electing to either subdivide or merge certain Units during construction of the Units pursuant to Section 2.6 below. In which event, Declarant will record an Amendment to this Declaration and the Plat depicting the final number of Units, the final percentage interest and the final number of votes appurtenant to each Unit and the applicable floor plans. The general location, dimensions and area of the Building, the Property and facilities are shown on the Plat and the Floor Plans.

Section 2.2 Designation and Description of Units. Each Unit and the approximate area, location, appurtenant Limited Common Elements, Reserved General Common Elements, if any, and immediate Common Elements to which said Unit has access are, to the extent feasible, generally shown on the Plat or Floor Plans.

(a) The perimeter boundaries of each Unit are as follows:

(i) Horizontal Boundaries: The upper and lower boundaries of a Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

(A) Lower Boundary: The lower boundary of a Unit is the horizontal plane of the top surface of the concrete slab below the lower most floor of each such Unit;

(B) Upper Boundary: The upper boundary of a Unit on floors 2 and 3 is the horizontal plane of the bottom surface of the concrete slab above the uppermost floor of each such Unit; the upper boundary of the Units on floors 4 and 5 is the horizontal plane of the bottom surface of the metal framing supporting the roof of the Building; provided, however, for those Units that have dropped soffited ceilings, the upper most boundary of those Units shall be the exterior surface (farthest from the interior of the Unit) of the ceiling drywall.

(ii) Vertical Boundaries: The vertical boundaries of a Unit are the vertical planes, extended to intersections with each other and with said Unit's upper and lower boundaries, of the inner surface of any stone, brick, block or other masonry walls or exterior glass wall, or windows bounding such Unit and, with respect to those walls bounding such Unit

which are not exterior walls, the interior surface of the studs which support the drywall, wood or plaster perimeter walls bounding such Unit.

(iii) Included Items: Expressly included as part of each Unit (unless included within Building Common Elements) are:

(A) skylights, interior ceilings, floors, walls, and floor and wall coverings;

(B) the Service Elements and related equipment exclusively serving a Unit, whether or not located within the designated boundary lines of the Unit;

(C) subject to subparagraph (D) below, all space, interior partitions and other fixtures and improvements (including, without limitation, sinks, bathtubs, other plumbing facilities, refrigerators, ovens, television, cable and other communication lines and systems, any individual Unit temperature alarm, security systems and other appliances and systems exclusively serving such Unit), within the designated boundaries of a Unit; and

(D) if any Service Element or bearing walls, bearing columns or any other apparatus (including, without limitation, wall safes, medicine cabinets, elevator shafts or pits, built-in shelving and other similar items) lies within or partially within and partially outside of the designated boundaries of a Unit, any portions thereof exclusively serving that Unit shall be deemed a part of that Unit as set forth in subparagraph (C) above, while any portions thereof, serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements and a valid easement for any such part of the Common Elements and for its maintenance, inspection, repair or replacement shall exist in favor of the Lofts Association and the Declarant, their agents and employees.

(b) Discrepancies. Each Unit Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that there are various methods for calculating the square footage of a Unit, and that depending on the method of calculation, the quoted square footage of the Unit may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Unit, and settling and shifting of improvements, final actual square footage of a Unit may be affected. By accepting title to a Unit, the applicable Unit Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Unit, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included as part of the Plat or Floor Plans of Declarant's promotional materials or otherwise. Without limiting the generality of this Section 2.2(b), Declarant promotional materials or otherwise, Declarant does not make any representation or warranty as to the actual size, dimensions (including ceiling heights) or square footage of any Unit, the Common Elements or the Building Common

Elements, and each Unit Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Unit.

Section 2.3 Description of Limited Common Elements. The Limited Common Elements consist of those Common Elements which are generally described below and/or are generally identified as such on the Plat and Floor Plans, and which are reserved for the use of specific Units to the exclusion of all other Units. Limited Common Elements include, without limitation:

(a) the doors leading into common hallways to the Unit and any other entrance, Balcony and Terrace door to the Unit and any and all hardware associated therewith;

(b) all windows or screens for the Unit, including Balcony and Terrace screens;

(c) the frames and sills of all Unit entrance doors, Terrace or Balcony doors and frames and sills of all windows within or serving a Unit;

(d) any functional Balconies or Terraces; provided, however, that, notwithstanding anything to the contrary contained herein, any non-functional balconies, being those designed for decorative or ornamental purposes only, are General Common Elements;

(e) the exterior Terrace and Balcony lights;

(f) any dock gangway and headwalk Declarant or Building Declarant may construct adjacent to or within the Building Condominium to be reserved for the exclusive use of Dock Owners;

(g) any fingerpiers Declarant may construct adjacent to or within the Building Condominium, to be reserved for the exclusive use of particular Dock Owners. Each Dock Owner shall share its fingerpier with one other Dock Owner (and said fingerpier shall be a Limited Common Element appurtenant to each of the two Units); however, each Dock Owner shall only have the right to dock on one side of the fingerpier (each side, a "Boat Slip");

(h) any fireplace vents or similar appurtenances exclusively serving a Unit whether or not located within the designated boundary lines of a Unit;

(i) the hot water baseboard system serving the Units on the 4th and 5th floors shall be a Limited Common Element to those Units;

(j) the divider walls dividing the 4th floor Terraces of a Unit from the 4th floor Terrace of the adjacent Unit ("Terrace Walls") shall be a Limited Common Element to those Units; and

(k) Subject to the provisions of 2.2(a)(iii)(A) through (D) any other fixtures (including, without limitation, mailboxes, units numbers and lighting) designed to service a single Unit but located outside a Unit;

Section 2.4 Reserved General Common Elements. The Reserved General Common Elements, if any, are those parts of the General Common Elements not reasonably intended or designed to serve all of the Unit Owners which the Board of Directors or, as more particularly set forth below, the Declarant may, to the extent permitted by applicable law, designate from time to time for the use and benefit of the Lofts Association and/or any Unit Owner(s) to the exclusion of other Unit Owners(s) and may impose reasonable charges for and in consideration of such use. Any such designation by the Board of Directors or the Declarant shall not be construed as a sale or disposition of such portions of the General Common Elements and there shall be no reallocation of Percentage Interests hereunder.

Section 2.5 Description of General Common Elements. The General Common Elements as generally shown on the Plat and the Floor Plans consist of the entire Condominium other than the Units and the Limited Common Elements, and include without limitation the following:

(a) The Property;

(b) The Parking Spaces;

(c) The concrete slab forming the basement foundation and all columns, girders, beams and supports of the Property not included as parts of Units or Building Common Elements;

(d) Those portions of the basement level of the Building, not included as parts of Limited Common Elements or Building Common Elements;

(e) All hallways within the Condominium;

(f) All Service Elements not included as parts of Units, Limited Common Elements or Building Common Elements whether or not located within the designated boundaries of a Unit or a Common Element;

(g) All apparatus and installations existing or hereinafter constructed in the Building or on the Property for common use, or necessary or convenient to the existence, the common maintenance or safety of the Condominium and not included as part of the Units, Limited Common Elements or Building Common Elements;

(h) All elevators, elevator lobbies, staircases, access steps and landings, if any, serving Units, not included as parts of the Units or Building Common Elements;

(i) Rights of the Condominium under the Building Condominium Documents and in and to the Building Common Elements.

Section 2.6 Declarant's Right to Modify Units and/or Common Elements. Declarant hereby reserves the right on its behalf and on behalf of the Building Declarant, without the consent of any Unit Owner, or any other party, to increase and/or modify or alter the size, location and floor plans of the Building, a Unit, Limited Common Elements, General Common Elements and/or Building Common Elements during the construction, restoration or

rehabilitation of the Building, such Unit, Limited Common Elements, and/or General Common Elements, including, without limitation, combining two or more Units into one Unit or separating a Unit into two or more Units, and designating, relocating, restriping and/or renumbering Parking Spaces or, with the consent of the Unit Owner entitled to such Parking Space(s), reallocating Parking Spaces. In the event Declarant or Building Declarant exercises its respective rights with respect to the Building, any Unit, Limited Common Element and/or General Common Element, Declarant or Building Declarant shall have the right and authority, without the consent of any Unit Owner or any other party, to file an addendum to the Plat and/or Floor Plans with the Register of Deeds of Milwaukee County showing the location, size and floor plans of any such modified Unit and/or Limited Common Element and/or General Common Element, as applicable, and provided further that an amendment to the Plat and/or Floor Plans shall not be necessary for nonmaterial or other minor modifications.

Section 2.7 Declarant's Right to Alter Common Elements. The Declarant and its duly authorized agents, representatives and employees shall have the right exercisable in the sole discretion of the Declarant, to modify, alter, remove or improve any defective or nonfunctional Common Element (including, without limitation, any item of equipment or any fixture). Such right shall expire with respect to each Common Element as of the date two (2) years after Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Lofts Association, and/or the City and thereafter, the Board of Directors shall have such rights.

Section 2.8 Encroachment. If any portion of the General, Reserved General or Limited Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the General, Reserved General or Limited Common Elements as a result of the construction, reconstruction or repair of the Building, including, without limitation, the installation and location of utilities and plumbing, or as a result of settling or shifting of the Building, a valid easement for the encroachment and for its maintenance shall exist so long as the Building stands. The existing physical boundaries of a Unit or Common Elements constructed or reconstructed in substantial conformity with the Plat shall be conclusively presumed to be its boundaries, regardless of the settling or shifting of the Building and regardless of minor variations between the physical boundaries described in this Declaration or shown on the Plat and the existing physical boundaries of any such Unit or Common Element.

Section 2.9 Parking Spaces.

(a) Conveyance of Parking Spaces. The Condominium Parking Structure will include those Parking Spaces as generally shown on Plat. Appurtenant to each Unit will be the right to use a designated number of Parking Spaces in the Condominium Parking Structure on an exclusive basis. The initial number of Parking Spaces which may be used in connection with the ownership of a specified Unit is more particularly set forth on **EXHIBIT C** attached hereto. The specific numbered Parking Space(s) that a Unit Owner will be entitled to use as the Parking Space(s) assigned to said Unit Owner's Unit shall be initially determined by the Declarant and a list of the Parking Spaces assigned and/or designated to each Unit shall be maintained in the office of the Lofts Association (the "Parking Records"). The number of Parking Spaces appurtenant to a Unit may not be changed after the recording of the original deed for said Unit except by deed or, if permitted by applicable law, by recorded assignment executed by the Unit

Owner then owning such Unit. To the extent Unit Owners' desire to change their designated Parking Spaces, as opposed to the number of Parking Spaces appurtenant to the Unit Owner's Unit, the affected Unit Owners shall deliver to the Lofts Association a written notice signed by the affected Unit Owners stating that said Unit Owners have agreed to change designated Parking Spaces, which writing shall list the Units and their designated Parking Spaces immediately prior to the redesignation and the Units and their designated Parking Spaces immediately after any such redesignation. Upon receipt of the above referenced notice, the secretary or Managing Agent for the Lofts Association shall change the designation in the Parking Records of the Lofts Association.

(b) Easement to Commercial Unit. Certain Parking Spaces in the Unit are subject to a permanent and perpetual easement for the benefit of Commercial Unit of the Building Condominium as more particularly set forth in the Building Condominium Declaration. The Declarant, so long as the Declarant owns a Unit, and thereafter Board of Directors and shall have the express right pursuant to the Bylaws to amend said easement to increase the number of Parking Spaces assigned to Commercial Unit pursuant to said easement, provided such Parking Spaces have not been assigned to a third party Unit Owner in connection with his/her Unit. The initial Parking Spaces designated for use by the Commercial Unit shall be set forth in the Parking Records maintained by the Lofts Association and any changes thereto agreed to by the Unit Owner of the Commercial Unit shall also be reflected in such Parking Records.

(c) Non-Conforming Structure. The Condominium Parking Structure is constructed in the basement level of the Building and, as such, is limited in certain respects to the physical dimensions and characteristics of the original building. Not all Parking Spaces are equally sized and certain of the Parking Spaces may not meet modern criteria for length and/or width of parking stalls. The placement of building columns dictates parking stall dimensions and drive aisle widths. Drive aisles also do not meet modern criteria for width. Certain automobiles with long wheel bases and/or wide turning radii may not be able to maneuver certain areas of the Condominium Parking Structure. Overhead clearances are dictated by the original structure of the Building as well as the insertion of new mechanical, electrical and plumbing systems serving the Building. The presence of overhead improvements and the size of the garage door providing access to the Condominium Parking Structure limit the overall height of vehicles which can utilize the Condominium Parking Structure. In the event any vehicle is of a size that does not adequately fit in the Parking Space designated for the applicable Unit, and in the absence of cooperation of other Unit Owners necessary to redesignate Parking Spaces such that the vehicle could be parked in a different Parking Space, the Lofts Association reserves the right to direct the owner of such vehicle to secure parking outside of the Condominium Parking Structure so that safe and clear passage is maintained throughout the Condominium Parking Structure.

(d) Reallocation. The Declarant, and at such time as the Declarant no longer owns any Units within the Condominium, the Board of Directors, shall have the right to reallocate and redesignate conveyed Parking Spaces if traffic flow or safety issue arises as a result of the location of particular Parking Spaces and/or the size of vehicles parked in particular Parking Spaces, but only if such reallocation and redesignated is agreed to by the Unit Owners to whose Unit said Parking Spaces are then designated and/or by the owner of the Commercial Unit of the Building Condominium as to any Parking Spaces covered by the above-referenced easement and provided said parties provide the Lofts Association with the necessary

documentation to effectuate such reallocation and redesignation. Neither the Lofts Association nor the Board of Directors shall have any right to modify, reallocate, redesignate or restripe any of the Parking Spaces covered by the above-referenced easement without the express written consent of the Declarant so long as the Declarant owns a Unit and if the Declarant no longer owns any Units, then express written consent of the owner of the Commercial Unit of the Building Condominium.

(e) Right to Tow. The Board of Directors shall have the authority to tow vehicles from Parking Spaces if said vehicles are not entitled to park in said Parking Spaces or if said vehicles are in material violation of this Declaration, the Bylaws or the Rules and Regulations; provided, however, the Board of Directors may only tow vehicles from the spaces covered by the above-referenced easement with the consent of the owner of the Commercial Unit of the Building Condominium.

Section 2.10 Acceptance of Limited Common Element Transfers. The Unit Owners and Eligible Mortgagees agree that only the deed is required or, if permitted by applicable law, the assignment and that no amendments or addenda to the Condominium Documents are required in order to make the Boat Slips appurtenant to a Unit or Units or to Commercial Unit of the Building Condominium. The Lofts Association shall keep a list of which Boat Slips are appurtenant to a particular Unit or Units or to Commercial Unit of the Building Condominium. Purchasers of a Boat Slip shall provide a copy of any such deed or, if applicable, assignment to the Lofts Association within 15 days of the conveyance, and the Lofts Association shall provide a copy of and deeds or assignments for Boat Slips to the Dock Owners Group.

Section 2.11 WDNR Restrictions. If and to the extent any approvals or permits from the State of Wisconsin Department of Natural Resources are required for the construction of any dock headwalk, gangway or finger piers to be included within the Building Condominium, then Declarant will not construct any such dock headwalk, gangway or finger piers until the Declarant has obtained any necessary approvals or permits. Unit Owners and Eligible Mortgagees acknowledge that the purchase of a Boat Slip does not constitute the purchase of the exclusive ownership and use of the water within the Boat Slip. By conveying Boat Slips to Unit Owners, Declarant is only intending to apportion (and regulate the use of) the Unit Owners' riparian rights pursuant to applicable laws and regulations. If a dock permit is obtained by Declarant and Declarant elects to construct headwalks, gangways and/or finger piers, a copy of any such dock permit will be available for review at the office of the Lofts Association.

Section 2.12 Dock Owners Group. The Dock Owners Group shall be comprised of the Dock Owners and is not intended to be and is not a separate legal entity or association. If a Boat Slip or Boat Slips is/are appurtenant to Commercial Unit of the Building Condominium as a Limited Common Element of the Building Condominium, then the owner of Commercial Unit shall be a Dock Owner and shall have the same rights to vote and make decisions as a member of the Dock Owners Group in the same manner as any other Unit Owner with a Boat Slip or Boat Slips appurtenant to his or her Unit. The Dock Owners Group, subject to the review and approval of the Lofts Association, shall administer the Dock System (as defined in Section 2.13) as set forth in the Bylaws. Notwithstanding any other provision in the Condominium Documents, no amendment to any of the Condominium Documents may affect or impair the rights or obligations of Dock Owners with respect to the Dock System without the approval of

Dock Owners to which at least sixty-seven percent (67%) of the votes in the Dock Owners Group appertain. As set forth in the Bylaws, each Dock Owner shall have one vote per Boat Slip (including one vote for Boat Slips which Declarant has the right and option to construct pursuant to applicable laws, regulations, permits and approvals, but has not yet been conveyed, and which Boat Slips will be deemed to be owned by Declarant). Notwithstanding any other provision contained herein or in the Bylaws, the Dock Owners Group shall be controlled by Declarant until such time as seventy-five percent (75%) of the aggregate of (i) all Boat Slips constructed and (ii) all Boat Slips which Declarant as the right and option to construct have been conveyed to parties other than Declarant.

Section 2.13 Limited Common Element Docks and Boat Slips. The Declarant and/or the Building Declarant have reserved the right, but without any obligation, to construct and install certain dock headwalks, gangways and fingerpiers (the "Dock System") adjacent to or within the Building Condominium and connected to or attached to the Dock Wall as may be necessary or desirable in connection with said construction. The general area within which Declarant and/or the Building Declarant may, at its/their sole option, construct and install such Dock System is shown graphically to the extent feasible on the Building Condominium Plat (the "Reserved Dock Area"). Declarant reserves the right to construct or not to construct a Dock System within the Reserved Dock Area, provided that if Declarant does elect to construct and install a Dock System, the number of Boat Slips created within such Dock System will not exceed 26. Said Boat Slips, if constructed, will be designated under the Building Condominium Documents as limited common elements under the Building Condominium Documents to the Condominium (i.e. Unit 2 or the Residential Unit of the Building Condominium). Said Boat Slips, if constructed, may then be further assigned to (and reserved for the exclusive use of) particular Unit Owners electing to purchase the same as evidenced by either a deed or deeds to the Unit Owner or, if permitted by applicable law, by recorded or unrecorded assignment to the Unit Owner as a Limited Common Element or Limited Common Elements to the Unit(s) of said Unit Owner(s). In addition, Declarant shall have the right to convey or assign any or all of the Boat Slips to the owner of Commercial Unit of the Building Condominium, whereupon such Boat Slips shall be limited common elements under the Building Condominium Documents appurtenant to Commercial Unit of the Building Condominium, and the Condominium and the Unit Owners shall have no further rights to use the conveyed Boat Slips. Unit Owners or, if applicable, the owner of Commercial Unit of the Building Condominium may convey, but only to another Unit Owner or to the owner of Commercial Unit of the Building Condominium, Boat Slips appurtenant to the conveying Unit Owner's Unit or appurtenant to Commercial Unit of the Building Condominium by Deed or, if permitted by applicable law, a recorded or unrecorded assignment; whereupon such Boat Slips shall become appurtenant as a Limited Common Element to the Unit of the Unit Owner to which those interest is so conveyed or to the owner of Commercial Unit of the Building Condominium if such interest is so conveyed to said owner and the conveying Unit Owner or, if applicable, the owner of Commercial Unit of the Building Condominium, shall have no further rights to use the conveyed Boat Slip(s).

## ARTICLE III
## PERCENTAGE INTERESTS AND VOTING

Section 3.1 Percentage Interests. The undivided percentage interest in Common Elements (including Limited Common Elements) of the Condominium shall at any and

all times be apportioned as follows and appurtenant to each and every Unit then included in the Condominium. Each Unit's Percentage Interest in Common Elements shall be determinable at any time by dividing (a) the total number of usable square footage contained within the individual Unit as the same is determined by an architect selected by Declarant, and more particularly set forth on the Plats or Floor Plans, as the same may be amended from time to time, by (ii) the total number of usable square footage contained within all of the Units then included within the Condominium as the same is determined by an architect selected by Declarant, and more particularly set forth on the Plats or Floor Plans, as the same may be amended from time to time. The initial percentage interest in Common Elements appertaining to each Unit shall be as set forth on **EXHIBIT C** attached hereto and made a part hereof. Declarant shall have the right to amend **EXHIBIT C** to modify the Percentage Interest of Units resulting from the change in the floor plan of the Unit and/or the merger or division of Units during the construction and build out of the Unit or Units provided that the Unit Owners affected and their Eligible Mortgagees have approved the Percentage Interest change to their respective Unit. Unit Owners whose Percentage Interests do not change as a result thereof shall have no right to approve or to object to any such modification or amendment to **EXHIBIT C**. This Section 3.1 may not be amended without the express written consent of Declarant.

Section 3.2 Votes. There shall be from one to three votes appertaining to each Unit based on the deemed square footage of such Unit as more particularly set forth on **EXHIBIT C** and in the Bylaws. The number of votes appertaining to a Unit may be increased or decreased if the total number of usable square footage contained within the individual Unit is increased or decreased to such an extent that the number of votes appurtenant to that Unit would change in accordance with **EXHIBIT C** and as more particularly set forth in the Bylaws. The Declarant shall have the right to amend **EXHIBIT C** to modify the votes of any such Unit which result from the change in the Floor Plan of such Unit and/or the merger or division of such Unit during construction and build out of such Unit provided that the Unit Owners affected and their Eligible Mortgagees have approved the change in the votes appurtenant to their respective Unit. Unit Owners whose votes do not change as a result thereof shall have no right to approve or object to any such modification or amendment to **EXHIBIT C**. This Section 3.2 may not be amended without the express written consent of Declarant so long as Declarant owns a Unit.

## ARTICLE IV
## EASEMENTS

Section 4.1 Additional Easements. In addition to and in supplementation of the easements provided for by Section 703.32 of the Wisconsin Statutes, as amended and renumbered from time to time, and other provisions of the Act, and any and all licenses, easements, rights-of-way, covenants, limitations and restrictions of record, including, without limitation, the Riverwalk Agreement, the Condominium shall be subject to the following easements and restrictions:

(a) Utility and Other Easements. The Units and Common Elements and the Property shall be, and are hereby, made subject to easements in favor of the Declarant and, the Lofts Association, appropriate utility and service companies and governmental agencies or authorities for such Service Elements as may be necessary or desirable to serve any portion of the Property, but only if approved by, and in locations designated by, the Declarant (until

Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Lofts Association, the Building Association, the owner of Commercial Unit in the Building Condominium and the City and shall have completed the Condominium), and thereafter by a majority of the Board of Directors. The easements provided for by this Section 4.1(a) shall include, without limitation, rights of Declarant, the Lofts Association, the Building Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace Service Elements, such as, but not limited to, cable television and high speed internet, as may be necessary or desirable to serve any portion of the Property and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of completion of construction of the Unit by the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

(b) Declarant's Easements.

(i) Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Lofts Association, the Building Association, the owner of Commercial Unit in the Building Condominium and/or the City and shall have completed the Condominium and all Units therein) to use portions of the Common Elements and any Units owned by Declarant for construction, repair or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Property.

(ii) Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Lofts Association, the Building Association, the owner of Commercial Unit in the Building Condominium and/or the City and shall have completed the Condominium and all Units therein) on, over and under those portions of the Common Elements not located within the Building for the purpose of maintaining and correcting drainage of surface, roof or storm water. The easement created by this Section 4.1(b) expressly includes the right to cut any trees, bushes, or shrubbery, to grade any soil, to landscape or to take any other action reasonably necessary to the extent applicable.

(iii) Until the Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Lofts Association, the Building Association, the owner of Commercial Unit in the Building Condominium and/or the City and shall have completed the Condominium and all Units therein and for a period of two (2) years thereafter, the Declarant shall have an easement through the Units and the Common Elements for any access necessary to complete any repairs, replacement, maintenance, renovations or modifications to be performed by Declarant.

Notwithstanding anything to the contrary contained in this Declaration, the Bylaws or the Rules and Regulations, no provision in said Condominium Documents or any

amendment or addendum thereto shall limit or restrict the Declarant's rights pursuant to this Section 4.1(b).

(c) Easement for Ingress and Egress Through Common Elements; Access to Units; Support and Utilities.

(i) Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all General Common Elements intended for such purposes, subject to such reasonable rules, regulations and restrictions as may be imposed by the Declarant or the Board of Directors.

(ii) To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building and the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building and the Common Elements.

(iii) To the extent necessary, each Unit shall have an easement for the location, maintenance, repair and replacement of utility lines, pipes, wires and appurtenant facilities and systems which service only said Unit ("Individual Unit Utility Systems") to the extent any such Individual Unit Utility Systems are located within or are affixed to the concrete floor or ceiling slabs or exterior walls of an adjacent Unit, subject, in all cases, to compliance with subsection (d)(i) below;

(d) Common Elements Easement in Favor of Unit Owners. The Common Elements (including, without limitation, the Limited Common Elements) shall be and are hereby made subject to the following easement in favor of the Lofts Association and the Units benefited:

(i) For the installation, repair, maintenance, use, removal and/or replacement of Service Elements, whether or not such Service Elements are located in any of the other Units or in any other part of the Condominium, to the extent such Service Element serves any Unit or is necessary for service to any Unit; provided that any such installation, repair, maintenance, use, removal and/or replacement of any such item does not, in the determination of the Board of Directors, unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner. Any such installation, repair, maintenance, use, removal and/or replacement shall be conducted by and in the manner provided in the Bylaws and may only be undertaken by a Unit Owner if the Lofts Association has elected not to make such repairs or replacements.

(ii) for the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards, pipes, utility lines, cables, ventilation ducts, elevator shafts, and other electrical, plumbing, ventilation and similar installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not, in the determination of the Board of Directors,

unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner any such installation, repair, maintenance, use, removal and/or replacement shall be conducted by and in a manner provided in the Bylaws and may only be undertaken by Unit Owner if the Lofts Association has elected not to make such repairs or replacements.

(iii) for driving and removing nails, screws, bolts and other attachments into walls or other Common Elements bounding the Unit, the Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of concrete slab above the Unit and the top surface of the concrete slab below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not, in the determination of the Board of Directors, unreasonably interfere with the common use of any part of the Common Elements, adversely affect the thermal, fire protective or acoustical character of the Building or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner and may only be undertaken by a Unit Owner if the Lofts Association has elected not to make such repairs or replacements.

(iv) for the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Elements (including without limitation the Limited Common Elements) on the date this Declaration is recorded or that were thereafter installed by Declarant or any Unit Owner purchasing its Unit from Declarant to the extent such encroachment is consented to by Declarant; provided that the repair, maintenance, use, removal and replacement of any such item does not, in the determination of the Board of Directors unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally weaken the Building or the systems serving the Building and any such work is performed in a good and workmanlike manner.

(e) Units and Common Elements Easement in Favor of Lofts Association. The Units and the Common Elements, including, without limitation, the Limited Common Elements, are hereby made subject to the following easements in favor of the Lofts Association and its agents, employees and independent contractors:

(i) for inspection of the Units, Common Elements, including, without limitation, Limited Common Elements, in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible and to correct or remove therefrom any violations of the Condominium Documents or applicable Governmental Regulations;

(ii) for inspection, installation, use, maintenance, repair, removal, replacement, renovation, alteration, improvement, or relocation of Service Elements, General

Common Elements, Reserved General Common Elements or Limited Common Elements situated in or accessible from such Units or Common Elements, including, without limitation, Individual Unit Utility Systems;

(iii) for correction of emergency conditions in one or more Units and the Common Elements;

(iv) for inspection, assessment, repair, replacement, renovation, alteration or improvement as may be necessary or desirable as a result of a casualty or condemnation to any of the Common Elements or Units; and

(v) for performing any or all of their respective duties and responsibilities or for exercising any powers granted to said parties hereunder.

Any installation, replacement or relocation of Common Elements or Service Elements within a Unit shall be located at or near previous locations (if any) or, to the extent commercially feasible, in locations which will not unreasonably disturb the use of the Unit for its intended purposes. Except in an emergency, any right of access to a Unit granted pursuant to this Section shall be exercised only after five business days advanced notice and with commercially reasonable efforts to minimize interference with the use of such Unit. The Unit shall promptly be reasonably restored or repaired to its condition immediately prior to such access after completion of any work in a Unit conducted pursuant to any right of access granted in this Section 4.1(e). Notwithstanding the foregoing, in case of an emergency such right of entry shall be immediate and without notice, whether or not the Unit Owner is present at the time.

(f) Building Condominium. Each Unit Owner acknowledges that the Condominium, all of the Common Elements and each Unit are subject and subordinate to the terms and provisions of the Building Condominium Documents including without limitation each and every easement contained therein.

Section 4.2 Inconvenience. Each Unit Owner hereby acknowledges that the activities of the Declarant, the Lofts Association, the Building Declarant or the Building Association pursuant to this Article IV and the Building Declaration may temporarily impair access to the Building and cause inconvenience to the Unit Owners and the occupants of their Units.

Section 4.3 Encroachment and Sales.

(a) Encroachment. If by reason of construction, reconstruction, settlement or shifting of the Building, or the design or construction of any Unit, any part of the Common Elements shall at any time encroach upon any part of any Unit, or any part of any Unit shall at any time encroach upon any part of the Common Elements or any Unit shall at any time encroach upon part of any other Unit, an easement for the continuation and maintenance of such encroachment is hereby established and shall exist for the benefit of such encroaching Unit or Common Element so long as all or any part of the Building containing such Unit or Common Element shall remain standing.

(b) Easement to Facilitate Sales.

(i) Declarant and its duly authorized agents, representatives and employees shall have the right, exercisable in Declarant's sole discretion, to use as a model, sales and/or rental office and/or for any other lawful purpose or purposes any Unit or Units or any part or part thereof which have not been conveyed by the Declarant and any Unit or Units or any part or part thereof leased by the Declarant from Unit Owners who may agree to lease their Units to the Declarant for such use(s). Such Units shall be Units within the meaning of this Declaration and the Condominium Act, and shall not comprise a part of the Common Elements. The Declarant shall have the absolute right for itself, its successors and its invitees and prospective purchasers, to use and enter, without being subject to any charge or fee therefor, any and all such Units and the Common Elements, including parking areas, for model, sales and/or rental purposes and/or for any other lawful purpose or purposes, including placing thereon "for sale" or "for rent" signs and other promotional materials.

(ii) Declarant shall have an easement to maintain sales and/or construction offices, including, without limitation, a sales center, sales and/or construction trailer or tent, and management offices throughout the Property and to maintain one or more advertising signs on the Common Elements. Declarant may from time to time relocate any such models, management offices and sales and/or construction offices, trailers and tents to different locations within the Property. Upon the relocation of a model, management office or sales office, Declarant may remove all personal property and fixtures therefrom.

(iii) So long as Declarant shall be engaged in selling or leasing property, Declarant shall have the right to restrict the use of Parking Spaces which have not been designated for use by the Unit Owners of specified Units, if any, for sales purposes. Such use shall include reserving such spaces for use by prospective purchasers, Declarant's employees, and others engaged in sales, maintenance, construction or management activities.

Notwithstanding anything to the contrary contained in this Declaration, the Bylaws, or the Rules and Regulations, no provision in said Condominium Documents or any amendment or addendum thereto shall limit or restrict the Declarant's rights pursuant to this Section 4.3(b).

Section 4.4 Binding Nature. All easements and rights described herein are granted and reserved to and shall inure to the benefit of and be binding upon, as applicable, the Declarant, the Lofts Association, Building Declarant and the Building Association, all Unit Owners and occupants of a Unit and their respective successors and assigns. Either the Lofts Association or the Declarant, as applicable, shall have the authority to execute all documents necessary to carry out the intent of this Section.

Section 4.5 Construction and Noise Level. All Unit Owners should expect noise vibrations and other inconveniences inherent in any construction project as well as intermittent shutdowns of the Condominium's building systems to facilitate Unit Owner hookups and other renovations in and to the Condominium until all of the Units have been occupied. Declarant shall have the right to and may utilize elevators and other systems and may install and retain scaffolding and other equipment on and in the Condominium to complete construction of the Condominium and the Units. Certain services, such as cable, computer and other similar

services may be provided by outside suppliers and delays and interruptions in any services will not be the responsibility of Declarant. Declarant agrees to use commercially reasonable efforts to cause any such activities undertaken by Declarant within the Building to be undertaken in a manner consistent with normal and prudent construction practices so as to minimize any unreasonable disruption to the use by the Unit Owners of their Units.

Each Unit Owner, by acceptance of the deed or other conveyance of a Unit, hereby acknowledges and agrees that sound and impact noise transmissions in a building such as the Condominium Building is very difficult to control and that noises from adjoining or nearby Units and/or mechanical equipment may be heard in another Unit. Declarant does not make any representation or warranty as to the level of sound or impact noise transmission between and among Units and the other portions of the Condominium and each Unit Owner hereby waives and expressly releases, to the extent not prohibited by applicable law as of the date of this Declaration, any such warranty and claims for loss or damages resulting from sound transmission or impact noise transmission.

## ARTICLE V
## BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 5.1 Monthly Payments. The Board of Directors shall levy and enforce the collection of the general and special assessments for Common Expenses in accordance with the terms and conditions contained in the Bylaws, including, without limitation, the creation and enforcement of liens on the Units. Assessments shall commence as to any Unit upon the first conveyance of such Unit to a person or entity other than the Declarant. Notwithstanding anything to the contrary contained in the Condominium Documents, Declarant's obligation to pay Common Expense assessments and special assessments for Units that have not been conveyed to third party purchasers shall be limited to an amount equal to the shortfall, if any, between (i) the Budgeted Annual Operating Expenses for Sold Units (as hereinafter defined) and (ii) the Actual Operating Expenses (as hereinafter defined); provided, however, that the amount to be paid by Declarant hereunder shall in no event exceed the Common Expense assessments which would otherwise be paid by the Units owned by the Declarant determined by taking the Percentage Interests appurtenant to the Units owned by Declarant and multiplying them by the Budgeted Annual Operating Expenses (as hereinafter defined), after excluding any and all reserves and special assessments. For purposes hereof, the term "Budgeted Annual Operating Expenses" shall mean the total estimated annual operating expenses set forth on the estimated annual budget for a given calendar year, the term "Actual Operating Expenses" shall mean the actual amount required to operate the Condominium during a given calendar year (excluding any and all reserves and special assessments) and the term "Budgeted Annual Operating Expenses for Sold Units" shall mean the total Common Expense assessment to be paid to the Lofts Association in such calendar year from all Unit Owners, except Declarant, which amount shall be determined for each Unit Owner by taking the Percentage Interest appurtenant to the Units owned by such Unit Owner and multiplying it by the Budgeted Annual Operating Expenses. Declarant is hereby expressly excluded from any and all obligations to pay or contribute toward any reserves attributable to Units owned by Declarant.

All Common Expense annual assessments shall be due and payable in equal monthly installments, in advance, on the first day of each month unless different payment

periods and due dates are selected by the Board of Directors. Special Assessments shall be due and payable in the manner established by the Board of Directors pursuant to the Bylaws. Assessments, other than special assessments, shall be deemed to have been adopted and assessed on a monthly or annual basis (or such other basis as may be elected by the Board of Directors from time to time). Upon any conveyance of a Unit to a party or parties other than Declarant, Declarant shall have no further obligations in connection therewith.

The total annual assessment against each Unit Owner for Common Expenses and any special assessment levied pursuant to the Bylaws, together with interest thereon, penalties and the expenses of the proceedings, including, without limitation, reasonable attorneys' fees, hereby is declared to be a lien against the Unit of such Unit Owner within the purview of the Act, which lien shall be enforced pursuant to Section 703.16 and Section 703.165 of the Act, as amended or renumbered from time to time, and as provided by law and the Bylaws.

Each Unit Owner is also responsible for paying its proportionate share of the Building Assessments, which Building Assessments shall be included within Common Expenses. If any Unit Owner fails to pay its proportionate share of the Building Assessments, then the Lofts Association and the Building Association shall have the right to exercise any and all of their rights and remedies against such Unit Owner and such Unit Owner's Unit as may be available pursuant to the Condominium Documents, the Building Condominium Documents, at law or in equity.

Section 5.2 Surplus Funds. Surplus funds (collectively, "Surplus Funds") of the Lofts Association remaining after payment of or provision for Common Expenses and any prepayment of reserves may in the discretion of the Board of Directors either (i) be credited, in proportion to each Unit Owner's obligation to pay Common Expenses, to the next monthly installments due from Unit Owners, or (ii) refunded among Unit Owners who paid assessments in proportion to their payments, or (iii) added to reserves until exhausted.

Section 5.3 Statutory Reserve Account Statement. Declarant has elected not to have a statutory reserve account. Future expenditures for repairs and replacements will be funded through reserves as established from time to time by the Board of Directors as more particularly provided in the Bylaws.

## ARTICLE VI
## USE RESTRICTIONS

Section 6.1 Restrictions. The occupancy and use of the Units and Common Elements shall be subject to the restrictions set forth in the Bylaws, as the same may be amended from time to time, and the following restrictions:

(a) The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model or sales or management office) are restricted to single family residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner, except as expressly set forth in Section 5(a) of Article VI of the Bylaws.

(b) A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction, or repair to his Unit or Units which will impair the structural integrity or value of the Building or any mechanical, electrical or transmission system therein; or adversely affect either the thermal, fire protective or acoustical character of the Building; or lessen the support of any portion of the Building; or create a nuisance substantially affecting the use and enjoyment of other Units or the Common Elements; or violate the Condominium Documents or any applicable law, ordinance or governmental rule, regulation or order.

(c) A Unit Owner is prohibited from making any alteration, installation, removal, addition, reconstruction or repair to the exterior surface of his or her Unit, including any Terrace or Balcony without the prior written approval of the Design Review Committee in accordance with Article XII hereof, unless otherwise expressly permitted by the Bylaws.

(d) No Unit, except those Units owned by Declarant, shall be subjected to or used for any fractional interest ownership, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving, periodic occupancy by multiple unit owners, cooperators, licensees or fractional interest owners.

(e) Each Unit Owner shall be obligated to maintain said Unit Owner's Unit in a manner consistent with the applicable terms and provisions of the Bylaws and Rules and Regulations;

Section 6.2 Rules and Regulations. Rules and Regulations, not in conflict with the provisions of this Declaration and the Bylaws, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Declarant, during the period of time that the Declarant controls the Board of Directors, or the Board of Directors, in their reasonable discretion, subject to the right of the Lofts Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Board of Directors promptly after the adoption of such Rules and Regulations or any amendments thereto. The Declarant so long as it owns a Unit and, if the Declarant no longer owns a Unit, then the Board of Directors (i) shall have the right, but shall not be required to, adopt rules and regulations providing reasonable restrictions on the types of vehicles that may be parked within the Parking Spaces appurtenant to the Units, on the length of time in which any vehicle which is not operable may be left within such Parking Spaces, and on such other items as the Declarant or the Board, as applicable, may deem advisable and (ii) shall have the authority (but not the obligation) to regulate and administer all issues and disputes regarding parking in said parking areas, and to grant exceptions to any such rules and regulations when the circumstances make such exceptions necessary or desirable. Unit Owners are also obligated to comply with the terms and provisions of the Building Rules and Regulations to the extent applicable, including, without limitation, any rules and regulations promulgated by the Building Declarant or the Board of Directors of the Building Association in connection with parking. No rules and regulations may be issued that apply to the Parking Spaces covered by the Easement granted to the Owner of the Commercial Unit of the Building Condominium without the consent, in writing, of the Owner of the Commercial Unit of the Building Condominium.

## ARTICLE VII
LEASING

Section 7.1 Declarant's Right to Lease or Sell Units. The Declarant shall retain title to each Unit not conveyed to any purchaser. The Declarant retains the right to enter into leases with any third parties for occupancy of any of the Units, any part or parts thereof, so retained by Declarant and not so conveyed to any purchaser, the terms and conditions of which leases shall be determined by the Declarant, in its sole discretion, or to lease back and sublease any Unit, or any part or parts thereof, so conveyed.

Section 7.2 Unit Owner's Right to Lease. Except as set forth in Section 7.1 with respect to the rights of Declarant, a Unit Owner may lease or sublease his Unit, or any part or parts thereof, at any time and from time to time provided that:

(a) No Unit, nor any part thereof, may be leased or subleased for transient or hotel purposes or for an initial term of less than six (6) months;

(b) No Unit, nor any part thereof, may be leased or subleased without a written lease or sublease, a copy of which must be provided to the Lofts Association within five (5) business days after execution thereof and, at the option of the Board of Directors, must be on a form approved by the Board of Directors;

(c) A notice of lease shall be furnished to the Board of Directors or the Secretary of the Lofts Association within seven (7) days after execution thereof setting forth the identity, address and contact name for tenant, the permitted and anticipated use of the premises by said tenant and the commencement date and expiration date of the lease; and

(d) The right of any lessee or sublessee of a Unit, or any part or parts thereof, shall be subject to, and each such lessee or sublessee shall be bound by, the Act, the covenants, conditions, and restrictions set forth in the Declaration, Bylaws, Rules and Regulations and the Building Condominium Documents (a copy of which documents shall be provided by the Unit Owner to its tenant(s)) and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments or special assessments on behalf of the Unit Owner of that Unit.

Section 7.3 Lease of Boat Slips. Dock Owners may lease their Boat Slips subject to restrictions set forth in the Building Condominium Documents and the Bylaws and any applicable laws and regulations, provided that the Lofts Association and Dock Owners Group may, upon 90 days' written notice, terminate any such lease rights pursuant to the Bylaws.

## ARTICLE VIII
BUILDING CONDOMINIUM DOCUMENTS

Section 8.1 Building Condominium Documents. The Condominium Documents are Subcondominium Documents pursuant to and under the Building Condominium Documents and are subordinate to the Building Condominium Documents in all respects except as may be expressly otherwise set forth in the Building Condominium Documents. Any and all

amendments, modifications, supplements, rescissions, cancellations, terminations or promulgations of any of the Condominium Documents shall be subject to the prior written approval of the Building Declarant or the Board of Directors of the Building Association, as applicable.

Section 8.2 Representative to Building Association. The Lofts Association is deemed to be the Unit Owner of Residential Unit, also referred to as the Residential Unit, pursuant to and under the Building Condominium Documents and the Board of Directors of the Lofts Association is hereby granted the right and authority to elect one representative (the "Representative") to act on behalf of the Lofts Association in all matters with respect to the Building Association. The Representative shall be an owner of a Unit and may be, but is not required to be, a member of the Board of Directors. The Representative shall have the right and authority to vote the votes of the Residential Unit at any meeting or pursuant to any resolution in connection with the Building Association. The Representative shall be selected or removed as more particularly set forth in the Bylaws. The Board of Directors of the Lofts Association is hereby granted the right and authority to elect two (2) Unit Owners to act on behalf of the Lofts Association as members of the Board of Directors of the Building Association. Said members of the Board of Directors of the Building Association may also be members of the Board of Directors of the Lofts Association and one of said members may also be the Representative.

## ARTICLE IX
## AMENDMENT TO DECLARATION

Section 9.1 Amendment. Except as otherwise set forth in this Declaration and subject to compliance with Section 8.1 above, this Declaration may be amended by the agreement of Unit Owners of Units to which at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Lofts Association appertain and in the manner provided by Section 703.09(2) or Section 703.093 of the Act, as amended and renumbered from time to time. All Unit Owners of Units who are subject to a mortgage shall first obtain the written consent of the holder of any such mortgage to the vote by said Unit Owner in favor of any amendment and shall provide evidence of such consent to the Board of Directors in a form satisfactory to the President thereof. No such amendment shall be effective until recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin. Anything herein to the contrary notwithstanding, and subject to any limitations imposed by the Act and except as required to comply with any applicable requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Lofts Association, or any other governmental or quasi-governmental agency insuring or involved in the making or purchasing of Eligible Mortgages of any Unit:

(a) so long as Declarant is the only Unit Owner, the Declarant may amend this Declaration without the consent or approval of any party;

(b) so long as Declarant owns one or more Units or any part thereof, no amendment to this Declaration shall be adopted without the Declarant's prior written consent;

(c) so long as Declarant owns one or more Units, or any part thereof, no amendment to this Declaration shall be adopted that could unreasonably interfere with the sale, lease or other disposition of such Unit(s) or that could abridge, modify, eliminate or otherwise

affect any right, power, easement, privilege or benefit reserved to Declarant hereunder or which would impose any discriminatory charge or fee against Declarant;

(d) no amendment to this Declaration shall be adopted that would abridge, modify, eliminate or otherwise adversely affect any right, power, easement, privilege or benefit reserved by the provisions of this Declaration to Eligible Mortgagees; and

(e) notwithstanding the above, if Declarant determines that a typographical error, misnomer, inadvertent omissions or any other error has been made in this Declaration, Declarant, without further authority, shall have the right to correct any such error by an instrument amending the Declaration and recorded with the office of the Register of Deeds for Milwaukee County, Wisconsin.

Any amendment to this Declaration may be executed (A) if on behalf of the Declarant pursuant to Declarant's rights hereunder, by any authorized officer of the Declarant, and (B) if on behalf of the Lofts Association, pursuant to the requirements regarding execution set forth in Bylaws.

Section 9.2 Amendments to the Condominium Documents. The Condominium Documents may be amended only in accordance with the Act, the Condominium Documents and the Building Condominium Documents. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to any applicable requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, secondary mortgage market institutional guarantors, or secondary mortgage market institutional insurers with respect to condominium projects, then at any time and from time to time the Board of Directors, to the extent permitted by applicable law, may effect an appropriate corrective amendment without the approval of the Unit Owners or the holder of any liens on all or any part of the Property. Each amendment of the type described in this Section 9.2 shall be effective upon the recording in the Office of the Register of Deeds for Milwaukee County, Wisconsin of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Board of Directors. Notwithstanding any other provision in the Condominium Documents, no amendment to any of the Condominium Documents may affect or impair the rights or obligations of Dock Owners with respect to the Dock System without approval of Dock Owners owning Units to which no less than a majority of the Boat Slips are appurtenant.

Section 9.3 Implied Consent. To the extent permitted by applicable law, the failure of any Unit Owner or holder of a mortgage on a Unit to respond to any notice of a proposed amendment within thirty (30) days after the sending of the notice to said Unit Owner or mortgagee by certified or registered U.S. mail, with return receipt requested, shall be deemed implied consent by said Unit Owner or the holder of said mortgage to any such amendment. A copy of each amendment shall be mailed or personally delivered to each Unit Owner at such Unit Owner's address as stated on the roster of members to be kept pursuant to the Bylaws and any

holder of a mortgage provided said holder has provided notice to the Lofts Association of its address and the appropriate contact person and has requested copies of said amendments.

## ARTICLE X
## MORTGAGES

Section 10.1 Requirements.

(a) No Unit Owner shall have the right or authority to mortgage, encumber or otherwise place a lien upon the Property or any part thereof, provided that each Unit Owner shall have the right to mortgage or encumber said Unit Owner's Unit and the undivided interest in the Common Elements appurtenant to such Unit.

(b) Any Eligible Mortgage or other lien on a Unit and the obligations secured thereby shall be deemed to provide, generally, that the Eligible Mortgage or other lien instrument and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the Eligible Mortgagee or lien holder shall have no right (i) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (ii) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceeds to Unit Owners pursuant to Section 703.18 of the Act, as amended and renumbered from time to time, or a distribution of insurance proceeds in excess of the cost of repair or restoration being received by the Unit Owner of the Unit encumbered by such Eligible Mortgage.

(c) Nothing contained in Section 10.1(b) hereinabove or elsewhere in this Declaration shall give a Unit Owner, or any other party, priority over any rights of the Eligible Mortgagee or other lien holder of a Unit pursuant to its Eligible Mortgage or other lien instrument in case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

(d) No Unit Owner or purchaser of a Unit shall deliver any mortgage or other lien instrument secured by a Unit, or any obligation to be secured thereby, unless it has first notified the Board of Directors of the name and address of the proposed Eligible Mortgagee or lien holder and the priority of such mortgage or lien instrument. Failure to provide such notice to the Board of Directors shall not affect the validity, enforceability or priority of any such mortgage or lien instrument.

Section 10.2 Eligible Mortgagees.

(a) Upon receipt of the name and address of the holder of an Eligible Mortgage, the Secretary of the Board of Directors shall instruct the insurer of the Property to add the name of the Eligible Mortgagee or other lien holder to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Eligible Mortgagee or other lien holder with a Certificate of Insurance showing that the Eligible Mortgagee's or other lien holder's name has been so added.

(b) The Secretary shall maintain a register of Eligible Mortgages, showing the names and addresses of the Eligible Mortgagees or other lien holders and whether it is a first mortgage or deed of trust to the extent such information has been received by said Secretary.

Section 10.3 Rights of Eligible Mortgagees.

(a) Upon the specific written request (in the form set forth in Section 10.3(b) hereof) of a holder of an Eligible Mortgage on a Unit or its servicer or any insurer or guarantor thereof to the Board of Directors, such person or entity shall be entitled to receive some or all of the following as designated in the request and by virtue of such request shall be deemed to be an "Eligible Mortgagee" entitled to the rights of an Eligible Mortgagee pursuant to the Condominium Documents:

(i) Copies of budgets, notice of assessment, or any other notices or statements provided under this Declaration by the Board of Directors to the Unit Owner of the Unit covered by the Eligible Mortgage;

(ii) Any audited or unaudited financial statements of the Board of Directors which are prepared for the Board of Directors and distributed to the Unit Owner and the holder of any Eligible Mortgage on a Unit shall be entitled to have an audited statement prepared at its own expense if one is not otherwise available;

(iii) Copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative;

(iv) Notice of substantial damage to or destruction of any Unit subject to the Eligible Mortgage (in excess of $100,000) or any part of the Common Elements (in excess of $100,000);

(v) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(vi) Notice of any default under this Declaration or the Bylaws of the Unit Owner of the Unit which is subject to the Eligible Mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Lofts Association to the Unit Owner of the existence of the default;

(vii) Notice of any sixty (60) day delinquency in the payment of assessments or charges owed by a Unit Owner of a Unit which is subject to the Eligible Mortgage.

(viii) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Lofts Association;

(ix) Notice of any decision by the Board of Directors to terminate any professional management of the Property and assume self-management of the Property; and

(x) Notice of any proposed action which would require the consent of a specified percentage of certain mortgagees as set forth in Section 10.4. below.

(b) The request of an Eligible Mortgagee or its servicer shall specify which of the above items it desires to receive, shall request all rights under the Condominium Documents, shall indicate the address to which any notices or documents shall be sent by the Board of Directors and shall set forth the unit number or address of the Unit on which it has or insures or guarantees an Eligible Mortgage. The Board of Directors need not inquire into the validity of any request made hereunder by an Eligible Mortgagee. The Board of Directors may refuse to honor any request where, after reasonable inquiry, it shall determine that the person making such request is not entitled to the material so requested and may establish reasonable rules to implement this Section 10.3(b). As a condition of the transmittal of such items, the Board of Directors, on behalf of the Lofts Association, may charge an Eligible Mortgagee for the cost of any such copies and any postage incurred in connection therewith.

(c) Failure to comply with the requirements set forth above shall in no way invalidate the otherwise proper actions of the Lofts Association and the Board of Directors.

(d) Any Eligible Mortgagee shall have the right, exercisable upon written request to the Board of Directors, to examine the books and records of the Lofts Association at any reasonable time.

Section 10.4 Implied Approval. The approval of an Eligible Mortgagee to any of the foregoing amendments, modifications, or revisions may be assumed when any Eligible Mortgagee fails to submit a response to any written proposal for any such amendment, modification or revision within thirty (30) days after proper notice has been delivered to the Eligible Mortgagee, by certified or registered mail, return receipt requested.

Section 10.5 Application and Effect. The provisions of this Article X shall supersede any inconsistent provision or provisions of this Declaration, the Bylaws or the Rules and Regulations; provided, however, that said provisions shall not be deemed to limit or expand and shall not supersede the following:

(a) The amendment provisions of Article IX of this Declaration and of Section 1 of Article XIII of the Bylaws;

(b) The right granted to the Declarant in this Declaration to subdivide or relocate the boundaries of Units and to designate Reserved General Common Elements; and/or

(c) The rights of any Unit Owner and his or her mortgagee with respect to matters particularly affecting such Unit Owner's Unit and/or Eligible Mortgage, including, without limitation, as set forth in Section 11.1 hereof, with respect to any relocation, combination or subdivision, and Article VIII, with respect to a Unit Owner's right to submit said Unit Owner's Unit to a Subdeclaration.

Section 10.6 Subordination of Lien for Common Expenses. The lien for Common Expenses provided for in the Condominium Documents and in Section 703.16 of the Act, as amended and renumbered from time to time, shall be subject and subordinate to the lien

of any Eligible Mortgage upon any Unit; provided, however, that said subordination to any Eligible Mortgage shall apply only to the assessments which become due and payable prior to the earliest to occur of (i) any such holder of an Eligible Mortgage taking possession of a Unit, (ii) the sale or transfer of such Unit pursuant to a foreclosure, or (iii) the sale or transfer by any other proceeding in lieu of foreclosure, including, without limitation, a deed in lieu of foreclosure. The Unit Owner shall remain personally liable for all such Common Expenses and said sale or transfer or the taking of possession shall not relieve such Eligible Mortgagee or transferee from liability for any Common Expenses thereafter becoming due nor from the lien from any subsequent Common Expenses, including, without limitation, said Unit's proportionate share of any prior Common Expenses that have not been paid by any Unit Owner, including the Unit Owner owning the Unit encumbered by such Eligible Mortgage.

## ARTICLE XI
## BOUNDARY RELOCATION; PARTITION

Section 11.1 Relocation of Unit Boundaries and Subdivision of Units. Except as otherwise set forth herein, any Unit may be subdivided into 2 or more Units, combined or the boundaries thereof relocated if such action shall have been approved in writing by all affected Unit Owners, all Eligible Mortgagees of the Units involved and the Board of Directors, and if the Declarant then holds any ownership interest in any Unit, the Declarant. The foregoing consents shall not be required with respect to Unit subdivisions or boundary relocations made by the Declarant. An amendment to this Declaration to effect any Unit subdivision, combination or boundary relocation shall be recorded by the Secretary or other officer of the Lofts Association. Any such subdivision, combination or relocation provisions shall comply with the applicable provisions of Section 703.13 (6), (7) and (8) of the Act, as the same may be amended or renumbered from time to time, and with the provisions of the Bylaws.

Section 11.2 Liens and Indemnification. All work in connection with a relocation, combination, and/or subdivision shall be completed in a good and workmanlike manner, free from all liens. The Unit Owner(s) owning Units with respect to which the boundaries are relocated or owning any Units that are subdivided shall indemnify and hold harmless the other Unit Owners, the Board of Directors, the Declarant and the Lofts Association from and against all claims of third parties for personal injury or property damage arising from work performed in connection with any such relocation or subdivision. The Board shall have the authority to assess against any such Unit, any and all costs reasonably incurred by the Lofts Association as the result of the failure by said Unit Owner to pay any and all costs that are associated with such work or that are covered by the foregoing indemnity.

Section 11.3 Ownership of Contiguous Units. No Unit Owner may combine vertically contiguous Units and no Unit Owner may modify, alter, remove or create openings in any floor slab, without the express written consent of the Board of Directors, which may be withheld for any reason whatsoever and shall be subject to compliance by such Unit Owner with all of the conditions set forth in subsections (a) through (e) below and provided further that any such Unit Owner shall provide certificates from a licensed engineer and/or architect acceptable to the Board of Directors that any openings in the floor slab will not affect the structure of the Building. Any Unit Owner owning two or more horizontally contiguous Units may create openings in or remove or alter the boundary walls between such Units in such a manner as not to

interfere with or encroach upon any other Units or Common Elements; provided that any such construction by the Unit Owners shall be upon the following terms and conditions:

(a) any such alterations must be approved by the Board of Directors and if required by the Board of Directors or applicable law, the Unit Owner and all record owners of liens on the Unit shall join in the execution of an amendment to this Declaration;

(b) the Unit Owner agrees to indemnify and hold harmless the Lofts Association and any other Unit Owners from and against any and all costs, expenses, damages or liabilities (including any damages or liabilities arising from damage to property or death or injury to persons) which the Lofts Association and any other Unit Owners may suffer or to which the Lofts Association may be exposed as a result of the construction and maintenance of such openings in or alterations to the boundary walls or slabs;

(c) the Unit Owner shall be required to obtain such insurance coverage as may be reasonably requested by the Board of Directors;

(d) the Unit Owner shall be required to pay a reasonable fee to the Board of Directors in connection with the review of any plans and specifications and certificates and in connection with the verification of the same and, in addition thereto, to reimburse the Board of Directors and the Lofts Association for any out-of-pocket costs and expenses incurred by the Board of Directors or the Lofts Association in connection with such review and verification; and

(e) prior to the vesting of title to any of such contiguous Units in an Owner who is not vested with title to all such contiguous Units, the Unit Owner will restore such boundary walls to the location and condition existing immediately prior to any opening, removal or alteration of the boundary walls. If the Unit Owner fails to perform such restoration, the Lofts Association may perform the restoration and charge the affected Units and Unit Owner for the cost thereof as an assessment and if such assessment is not paid when due, the Lofts Association shall have the same rights as if the Unit Owner had failed to pay Common Expense assessment hereunder.

Section 11.4 No Revocation or Partition. Except as otherwise set forth herein, the Common Elements shall remain undivided and no Unit Owner or any other person shall bring or have the right to bring any action for partition or division thereof, nor shall the Common Elements be abandoned by act or omission, unless the Condominium regime is waived and terminated by agreement of Unit Owners owning Units to which appertain at least one hundred percent (100%) of all the votes in the Condominium and one hundred percent (100%) of the holders of any mortgages on the Units, except as provided herein in the event of casualty or condemnation.

## ARTICLE XII
## DESIGN REVIEW COMMITTEE

Section 12.1 Design Review Committee. The Design Review Committee shall be composed of 5 Unit Owners or representatives of Declarant appointed by the Board of Directors, at least one of whom shall be a member of the Board or in the event the Board of Directors elects not to appoint a separate Design Review Committee, the term "Design Review Committee" shall

refer to the Board of Directors; provided, however, that until the date that Declarant no longer owns any Units or, if applicable law requires an earlier date, then such earlier date (the "Turnover Date"), the Design Review Committee shall be the Declarant. The Declarant may, in its sole discretion, appoint 5 Unit Owners to the initial Design Review Committee at any time prior to the Turnover Date, two of which Unit Owners shall be appointed to a 3-year term, 3 of which shall be appointed to a 2-year term and thereafter all of which shall be appointed to two year terms, provided, however, that any or all such Unit Owners appointed by Declarant may be removed from the Design Review Committee upon the vote of not less than two-thirds of the members of the Board of Directors and any and all such Unit Owners appointed by the Lofts Association after the Declarant no longer controls the Lofts Association may be removed from the Design Review Committee upon the vote of not less than a majority of the members of the Board of Directors.

Section 12.2 Construction/Modification of Units, Common Elements and Improvements on the Property. Except as set forth in this Article XII, no Unit Owner shall make any addition, alteration, decoration enclosure or improvement to, including, without limitation, repainting or revarnishing, or changing the appearance of, the Common Elements or any exterior surface of any Unit or the Condominium until a written request setting forth the details of the addition, alteration, improvement, change or item shall have been submitted to and approved in writing as to harmony of external design, soundness and visual aesthetics by the Design Review Committee, which approval may be conditioned, approved or denied in the Design Review Committee's sole discretion, and all required governmental approvals and permits are in place. Except as set forth in this Article XII with respect to the Declarant, the alteration of any Terraces, Balconies, Sunscreens, doors, windows, window walls, window systems, docks or fingerpiers or the installation or replacement of any flagpoles, bird feeders, banners, posters, artwork or similar personal property that would require anchorage or attachment to the Building or exterior surface of a Unit is prohibited, excluding only natural gas grills connected to the natural gas lines provided in the Building for such purpose. The placing of any landscaping, sculpture or similar element weighing 250 pounds singularly or 1,000 pounds, in the aggregate, on any Balcony or Terrace shall also be prohibited unless a structural engineer appointed by the Board of Directors of the Building Association determines that the placing of said landscaping, plant, sculpture or similar element is within a conservative determination of the safe loading capacity of the applicable Balcony or Terrace and is not a safety hazard to the other occupants of the Building. The Design Review Committee may not approve any addition, alteration, improvement, change or item unless such addition, alteration, improvement, change or item complies with the Act, this Declaration, the Bylaws, the then current Rules and Regulations and the Building Condominium Documents, including, without limitation, obtaining any necessary consents from the Board of Directors of the Building Association, except for replacement of screening or glass in a window or glass door contained in a Unit with screening or glass similar to the material that is being replaced.

Without limiting the generality of the foregoing, and as examples only, no Unit Owner other than Declarant, without having first obtained the prior consent of the Design Review Committee shall:

(a) change, modify, obstruct or remove, in whole or in part, replace, reroute, or otherwise affect any column, wall or partition, pipe, duct, drain, wire or conduit or any other Service Element, or obstruct any easement herein provided for;

(b) change, modify or otherwise affect in any manner any mechanical, electrical, plumbing, telecommunication, architectural or structural system, Service Element, Structural Component or any other element or component of the Building;

(c) remove, replace, change or in any way alter any door, window, screen, exterior ceiling fan, fixture or equipment located within, in or on, or change the style, pattern, texture or outside color of, (i) the exterior surface of, a Unit or Building wall, including, without limitation, doors, or (ii) any window shade or blind adjacent to or attached to the interior or exterior of any exterior window, glass door or window wall (including, without limitation, any wall situated between a Balcony or Terrace and the interior of the Unit) except, and subject to compliance with the Bylaws and Rules and Regulations, a Unit Owner may remove and replace any such item with exactly the same door, window, screen, exterior ceiling fan fixture or equipment, in all respects, as the item so removed, unless and then only to the extent any changes have been preapproved by the Board of Directors of the Building Association and the Lofts Association and then only to the extent neither the Building Association nor the Lofts Association elects to undertake such removal and replacement);

(d) remove, replace, change or in any way alter or adjust the roller shades installed adjacent to the windows in the Unit or install any window treatments or any other items between said roller shade(s) as originally installed and the window(s) as originally installed; it being understood and agreed that any alterations to the roller shades and/or the windows could negatively affect the windows and/or the warranty applicable thereto;

(e) affix to or over any exterior door or window, whether located in a wall adjacent to a Terrace, or Balcony, or elsewhere, or otherwise install on the exterior of any Unit or Building, any storm or hurricane shutter which has not been approved by the Declarant or, if the Declarant no longer owns a Unit, the Board of Directors or any awning or any protective or decorative panel, paneling, trim, enclosure, fixture, or appliance; or

(f) otherwise change, modify or alter (i) any Common Element, (ii) the exterior surface of any Unit or the appearance thereof, (iii) the flooring, ceiling or walls (if any) of any Terrace, or Balcony, (iv) the configuration of the space located within any Terrace or Balcony, or (v) otherwise modify any Terrace or Balcony so that it thereby differs in exterior appearance from the Terrace or Balcony of any other Units of the same type.

Section 12.3 Guidelines. The Design Review Committee may develop and promulgate policy guidelines for the application of the design and aesthetic control provisions set forth herein and for undertaking construction activities within any Unit. The policy guidelines may include review procedures, aspects and objectives of review, and principles and criteria used as standards in determining the achievement of the required objectives. The policy guidelines may also include specific design practices that, though optional, are generally acceptable methods for achieving the required objectives in particular design or aesthetic problems frequently encountered in the Condominium. The policy guidelines are intended to assist the

Design Review Committee and the Unit Owners in the ongoing process of community design and aesthetics. They may be modified and supplemented from time to time, on due notice to the Unit Owners and subject to the approval of the Board of Directors. The Board of Directors may also promulgate guidelines for Outdoor Items which may be placed on Terraces and Balconies without preapproval by the Design Review Committee if the Outdoor Items conform fully with such guidelines. The Board of Directors may grant variances to the policy guidelines if the grant of such variance is consistent with the overall objects of this Article and is necessary or desirable because of an unusual situation or set of circumstances. The Board of Directors may require that a Unit Owner employ certain contractors, in particular, when the employment of a specified contractor is necessary or desirable to avoid the possibility of negating or reducing the benefits of any applicable warranty. In particular, any work involving the windows, window walls or window systems shall be performed or overseen by Klein Dickert unless otherwise agreed to by Declarant in writing or, if the Declarant no longer owns a Unit, then by the Board of Directors of the Building Association.

Section 12.4 Submittal Requirements. Unit Owners requesting approval pursuant to this Section may be required to submit such supplemental information, including plans and specifications, containing such additional detail as the Design Review Committee may reasonably request. The Design Review Committee may impose a reasonable fee in connection with the review of any such plans and specifications and, in addition thereto, may require a Unit Owner to reimburse the Design Review Committee for any out of pocket costs and expenses incurred by the Design Review Committee in connection with such review if the Design Review Committee determines that an outside architect or consultant should be retained in connection therewith.

Section 12.5 Procedure. Within thirty (30) days after the receipt by the Design Review Committee of all of the information requested from a Unit Owner in connection with any proposed addition, alteration, improvement, change or Outdoor Item, the Design Review Committee shall, in writing to such Unit Owner, approve, with specified conditions, or refuse the Unit Owner's request with respect to any such addition, alteration, improvement, change or Outdoor Item.

Section 12.6 Insurance; Warranties; Permits. The Board of Directors may also require that the Unit Owner carry additional insurance coverages naming the Lofts Association as an additional insured provided such requirements are reasonable. So long as the Declarant owns any Unit, then Declarant shall be named as an additional insured in connection with any such insurance coverage and if the Design Review Committee elects not to require such coverage, then the Declarant shall have the right to require such additional insurance provided such requirements are reasonable. If any proposed addition, alteration, improvement, change or Outdoor Item, including, without limitation, satellite dishes, would result in a modification to any Unit or Common Element or would result in an item being affixed to any Unit or Common Element, then the Declarant may require as a condition to Declarant's consent thereto that the requesting Unit Owner agree to release Declarant from any obligations or warranties that Declarant may have under any agreement, including, without limitation, sale agreements, or otherwise with respect to the item being so modified or altered and with respect to the item to which such modification, alteration, change or Outdoor Item is being attached. The Unit Owner shall be responsible for obtaining and shall obtain all necessary or desirable approvals and

permits and shall comply with all applicable laws, ordinances, rules, regulations and guidelines with respect to any such addition, alteration, improvement, change or item.

Section 12.7 Violations. The Design Review Committee shall have the power to impose reasonable fines and to issue a cease and desist request to any Unit Owner, his/her/its guests, invitees, or lessees whose actions are inconsistent with the provisions of this Section.

Section 12.8 Failure to Act. In the event the Design Review Committee fails to approve or disapprove such plans and specifications or items within forty-five (45) days after said plans and specifications have been submitted to it, such plans and specifications or items shall be deemed to have been approved by the Design Review Committee. In the event that plans and specifications or Outdoor Items are not submitted to or approved by the Design Review Committee, or the actual design, construction or location of any improvement or Outdoor Items shall be materially at variance with approved plans and specifications or approved Outdoor Items, the Lofts Association may, until one year (but not thereafter) after the completion of construction, commence a suit or other action to require the removal or alteration of such improvement or Outdoor Items.

Section 12.9 Authority to Act. The Design Review Committee may appoint in writing a member of such committee who shall have authority to approve the construction of improvements or placement of Outdoor Items as set forth in this Article XII.

Section 12.10 Declarant Excluded. Notwithstanding anything to the contrary contained herein, this Article XII shall not apply to the Declarant and the Declarant may make or construct any improvement, addition or alteration without obtaining the approval of the Design Review Committee, or otherwise complying with this Article XI; provided, however, that the Declarant shall make any improvement, addition or alteration in a manner that is compatible with the architectural design of the Building, additions that are approved as so compatible by any of the architects involved in the Building shall be deemed for all purposes to be compatible with the architecture of the Building.

## ARTICLE XIII
## CONDOMINIUM DOCUMENTS AND THE BUILDING CONDOMINIUM DOCUMENTS: SCOPE

Section 13.1 Scope of Coverage. All present and future Unit Owners of Units, tenants of such Unit Owners and any other occupants of Units, employees of Unit Owners, or any other persons that in any manner use or enter upon the Condominium or any part thereof shall be subject to and shall comply with the provisions of this Declaration (including the Plat and Floor Plans), the Articles, the Bylaws and Rules and Regulations of the Lofts Association and the Building Condominium Documents, as these instruments may be amended from time to time. A violation of the provisions of the Condominium Documents or the Building Condominium Documents by any such person shall be deemed a substantial violation of the duties of the respective Unit Owner. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit shall constitute an acceptance by such Unit Owner, tenant or occupant of the provisions of such instruments, as they may be amended from time to time. The provisions contained in such instruments shall be covenants running with

the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof. The enforcement may be by such judicial proceedings as the Board of Directors may deem appropriate as well as pursuant to the provisions of the Condominium Documents, the Building Condominium Documents and/or the Act, including, but not limited to, the right to injunctive relief.

## ARTICLE XIV
## DAMAGE OR DESTRUCTION; EMINENT DOMAIN

Section 14.1 Damage or Destruction. In the event the Condominium is destroyed or damaged to such an extent that either the insurance proceeds, if any, constitute less than one hundred percent (100%) of the cost of completing repair or reconstruction, then action by Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Lofts Association appertain taken within One Hundred Twenty (120) days after such damage or destruction shall be necessary to determine not to repair or reconstruct the Condominium as more fully described in Section 1, Article IX of the Bylaws. In the event of either (a) damage or destruction for which insurance proceeds are equal to or greater than one hundred (100%) of the cost of completing repair or (b) Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Lofts Association appertain did not vote within said 120-day period to waive, terminate and partition the Condominium, then the Condominium shall be repaired and reconstructed pursuant to arrangement by the Board of Directors of the Lofts Association as provided in said section of the Bylaws. Notwithstanding the foregoing and to the extent permitted by applicable law, if the Unit Owners of the Units in the Building Condominium have determined to repair or restore the Building Condominium or if the Building Condominium has not been damaged, then the Unit Owners shall not have the right to elect not to repair and restore the Condominium.

Section 14.2 Eminent Domain. Whenever all or part of the Common Elements shall be taken or threatened to be taken, injured or destroyed by eminent domain or the threat thereof, each Unit Owner, to the extent permitted by applicable law, appoints the Lofts Association as attorney-in-fact for the purpose set forth in Section 14.3. Each Unit Owner shall be entitled to notice thereof, but in any proceedings for the determination of damages, such damages, to the extent permitted by applicable law, shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. In the event of a taking by eminent domain, or the threat of a taking by eminent domain, the award shall be applied pursuant to the terms and provisions of the Bylaws and any readjustments to the Percentage Interests appurtenant to the Units shall also be as more particularly set forth in the Bylaws.

Section 14.3 Negotiations. In the event all or part of the Common Elements are destroyed or damaged or are taken, injured or destroyed by eminent domain, to the extent permitted by applicable law, the Lofts Association shall represent the Unit Owners in negotiations, settlements and agreements with the condemning authority and/or the insurance company. To the extent permitted by applicable law, each Unit Owner appoints the Lofts Association as attorney-in-fact for this purposes. Any insurance proceeds, or any award or proceeds of settlement shall, to the extent permitted by applicable law, be payable to the Lofts Association for the use and benefit of the Unit Owners and their mortgagees as their interests

may appear and in accordance with the terms of the Bylaws and Section 703.19 and 703.195 of the Act.

Section 14.4 Priority of First Mortgagees. Except as otherwise provided by the Act, no provision of this Declaration, the Bylaws, or the Rules and Regulations, shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of holders of first mortgages or deeds of trust pursuant to their first mortgages or deeds of trust in case of the distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or the Common Elements or any portions thereof.

## ARTICLE XV
## INSURANCE

Section 15.1 Insurance. The Board of Directors, on behalf of the Lofts Association, and the Unit Owners shall obtain and maintain insurance as provided in the Bylaws.

## ARTICLE XVI
## ADDITIONAL PROVISIONS

Section 16.1 Waiver. No provision contained in this Declaration 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 which may occur.

Section 16.2 Severability. The invalidity or unenforceability of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid or unenforceable provision had never been included herein. Any conflict between any provision of any Condominium Document and the Act, or any questions regarding the interpretation of any Condominium Documents, shall be governed by the Act.

Section 16.3 No Obligations. Nothing contained in the Condominium Documents shall be deemed to impose upon the Declarant or its successors or assigns any obligations of any nature to build, renovate or provide any improvements except to the extent required by the Act.

Section 16.4 Resident Agent. The resident agent under Section 703.23 of the Act for service of process shall be Mandel Group, Inc., 301 East Erie, Milwaukee, Wisconsin 53202. Change of agent for service of process may be accomplished by resolution adopted by a majority of the Board of Directors of the Lofts Association and by the filing of such change with the Department of Financial Institutions of the State of Wisconsin or such other office as shall then be designated for the filing of a change of registered agent for nonprofit corporations or as otherwise provided in Section 703.23 of the Act.

Section 16.5 Mergers. Upon a merger or consolidation of the Lofts Association with another corporation as provided in its Articles and Bylaws and Section 703.275 of the Act, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations

of another corporation may, by operation of law, be added to the properties, rights and obligations of the Lofts Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within the Property except as herein above provided.

Section 16.6 Conveyance of Additional Common Elements. Declarant may convey to the Lofts Association or to the Unit Owners additional real estate, improved or unimproved, located within the boundaries of the Property or immediately adjacent thereto, any part or parts thereof, which upon conveyance or dedication to the Lofts Association or the Unit Owners, as applicable, shall be accepted by the Lofts Association or the Unit Owners, as applicable, and thereafter shall be maintained by the Lofts Association at its expense for the benefit of all of the Unit Owners.

Section 16.7 Use of Facilities of Others. The Board of Directors shall have the right, upon the approval of Unit Owners owning Units to which a majority of the votes in the Lofts Association appertain, to enter into agreements, including, without limitation,, easement agreements and licenses, granting the Unit Owners the right to use common facilities, including, without limitation, privately owned utilities, of other associations or land owners on reasonable terms and conditions, including, without limitation, payment of a fee in connection therewith.

Section 16.8 Power of Attorney. In the furtherance of the Declarant's and the Lofts Association's rights pursuant to Section 2.6, Section 4.1(i) and Article IX and, to the extent permitted by law, a power coupled with an interest is hereby reserved and granted to the Declarant and to the Board of Directors to make, consent to and/or execute any of the documents that the Declarant and the Board of Directors are authorized to make, consent to and/or execute pursuant to Section 2.6, Section 4.1(a) and Article IX of this Declaration and each deed or other document of conveyance, mortgage or other evidence of lien or obligation or any other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to, the reservation of the power reserved and granted to the Declarant and granted to the Lofts Association to make, consent to, execute and/or record any such documents.

Section 16.9 Assignment. Declarant shall have the right to assign all of its right, title, interest and obligation hereunder to any person or entity acquiring all of the Declarant's then ownership in the Condominium by written agreement expressly stating that the Declarant assigns all of its rights as Declarant hereunder to such person or entity, which assignment shall either expressly be set forth in any conveyance document conveying said ownership interest or expressly set forth in a separate assignment and shall be effective upon recording of a conveyance document or separate assignment in the Office of the Register of Deeds for Milwaukee County, Wisconsin. Declarants will also have the right to collaterally assign all of its right, title, interest and obligation hereunder to any holder of a mortgage encumbering all of Declarant's then ownership in the Condominium by written agreement expressly setting forth any such collateral assignment.

Section 16.10 Development and Riverwalk Agreement. Declarant has entered into that certain Marine Terminal Development and Riverwalk Agreement with the City of Milwaukee (the "City") providing for the construction of the Riverwalk on portions of the Property. In addition, the Development and Riverwalk Agreement will provide for, among other things, the operation and maintenance of the Riverwalk. The Building Association and the Lofts Association shall be responsible for certain of the obligations provided for in the Development and Riverwalk Agreement, as more particularly set forth therein. Upon execution, a copy of the Development and Riverwalk Agreement will be available upon request.

Section 16.11 Riverwalk Easement. The Property will be subject to that certain Grant of Easement Agreement (Marine Terminal Riverwalk) by and between Building Declarant and the Authority. Building Declarant's rights and obligations under the Riverwalk Easement will be assigned to the Building Association. The Riverwalk Easement sets forth certain requirements regarding insurance, maintenance, right of entry, public rights, rules and regulations, decorations, utilities, and alterations. The Building Association and the Lofts Association shall be responsible for certain of the obligations set forth in the Riverwalk Easement. Upon execution, a copy of the Riverwalk Easement will be available upon request.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed on the date first above written.

DECLARANT:

MANDEL RIVERFRONT HOLDINGS I LLC

By: _____
Name: Barry R. Mandel
Its: Manager

**ACKNOWLEDGEMENT**

STATE OF WISCONSIN )
) SS.
COUNTY OF MILWAUKEE )

Personally came before me this 13th day of MAY, 2006, Barry R. Mandel, the Manager of Mandel Riverfront Holdings I LLC, to me known to be the person who executed the foregoing on behalf of said limited liability company and acknowledged same.

Brenda R. Kocacin
Printed Name: BRENDA R. KOCACIN
Notary Public, State of Wisconsin
My Commission is permanent.
(If not permanent, state expiration date:
10/18, 2009.)

**ACKNOWLEDGEMENT AND CONSENT**

This Declaration and the Condominium Documents are hereby acknowledged, approved and consented to by Johnson Bank, the mortgagee pursuant to that certain Mortgage and Security Agreement dated _____, 2004 granted by Declarant to Johnson Bank and recorded against the Property on _____, 2004 in the office of the Register of Deeds for Milwaukee County, Wisconsin as Document No. _____.

JOHNSON BANK

_____
Name:
Its:

**ACKNOWLEDGMENT**

STATE OF WISCONSIN )
) SS.
COUNTY OF MILWAUKEE )

Personally came before me this ____ day of _____, 2006, _____, the _____ of Johnson Bank, to me known to be the person who executed the foregoing on behalf of said _____ and acknowledged same.

_____
Printed Name: _____
Notary Public, State of Wisconsin
My Commission is permanent.
(If not permanent, state expiration date:
_____, _____.

This document was drafted by and should be returned to Sarah O. Jelencic, c/o Foley & Lardner LLP, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

**EXHIBIT A**
**LEGAL DESCRIPTION**

Unit 2, together with said Unit's undivided 78.2% interest in the common elements (and the exclusive use of the limited common elements appurtenant to said units), all in Marine Terminal Building Condominium, a condominium declared and existing under and by virtue of the Condominium Ownership Act of the State of Wisconsin and recorded by a Declaration as such condominium in the office of the Register of Deeds for Milwaukee County, Wisconsin, recorded January 5, 2005, as Document No. 8927466, said condominium being located in the City of Milwaukee, County of Milwaukee, State of Wisconsin on the real estate described in said Declaration and incorporated herein by this reference thereto.

Tax Key No. 429-0220-000-07

**EXHIBIT A-1**

**PLAT OF SURVEY**

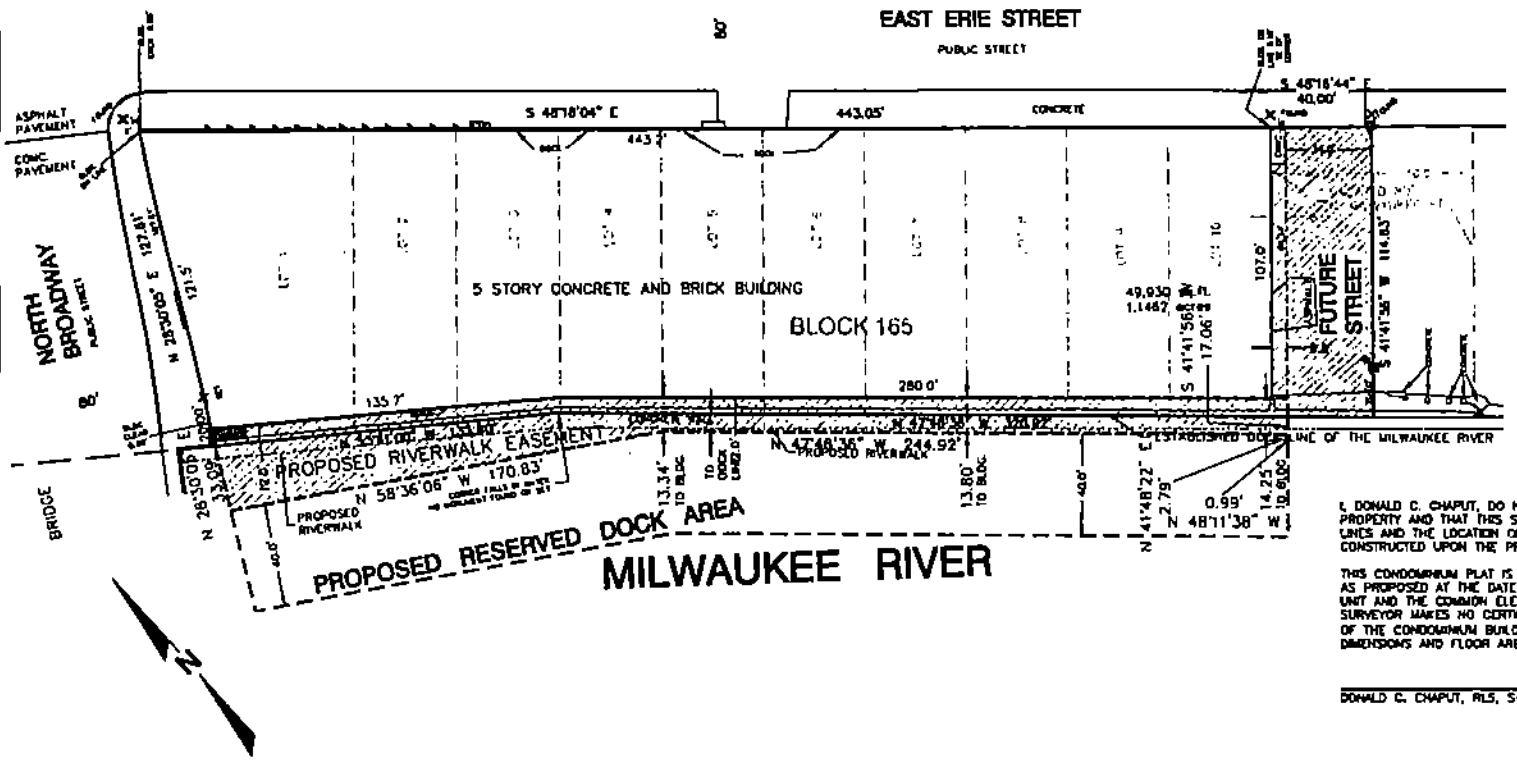
# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

LEGAL DESCRIPTION – MARINE TERMINAL LOFTS CONDOMINIUM

UNIT 3 OF MARINE TERMINAL BUILDING CONDOMINIUM, BEING PART OF LOTS 1 TO 10, INCLUSIVE, TOGETHER WITH THE WEST HALF OF VACATED NORTH MILWAUKEE STREET ADJOINING LOT 10 ON THE EAST, IN BLOCK 165 IN SURVEY AND SUBDIVISION OF LOTS 1 AND 2 OF SECTION 33, TOWN 7 NORTH, RANGE 22 EAST, CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN.

MANDEL GROUP DRAWING NO. 160964-CLH




NOTES:

1. COMMON ELEMENTS ARE ALL AREAS WITHIN THE CONDOMINIUM AND OUTSIDE OF THE UNITS, EXCEPT THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS AS SHOWN AND REFERRED TO IN MARINE TERMINAL BUILDING CONDOMINIUM

2. REFER TO SECTION 2.3 OF THE ORIGINAL DECLARATION OF CONDOMINIUM FOR DESCRIPTIONS OF THE LIMITED COMMON ELEMENTS.

GCE/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

I, DONALD C. CHAPUT, DO HEREBY CERTIFY THAT I HAVE SURVEYED THE ABOVE DESCRIBED PROPERTY AND THAT THIS SURVEY IS AN ACCURATE REPRESENTATION OF THE EXTERIOR BOUNDARY LINES AND THE LOCATION OF THE BUILDINGS AND IMPROVEMENTS CONSTRUCTED OR TO BE CONSTRUCTED UPON THE PROPERTY.

THIS CONDOMINIUM PLAT IS A CORRECT REPRESENTATION OF MARINE TERMINAL LOFTS CONDOMINIUM AS PROPOSED AT THE DATE HEREOF, AND THE IDENTIFICATION AND PROPOSED LOCATION OF EACH UNIT AND THE COMMON ELEMENTS CAN BE DETERMINED FROM THE PLAT. THE UNDERSIGNED SURVEYOR MAKES NO CERTIFICATION AS TO THE ACCURACY OF THE DIAGRAMMATIC FLOOR PLANS OF THE CONDOMINIUM BUILDING(S) AND UNITS CONTAINED IN THE PLAT AND THE APPROXIMATE DIMENSIONS AND FLOOR AREAS THEREOF.

DONALD C. CHAPUT, RLS, S-1318 DATE

GRAPHIC SCALE

20 0 10 20 40 80

( IN FEET )

1 inch = 40 ft.


National Survey & Engineering

262-781-1000

Fax 262-797-7373

16745 W. Bluemound Road

Suite 200

Brookfield, WI 53005-5938

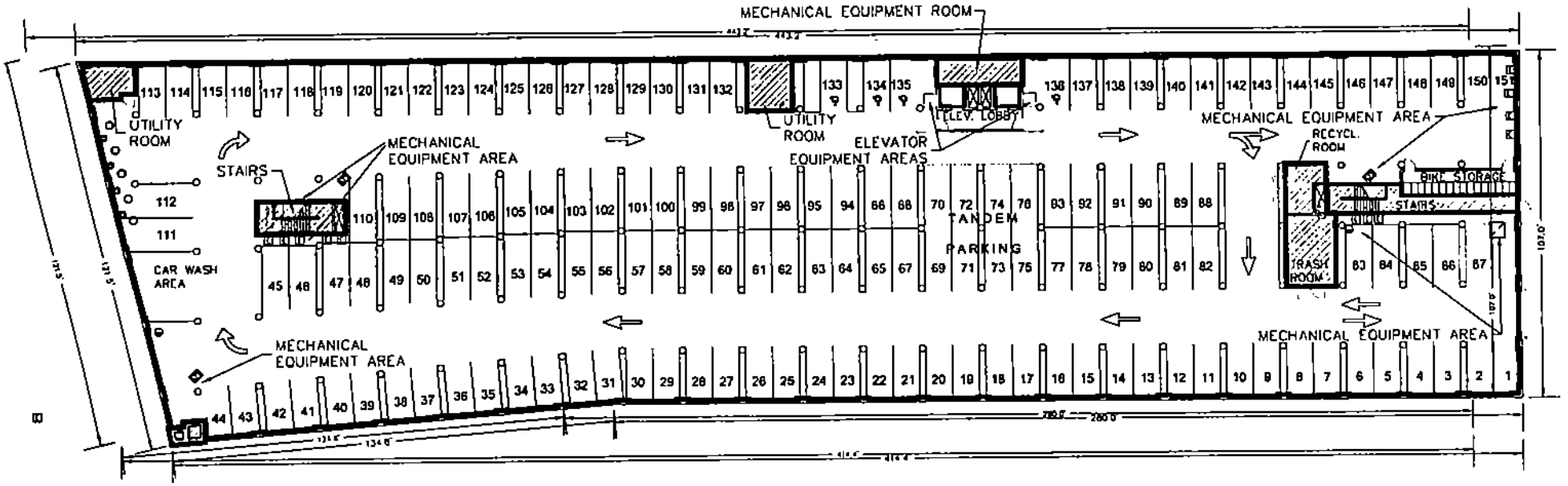
www.nse1.com


SHEET 1 OF 6

**EXHIBIT B**
**FLOOR PLANS**

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN




## LOWER LEVEL - PARKING

GCE/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

GCE/MTL = GENERAL COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

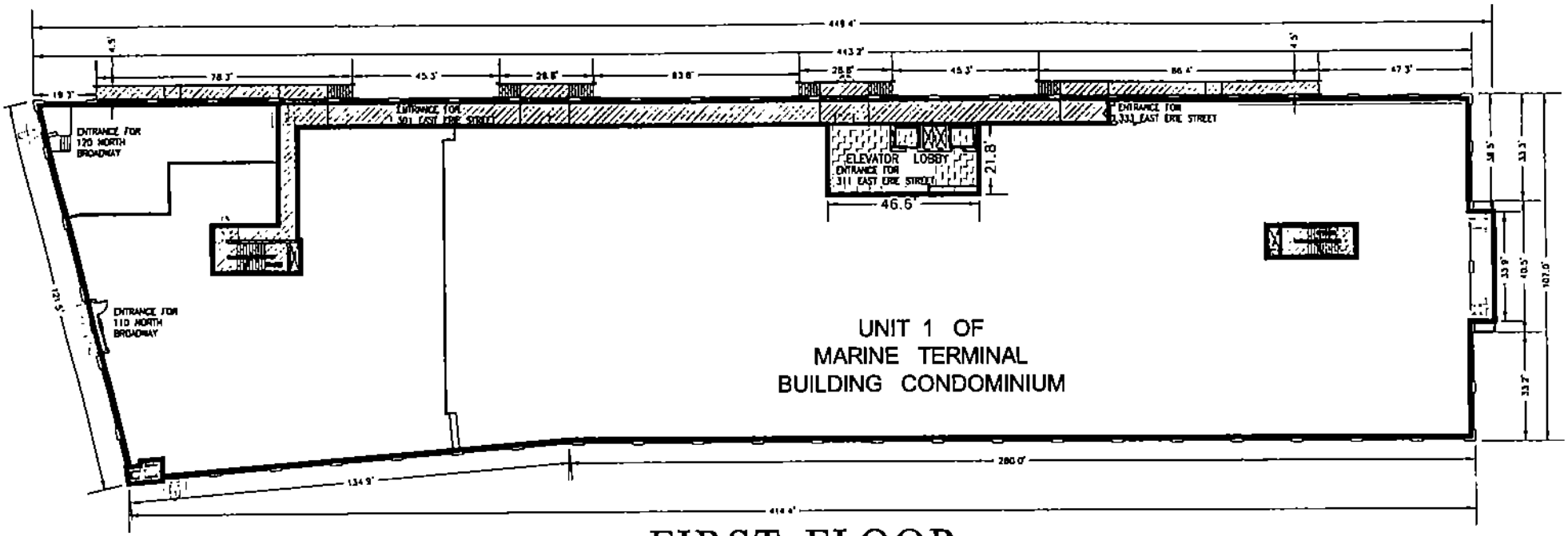
LCE/MTL = LIMITED COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

- BOLLARD
- ELECTRIC PANEL
- GAS METER
- SPACE HEATER
- SUMP


National Survey & Engineering
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Fax 262-797-7373
16745 W. Bluemound Road
Suite 200
Brookfield, WI 53005-5938
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# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN




## FIRST FLOOR

GCC/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

GCC/MTL = GENERAL COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

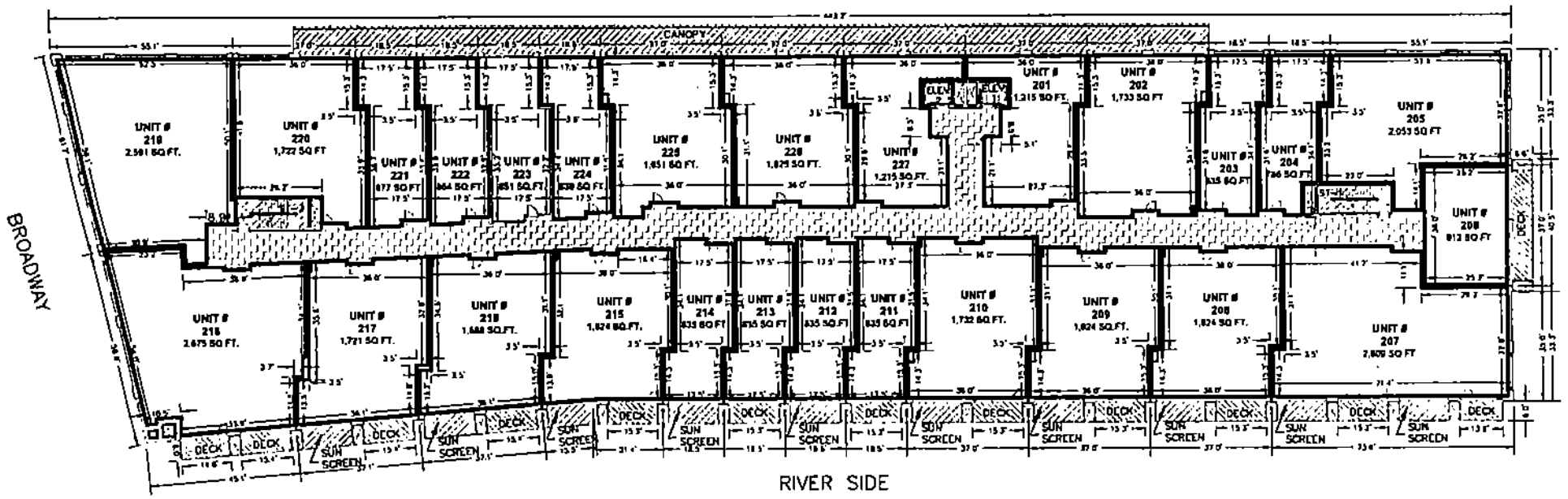
LCC/MTL = LIMITED COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM


National Survey & Engineering
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262-781-1000
Fax 262-797-7373
16745 W. Bluemound Road
Suite 200
Brookfield, WI 53005-5938
www.nsei.com

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

CITY SIDE – ERIE STREET




RIVER SIDE

NOTE:
AREAS SUPPLIED BY OTHERS

## SECOND FLOOR

GCE/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

GCE/MTL = GENERAL COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

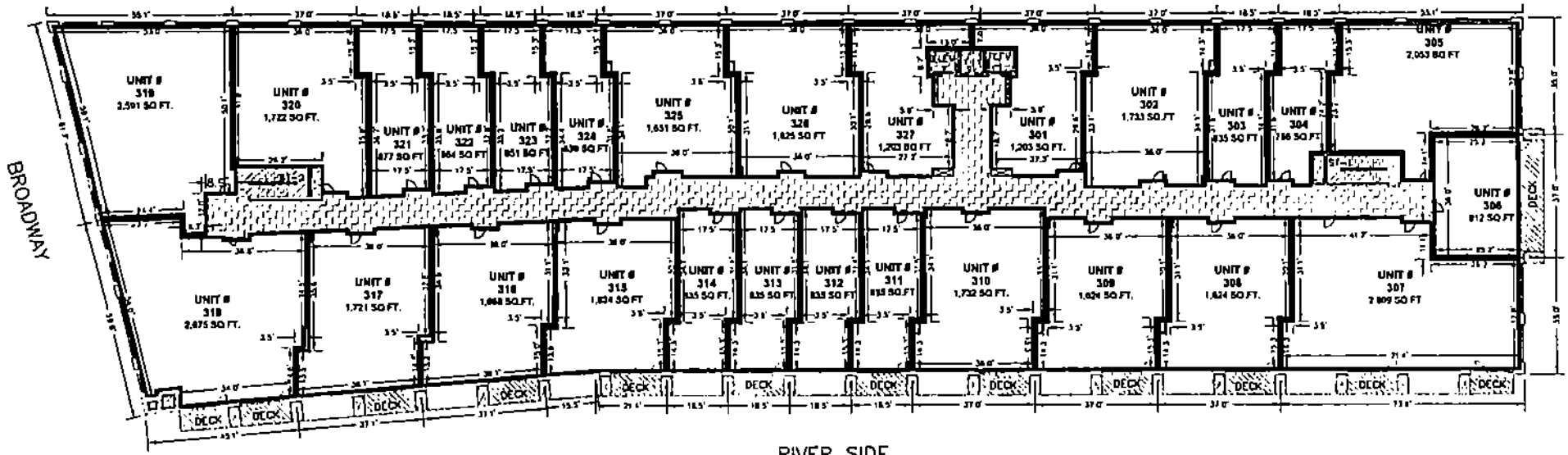
LCE/MTL = LIMITED COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM


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Fax 262-797-7373
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www.nsae.com

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

CITY SIDE – ERIE STREET




RIVER SIDE

NOTE:
AREAS SUPPLIED BY OTHERS

N

## THIRD FLOOR

GCE/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

GCE/MTL = GENERAL COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

LCE/MTL = LIMITED COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

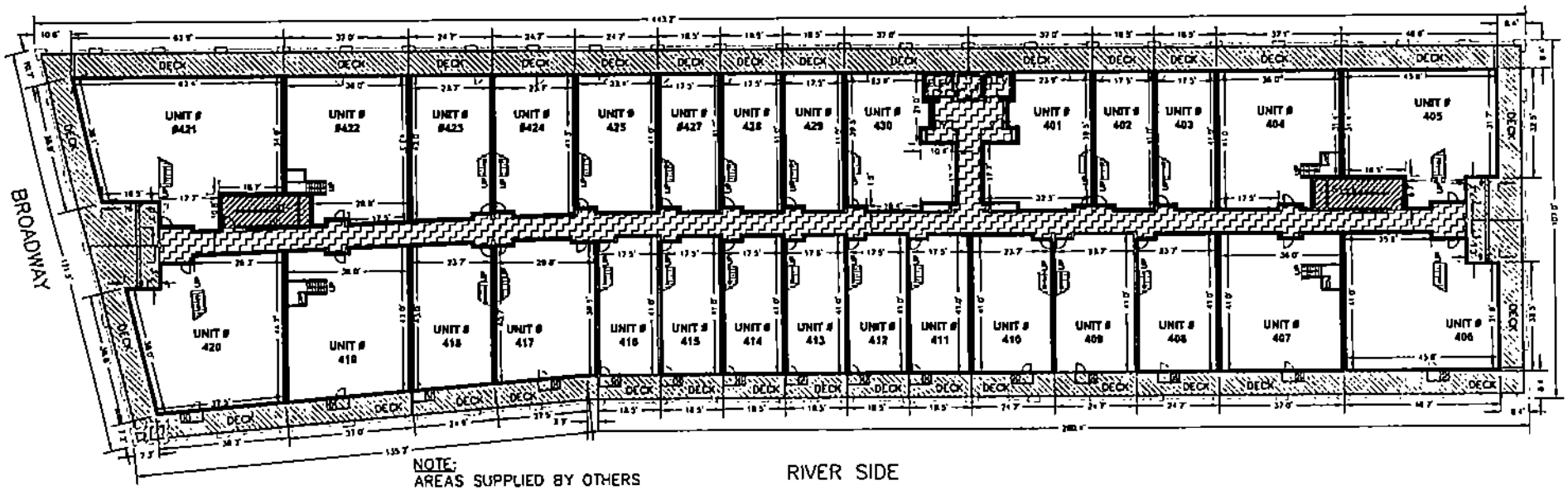

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Fax 262-797-7373
16745 W. Bluemound Road
Suite 200
Brookfield, WI 53005-5938


SHEET 3 OF 4

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

CITY SIDE – ERIE STREET




NOTE:
AREAS SUPPLIED BY OTHERS

RIVER SIDE

N

# FOURTH FLOOR

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GCE/MTL = GENERAL COMMON ELEMENT TO MARINE TERMINAL LOFTS CONDOMINIUM

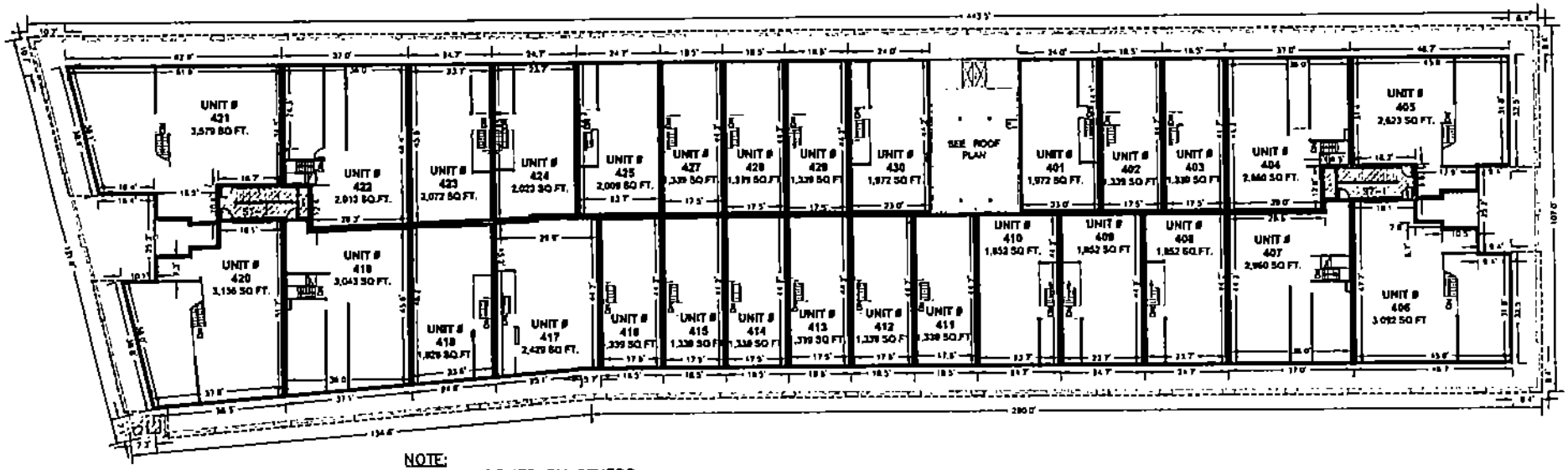
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SHEET 6 OF 8

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN




NOTE:
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## FIFTH FLOOR

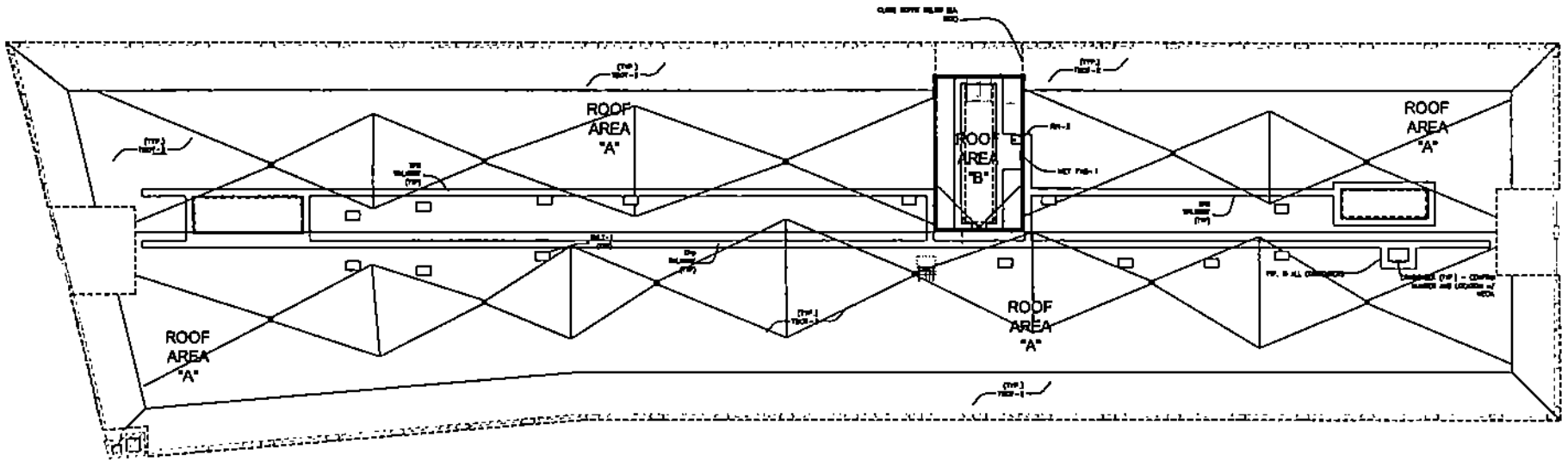
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Suite 200
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SHEET 7 OF x

# MARINE TERMINAL LOFTS CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN




NOTE:
AREAS SUPPLIED BY OTHERS

## ROOF PLAN

GCC/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

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SHEET 8 OF 8

**EXHIBIT C**
**Units: Initial Percentage Interests, Votes, and Parking Spaces**

**BUILDING ASSOCIATION**

| Building | Unit Number | Address | Initial Percentage Interest |
|---|---|---|---|
| Commercial | 1 | 301 E. Erie Street Milwaukee, WI | 21.80% |
| Residential | 2 | 311 E. Erie Street Milwaukee, WI | 78.20% |

**RESIDENTIAL ASSOCIATION**

| Individual Residential Units | Approx. SF | Percentage Interest of Unit 2 | Votes in Residential Association | Initial Number of Parking Spaces | |
|---|---|---|---|---|---|
| 201 | 1,215 | 0.89% | 1 | 1 | |
| 202 | 1,733 | 1.28% | 2 | 2 | |
| 203 | 835 | 0.61% | 1 | 1 | |
| 204 | 786 | 0.58% | 1 | 0 | |
| 205 | 2,053 | 1.51% | 3 | 2 | |
| 206 | 912 | 0.67% | 1 | 1 | |
| 207 | 2,809 | 2.07% | 3 | 2 | |
| 208 | 1,624 | 1.20% | 2 | 2 | |
| 209 | 1,624 | 1.20% | 2 | 2 | |
| 210 | 1,732 | 1.27% | 2 | 2 | |
| 211 | 835 | 0.61% | 1 | 1 | |
| 212 | 835 | 0.61% | 1 | 1 | |
| 213 | 835 | 0.61% | 1 | 1 | |
| 214 | 835 | 0.61% | 1 | 1 | |
| 215 | 1,624 | 1.20% | 2 | 2 | |
| 216 | 1,668 | 1.23% | 2 | 2 | |
| 217 | 1,721 | 1.27% | 2 | 2 | |
| 218 | 2,675 | 1.97% | 3 | 2 | |
| 219 | 2,591 | 1.91% | 3 | 2 | |
| 220 | 1,722 | 1.27% | 2 | 2 | |
| 221 | 877 | 0.65% | 1 | 1 | |
| 222 | 864 | 0.64% | 1 | 0 | |
| 223 | 851 | 0.63% | 1 | 1 | |
| 224 | 839 | 0.62% | 1 | 1 | |
| 225 | 1,651 | 1.22% | 2 | 2 | * |
| 226 | 1,625 | 1.20% | 2 | 2 | * |
| 227 | 1,215 | 0.89% | 1 | 1 | |
| 301 | 1,203 | 0.89% | 1 | 1 | |
| 302 | 1,733 | 1.28% | 2 | 2 | |
| 303 | 835 | 0.61% | 1 | 1 | |
| 304 | 786 | 0.58% | 1 | 0 | |
| 305 | 2,053 | 1.51% | 3 | 2 | |
| 306 | 912 | 0.67% | 1 | 1 | |
| 307 | 2,809 | 2.07% | 3 | 2 | |
| 308 | 1,624 | 1.20% | 2 | 2 | |
| 309 | 1,624 | 1.20% | 2 | 2 | |
| 310 | 1,732 | 1.27% | 2 | 2 | |
| 311 | 835 | 0.61% | 1 | 1 | |
| 312 | 835 | 0.61% | 1 | 1 | |
| 313 | 835 | 0.61% | 1 | 1 | |
| 314 | 835 | 0.61% | 1 | 1 | |
| 315 | 1,624 | 1.20% | 2 | 2 | |
| 316 | 1,668 | 1.23% | 2 | 2 | |

**EXHIBIT C**
**Units: Initial Percentage Interests, Votes, and Parking Spaces**

**RESIDENTIAL ASSOCIATION**

| Individual Residential Units | Approx. SF | Percentage Interest of Unit 2 | Votes in Residential Association | Initial Number of Parking Spaces | |
|---|---|---|---|---|---|
| 317 | 1,721 | 1.27% | 2 | 2 | |
| 318 | 2,675 | 1.97% | 3 | 2 | |
| 319 | 2,591 | 1.91% | 3 | 2 | |
| 320 | 1,722 | 1.27% | 1 | 2 | |
| 321 | 877 | 0.65% | 1 | 1 | |
| 322 | 864 | 0.64% | 1 | 1 | |
| 323 | 851 | 0.63% | 1 | 0 | |
| 324 | 839 | 0.62% | 1 | 1 | |
| 325 | 1,651 | 1.22% | 2 | 2 | |
| 326 | 1,625 | 1.20% | 2 | 2 | |
| 327 | 1,203 | 0.89% | 1 | 1 | |
| 401 | 1,972 | 1.45% | 2 | 2 | |
| 402 | 1,339 | 0.99% | 2 | 1 | |
| 403 | 1,339 | 0.99% | 2 | 2 | |
| 404 | 2,660 | 1.96% | 3 | 2 | |
| 405 | 2,623 | 1.93% | 4 | 2 | |
| 406 | 3,092 | 2.28% | 4 | 2 | |
| 407 | 2,960 | 2.18% | 3 | 2 | |
| 408 | 1,852 | 1.36% | 2 | 2 | |
| 409 | 1,852 | 1.36% | 2 | 2 | |
| 410 | 1,852 | 1.36% | 2 | 2 | |
| 411 | 1,339 | 0.99% | 2 | 2 | |
| 412 | 1,339 | 0.99% | 2 | 2 | * |
| 413 | 1,339 | 0.99% | 2 | 2 | |
| 414 | 1,339 | 0.99% | 2 | 1 | |
| 415 | 1,339 | 0.99% | 2 | 2 | * |
| 416 | 1,339 | 0.99% | 2 | 1 | |
| 417 | 2,429 | 1.79% | 3 | 2 | |
| 418 | 1,928 | 1.42% | 2 | 2 | |
| 419 | 3,043 | 2.24% | 3 | 2 | |
| 420 | 3,136 | 2.31% | 4 | 2 | |
| 421 | 3,579 | 2.63% | 4 | 2 | |
| 422 | 2,913 | 2.14% | 3 | 2 | |
| 423 | 2,072 | 1.53% | 2 | 1 | |
| 424 | 2,023 | 1.49% | 2 | 2 | |
| 425 | 2,009 | 1.48% | 2 | 2 | |
| 427 | 1,339 | 0.99% | 2 | 1 | |
| 428 | 1,339 | 0.99% | 2 | 1 | |
| 429 | 1,339 | 0.99% | 2 | 1 | |
| 430 | 1,972 | 1.45% | 2 | 2 | |
| | 135,844 | 100.00% | 160 | 129 | |

* Indicates tandem parking configuration

# BYLAWS

# OF

# MARINE TERMINAL LOFTS CONDOMINIUM ASSOCIATION, INC.

BYLAWS
OF
MARINE TERMINAL LOFTS
CONDOMINIUM ASSOCIATION, INC.

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# BYLAWS
# OF
# MARINE TERMINAL LOFTS
# CONDOMINIUM ASSOCIATION, INC.

## ARTICLE I
## Plan of Unit Ownership

Section 1.1. Applicability of Bylaws. The provisions of these Bylaws are applicable to (i) the use and occupancy of Unit 2 of Marine Terminal Building Condominium located at 311 East Erie Street, in the City of Milwaukee, Wisconsin (the "Condominium"), which Condominium has been submitted to the provisions of the Condominium Ownership Act of the State of Wisconsin (Wis. Stat. Ch. 703, as amended or renumbered from time to time) (the "Act") by the Declaration of Marine Terminal Lofts Condominium (the "Declaration") recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin, and (ii) the structure and operation of the Lofts Association of the Condominium. All present and future Unit Owners, mortgagees, lessees, and occupants of Units, or any portion of either, their employees and invitees, members of the Board of Directors of the Lofts Association, and any other persons who may use the Common Elements in any manner are subject to the Condominium Documents, to the Building Condominium Documents and to all covenants, agreements, restrictions, easements and declarations of record referred to in or created by the Declaration or otherwise duly effected (collectively referred to herein as "title conditions"). The acceptance of a deed, mortgage or lease or the act of occupancy of a Unit or any portion thereof shall constitute an agreement by a Unit Owner, or a mortgagee, lessee, occupant or invitee of a Unit, or any portion thereof, that the Condominium Documents, the Building Condominium Documents and the title conditions will and shall be complied with and are accepted, ratified and confirmed.

Section 1.2. Definitions. Except as otherwise set forth herein capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration or, if not defined therein, the meanings specified for such terms in the Act.

Section 1.3. Office. The office and mailing address of the Condominium, the Lofts Association and the Board of Directors shall initially be located c/o Mandel Group, Inc., 301 East Erie Street, Milwaukee WI 53202, or such other place or address as may be designated from time to time by the Board of Directors.

Section 1.4. The Lofts Association. Marine Terminal Lofts Condominium Association, Inc. (the "Lofts Association") is a nonstock, nonprofit corporation formed under Chapter 181 of the Wisconsin Statutes and whose members consist of all the Unit Owners in the Condominium. Each Unit Owner in the Condominium has the same Percentage Interest in the Lofts Association as such Unit Owner's respective undivided interest in the Common Elements set forth in the Declaration.

## ARTICLE II
## Lofts Association

Section 2.1. Composition. All Unit Owners in the Condominium, acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Lofts Association.

Section 2.2. Annual Meetings. The first annual meeting of the Lofts Association shall be held on a date to be determined by Declarant within one (1) year following the date of recordation of the Declaration, or on or before the date of conveyance of Units to which seventy-five percent (75%) or more of the Percentage Interests in the Condominium appertain, whichever first occurs. Unless otherwise determined by the Board of Directors, annual meetings of the Lofts Association held after the first annual meeting shall be held on the second Tuesday in November of each succeeding year. Subject to the provisions of Section 3.1 of these Bylaws, at all annual meetings of the Lofts Association at which members of the Board of Directors shall be appointed, an officer shall report on the activities and financial condition of the Lofts Association and the members shall consider and act upon such other matters as properly may come before a meeting. At any Annual Meeting, Unit Owners may also adopt amendments to the Declaration as provided therein or to these Bylaws or the Rules and Regulations as provided herein or transact such other business of the Condominium as may properly come before them. Any Directors appointed at the Annual Meeting shall take office immediately upon the close of the Meeting.

Section 2.3. Place of Meetings. Meetings of the Lofts Association shall be held at the office of the Condominium or at such other suitable place in the Milwaukee metropolitan area as from time to time may be designated by the Board of Directors.

Section 2.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Lofts Association if so directed by resolution of the Board of Directors or, after the first annual meeting of the Lofts Association, upon a petition signed and presented to the Secretary by Unit Owners holding at least 33% of the votes in the Lofts Association. At which special meeting the Unit Owners may transact any business which may be transacted at an Annual Meeting, provided that such business is referred to in the notice of such meeting.

Section 2.5. Notice of Meetings; Ownership Records. At least ten (10) days but no more than fifty (50) days in advance of each annual meeting of the Lofts Association, and at least ten (10) days but no more than thirty (30) days in advance of each special meeting of the Lofts Association, the Secretary shall cause to be sent to each Unit Owner of record notice of the time, place and purpose or purposes of such meeting. Such notice shall be hand delivered or sent by United States mail, first class postage prepaid, to each Unit Owner of record, at the address of such Owner's Unit or at such other address as such Unit Owner may have designated in writing to the Secretary. Notice of a meeting need not be given to a Unit Owner if a written waiver thereof, executed before or after the meeting by such Unit Owner or his duly authorized attorney, is filed with the records of the meeting. Attendance of any Unit Owner at any meeting of the Lofts Association shall constitute a waiver of notice by such Owner. The Lofts Association shall maintain a current roster of names and addresses of every Unit Owner to whom notice of meetings of the Lofts Association must be sent. Every Unit Owner shall furnish the Lofts

Association with said Unit Owner's name and current mailing address. No Unit Owner may vote at meetings of the Lofts Association until this information is furnished. The mailing or delivery of a notice of a meeting in the manner provided in this Section shall be deemed service of notice.

Section 2.6. Transfer of Membership. Transfer of membership in the Lofts Association shall be established by the recording in the Office of the Register of Deeds for Milwaukee County of a deed or other instrument establishing a conveyance of record title to a Unit or the recording in said office of a land contract. As used in these Bylaws, unless the context otherwise requires, the term "conveyance" means conveyance of fee simple title by deed or conveyance of equitable ownership by land contract. A certified copy of such instrument or land contract shall be delivered to the Lofts Association by the transferee or vendee. The transferee designated by such instrument or the vendee shall thereby become a member of the Lofts 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 Lofts Association and shall not be entitled to notice of meetings of Unit Owners.

Section 2.7. Adjournment of Meetings. If any meetings of the Lofts Association cannot be held because a quorum as defined in Section 2.14 is not represented, Unit Owners holding a majority of the votes present at such meeting, either in person or by proxy, may adjourn the meeting, without further notice, to a time not less than forty-eight (48) hours from the time the original meeting was called and at such subsequent meeting, the presence, in person or by proxy of Unit Owners of thirty percent (30%) in number of the Units of the Condominium shall constitute a quorum.

Section 2.8. Presiding Officer. Until the first meeting of the Lofts Association following the special meeting at which members of the Board of Directors shall be appointed by the Unit Owners as provided in Section 3.1 of these Bylaws, any person designated by Declarant shall preside at all meetings of the Lofts Association. Thereafter, the President or said Unit Owner's designee shall preside at all meetings of the Lofts Association. In the absence of the President or such designee from any meeting of the Lofts Association, any person designated by the Board of Directors shall preside over such meeting.

Section 2.9. Conduct of Meeting. The minutes of all meetings shall be held in a Minute Book maintained for the Lofts Association by the Secretary. The then current Robert's Rules of Order or any other rules of procedure acceptable to a majority of the votes of Unit Owners shall govern the conduct of all meetings of the Lofts Association when not in conflict with these Bylaws, the Declaration or the Act. All votes shall be tallied by a person or persons appointed by the presiding officer of the meeting. The order of business at all meetings of the Unit Owners shall be as determined by the presiding officer.

Section 2.10. Voting.

(a) Each Unit shall be entitled to vote at all meetings of the Lofts Association. Each Unit shall have the right to vote the number of votes assigned to such Unit as set forth on **EXHIBIT B** attached hereto. Since a Unit Owner may be more than one person, the person who shall be entitled to cast the vote(s) of such Unit shall be the natural person named in a certificate executed by all of the co-owners of such Unit and filed with the Secretary or, in the absence of

such named person from the meeting (or the failure to name such a person), the person who shall be entitled to cast the vote(s) of such Unit shall be the co-owner who is present at such meeting, if only one such co-owner is present. If more than one co-owner is present and no certificate has been filed with the Secretary (or, if the person named in the certificate for such Unit is not present), the vote(s) appertaining to such Unit shall be cast in accordance with the agreement of a majority in interest of the co-owners of such Unit who are present, and the consent of such co-owners shall be conclusively presumed if any one of them purports to cast the vote(s) appertaining to such Unit without protest being made by another co-owner to the presiding officer of the meeting. If protest is made, such Unit shall be counted solely for the purpose of determining whether a quorum is present. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

(b) No Unit Owner may vote at any meeting of the Lofts Association if a lien in favor of the Lofts Association pursuant to Section 5.9 of these Bylaws has been perfected against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting.

Section 2.11. Proxies. The vote(s) appertaining to any Unit may be cast pursuant to a proxy duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No proxy shall be revocable except by actual notice of revocation given to the presiding officer of the meeting by the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of the majority in interest of the co-owners. A proxy of a Unit Owner shall be void if it is not dated, if it purports to be revocable without notice, if the signatures of those executing the same have not been witnessed by a person who shall sign said Unit Owner's full name and address, or if not signed by a person having authority to execute deeds on behalf of any Unit Owner or co-owner who is not a natural person. All proxies must be filed with the Secretary before the appointed time of the meeting for which they are given. In any event, except with respect to proxies in favor of an Eligible Mortgagee, which shall be valid until revoked in writing, no proxy shall be valid for a period in excess of one hundred eighty (180) days.

Section 2.12. Lofts Association Action. Except as otherwise required by the Act, the Declaration or these Bylaws, decisions of the Lofts Association shall be made by a majority of the votes of Unit Owners present, in person or by proxy, at a meeting of the Lofts Association at which a quorum is present.

Section 2.13. Majority of the Unit Owners. Except as otherwise provided by law, as used in these Bylaws, the term "majority of the votes of Unit Owners" or words of like import shall mean the vote of Unit Owners' holding more than fifty percent (50%) of the votes of Unit Owners present, in person or by proxy, at a meeting of the Lofts Association at which a quorum is present.

Section 2.14. Quorum. Except as otherwise provided in these Bylaws or as required by law, the presence, in person or by proxy, of Owners of fifty-one percent (51%) in number of the Units in the Condominium shall constitute a quorum at and throughout all meetings of the Lofts Association.

Section 2.15. Action Without Meeting. Any action by Unit Owners required or permitted to be taken at a meeting may be taken without a meeting if the action is approved by Unit Owners holding at least one hundred percent (100%) of the voting power, by written consent describing the action taken, signed by the required number of Unit Owners. A consent has the effect of a meeting vote. Any such written consent shall be filed with the minutes of the proceedings of the meetings of the Lofts Association.

Section 2.16. Waiver of Notice. Any Unit Owner may at any time waive notice of any meeting of Unit Owners in writing and such waiver shall be deemed equivalent to the giving of proper notice. The waiver of notice must be signed by the Unit Owner entitled to the notice and be delivered to the Lofts Association for inclusion in the minutes or filing with the corporate records. Attendance of any Unit Owner at any meeting of the Lofts Association shall constitute a waiver of notice by such Owner.

## ARTICLE III
## Board of Directors

Section 3.1. Number; Declarant Control.

(a) The affairs of the Condominium shall be governed by a Board of Directors. As set forth in this Section 1, Declarant shall be entitled to designate a majority of the members of the Board until the earlier to occur of (i) thirty (30) days after the date of conveyance of Units to which seventy five percent (75%) of the Percentage Interests of the Condominium appertain or (ii) three (3) years from the date of the first conveyance of any Unit in the Condominium. The initial Board of Directors shall consist of three (3) persons, each of whom shall be appointed by Declarant within fourteen (14) days after the incorporation of the Lofts Association. Thereafter, the Board of Directors shall be expanded to a maximum of five (5) members, in the manner and at the times set forth in subsections (b), (c), and (d) of this Section 3.1.

(b) A special meeting of the Lofts Association shall be held prior to the conveyance of Units to which twenty five percent (25%) of the Percentage Interests in the Condominium appertain or at such earlier time as may be determined by Declarant in its sole discretion, at which special meeting the Unit Owners other than Declarant shall elect one Director; thereafter, the Board of Directors shall be composed of four (4) persons.

(c) A special meeting of the Lofts Association shall be held prior to the conveyance of Units to which fifty percent (50%) of the Percentage Interests in the Condominium appertain or at such earlier time as may be determined by Declarant in its sole discretion, at which special meeting the Director elected by the Owners at the special meeting described in subparagraph (b) above shall resign; and the Unit Owners other than Declarant shall elect two Directors; thereafter, the Board of Directors shall be composed of five (5) persons.

(d) A special meeting of the Lofts Association shall be held on or before forty five (45) days after the earlier to occur of (i) thirty (30) days after the date of conveyance of Units to which seventy five percent (75%) of the Percentage Interests of the Condominium appertain or (ii) the date of expiration of three (3) years from the date of the first conveyance to

any purchaser of any Unit in the Condominium, at which special meeting all members of the Board of Directors designated by the Declarant as provided in paragraph (a) of this Section shall resign and all five (5) members of the Board of Directors shall be elected by all Unit Owners, including Declarant, to the extent Declarant then owns any Units. All members of the Board of Directors elected at such special meeting shall serve until their successors shall have been elected at the next succeeding annual meeting.

Section 3.2. Election. Directors elected by Unit Owners shall be elected by plurality vote. Each Unit shall be entitled to cast its vote(s) for as many persons as there are Directors to be elected and for whose election the Unit Owners of such Unit shall be entitled to vote. Votes shall not be cumulated.

Section 3.3. Term of Office. At the first annual meeting of the Lofts Association following the special meeting at which all members of the Board of Directors shall be elected by Unit Owners as provided in Section 3.1(d), the persons receiving the first, second and third highest number of votes shall be elected for a term of two (2) years and the persons receiving the fourth and fifth highest number of votes shall be elected for a term of one (1) year. All persons elected as members of the Board of Directors at any subsequent annual meeting of the Lofts Association shall be elected for a term of two (2) years. All members of the Board of Directors shall hold office until their respective successors shall have been elected and shall have qualified. In the event of a tie for the third or fifth highest number of votes, the outcome shall be determined by lot, in the manner prescribed by the presiding officer.

Section 3.4. Qualifications. Except for those members of the Board of Directors appointed by Declarant, all members of the Board of Directors shall be Unit Owners, or partners, members, officers, directors, trustees, agents or employees of Unit Owners who are not natural persons. No Unit Owner may be appointed to or may serve on the Board of Directors if a lien has been perfected by the Lofts Association, or action therefor has been instituted against such Unit Owner's Unit by the Lofts Association, and the amount necessary to release such lien has not been paid at the time of such election or during such incumbency.

Section 3.5. Powers and Duties. The Board of Directors shall include the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things as are by the Act, the Declaration or these Bylaws directed to be done by the Lofts Association. In addition to the duties imposed on the Board of Directors by these Bylaws or by any resolution of the Lofts Association, the Board of Directors shall have the power to, and shall be responsible for, the following:

(a) adopting an annual budget (which budget shall cover the Dock System Expenses as defined in Article XIV hereof, which Dock System Expenses shall be collected only against Dock Owners) in which there shall be established the required contribution of each Unit Owner to the Common Expenses.

(b) determining the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Common Elements (including, without limitation, the Dock System); provided that such Common Expenses shall include an adequate reserve fund for maintenance, repairs and replacement of

those Common Elements that must be replaced on a periodic basis and for such other purposes as the Board shall direct, and shall be payable in regular installments;

(c) levying assessments against Unit Owners to defray the Common Expenses (and levying assessments against Dock Owners to defray the cost of Dock System Expenses), establishing the means and methods of collecting such assessments from the Unit Owners, and establishing the period of the installment payment of such assessments;

(d) collecting assessments from Unit Owners and enforcement of all obligations of the Unit Owners as Unit Owners under the Condominium Documents, including, without limitation, collecting from Dock Owners the assessments for Dock System Expenses;

(e) employment and dismissal of personnel necessary or advisable for the maintenance, operation, repair and replacement of the Condominium, including, without limitation, the Dock System, and including the engaging of a manager or managing agent;

(f) opening of bank accounts on behalf of the Lofts Association and designating the signatories required therefor;

(g) leasing, managing and otherwise dealing with the Condominium, as more particularly set forth herein, including the power to contract with others to provide leasing and management services and it is expressly understood that the Board shall have the authority to enter into management, leasing or other contracts with entities related to or affiliated with the Declarant, any Unit Owner or members of the Board and that such contracts shall be on such terms and conditions as are usual and customary for the residential condominium portion of a mixed-use office, residential and retail building in the Milwaukee Metropolitan area;

(h) owning, conveying, mortgaging, encumbering, leasing and otherwise dealing with Units and appurtenant Limited Common Elements conveyed to it or acquired by it (or its nominee) as the result of enforcement of the lien for Common Expenses or otherwise;

(i) organizing corporations, limited liability companies, or trusts to act as nominees of the Lofts Association in acquiring title to or leasing of Units and/or Boat Slips on behalf of all Unit Owners;

(j) providing for the operation, care, upkeep, replacement and maintenance of all of the Common Elements, including, without limitation, the Dock System. The Board of Directors expressly is authorized to enter into cooperative, cost sharing agreements with the owners of adjacent property and/or other neighboring condominiums, if in the judgment of the Board of Directors such arrangements will reduce Condominium costs without adversely affecting the scope, level and quality of services necessary for the proper care, upkeep and operation of the Condominium;

(k) making and amending Rules and Regulations respecting the use and enjoyment of the Condominium in accordance with the provisions of these Bylaws;

(l) enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, and bringing or defending against any proceedings which may be instituted on behalf of or against the Lofts Association;

(m) obtaining of insurance for the Property, including the Units and the Dock System;

(n) making of repairs, replacements, additions and improvements to, or alterations of, the Common Elements, including, without limitation, the Dock System, and repairs to and restoration of the Property after a casualty or taking in accordance with the other provisions of these Bylaws;

(o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, including, without limitation, the Dock System; provided, however, that at no time shall there be borrowed or owed in excess of the greater of (i) seventy five percent (75%) of the total annual operating budget for the Condominium or (ii) Fifty Thousand Dollars ($50,000) without the prior consent of at least sixty seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose. The dollar limitation set forth above shall increase automatically each fiscal year, beginning in 2006, in proportion to increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States) (1982 84=100) and published in the "Monthly Labor Review" of the Labor Statistics of the United States Department of Labor or any successor index thereto selected by the Board of Directors, in its reasonable discretion;

(p) purchasing on behalf of all Unit Owners in the name of the Lofts Association or such nominee as shall be designated by the Board of Directors any Unit or Boat Slip whose Unit Owner has elected to sell or lease such Unit or Boat Slip or any Unit and appurtenant Limited Common Elements which is to be sold at a foreclosure or other judicial sale; provided, however, that the Board of Directors may not take any such action without the prior consent of at least sixty seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose;

(q) selling or leasing on behalf of all Unit Owners any Unit or Boat Slip purchased by the Lofts Association pursuant to subparagraph (p) above; provided, however, that the Board of Directors may not take any such action without complying with the Act and without the prior consent of at least sixty seven percent (67%) of the votes of Unit Owners obtained at a meeting duly called and held for such purpose and the proceeds therefrom after repayment of borrowed funds thereof and special assessments if any, levied for such purposes shall be deposited in such funds as the Board of Directors may be established and disbursed by the Board of Directors in such manner as the Lofts Association shall determine;

(r) in its discretion, purchasing and arranging for the installation of a cable, internet and/or satellite system or similar system for any current or future technology to serve the entire Condominium as a Common Element;

(s) electing to provide security services for the Condominium, the Common Elements, and/or the Units, or any portion thereof and to include the costs thereof in Common Expenses;

(t) exercising such rights, including the right to amend or modify such rights, and complying with such obligations as the Lofts Association may have as a member of the Building Condominium Association, any recreation or other association or under the terms of any easement, easement agreement or any other agreement to which the Lofts Association is a party;

(u) in its sole discretion, from time to time, designating certain Common Elements as Reserved General Common Elements but only to the extent permitted by applicable law and imposing such restrictions and conditions on the use thereof as the Board of Directors deems appropriate;

(v) appointing Unit Owners or members, officers, shareholders, partners, or employees of Unit Owners to act as the Residential Unit members of the Board of Directors of, and/or as the Lofts Association's representative to, the Building Condominium Association, provided that any such appointments shall be for a term not to exceed 2 years; and

(w) the power to do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objectives or the furtherance of any of the powers of the Lofts Association either alone or in conjunction with the Declarant, the Building Declarant, the owner of the Commercial Unit of the Building Condominium and the Unit Owners, or any combination of the above.

Section 3.6. Nominating Committee. At least thirty (30) days prior to the special meetings described in Sections 1(b), (c) and (d) of this Article III and at least thirty (30) days prior to any annual meeting, the Board of Directors shall appoint a Nominating Committee, consisting of three (3) to five (5) Unit Owners, the chairman of which committee shall be a member of the Board of Directors. The Nominating Committee shall prepare a slate of candidates for the open positions on the Board of Directors to be elected by the Unit Owners and shall submit this slate to all Unit Owners with the notices for the above referenced meeting; provided, however, that any Unit Owner who wishes to run for election to the Board of Directors may submit his or her name in writing to be included on the ballot any time before and during the above referenced meeting, but prior to any vote being taken thereon.

Section 3.7. Managing Agent. The Board of Directors may employ for the Condominium a professional management company (the "Managing Agent") at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the Managing Agent which might arise between meetings of the Board of Directors. The Managing Agent may be an affiliate of a Unit Owner and/or the Declarant. The Board of Directors may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the Managing Agent which might arise between meetings of the Board of Directors. If the Lofts Association elects to engage a Managing Agent, then the Lofts Association and the Board of Directors shall

not undertake "self management" or fail to employ a professional Managing Agent thereafter without the consent of at least sixty seven percent (67%) of the Unit Owners and at least fifty one percent (51%) of the Eligible Mortgagees. Declarant, or an affiliate of Declarant, may be employed as Managing Agent. The Board of Directors may not employ a Managing Agent for a term in excess of one (1) year. Any contract with a Managing Agent must provide that it may be terminated for cause on no more than thirty (30) days' written notice and without cause or imposition of any termination fee on ninety (90) days' written notice if Managing Agent is an affiliate of Declarant. The Board of Directors shall require appropriate standards of performance of the Managing Agent, including without limitation, the following:

(i) Cash accounts of the Condominium shall not be commingled with any other accounts;

(ii) no remuneration or other benefit shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Condominium, and any discount or other benefit received shall be received for and on behalf of the Condominium;

(iii) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Condominium promptly shall be disclosed to the Board of Directors; and

(iv) the Managing Agent shall prepare a quarterly financial report for the Condominium containing the following: (A) a "balance sheet" reflecting the financial condition of the Condominium on an unaudited basis; (B) an "income and expense statement" reflecting the income and expense activity for the preceding installment payment period on an "actual" versus "projected" budget format; (C) an "account activity statement" reflecting all receipt and disbursement activity for the preceding installment payment period on a cash basis; and (D) a "delinquency report" indicating all Unit Owners who are delinquent in paying assessments and describing any actions taken to collect such assessments.

Upon written request, a Unit Owner shall be entitled to receive the quarterly balance sheet and "income and expense statement" referred to in subsections (iv)(A) and (B).

Section 3.8. Removal of Members of the Board of Directors. Declarant shall have the right, at any time and in its sole discretion, to remove any Director appointed to the Board by Declarant under Section 3.1, and to select and designate said Unit Owner's successors. Any member of the Board of Directors appointed by a Unit Owner may be removed, with or without cause, by the Unit Owner appointing such Director and said Unit Owner shall than appoint said Director's successor. Any member of the Board of Directors elected by the Unit Owners may be removed, with or without cause, by a vote of the Unit Owners holding a majority of the votes of the Lofts Association and vacancies in the Board of Directors as a result of the removal of the Director elected by the Unit Owners shall be filled by the vote of a majority of the remaining Directors (whether or not such remaining Directors constitute a quorum) at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any

such vacancy. Any person so appointed shall be a member of the Board of Directors for the remainder of the original term of office to which such person shall be appointed.

Section 3.9. Resignations of Members of the Board of Directors. A member of the Board of Directors may resign at any time by delivering written notice to the presiding officer or secretary of the Board of Directors. A resignation is effective when the notice is received by such officer unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may make the effective date earlier and arrange to fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date. Any Director who is a Unit Owner shall be deemed to have resigned upon divestiture of title in fee or owned by such Director (or such Director's corporation, partnership, trust, principal or employer, if the Unit Owner is not a natural person), unless such Director (or such Director's corporation, partnership, trust, principal or employer) acquires or contracts to acquire another Unit under terms providing for a right of occupancy effective as of or before the termination of the right of occupancy pursuant to such divestiture.

Section 3.10. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Lofts Association or by action of Declarant (which shall be filled as provided in Section 3.9) shall be filled by a vote of a majority of the remaining Directors or by the sole remaining Director (whether or not such remaining Directors constitute a quorum) at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, and each person so appointed shall be a member of the Board of Directors for the remainder of the original term of office to which such person shall be appointed; provided, however, that until the special meeting of the Lofts Association at which all of the members of the Board of Directors shall be elected by all Unit Owners as provided in Section 3.1, a vacancy in the position of any Director designated by Declarant shall be filled by Declarant.

Section 3.11. Organization Meeting. A special organizational meeting of the Board of Directors shall be held within thirty (30) days after each annual meeting of the Lofts Association. No notice shall be necessary to the members of the Board of Directors in order legally to constitute such special meeting, provided a quorum shall be present thereat.

Section 3.12. Regular Meetings. Regular meetings of the Board of Directors shall be held at least once between annual meetings of the Lofts Association, at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, telex, facsimile transmission, or telegraph, telephone or personally at least ten (10) business days prior to the date named for such meeting.

Section 3.13. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail, telex facsimile transmission, or telegraph, telephone or personally, 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 two (2) Directors.

Section 3.14. Telephone Meetings. To the extent permitted by law, members of the Board of Directors may participate in any meeting of the Board of Directors by means of a conference telephone or other communication equipment if all persons participating in such meeting can hear each other at the same time. All participating Directors shall be informed that a meeting is taking place at which official business may be transacted. Such participation shall constitute presence in person at any such meeting. Minutes of the meeting shall be prepared and distributed to each Director.

Section 3.15. Waiver of Notice. Any Director at any time in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records, may waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by such Director of the time and place of such meeting, unless such attendance is for the purpose of objecting to such meeting or matter not noticed in conformity with these Bylaws and the Director does not thereafter vote or assent to the action to which objection was made. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.16. Quorum; Voting 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 the Directors are evenly split in connection with a decision, then the decision of the Board of Directors shall be postponed until all five (5) Directors are available, by consent resolution, proxy or otherwise, to vote on the particular matter before 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 or a sole present Director may adjourn the meeting from time to time. At any such reconvened 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 3.17. Board Deadlock. In the event a majority of the Board of Directors are unable to agree upon any particular action, then any member of the Board of Directors may direct that the matter be voted on by the Unit Owners, in which event such Director shall call a special meeting of the Unit Owners for the purpose of having a vote of the Unit Owners to decide upon any such action and for such other purposes as may be set forth in the notice for the special meeting.

Section 3.18. Compensation. No Director shall receive any compensation for acting as a Director; provided, however, that a Director may be reimbursed for expenses incurred by the Director to the extent such expenses are deemed to be reasonable and appropriate, and are otherwise authorized, by the Board of Directors.

Section 3.19. Conduct of Meetings. All resolutions adopted by the Board of Directors and all transactions and proceedings occurring at all meetings of the Board of Directors shall be held in a Minute Book maintained for the Board by the Secretary. The then current Roberts Rules of Order or any other rules of procedure at any time or from time to time

acceptable to a majority of the Board of Directors shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Act.

Section 3.20. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at a meeting may be taken without a meeting if all of the members of the Board of Directors shall consent in writing to such action. A consent has the same force and effect as a vote of the Board of Directors taken at a meeting. Any such unanimous written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.21. Indemnification. The term "Statute," as used in this Section 3.21, shall mean Sections 181.0871 through 181.0889 of the Wisconsin Nonstock Corporation Law and all amendments thereto which permit or require the Lofts Association to provide broader indemnification rights than prior to the amendment. All other capitalized terms used in this Section 3.21 and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Statute. The Lofts Association shall, to the fullest extent permitted or required by the Statute, indemnify each Director and officer against any and all Liabilities, and advance any and all reasonable Expense as incurred by a Director or officer, arising out of or in connection with any Proceeding to which such Director or officer is a Party because he or she is a Director or officer of the Lofts Association. A director or officer who seeks indemnification shall make a written request therefor to the Lofts Association. The Lofts Association shall also indemnify its employees acting within the scope of their duties as employees, to the same extent as Directors or officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses to which such person may be entitled under any written agreement, Board of Directors resolution, vote of the Lofts Association, the Statute or otherwise. The Lofts Association may, but shall not be required to, supplement the right to indemnification against Liabilities and advancement of Expenses under this Section 3.21 by the purchase of insurance on behalf of any one or more of such persons, whether or not the Lofts Association would be obligated to indemnify such person under this Section 3.21. If the Lofts Association indemnifies or advances expenses to a Director or officer in connection with a proceeding by or in the right of the Lofts Association, the Lofts Association shall report the indemnification or advance in writing to the members with or before notice of the next meeting of Unit Owners. Notwithstanding the foregoing, the Lofts Association shall not indemnify a Director if the liability arises out of a crime committed by the Director or arises out of the willful misconduct of the Director.

Section 3.22. Common or Interested Directors. Each member of the Board of Directors shall exercise said member's powers and duties in good faith and in the best interests of the Condominium. No contract or other transaction between the Lofts Association and any of its officers or directors, or between the Lofts Association and any corporation, firm or association (including Declarant) in which any of the officers or Directors of the Lofts Association are directors or officers or are pecuniarily or otherwise interested, is or shall be either void or voidable because of such relationship or interest or because any such officer or director is present at the meeting of the Board of Directors or any committee thereof which authorizes, approves or ratifies such contract or transaction, or because said officer's or director's vote(s) is (are) counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The material facts of such relationship or interest are disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies such contract or transaction in good faith and by a vote sufficient for the purpose, without counting the vote(s) of such interested officers or directors; or

(b) The material facts of such relationship or interest are disclosed or known to Unit Owners holding at least a majority of all of the votes in the Lofts Association and such Unit Owners authorize, approve or ratify such contract or transaction in good faith and by a vote sufficient for the purpose; or

(c) Such contract or transaction was fair and commercially reasonable to the Lofts Association in view of all the facts known to any officer or member of the Board of Directors at the time it was authorized, ratified, approved or executed.

Any common or interested officer or director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, ratifies or approves any contract or transaction. Arrangements between the Lofts Association and Declarant or the initial Managing Agent shall be deemed to satisfy the requirements of this Section.

Section 3.23. Committees. The Board of Directors from time to time may appoint (and expand and/or disband) such committees from among its own membership and/or from among the Lofts Association as the Board of Directors from time to time deems desirable to assist in the administration or operation or affairs of the Condominium.

Section 3.24. Lawsuits. The Board of Directors shall not commence a lawsuit if, at the time of the decision to pursue the lawsuit, the estimated cost of the lawsuit is reasonably likely to exceed Ten Thousand Dollars ($10,000.00) (other than to collect assessments, or enforce the terms and conditions of the Condominium Documents or service or similar contracts entered into by the Lofts Association) until such action shall have been approved by Unit Owners owning Units to which at least seventy-five percent (75%) of the votes in the Lofts Association appertain.

Section 3.25. Appointment by Board of Directors of Two Directors to the Board of Directors of the Building Condominium Association. At such time as all of the directors on the Board of Directors are elected by all of the Unit Owners, then the Board of Directors shall have the right to appoint two Unit Owners or a member, officer, shareholder, partner or employee of any two Unit Owners, including a member of the Board of Directors, to act as a director on the Board of Directors of the Building Condominium Association. Prior to such election, the Declarant shall have the right to appoint two persons to act as the Lofts Association's directors on the Board of Directors of the Building Condominium Association.

## ARTICLE IV
## Officers

Section 4.1. Designation. The principal officers of the Condominium shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may appoint an

assistant treasurer, an assistant secretary and/or such other officers as in its judgment may be necessary or desirable. All offices shall have the duties normally incident to their respective offices in a Wisconsin business corporation and such other additional duties as from time to time shall be assigned by the Board of Directors included, but not limited to, the following:

(a) President. The President shall be the chief executive officer of the Lofts Association, preside at all meetings of the Lofts Association and of the Board of Directors; have general and active management of the business of the Lofts Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; sign all leases, mortgages, deeds and other written instruments and co-sign all checks if required to do so by resolution of the Board of Directors; and appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Lofts Association.

(b) Vice President. The Vice President shall take the place of the President and perform the duties of the President 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 director 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 by the Board of Directors or by the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Lofts Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Lofts Association; maintain a register setting forth the place to which all notices to Unit Owners and Eligible Mortgagees hereunder shall be delivered; shall arrange for the counting of votes taken at any meeting; and, in general, perform all the duties incident to the office of secretary.

(d) Treasurer. The Treasurer (together with the Managing Agent) shall be responsible for Lofts Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data, including the annual budgets; deposit all monies and other valuable effects in the name of the Board of Directors or the Lofts Association, in such depositories as may from time to time be designated by the Board; sign checks of the Lofts Association; and, in general, perform all the duties incident to the office of treasurer.

Section 4.2. Qualifications. All officers shall be Unit Owners, or partners, members, officers, directors, trustees, agents or employees of Unit Owners who are not natural persons. The President and Secretary shall be members of the Board of Directors. Any officers other than the President and the Secretary may be, but shall not be required to be, members of the Board of Directors.

Section 4.3. Election. The officers of the Condominium shall be elected annually by the Board of Directors at the organizational meeting following each annual meeting of the Lofts Association, and shall hold office at the pleasure of the Board of Directors and, unless such officer is removed or resigns, he/she shall serve until his/her replacement is elected.

Section 4.4. Removal or Resignation of Officers. Any officer may be removed, either with or without cause, upon the affirmative vote of a majority of the members of the Board of Directors. Any officer may resign at any time, by delivering written notice to the Lofts Association. The resignation is effective when the notice is delivered, unless the letter specifies a later effective date and the Lofts Association accepts the later effective date. Any officer shall be deemed to have resigned upon divestiture of title in fee or by lease for a term or terms of six (6) months or more of the Unit owned by such officer (or such officer's corporation, partnership, trust, principal or employer, if the Unit Owner is not a natural person), unless such officer (or such officer's corporation, partnership, trust, principal or employer) acquires or contracts to acquire another Unit under terms providing for a right of occupancy effective as of or before the termination of the right of occupancy pursuant to such divestiture or such officer is not required to be a Unit Owner. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or at a special meeting called for such purpose.

Section 4.5. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium or the Lofts Association for expenditures or obligations in excess of Five Thousand Dollars ($5,000.00) shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors. All such instruments for expenditures or obligations of Five Thousand Dollars ($5,000.00) or less may be executed by any one officer of the Condominium or by such other person as may be designated by the Board of Directors.

Section 4.6. Compensation of Officers. No officer shall receive any compensation for acting as an officer; provided, however that an officer may be reimbursed for expenses incurred by such officer to the extent such expenses are deemed to be reasonable and appropriate, and are otherwise authorized, by the Board of Directors.

## ARTICLE V
## Assessments

Section 5.1. Fiscal Year. The fiscal year of the Condominium shall be the calendar year.

Section 5.2. Adoption of Budget. Declarant shall determine the budget for the initial partial first fiscal year and the first complete fiscal year after recording of the Declaration. Each year thereafter, at least thirty (30) days before the beginning of the new fiscal year, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of the Common Expenses (net of all common profits) for the ensuing fiscal year (including, without limitation, such reasonable amounts as the Board of Directors shall deem sufficient to provide initial working capital for the Lofts Association, general operating contingencies and/or other contingencies and reserves for repair and replacement of Common Elements and also including, without limitation, such amounts as the Dock Owners Group deems necessary to cover Dock Expenses, which the Dock Expenses shall be collected only against the Dock Owners). The Dock Owners Group shall submit its budget to the Lofts Association at least 45 days before the beginning of the new fiscal year. Before the first day of each fiscal year, the Board of Directors shall send to each Unit Owner a copy of such budget and a statement setting forth the obligation of each Unit Owner

pursuant to the provisions of this Article to pay its allocable share of the Common Expenses based upon such budget. The Board of Directors may revise the budget from time to time as it shall deem necessary or appropriate and shall promptly give each Unit Owner notice thereof. The budget shall contain, at a minimum, the following if and to the extent required pursuant to the Act:

(a) All anticipated Common Expenses and any amounts to be allocated to any reserves/funds for future expenditures;

(b) The amount and purpose of any other anticipated Lofts Association expenditure;

(c) The amount of any reserves/funds held for future expenditures;

(d) Any common surpluses;

(e) The amount and source of any income, other than Unit Owner assessments; and

(f) The aggregate amount of any assessment to be levied against Unit Owners and the purpose of the assessment.

Section 5.3. Effect of Failure to Adopt Budget. The failure or delay of the Board of Directors to adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay said Unit Owner's allocable share of the Common Expenses as provided in this Article. The failure or delay of the Dock Owner's Group to adopt a budget for the Dock System for any fiscal year shall not constitute a waiver or release in any manner of a member of the Dock Owners Group's obligation to pay said member's allocable share of the Dock System expenses. In the absence of any annual budget, each Unit Owner shall continue to pay the monthly (or such other period as may be selected by the Board of Directors) charge at the rate established for the previous fiscal year until the installment which is due more than ten (10) days after a new annual budget shall have been adopted and notice of new assessments have been given to Unit Owners. The new assessments shall be adjusted by taking any additional amounts owed by a Unit as a result of the rate for the previous fiscal year being less than the rate reflected in the new budget and divided the aggregate of such amounts by the number of months remaining in the current fiscal year.

Section 5.4. Assessment of Common Expenses.

(a) The total amount of the estimated Common Expenses (including reserves) as set forth in the budget or budgets of the Condominium for any fiscal year shall be assessed against all Units based on each Unit's Percentage Interest, except as set forth in Section 5.1 of the Declaration with respect to certain limitations on Declarant's obligations to pay assessments on Units owned by Declarant and except as set forth below. The proportionate share of Common Expenses assessed against a Unit shall be expressed as a percentage which shall be determined by dividing (i) the total number of usable square feet contained within a Unit, as the same is determined by Declarant, in its sole discretion, and more particularly set forth on the Plans, as the same may be amended from time to time, by (ii) the total number of usable square feet

contained within all of the Units then included within the Condominium, as the same is determined by Declarant, in its sole discretion, and more particularly set forth on the Plans, as the same may be amended from time to time. **EXHIBIT B** attached hereto and made a part hereof sets forth the initial percentage obligation of each Unit for Common Expenses. These initial percentage interests may be modified pursuant to the terms of the Declaration and these Bylaws. Common Expenses allocable to Limited Common Elements shall be directly assessed against the Unit or Units to which such Limited Common Elements are appurtenant. If Limited Common Elements are appurtenant to more than one Unit, then charges allocable thereto shall be shared among the Units to which such Limited Common Elements are appurtenant on the basis of said Units' Percentage Interests, inter se. Notwithstanding anything to the contrary contained herein, the assessments against Dock Owners with respect to the Dock System Expenses shall be proportioned (among Dock Owners only) by dividing (i) the total number of Boat Slips owned by a particular Dock Owner, by (ii) the total number of Boat Slips contained within all of the Building Condominium based on installed finger piers, as the same is determined by Declarant, in its sole discretion. With respect to Boat Slips appurtenant to Declarant-owned Units, assessments for Dock System Expenses shall begin only when and then only to the extent that Declarant is required to pay assessments pursuant to Article VI of the Declaration for Declarant-owned Units.

(b) Common Expenses assessed for a fiscal year shall be deemed assessed for, with respect to and as of the first day of each fiscal year of the Lofts Association even though payable in installments. The assessment made against each Unit for each fiscal year shall set forth separately such Unit's share of the amount of the total assessment allocated to normal and recurring expenses of administration, management, operation and repair, including without limitation, costs incurred pursuant to the Riverwalk Agreement and Riverwalk Easement and the Building Condominium and the amount of the total assessment allocated to each category of reserves included in the budget. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months (or, if the Board of Directors so designates, three (3) quarters or six (6) month period) in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors) one-twelfth (1/12th) (or, if the Board of Directors so designates, one-fourth (l/4) or one-half (1/2)) of the assessment for Common Expenses for such fiscal year. Notwithstanding the existence of a dispute between any or all of the Unit Owners and the Lofts Association and/or the Board of Directors with respect to the budget, any assessment or special assessment, or any Common Expense or otherwise (including, without limitation, Dock System Expenses for Dock Owners), all Unit Owners shall timely pay all assessments. If the Board of Directors revises a budget during any fiscal year, the Board of Directors may specify the day as of which Common Expenses based on such revision shall be deemed to be assessed. In the absence of such specification, the Common Expenses based on such revision shall be deemed assessed as of the first day of the month following the action of the Board of Directors. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners an itemized accounting of the Common Expenses (including, without limitation, Dock System Expenses) for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget (or any revised budget) adopted by the Board of Directors for such fiscal year. Any amount accumulated in excess of the amount required for actual expenses and reserves (including any excess paid by Dock Owners with respect to assessments for Dock System Expenses) shall, in the discretion of the Board of Directors, either

(i) be credited, in proportion to each Unit Owner's obligation to pay Common Expenses (or such Dock Owner's obligation to pay Dock System Expenses as applicable), to the next monthly installments due from Unit Owners, or (ii) refunded among Unit Owners who paid such assessments in proportion to their payments, or (iii) added to the applicable category of reserves until exhausted. Any net shortage, including, without limitation, those arising from the failure of any Unit Owner to pay any assessments levied against its Unit, shall be assessed against Unit Owners then of record in proportion to each Unit Owner's obligation to pay such Common Expenses and shall be payable, in the discretion of the Board of Directors, either (i) in full, with payment of the next due installment, or (ii) in not more than twelve (12) equal monthly installments, beginning with the next due installment.

Section 5.5. Reserves. The Board of Directors shall build up and maintain adequate reserves for working capital and for repairs to and replacements of the Common Elements (including, without limitation, reserves for the Dock System which shall be collected only from Dock Owners) and may establish reserves for general operations, contingencies or other matters. If the Board of Directors shall deem it advisable, funds accumulated for reserves may be kept in separate bank accounts. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves as appropriate in the discretion of the Board of Directors. Except where an emergency requires an expenditure to prevent or minimize loss from damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Lofts Association. Working capital reserves, including those established from funds received from purchasers of Units and from Dock Owners pursuant to Section 5.7 may be used for any purpose permitted by law as determined by the Board of Directors, including, without limitation, any Declarant controlled Board of Directors as more particularly provided in Section 5.7.

Section 5.6. Special Assessments. If reserves established and maintained in accordance with this Article or pursuant to the Building Condominium Documents shall be inadequate for any reason, including the non-payment of any Unit Owner's or Dock Owner's assessment, the Board of Directors may at any time or from time to time assess a special assessment in order to defray, in whole or in part, extraordinary expenditures, including, without limitation, any shortage or loss incurred or suffered in a fiscal year, any costs incurred under any easement or other agreement to which the Lofts Association is a party or to which the Condominium is subject, or the cost of any construction, reconstruction or replacement of, or insurance covering the Common Elements, including, without limitation, the Dock System, or any special assessments levied against the Condominium pursuant to the Building Condominium Documents. Such special assessments shall be levied against all Unit Owners in proportion to each Unit Owner's obligation to pay Common Expenses, unless such special assessments are levied in connection with Limited Common Elements (including the Dock System, which special assessments shall only be levied against Dock Owners). If such special assessments are levied in connection with Limited Common Elements, then such special assessment shall be levied against such Unit Owner or Unit Owners owning Units to which such Limited Common Elements appertain in proportion to the relative obligation of such Units to pay Common Expenses, inter se or with respect to the Dock Owners based on the number of Boat Slips that are appurtenant to said Unit Owner's Unit. Said special assessments may be payable, as the Board of Directors may determine, in lump sum or in installments. The Board of Directors shall serve notice of any

such special assessments on all assessed Unit Owners and Dock Owners by a statement in writing giving the amount of and reasons for such special assessment, which special assessment shall, unless otherwise specified in the notice, become payable with the next due monthly installment which is due more than ten (10) days after the giving of such notice. All assessed Unit Owners and Dock Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. In the event the Board of Directors elects to assess a special assessment in order to pay for the construction, installation, replacement, addition, alteration or improvement to a Common Element, excluding the Dock System, or a new capital improvement and the amount of any such assessment exceeds $200,000.00, then any such assessment shall be subject to a veto by the Unit Owners (and with respect to the Dock System, if the amount of any such assessment exceeds $30,000, then any such assessment shall be subject to a veto by Dock Owners) entitled to cast at least a majority of the votes of the membership or, if applicable, the Dock Owners Group who are voting in person or by proxy at a meeting duly called for that purpose and held within forty-five (45) days after notice of any such proposed special assessment has been given to the Unit Owners or, if applicable, the Dock Owners Group. This veto right shall not apply to ordinary maintenance, repairs and replacements, regardless of the cost limitations imposed by this Section or to special assessments levied as a result of special assessments levied against the Condominium under the Building Condominium Documents. This veto right shall also not apply to repairs necessary to prevent or correct conditions involving manifest danger to life or property, or for the preservation or safety of the Condominium, or for the safety of the Unit Owners, or required to avoid the suspension of any necessary service to the Condominium and these repairs may be made by the Board of Directors on behalf of the Lofts Association without prior notice to the Unit Owners, and without any right in the Unit Owners to veto the same, regardless of the cost limitations imposed by this section. Any repair, construction, installation, replacement, addition, alteration or improvement required by law, court order or the Building Condominium Documents or any other agreement binding upon the Lofts Association may be made by the Board of Directors after prior written notice to the Unit Owners but without any requirement that the Unit Owners be provided with an opportunity to veto any such repair, construction, installation, replacement, addition, alteration or improvement and the costs thereof shall constitute a Common Expense. The dollar limitation set forth above shall increase automatically each fiscal year, beginning in 2007, in proportion to increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States) (1982-84=100) and published in the "Monthly Labor Review" of the Labor Statistics of the United States Department of Labor or any successor index thereto as selected by the Board of Directors, in its reasonable discretion. The Lofts Association may also levy a special assessment against a Unit Owner's Unit in an amount equal to any costs or expenses incurred, or penalties levied, by the Lofts Association arising out of the failure of any Unit Owner to comply with the terms and provisions hereof, including, without limitation, any indemnity provisions or the provisions of Sections 6.1(b)(3) and (4), including, without limitation, any exercise by the Lofts Association of its rights to cure set forth in Section 6.2, together with any penalties, interest on any such amounts and expenses of collection. If a Unit Owner is responsible or liable for certain costs and expenses incurred by the Lofts Association as a result of the negligence, misuse or neglect of any Unit Owner, or of any Unit Owner's tenant, subtenant, occupant or invitee or of any member(s), employee(s), agent(s), licensee(s) or invitee(s) of such Unit Owners or of such tenant, subtenant, occupant or invitee, then all such costs and expenses so incurred by the Lofts Association shall be deemed to be a

special assessment levied against such Unit Owner in accordance with the terms hereof and in the event of any failure by such Unit Owner to pay any such special assessment, the Lofts Association shall have all rights and remedies provided in Article V in connection with a failure of a Unit Owner to pay Common Expenses or other assessments when due.

Section 5.7. Working Capital Fund. There shall be established an initial working capital fund through the payment made by each Unit Owner of an amount equal to twice the monthly installments for Common Expenses for such Unit under the budget then in effect. The working capital fund contribution is non-refundable and, upon its deposit, becomes the sole property of the Association. Declarant shall deliver such funds so collected to the Board of Directors to provide working capital for the Lofts Association. Except as otherwise set forth herein, neither Declarant, any Eligible Mortgagee who obtains title to Unit by foreclosure or deed in lieu thereof, any purchaser at a foreclosure sale, nor any purchaser upon a resale of a Unit, shall be required to pay working capital assessments. The working capital fund may be used for any lawful purpose, as the Board of Directors, including any Declarant controlled Board of Directors, from time to time shall determine; provided that during the period during which the Board of Directors is controlled by Declarant, the Board may only authorize the spending of up to 50% of the entire working capital fund to be collected from 100% of all Units sold by Declarant, unless such additional expenditures are approved by the Lofts Association.

There shall also be established an initial working capital fund for the Dock System (the "Dock Fund") through the payment made by each Dock Owner, upon the purchase of his or her Boat Slip from Declarant, of an amount equal to twice the monthly installments for Dock System Expenses for such Boat Slip under the budget then in effect. The working capital fund contribution collected for the Dock System is non-refundable and, upon its deposit, becomes the sole property of the Association. Declarant shall deliver such funds so collected to the Board of Directors to provide working capital for the Dock System. Except as otherwise set forth herein, neither Declarant, any Eligible Mortgagee who obtains title to the Boat Slip by foreclosure or deed in lieu thereof, any purchaser at a foreclosure sale, nor any purchaser upon a resale of a Boat Slip shall be required to pay working capital assessments. The Dock Fund may be used for any lawful purpose directly related to the Dock System, as the Declarant deems appropriate during the time period during which Declarant controls the Dock Owners Group and thereafter as the Board of Directors determines based upon the written recommendation of the majority of the Dock Owners Group, provided that during the period during the Dock Owners Group is controlled by Declarant, the Declarant may only authorize the spending of up to 50% of the entire Dock Fund to be collected from 100% of all Boat Slips sold by Declarant, unless such additional expenditures are approved by the Dock Owners Group.

Section 5.8. Obligation to Pay Common Expenses. Except as more particularly set forth in the Declaration with respect to Declarant, each Unit Owner and Dock Owner shall be obligated to pay its proportionate share, determined as more particularly set forth in Section 5.4, of the Common Expenses (including with respect to Dock Owners, Dock System Expenses), including, without limitation, those Common Expenses associated with Limited Common Elements, the Building Condominium, the Riverwalk Agreement and the Riverwalk Easement, assessed by the Board of Directors pursuant to these Bylaws or by the Board of Directors of the Building Condominium Association pursuant to the Building Condominium Documents. Each Unit Owner of any Unit, by acceptance of a Unit Deed therefor, whether or not it is so expressed

in such deed, shall be deemed to covenant and agree with the Lofts Association, and each other Unit Owner, to pay all such Common Expenses and other assessments coming due with respect to such Unit while he/she/it is the Owner thereof, with interest thereon and costs of collection thereof. No Unit Owner may be exempted from liability to contribute toward payment of the Common Expenses or other assessments by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Unit. No Unit Owner or Dock Owner shall be liable for the payment of any part of the Common Expenses assessed against said Unit Owner's Unit or in connection with his/her Boat Slip subsequent to the perfection of a sale or other divestiture of title, by operation of law or otherwise, of such Unit by such Unit Owner, although such Unit shall be subject to a continuing lien in favor of the other Unit Owners enforceable by the Lofts Association as more particularly set forth below. Subject expressly to and except as otherwise provided in Section 5.10, the purchaser of a Unit or Boat Slip or other successor Unit Owner or Dock Owner shall be liable jointly and severally with the divesting Unit Owner or Dock Owner for all unpaid assessments which have become due and payable against such divesting Unit Owner's Unit or in connection with said Dock Owner's Boat Slip prior to and up to the time of divestiture, without prejudice, however, to any rights of such successor owner to recover from the divesting Unit Owner; provided, however, that any such divesting Unit Owner and successor upon written request shall be entitled to a recordable statement from the Board of Directors or Managing Agent setting forth the amount of the unpaid assessments against the divesting Unit Owner's Unit or in connection with said Dock Owner's Boat Slip, and such successor shall not be liable for, nor shall the Unit conveyed, nor the Unit to which such a Boat Slip is to become an appurtenant Limited Common Element, be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statement(s). Failure to furnish or make available such statement within ten (10) business days after receipt by the Lofts Association of a second written request therefor, which request shall be given no sooner than ten (10) days and no later than thirty (30) days after the giving of the first written request therefor, shall extinguish the lien for then unpaid assessments. Notwithstanding anything to the contrary contained in the foregoing, payment of a fee of Twenty-five Dollars ($25.00) or, if greater, the lesser of the amount assessed by the Board of Directors therefor or the maximum amount allowable under the Act shall be required as a prerequisite to the issuance of such a statement.

Section 5.9. Lien for Assessments. The total annual assessment against each Unit Owner for Common Expenses (including against each Dock Owner for Dock System Expenses) and any special assessment levied pursuant to these Bylaws, and any assessment levied against each such Unit Owner pursuant to the Building Condominium Documents to the extent such Building Condominium assessment is not otherwise included within Common Expenses, together with interest thereon, and the expenses of the proceedings, including reasonable attorneys' fees, hereby is declared to be a lien against the Unit of such Unit Owner (and the Unit of such Dock Owner) for the benefit of and enforceable by the Lofts Association or the Building Association, as applicable, until full payment thereof, which lien shall bind such Unit in the hands of the then Unit Owner, its successors in title and assigns (such lien to be inclusive of, but not limited by, the lien provided by the Act), which lien shall be enforced pursuant to Sections 703.16 and 703.165 of the Act, as amended and renumbered from time to time, and as provided by law. The Unit Owner shall continue to be personally liable after disposition of the Unit or Boat Slip for payment of such Common Expenses and other assessments assessed prior to the Unit Owner conveying the Unit or Boat Slip within the purview of the Act.

Section 5.10. Subordination and Mortgagee Protection. Notwithstanding any other provision of the Declaration or these Bylaws to the contrary, any lien for assessments shall be subordinate to the rights of the holder of an Eligible Mortgage made in good faith, for value received, and recorded prior to the date such assessment became due and payable, and such Eligible Mortgagee of the applicable Unit at a foreclosure sale, its successors and assigns, shall not be liable for and such Unit shall not be subject to a lien for the payment of assessments which have become due and payable prior to the acquisition of title or the taking of possession (whichever first occurs) of such Unit pursuant to a decree of foreclosure, or any proceeding or conveyance in lieu of foreclosure; provided, that such subordination shall apply only to assessments which have become due and payable prior to such acquisition of title or the taking of possession of such Unit, and such Eligible Mortgagee of such Unit at a foreclosure sale, its successors and assigns, shall be liable for and such Unit shall be subject to a lien for assessments thereafter becoming due and payable. Any such unpaid assessments for which such Eligible Mortgagee of such Unit at a foreclosure sale, its successors and assigns, shall not have liability pursuant to this Section shall constitute a Common Expense for which each Unit Owner, including such Eligible Mortgagee of such Unit at a foreclosure sale, its successors and assigns, shall be liable in proportion to each Unit Owner's obligation to pay Common Expenses.

Section 5.11. Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 5.12. Late Payment Penalty. In the event of a default by any Unit Owner in paying any Common Expenses or any other sum assessed against the Unit Owner which default continues for a period in excess of ten (10) days, such Unit Owner shall be obligated to pay a late payment penalty in the amount of five percent (5%) of the entire amount of the installment of Common Expenses or other sums which were due, or such other amount as from time to time shall be determined by the Board of Directors and written notice of which is given to the Unit Owners, and interest on the amount of such assessment from the due date thereof at the lesser of: (a) five percent (5%) over the "prime rate" or "reference rate" as such rate is announced by US Bank, N.A. its successors or assigns, at its principal place of business in Milwaukee, Wisconsin from time to time as its "prime rate" or such other "prime rate" as may be selected by the Board of Directors or (b) the highest interest rate permitted by law (the "Default Rate").

Section 5.13. Default in Payment of Common Expenses. In addition to the late payment penalty set forth in Section 5.12 above, 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 described in Section 5.9 hereof and by Section 703.16 of the Act. Any Director on the Board of Directors or any officer of the Lofts Association shall have the right and authority to sign and verify a statement of lien on any such Unit. The Board of Directors shall also have the right to prohibit such Unit Owner from voting at a meeting of the Lofts Association or serving on the Board of Directors if the Lofts 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.

Section 5.14. Foreclosure of Liens for Unpaid Common Expenses. In an 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 said Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors shall also have the right to accelerate annual assessments remaining unpaid with respect to a Unit in connection with a foreclosure action with respect to any such lien. The Board of Directors, acting on behalf of all Unit Owners and by unanimous vote of all of the Directors, other than any Director appointed by the Unit Owner of the Unit affected by said lien, shall have the power to purchase such Unit at the foreclosure 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 5.15. Accounts. Except as otherwise provided in this Article, all sums collected by the Board of Directors with respect to assessments against the Unit Owners may be commingled into a single fund, but shall be held for each Unit Owner in accordance with such Unit Owner's allocable share of the Common Expenses.

Section 5.16. Books and Accounts. Books and accounts of the Condominium shall be kept under the direction of the Treasurer in accordance with standard bookkeeping procedures. Such books and accounts shall detail the receipts and expenditures of administration and operation of the Condominium, and shall specify the maintenance, repair and service expenses and any other expenses incurred. The amount of any special assessment required for payment of any capital improvement of the Condominium shall be credited upon the books of the Condominium as a separate line item in a manner consistent with the treatment of assessments for Common Expenses or for reserves.

Section 5.17. Inspection of Books. The books and accounts of the Condominium shall be available for examination by the Unit Owners and contract purchasers, and/or their duly authorized agents or attorneys, and to the holder of any Eligible Mortgage, and/or its duly authorized agents or attorneys, during normal business hours set and announced for general knowledge within a reasonable time after request therefor.

Section 5.18. Statement of Common Expenses. The Board of Directors shall promptly provide to any Unit Owner, contract purchaser or mortgagee so requesting the same in writing a written statement in recordable form of all unpaid assessments due from such Unit Owner. A fee of Twenty-five Dollars ($25.00) or, if greater, the lesser of the amount assessed by the Board of Directors therefor or the maximum amount allowed by law may be charged by the Board of Directors for such statement to defray the cost of rendering the same.

Section 5.19. Utilities. The cost of utilities serving the Condominium not individually metered to a Unit shall be Common Expenses allocated pursuant to Section 5.4.

Section 5.20. Audit. The Board of Directors may in its discretion from time to time order an independent audit of all books and records. The cost of such audit shall be a Common Expense.

## ARTICLE VI
## Repair, Improvement and Use

Section 6.1. Maintenance and Repair.

(a) By the Lofts Association. Except to the extent the Building Association is responsible for any such maintenance, repair, replacement, performance and/or operation pursuant to the Building Condominium Documents and except as otherwise provided in Section 6.1(b) below or by the provisions of these Bylaws or the Declaration, the Lofts Association shall be responsible (i) for the maintenance, repair and replacement of the Common Elements, including the Limited Common Elements and the Parking Spaces, whether located inside or outside of Units, so that the Common Elements are maintained in a manner commensurate with other first class residential condominiums in the Milwaukee area, (ii) for the performance of any obligations of the Lofts Association pursuant to any easements and agreements to which the Lofts Association is a party or otherwise bound, and (iii) for the operation, maintenance, repairs and replacements to the exterior surfaces and structural components of the Condominium, whether or not included solely within the boundaries of a Unit, including, but not limited to, exterior walls and all structural elements and for the maintenance of public sidewalks adjacent to the Property. Building Condominium Common Expenses and the cost of the maintenance, repair and replacement for all Common Elements, including Limited Common Elements, whether located inside or outside of Units and the performance of any obligations of the Lofts Association pursuant to any easements and agreements to which the Lofts Association is otherwise bound and any and all other common expenses shall be a Common Expense to paid in accordance with Article V, except to the extent that the same are necessitated by the negligence, misuse, overuse or neglect of a Unit Owner or its tenant, subtenant, occupant or invitee, or any of their member(s), employee(s), agent(s), licensee(s) or invitee(s) in which case such expense shall be charged to such Unit Owner as a special assessment and in the event the Unit Owner fails to pay any such assessment, then the Lofts Association shall have all of the rights and remedies set forth in Article V in connection with the failure of any Unit Owner to pay Common Expenses or other assessments. The costs incurred by the Lofts Association, if any, for the maintenance, repair and replacement of any and all items included as part of the Limited Common Elements, including, without limitation, Boat Slips and Terraces and Balconies, and any doors and screens associated therewith, shall be charged to such Unit Owner(s) to whose Unit said Limited Common Element is appurtenant in the same manner as a special assessment. In the event any such Unit Owner(s) fail(s) to pay such assessment, then the Lofts Association shall have all the rights and remedies set forth in Article V in connection with the failure of any such Unit Owner(s) to pay Common Expenses or other assessments. The costs incurred by the Lofts Association, if any, of maintenance, repair and replacement of any and all items included as part of the Units, including, without limitation, interior doors, roofs, ceilings, walls, floors, service elements shall be charged to the Unit Owner in whose Unit said item is located in the same manner as a special assessment and in the event any such Unit Owner fails to pay such assessment, then the Lofts Association shall have all of the rights and remedies set forth in Article V in connection with the failure of any Unit Owner to pay Common Expenses or other assessments. If the Unit Owner fails to maintain its Unit or the Limited Common Elements appurtenant thereto in the condition required pursuant to subparagraph (b) below or as otherwise pursuant to the Condominium Documents, then the Lofts Association, upon thirty (30) days prior written notice, except in the event of an emergency when only such notice as may be reasonable in the circumstances shall be required,

the Lofts Association shall have the right, but not the obligation, to undertake any such maintenance, repair or replacement of said Unit Owner's Unit or the Limited Common Elements appurtenant thereto and the costs associated with any such maintenance, repair and replacement shall be charged to the Unit Owner to whose Unit or appurtenant Limited Common Element any such maintenance, repair or replacement was undertaken in the same manner as a special assessment. In the event any such Unit Owner fails to pay such assessment, then the Lofts Association shall have all of the rights and remedies set forth in Article V in connection with the failure of any Unit Owner to pay Common Expenses or other assessments.

(b) By the Unit Owner.

(1) Each Unit Owner shall be responsible, at its expense, for the maintenance, repair, replacement and operation of such Unit Owner's Unit and all parts thereof necessary to maintain the good order, repair, condition and appearance and the clean and sanitary condition of such Unit Owner's Unit, whether structural or nonstructural, ordinary or extraordinary, including, without limitation, nonbearing walls, non-bearing floors, ceilings, interior doors, inside surface of entrance doors, HVAC, electrical, mechanical, plumbing, access control system and other systems within a Unit (other than the operation, maintenance, repairs and replacements to be specifically performed by the Lofts Association, as expressly provided in Section 6.1(a) above or subsections 6.1(b)(3) and (4) below or by the Building Condominium Association as provided in the Building Condominium Documents). Each Unit Owner shall do all redecorating, painting, refinishing, and varnishing within a Unit which may at any time be necessary to maintain such good order, condition, appearance and repair and condition, shall be responsible for replacing light bulbs and ballasts located within the Unit and the Limited Common Elements. Each Unit Owner promptly shall report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Lofts Association, its successors and assigns, is responsible.

(2) Each Unit Owner shall perform normal maintenance to any Limited Common Element, including, without limitation, Terraces, Balconies, Boat Slips and Terrace Walls, appurtenant solely to such Unit Owner's Unit and shall keep such Limited Common Element(s) in a clean, safe and sanitary condition and, if applicable, free of snow, ice and any accumulation of water and debris. All structural repairs or replacements of any and all Common Elements, including the Limited Common Element shall be made by the Lofts Association or the Building Association as more particularly provided herein and in the Building Condominium Documents.

(3) Each Unit Owner shall be responsible for all damage to any and all other Units, to the Common Elements, (including, without limitation, the Dock System or Boat Slips) resulting from such Unit Owner's failure to maintain or make any of the repairs required to be made pursuant to this Section. Each Unit Owner also shall be responsible for any cost and expense charged to such Unit Owner under Article V of the Declaration, and the expense of any maintenance, repair and/or replacement of any of the Units, or any part thereof, or the Common Elements, including the Limited Common Elements (including, without limitation, the Dock System or Boat Slips) if, in the opinion of not less than a majority of the members of the Board of Directors, such expense was necessitated by the negligence, misuse, overuse or neglect of any Unit Owner(s), or of any Unit Owner's tenant, subtenant, occupant or invitee, or of any member(s), employee(s), agent(s), licensee(s) or invitee(s) of such Unit Owner(s) or of such Unit Owner's tenant, subtenant, occupant or invitee. All structural repairs or replacements of any and all Common Elements, including the Limited Common Elements, made pursuant to this paragraph (b) shall be made by the Lofts Association, but, subject to Section 8.1(a)(2) hereof and except to the extent paid by insurance proceeds, the cost thereof shall be borne by the party(ies) responsible therefor as herein provided.

(4) Notwithstanding the foregoing, the Lofts Association shall be responsible, but at the Unit Owner's sole cost and expense, for the maintenance, repair and replacement of the primary Condominium entrance and Terrace Walls and of those portions of a Unit located outside the boundaries of the Unit and which connect with or to Common Elements of the Condominium, such as, but not limited to, plumbing, piping, cabling, wiring, venting and the hot water baseboard system serving the Units on the 4th and 5th floors. Each Unit Owner shall promptly notify the Lofts Association if the Unit Owner is aware of any defect or need for maintenance, repair or replacement of such portions of the Unit and the Lofts Association shall take commercially reasonable efforts to promptly undertake such maintenance, repair and replacement. Any and all costs and expenses incurred by the Lofts Association within thirty (30) days after receipt of an invoice therefor and if not so paid when due, then said amount shall be deemed a special assessment levied against said Unit Owner's Unit pursuant to Section 5.6.

(5) Notwithstanding anything contained herein to the contrary, the maintenance, repair, and replacement of the exterior walls, structural components, including, without limitation, the structural components of the Terraces and Balconies, the foundation, the exterior windows, window walls and window systems of the

Building is the responsibility of the Building Condominium Association.

(6) Any and all costs and expenses incurred by the Lofts Association which are the responsibility of a Unit Owner pursuant hereto or Section 6.2 hereof shall be deemed a special assessment levied against said Unit Owner's Unit pursuant to Section 5.6.

(c) Dock System and Boat Slips. The Dock Owners Group is responsible for preparing and submitting a budget to the Lofts Association for the maintenance, repair and replacement of the Dock System pursuant to Section 5.2 and Boat Slips and the Lofts Association is responsible for such maintenance, repair and replacement and operation of such Dock System and Boat Slips. If, however, the Dock Owners Group fails to submit a budget that adequately provides for the maintenance, repair and replacement and operation of the Dock System and/or Boat Slips commensurate with a first class dock and boat slip system, the Board of Directors shall have a right to amend the budget so that it adequately provides for such maintenance, repair and replacement and to assess the Dock Owners for any and all such costs incurred by the Lofts Association as more particularly provided in Article V.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation, or as otherwise agreed to by a majority of the Board of Directors.

(e) Chart of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance set forth in subsections (a) and (b), specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Chart of Maintenance Responsibilities attached as **EXHIBIT A** hereto.

Section 6.2. Right of Access. By acceptance of a deed of conveyance, each Unit Owner thereby grants a right of access to said Unit Owner's Unit and appurtenant Limited Common Elements, including any Boat Slips, including, without limitation, the right of access provided by Section 703.32 of the Act, as the same may be amended and renumbered from time to time, to the Lofts Association, to the Dock Owners Group (if the Unit Owner owns a Boat Slip) the Board of Directors or the Managing Agent, their respective agents and employees, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in a Unit or elsewhere in the Condominium, or to correct any condition which violates the provisions of the Declaration, these Bylaws, the Rules and Regulations or any Eligible Mortgage, provided, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. Notwithstanding the foregoing, in case of an emergency, such right of entry shall be immediate and without notice, whether the Unit Owner is present at the time or not. Any exercise of the rights herein conferred to the extent practicable shall be in a manner so as not to interfere unreasonably with the use of a Unit. In the event of the exercise of the right of access provided in this Section 6.2, all costs for repairs

(including repairs of damage caused by such entry) shall be borne in accordance with the provisions of Section 6.1.

Section 6.3. Additions, Alterations or Improvements.

(a) By the Lofts Association. Whenever, in the determination of the Board of Directors, the Common Elements shall require any construction, installation, placement, addition, alteration or improvement, then the Board of Directors shall proceed with such construction, installation, placement, addition, alteration or improvement and shall assess all Unit Owners for the cost thereof as a Common Expense subject and pursuant to Article V. Notwithstanding the foregoing provisions of this Section, if in the opinion of not less than a majority of the members of the Board of Directors any addition, alteration or improvement is or shall be exclusively or substantially exclusively for the benefit of any Unit Owner or Owners requesting the same, such requesting Unit Owner(s) shall be assessed therefor in such proportion as they jointly shall approve, or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

(b) By the Unit Owners. No Unit Owner shall make any addition, alteration or improvement or otherwise modify in any way any of the Common Elements except and only to the extent expressly permitted by the terms of the Condominium Documents and the Building Condominium Documents. In particular, but without limitation, no Unit Owner shall make any addition, alteration or improvement to the Terrace Walls or exterior surface of exterior walls or exterior surface or interior surface of windows involving installation of devices or wiring or the affixing or attaching of any item or other improvements to such wall or surface. No Unit Owner shall make any addition, alteration or improvement in or to said Unit Owner's Unit or in or to the party walls between the Unit and other Units, which will or may impair the structural integrity, the acoustical integrity or the mechanical, electrical, fire protection, plumbing or any other systems of the Building or of the Condominium, and interior partitions contributing to the support of any Unit or the Building shall not be altered or removed. No Unit Owner shall make any addition, alteration or improvement, or shall change, in any way, the exterior surface appearance or exterior surface of his or her Unit (including, without limitation, entranceways, windows and window treatments) of any of the Limited Common Elements, including, without limitation, the Dock System and Boat Slips without prior approval of the Design Review Committee. If any and all necessary consents of the Design Review Committee have been obtained to any addition, alteration or improvement or change in appearance described above, and if application to any governmental authority for a permit to make an addition, alteration or improvement requires execution by the Lofts Association, then the application shall be executed on behalf of the Lofts Association by the Board of Directors or any officer designated by the Board of Directors, provided, however, that the Lofts Association, Board of Directors and any officer of the Lofts Association shall not thereby incur any liability to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All work done in connection with any alteration to a Unit shall be completed in a good and workmanlike manner in accordance with applicable statutes, codes or ordinances, free from all liens, and shall be carried out with due diligence. Any Unit Owner that makes any alterations to a Unit hereby indemnifies and holds harmless the Lofts Association, the other Unit Owners, the Board of Directors and the Managing Agent from and against any and all liability, loss, damage, penalty,

claim, cost, fee or expense, including, without limitation, court costs and attorneys' fees, arising out of any such alterations, including, without limitation, the installation, construction, repair or replacement thereof. The foregoing provisions of this paragraph shall not apply to Units owned by Declarant before deeds of conveyance to such Units shall have been delivered. Declarant shall have the right to make any additions, alterations, improvements or modifications without the consent of the Board of Directors or any Unit Owner or Eligible Mortgagee, and the Board of Directors shall execute any such application required to accomplish the same.

Section 6.4. *Intentionally Deleted.*

Section 6.5. Use of Units and Common Elements. Each Unit and the Common Elements shall be occupied and used in accordance with the provisions of Article VI and Article VII of the Declaration and as follows:

(a) The Board of Directors shall have the right to establish reasonable requirements for construction and similar types of work done within Units in order to protect the Common Elements and reduce any interference with the activities of the occupants of the other Units.

(b) No Unit or any part thereof shall be leased or rented except as permitted pursuant to Article VII of the Declaration. No Unit Owner shall lease a Unit other than by written instrument which shall (i) require the tenant thereunder to comply with the Act, the Declaration, these Bylaws and the Rules and Regulations, as any of the same from time to time may be amended, (ii) provide that any failure to so comply shall constitute a default thereunder, and (iii) provide that the Board of Directors shall have the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder upon forty five (45) days prior written notice to the Unit Owner in the event of a default in the performance by tenant under the lease. The Board of Directors may require a standard form lease for use by all Unit Owners. Promptly following the execution of any lease of a Unit, the Unit Owner of such Unit shall deliver a conformed copy thereof to the Board of Directors. This subsection (b) shall not apply to the Declarant.

(c) Nothing shall be done or kept in any Unit or in or on the Common Elements which will increase the rate of insurance for the Condominium, without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in a Unit or in or on the Common Elements which will result in the cancellation of insurance on the Condominium or which would be in violation of any public law, ordinance or regulation. No waste will be committed in, on or to the Common Elements. Nothing herein shall in any way be deemed to limit or proscribe the activities of Declarant.

(d) The Common Elements shall be used only for the furnishing of the services and facilities for which they reasonably are suited and which are incident to the use and occupancy of the Units and, by Declarant, for promotional, marketing, and display purposes.

(e) No person may post any advertisement, poster or sign of any kind on the exterior of a Unit or in the windows of a Unit, except in the windows of the Commercial Unit, but only as permitted in subsection (g) below, or except when required by law; provided,

however, that any sign required by law shall not under any circumstances be larger than 2' by 2' and provided, further, that holiday decorations may be displayed on the interior of windows during a reasonable period of time during which the applicable holiday falls, but in no event to exceed forty-five days (a "Reasonable Holiday Period"). The right is reserved by Declarant or its agents to use any unsold Unit or Units or any Unit or Units leased by Declarant for sales, resales and/or rental offices and/or for any other lawful purpose or purposes, and to display "For Sale", "For Rent" and "development" signs of any size on the Common Elements, or on any such Unit or on the Building where such Unit is located.

(f) A Unit Owner or occupant shall not cause anything to be affixed or attached to, hung, displayed or placed on exterior walls, doors, balconies or windows of the Building; provided, however, that holiday lights and decorations may be displayed on the interior of windows during a Reasonable Holiday Period.

(g) No garbage, refuse, trash or rubbish shall be deposited except as permitted by the Lofts Association. The requirements from time to time of the company or governmental agency providing trash removal services for disposal or collection shall be complied with and all receptacles for storage or disposal of such material shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, during any construction of the Property, the Declarant shall not be obligated to comply with the foregoing requirements so long as the Declarant uses commercially reasonable efforts to cause such disposal and/or collection to be undertaken in a manner consistent with normal and prudent construction practices so as to minimize unreasonable disruption to the use by the Unit Owners of their Units.

(h) The Board of Directors shall have the right to establish rules and regulations in connection with items that may be placed on the terraces and balconies, including, without limitation, placing limitations on the weight and height of such items and on the capacity of such items to collect and/or retain precipitation, the Board of directors may also limit or restrict on any modifications or connections to gas and electric service on or from the terraces or balconies, and may issue establish rules intended to protect and prevent against fire hazards and may establish other rules and regulations so long as said rules and regulations do not unreasonably interfere with the use and enjoyment of a Unit Owner of its Unit and are not inconsistent with the terms and provisions of the Declaration and these Bylaws.

(i) Unit Owners shall comply with any move in and move out procedures included as part of the Rules and Regulations, which move in and move out procedures may include, but may not be limited to procedures for the use of elevators, protection of Common Elements and the timing and method of use of the entrance doors, access doors and access ways and hallways, except as otherwise permitted by the Declarant in writing so long as Declarant owns a Unit and thereafter as permitted by the Board of Directors.

(j) Trailers, campers, recreational vehicles, all terrain vehicles, snowmobiles, boats, buses and other similar vehicles may not be parked on the Property. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Vehicle repairs other than ordinary light maintenance are not permitted on the Property.

(k) Unit Owners shall take all necessary precautions to prevent the leaking of oil or other fuels or other staining on the Property, including, without limitation, the Parking Spaces. The Parking Spaces shall not be used for the storage of any personal property, other than motorcycles and automobiles as set forth above and except for permissible items stored in Approved Storage Devices (as hereinafter defined). Racks, shelving, cabinets or other storage devices are prohibited in the Parking Spaces except for those storage devices approved by Declarant and/or installed by Declarant and such other storage devices as may be approved by the Board of Directors after Declarant no longer owns a Unit ("Approved Storage Devices"). In determining the storage devices to be approved, Declarant and/or the Board of Directors, as applicable, may approve or withhold approval for storage devices based on, among other items, design and clearances, including, without limitation, overhead clearances and clearances from building systems, access ways and other Parking Spaces. No perishable items may be stored in Approved Storage Devices and Declarant, for so long as Declarant owns a Unit and thereafter the Board of Directors, may promulgate lists of other items which may not be stored in the Approved Storage Devices.

(l) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of a reasonable number of fish and up to two orderly domestic pets without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding. All such pets shall be registered with the Board of Directors and, in connection with such registration, the Board of Directors may request evidence that the pets have had all required shots and are otherwise being kept and raised in compliance with applicable laws.

(m) Any Unit Owners whose pet is causing or creating a nuisance or unreasonable disturbance or noise shall cause the pet to stop causing the unreasonable disturbance or noise upon three (3) days' written notice from the Board of Directors. If a Unit Owner is given three notices with respect to a pet over any period of time, then, upon the third such written notice, the Board of Directors may require that the pet be permanently removed from the Condominium without any further right in the Unit Owner to cure the pet's behavior. Pets shall not be permitted upon the Common Elements unless accompanied by a responsible person and unless such person immediately cleans up completely after any such pet. All pets shall be registered and inoculated as required by law. All dogs, cats and other domestic pets shall be on a leash at all times when outside of the Unit Owner's Unit. Milwaukee County and the City, their representatives, agents or independent contractors are authorized to enter onto the Condominium and enforce any applicable ordinances, rules and regulations with respect to animals with respect to which said County or City has jurisdiction. All Unit Owners with pets shall take all reasonable actions to prevent said Unit Owner's pet(s) from being a danger, nuisance or annoyance to any Unit Owner or said Unit Owner's guests or invitees. Any Unit Owner who keeps or maintains any pet upon any portion of the Condominium or whose families, guests, staff, invitees or tenants bring any animal upon the Property shall be responsible for and shall be deemed to have indemnified and agreed to hold harmless the Condominium, the Lofts Association, each Unit Owner, the Board of Directors, the Managing Agent, and Declarant from and against any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(n) Notwithstanding anything contained in these Bylaws or the Declaration to the contrary, pit bulls, rottweilers and any derivative species shall not be allowed within the Condominium under any circumstances and all pets and/or domestic animals at any time situated within the Condominium shall be subject to any limitations or restrictions contained in any applicable federal, state or local laws or ordinances. The City, Milwaukee County, their representatives, agents or independent contractors are authorized to enter onto the Condominium and enforce any applicable ordinances, rules and regulations with respect to animals promulgated by said City or County.

(o) No satellite receiving systems or stations or exterior antennae of any kind shall be maintained on a Unit or upon the Common Elements, except for any master antennae or systems which may be provided by Declarant with the prior written consent of the Board of Directors and except for an 18 inch or smaller private satellite dish which may be located within or on a Unit in a location approved by the Declarant or if the Declarant no longer owns a Unit, then the Board of Directors, the Lofts Association and provided further that any interference or nuisance caused by said dish shall immediately be corrected, and any and all repairs necessitated as a result of the installation or operation or existence of such dish shall immediately be undertaken and completed, by and at the cost and expense of the Unit Owner of the Unit with respect to which such dish has been installed. If a satellite dish is to be attached to any portion of the Condominium, then Declarant shall be released from any and all obligations the Declarant may then have with respect to any warranties or representations made by Declarant, including, without limitation, warranties and representations contained in any condominium sale agreements, in connection with the item to which said satellite dish is being attached and in connection with any Building systems which are in any way modified or affected as a result of the installation of the satellite dish system.

(p) Subsequent to the initial buildout of a Unit by Developer, if a Unit Owner of such Unit desires to install in place of carpeting any hard-surface floor covering (e.g., marble, slate, ceramic tile, wood) said Unit Owner shall also install a sound absorbent underlayment beneath it to the extent required by the Design Review Committee, in its absolute discretion and in the event said absorption underlayment is required by the Design Review Committee, the types of materials required may include padding or a resilient sound absorbing underlayment of resilient material, cork or other acceptable material, in accordance with any applicable rules and regulations promulgated by the Board of Directors, as amended from time to time. The Unit Owner, other than Declarant, shall obtain written approval of the Design Review Committee prior to any such installation. If the installation is made without such prior written approval, the Design Review Committee or the Board of Directors may, in addition to exercising all the other remedies provided in the Condominium Documents, require the offending Unit Owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending Unit Owner. The Declarant shall not be required to comply with these restrictions and Units purchased from Declarant that have hard surface flooring at the time of Closing or with respect to which Declarant has approved all hard surface flooring in writing shall be deemed in compliance herewith. Declarant intends to approve hardwood flooring in Units purchased directly from Declarant if the installation will meet the required "STC" rating. Unit Owners shall comply with any sound attenuation guidelines promulgated by the Board of Directors or the Design Review Committee, including, without

limitation, those relating to the installation of any stereo, home entertainment or similar system or any other noise producing personal property of Unit Owner.

(q) No nuisance shall be allowed within the Condominium or within a Unit, nor any use or practice that is a source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the Condominium.

(r) No clothes, towels, sheets or other similar items may be hung or otherwise displayed on the Terraces or Balconies.

(s) The Board of Directors and the Dock Owners Group shall have the right to promulgate Rules and Regulations governing the use of Docks and Boat Slips; provided, however, that such Rules and Regulations shall not unreasonably restrict the use of the Boat Slips by the Dock Owners for the purpose of docking and accessing appropriately sized boats.

(t) All Units shall be required to maintain a temperature of at least 50°F during the heating season and not greater than 80°F during the cooling season.

(u) There shall be no smoking in the common areas of the Condominium.

(v) No party, including, without limitation, the Board of Directors, the Unit Owners and/or any occupants of the Units shall take any action that would affect or in any way negate or compromise any warranty covering any portion of the Condominium and in the event any such action is so taken, the Declarant shall be released from any obligations that it may have to the Building Association, the Board of Directors, any Unit Owner or any Unit occupant with respect to the items covered by such warranty, unless such action is expressly consented to by the Declarant in writing.

(w) Any repairs, replacements, installation or placement of any windows, window walls, window systems, window treatments or any other item that relates to or affects the window systems or to the original exterior building materials of the Building, must be approved by the Building Declarant and, at such time as the Building Declarant no longer owns a Unit, by the Board of Directors of the Building Association or the Managing Agent in writing to ensure that the items are repaired, replaced and installed consistent with and in the same manner as the original so that reasonable efforts can be made to maintain any then existing warranties. In addition, unless expressly otherwise agreed to by the Building Declarant in writing, or, if the Building Declarant no longer owns a Unit, then by the Board of Directors of the Building Association, all inspection, maintenance, repair, replacement, restoration, modification or alteration to any portion of the windows, window walls, or window systems shall be performed by Klein & Dickert, the original contractor performing such work.

Section 6.6. Extended Vacation and Absences. In the event a Unit will be unoccupied for an extended period, which is any period exceeding thirty (30) consecutive days, the Unit Owner must notify the Lofts Association of such absence and provide to the Lofts Association the name and contact information of the Unit Owner's designee who has a key to the Unit. Under no circumstances shall the Unit Owners' Lofts Association have any responsibility of any nature relating to any unoccupied Unit.

Section 6.7. Dampness and Humidity Mitigation. No Unit Owner shall install, within his or her Unit, or upon the Common Elements or Condominium Property, non-breathable wall-coverings or low-permeance paints. Additionally, any and all built-in casework, furniture, and or shelving in a Unit must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall. Additionally, all Unit Owners, whether or not occupying the Unit, shall periodically run the air conditioning system to maintain the Unit temperature, whether or not occupied, at 80°F if and when the temperature exceeds 80° for any extended period of time, to minimize humidity in the Unit. While the foregoing are intended to minimize the potential development of molds, fungi, mildew and other mycotoxins, each Unit Owner understands and agrees that there is no method for completely eliminating the development of molds or mycotoxins. Declarant does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Unit Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same. Each Unit Owner shall be responsible for leakage that occurs within its Unit and from its Unit and for promptly eliminating, or causing the elimination of, the cause of said leakage and removing all moisture and humidity resulting therefrom. In furtherance of the foregoing, in the event that the Lofts Association reasonably believes that the provisions of this Section 6.7 are not being complied with, then, the Lofts Association shall have the right (but not the obligation) to enter the Unit (without requiring the consent of the Unit Owner or any other party) to turn on the air conditioning or dehumidifier in an effort to cause the temperature of the Unit to be maintained as required hereby (with all utility consumption costs to be paid and assumed by the Unit Owner) or to remedy any such leakage. Unit Owners shall utilize any kitchen, bathroom and dryer exhaust fans as necessary within their Units.

Section 6.8. Keys and Security Codes. All Unit Owners will be required at all times to provide the Managing Agent with current keys and security codes for such Unit Owners' Unit(s). Any keying system used to service all entrance doors to Unit Owner's Unit shall be subject to the prior written approval of the Board of Directors.

Section 6.9. Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements may be promulgated, amended and/or repealed by the Board of Directors, provided, that such Rules and Regulations are not contrary to or inconsistent with the Act, the Declaration or these Bylaws. Copies of and changes to the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time when the same shall become effective.

## ARTICLE VII
## Alienation of Condominium Units

Section 7.1. No Severance of Ownership. Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Act and except with regard to the Limited Common Element Boat Slips and Dock System (which may be assigned from Declarant to Unit Owner(s) and/or the owner of Unit 1 of the Building Condominium and between and among Unit Owner(s) and/or the owner of Unit 1 of the Building Condominium but only as set forth herein and in the Declaration), and except as expressly set forth in the Declaration and these Bylaws with regard to the Parking Space(s) in the basement parking area, the undivided

interest in the Common Elements allocated to any Unit shall not be altered and any purported transfer, encumbrance or other disposition of such interest without the Unit to which it appertains shall be void. A Unit Owner's sale of its Unit shall include the sale of (a) the undivided percentage interest in the General and Limited Common Elements appurtenant thereto; (b) the interest of such Unit Owner in any Units theretofore acquired by the Lofts Association, or its nominee, 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 Lofts Association (the interests described in subparagraphs (a), (b) and (c) hereof are hereinafter collectively called the "Appurtenant Interests"). No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its 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, except as to the Parking Space(s) in the basement parking area and/or Boat Slips(s) as more particularly set forth herein and in the Declaration.

Section 7.2. Resales of Units.

(a) Resales of Units by Unit Owners other than Declarant are governed by law. Section 703.33 of the Act as the same may be amended and renumbered from time to time, requires a Unit Owner other than Declarant to obtain from the Lofts Association and to furnish to said Unit Owner's purchaser prior to the contract date of disposition certain financial and other statements and assurances concerning the Unit and the Condominium. In the absence of a written agreement to the contrary, the failure of the Lofts Association to provide such statements and assurances in the manner and within the time periods provided by the Act, shall render, at the option of the purchaser, the contract of purchase void. The Act imposes other obligations on a Unit Owner and contains additional provisions concerning Unit Owners other than Declarant, purchasers and the Lofts Association in connection with the resale of a Unit. All Unit Owners are directed to the Act, including, specifically, but without limitation, Section 703.33, prior to entering into a contract for the resale of a Unit.

(b) No Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his or her Unit or any Limited Common Element or any Parking Space unless and until he or she shall have paid in full to the Lofts Association all accrued and unpaid common expenses, including, without limitation, special assessments, theretofore assessed by the Board of Directors against said Unit Owner's Unit.

Section 7.3. Leasing of Units. Leases of Units by Unit Owners other than Declarant are governed by Section 6.5(b) of these Bylaws and Article VII of the Declaration.

Section 7.4. Financing of Purchase of Units by the Lofts Association.

(a) Acquisition of Units and/or Boat Slips by the Lofts Association or its designee, on behalf of all Unit Owners, pursuant to Section 3.5(o) may be made from the working capital and assessments for Common Expenses in the hands of the Board of Directors, or if such funds are insufficient, the Lofts Association may borrow money to finance the acquisition of such Unit or Boat Slip; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit or Boat Slip so to be acquired by the Lofts Association. Title to any real or personal property acquired by the Lofts Association shall be taken in the name of the Lofts Association. The Lofts Association shall act to borrow money, and acquire and convey property in the same manner as corporations formed under Chapter 181 of the Wisconsin Statutes, as the same may be amended from time to time. All costs of obtaining financing for the acquisition of a Unit or Boat Slip and for the repayment of monies borrowed for such purpose, including principal and interest, shall be Common Expenses of the Condominium and payable as assessments by the Unit Owners. The proceeds from the sale of any such Unit or Boat Slip after repayment of any borrowed funds and special assessments, if any, levied for such purpose shall be deposited in such funds as the Board of Directors may establish and shall be disbursed by the Board of Directors as the Lofts Association shall determine.

(b) In the event that a Unit shall be acquired by the Lofts 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.

## ARTICLE VIII
## Insurance

Section 8.1. General Requirements.

(a) Each policy of insurance purchased by the Board of Directors pursuant to this Article shall provide to the fullest extent applicable as follows:

(1) In no event shall any such insurance be brought into contribution with insurance purchased by individual Unit Owners, the Building Condominium Association or their Eligible Mortgagees or tenants;

(2) The insurer waives (i) any right to claim by way of subrogation against the Declarant, the Lofts Association, the Building Condominium Association , the Board of Directors or the Managing Agent and their respective agents, employees, tenants or invitees or against the Unit Owners and, in the case of the Unit Owners, their tenants and the members of their households; and (ii) any defense based upon co-insurance or upon any invalidity arising from the acts of the insured;

(3) Such policy shall not be invalidated or suspended due to the act or omission of any Unit Owner or Building Unit Owner (including

any member of his or her household and his or her or its tenants invitees, agents and employees) or of any member, officer or employee of the Board of Directors, the Building Condominium Association Board of Directors or the Managing Agent;

(4) Such policy may not be cancelled, invalidated, or substantially modified or not renewed (including cancellation for nonpayment of premium) without at least ten (10) days' prior notice to the Board of Directors and the Managing Agent, and in the case of physical damage insurance, to all Eligible Mortgagees, the Building Condominium Association and Unit Owners to whom certificates, subpolicies or endorsements have been issued;

(5) Any "no other insurance" clause contained in the master policies shall expressly exclude individual Unit Owners' or their tenants' policies from its operation; and

(6) The master policy shall contain a standard mortgagee clause, without contribution, in favor of each Eligible Mortgagee, its successors and assigns, to the extent of the portion of the coverage of the master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Eligible Mortgagee and the Unit Owner, as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors set forth in this Article.

(b) All policies of insurance shall be written by companies with a financial rating of A or better under Best's Rating Guide (or any comparable rating under a revised rating guide). The named insured under such policies shall be the Lofts Association as trustee for each of the Unit Owners in accordance with each Unit Owner's Percentage Interest.

Section 8.2 Insurance Coverage. To the extent available at commercially reasonable rates and, as applicable, the Board shall obtain and maintain the following insurance in accordance with the provisions of this Article VIII.

(a) insurance on the Condominium, including all of the Common Elements and those Service Elements serving more than one Unit and expressly excluding equipment, trade and other fixtures, furniture, carpeting, drapes, furnishings, and other personal property installed or located within a Unit by or on behalf of the Unit Owners (collectively, "Unit Owners' Property") and any other items included as part of a Unit, against all risks of direct physical loss or damage in an amount at least equal to the full replacement value thereof. Such insurance shall contain the following endorsements to the extent reasonably obtainable: (i) Special Condominium Endorsement; (ii) Agreed Amount and Inflation Guard Endorsement; (iii) Construction Code Endorsement; (iv) Demolition Cost Endorsements; (v) Contingent Liability from Operation of Building Laws Endorsement; and (vi) Increased Cost of Construction

Endorsement. Such policy of physical damage insurance shall also provide or include to the extent obtainable that the insurer will issue to each Unit Owner a certificate or subpolicy. The amount of such coverage shall be reviewed annually by the Board of Directors with the assistance of the insurance company affording such coverage and such coverage shall be redetermined when and as the Board of Directors deems advisable;

(b) during any period when any repair or reconstruction of the Buildings is taking place pursuant to Article IX and/or Article X and insurance carried under clause (a) above would not be applicable, Builder's Risk Insurance on the Building, with the inclusions and exclusions specified in clause (a) above, in completed value form against all risks of direct physical loss in an amount not less than the amount required by clause (a) above;

(c) boiler and machinery insurance on the Building and the "Objects" therein (as defined under such insurance) to the extent not covered by insurance carried under clause (a) above, providing minimum coverage of $100,000 per accident per location;

(d) worker's compensation insurance, employer's liability insurance and nonowned automobile liability insurance with respect to employees of the Lofts Association, if any;

(e) comprehensive general liability insurance with blanket contractual endorsement with a combined single limit of $1,000,000 per occurrence, for personal and bodily injury, death and property damage, and an "umbrella liability" policy, so-called, with a limit of $10,000,000 per occurrence, or such higher limits as the Board may from time to time determine to be reasonable and proper. Such insurance shall be issued on a comprehensive liability basis and shall contain to the extent obtainable: (i) libel, slander, false arrest and other personal injury offenses coverage; (ii) medical payments coverage; (iii) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured; (iv) hired and non-owned vehicle coverage; (v) host liquor liability coverage with respect to events sponsored by the Lofts Association; (vi) property or others coverage; (vii) broad form property damage coverage; (vii) contractual and all written contract coverage; (viii) coverage for liability resulting from law suits related to employment contracts in which the Lofts Association is a party; and (ix) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of the negligent acts of the Lofts Association, the Board of Directors, the Managing Agent or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be written in an amount less than One Million Dollars ($1,000,000), per occurrence, and Two Million Dollars ($2,000,000.00), aggregate, covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of umbrella liability insurance in excess of primary limits in the discretion of the Board of Directors also may be obtained.

(f) insurance against damage by such other hazards in such amounts as any mortgage lending institution holding a mortgage on any Unit may require (but excluding coverage required solely by reason of the use or occupancy of a particular Unit); provided, however, that any additional premium incurred thereby shall be chargeable to the Owner of said Unit;

(g) director's and officer's liability insurance covering each Director and Officer of the Lofts Association; and

(h) such other insurance as the Board of Directors may determine to be reasonable and proper, or as may be requested from time to time by a majority of the votes of the Unit Owners, or, to the extent applicable, as required by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Lofts Association or by law.

All policies of insurance shall be in such amounts as the Board shall determine consistent with the foregoing provisions. Such policies may provide for a deductible amount from the coverage thereof as the Board may from time to time determine to be reasonable and proper. In the event of any loss which relates solely to the Common Elements, such deductible amount may be assessed to all Unit Owners as a special assessment of Common Expenses hereunder. In the event of any loss which relates solely to the Dock System and the Boat Slips, such deductible amount may be assessed to all members of the Dock Owners Group as a special assessment of Common Expenses hereunder. In addition and to the extent possible, any insurance cost attributable to the Dock System or the Boat Slips shall be assessed only against members of the Dock Group. In the event of any loss which relates in whole or in part to insurable improvements forming part of a Unit, which loss is covered by such insurance, the Board may assess to the Unit Owner of such Unit, as a special assessment, all or part of such deductible amount, such special assessment being in an amount directly proportional to the amount of such loss related to such Unit improvements and the amount of the loss related to the Common Elements. Each Unit Owner shall be liable for such special assessments in addition to his respective share of the Common Expenses.

All policies of physical damage insurance shall name as insured the Board as insurance trustee for the Lofts Association, each Unit Owner, each Eligible Mortgagee and at a Unit Owner's request, any tenant of a Unit, (provided the Unit Owner has notified the Board of the tenant's name, address, the Unit, or portion thereof, being leased, the date of the lease and the term thereof), as their interest may appear, with the standard mortgagee clause in favor of each Eligible Mortgagee, pursuant to such standard condominium property endorsement form as may from time to time be customarily used in Wisconsin. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board.

All policies of physical damage insurance shall provide for waivers of the following rights to the extent that the respective insurers would have the same without such waivers:

(i) subrogation of claims against the Unit Owners or tenants of the Units;

(ii) any defense based on co-insurance;

(iii) any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Board;

(iv) any invalidity, other adverse effect, or defense on account of any breach of warranty or condition caused by any Unit Owner or any tenant or

occupant of any Unit, or arising from any act, neglect, or omission of any insured or the respective agents, contractors and employees of any insured, or from any vacancy or unoccupancy of any Building or part thereof;

(v) any right of the insurer to repair, rebuild or replace and, in the event that any Building is not repaired, rebuilt or replaced following total loss, any right to pay under the insurance an amount less than the lesser of the replacement value of the Building or the actual cash value of the Building;

(vi) notice of the assignment of any Unit Owner of its interest in the insurance by virtue of a conveyance of any Unit or Units; and

(vii) any right to require any assignment of any mortgage to the insurer.

Except as otherwise herein specifically provided, the Board, acting on behalf of the Lofts Association, all Unit Owners and all Eligible Mortgagees shall have the exclusive right to bind all such parties in respect of all matters affecting all insurance policies carried by the Board, including: the surrender, cancellation, and modification thereof, and no insurer need inquire as to the identity or rights of any Unit Owner or Eligible Mortgagee. Duplicate originals of all policies of physical damage insurance carried by the Board and of all renewals thereof, or, in lieu thereof, certificates of all such policies of insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Board to all Eligible Mortgagees and binders or certificates of all such policies of insurance and of all renewals thereof shall be delivered by the Board to all Unit Owners in each case at least ten (10) days prior to the expiration of the then current policies.

The Board shall annually review the insurance carried by it, which review may include obtaining an appraisal of the full replacement value of the Building, with the inclusions and exclusions provided in clause (a) above, without deduction for depreciation, by a qualified independent insurance appraiser, whose fee shall be a Common Expense. In order to assist such review of insurance coverage, each Owner of a Unit shall report to the Board in writing at least annually during the first three years after the date of recording of the Declaration, thereafter at least once every three years, also within 15 days after written request therefor by the Board, and also both prior to commencement of construction and upon substantial completion of any additions, alterations or improvements costing in excess of $25,000, the estimated full replacement value of all additions, alterations or improvements made to such Unit since the date of the Declaration which are as a matter of law part of the real estate comprising such Unit, without deduction for depreciation. Failure to give such notice of the value of any such additions, alterations or improvements shall constitute a waiver by such Unit Owner of any portion of any insurance recovery allocable to such additions, alterations or improvements arising from any casualty or other events occurring prior to the date when such notice is given, but such waiver shall not take effect to the extent that (i) such waiver would reduce the total amount of insurance proceeds payable with respect to such casualty; or (ii) the failure of such Unit Owner to give such notice did not, in the opinion of the Board, whose decision shall be final, reduce the amount of insurance recovery receivable by other Unit Owners with respect to any casualty or other events occurring prior to the date when such notice was given. The Board shall have the right to inspect the Units in connection with such review, but only after reasonable

advance notice to the Unit Owners of such Units. In the event of doubt on the part of the Board or on the part of the Unit Owner as to whether or not particular additions, alterations or improvements are part of the real estate, the estimated full replacement value of each such item shall be separately stated.

Notwithstanding any of the foregoing provisions of this Section 8.2, if war risk insurance, flood insurance, earthquake insurance, and umbrella coverage with respect to liability insurance, or any of them, required to be carried under those provisions cannot be carried without unreasonable expense, or any of the specific waivers required by the foregoing provisions with respect to policies of physical damage insurance cannot be obtained without unreasonable expense, the Board may suspend such coverage or the inclusion of such waivers to the extent that and so long as such conditions continue.

Section 8.3. Unit Owner Indemnity and Insurance. By acceptance of a deed to a Unit and subject to the waiver of subrogation provision contained herein, each Unit Owner indemnifies and holds harmless the Lofts Association, the Declarant, the Board, the Directors and officers of the Lofts Association and all other Unit Owners for all loss, cost, expense and damages of any kind (including, without limitation, reasonable attorneys' fees and costs) arising from any act or neglect of such Unit Owner, its tenants, subtenants, agents, employees, or licensees.

Each Unit Owner shall be solely responsible for insuring the contents of such Owner's Unit and appurtenant Limited Common Elements which are not as a matter of law part of the real estate comprising such Unit.

Each Unit Owner, any tenant, subtenant and occupant of a Unit shall have the right to carry other insurance for its own benefit provided all such policies contain standard waivers of subrogation providing that the insurance shall not be invalidated should the insured waive, prior to loss, any right of recovery against the Lofts Association, the Building Condominium Association, the Boards of Directors of the Lofts Association and the Building Condominium Association, the officers of the Lofts Association and the Building Condominium Association and any or all other Unit Owners and the owner of the Commercial Unit, and tenants, subtenants and occupants of Units or the Commercial Unit, and provided any such policies do not adversely affect or diminish any liability under any insurance obtained by the Board for the benefit of the Lofts Association pursuant to the provisions of this Article VIII. If any loss intended to be covered by insurance carried by the Board of Directors or the Board of Directors of the Building Condominium Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Unit Owner, tenant, subtenant or occupant of a Unit, such Unit Owner, tenant, subtenant or occupant of a Unit shall, without limiting or prejudicing other remedies of the Board, assign the proceeds of such insurance carried by it, to the extent of such reduction, to the Board for application to the same purposes as the reduced proceeds are to be applied. Any lease or occupancy agreement of a Unit shall obligate the tenant to comply with the provisions of this Section 8.3.

Section 8.4. Waiver of Subrogation. The Lofts Association, each Unit Owner, tenant, subtenant and occupant of a Unit waives all rights of recovery against any of the others for loss or injury against which the waiving party is protected by insurance naming the other

party as one of the insured or containing provisions which deny the insurer the acquisition of rights by subrogation or waivers of subrogation of claims against the other party, reserving, however, any' rights with respect to any excess of loss or injury over the amount recovered under such insurance.

Section 8.5. Board of Directors as Agent. By acceptance of the deed to said Unit Owner's Unit, each Unit Owner shall be deemed to have appointed the Lofts Association as said Unit Owner's attorney-in-fact for the purpose of purchasing and maintaining the above-described policies of insurance (excluding the Unit Owner's separate insurance pursuant to Section 8.3 above), 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.

## ARTICLE IX
## Repair and Reconstruction After Fire or Other Casualty

Section 9.1. General Requirements.

(a) When Repair and Reconstruction are Required. Except as provided in paragraph (b) of this Section, in the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Condominium (excluding only betterments and improvements supplied or installed by or on behalf of or other Unit Owners' Property of the Unit Owners in the Units). Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the interior cosmetic redecoration of said Unit Owner's own Unit.

By acceptance of the deed to a 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 Lofts Association by unanimous consent pursuant to Section 2.15 of these Bylaws and shall constitute the determination by the Unit Owners and the Lofts Association to repair or reconstruct as required by the Act. If, notwithstanding the foregoing provisions and except as provided in paragraph (b) of this Section, such a determination is submitted to the vote of the Unit Owners, then the vote of one Unit Owner shall be sufficient to determine to repair or reconstruct.

(b) When Reconstruction is not Required. If the Condominium is destroyed by fire or other casualty to an extent more than the available insurance proceeds and if within one hundred twenty (120) days after the date of such destruction Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Lofts Association appertain agree to waive and terminate the Condominium regime, then the Condominium shall be subject to an action for partition, in which event the net proceeds of sale and the insurance policies, if any, shall be considered as one fund, and distributed by the Board of Directors among all the Unit Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Unit Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on such Unit Owner's Unit, in the order of the priority of such liens. Until the execution of judgment partitioning the Condominium, each Unit Owner, and said Unit Owner's heirs, personal

representatives, successors or assigns, shall have an exclusive right of occupancy of that part of the Condominium which formerly constituted said Unit Owner's Unit.

Section 9.2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any part of the Condominium, the Board of Directors shall obtain detailed estimates of reconstruction and repair costs so as to restore the Condominium to a condition as good as that existing before such fire or other casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary or desirable.

(b) Casualty Assessments. If the proceeds of insurance maintained by the Board of Directors are not sufficient to defray the estimated costs of reconstruction and repair of all of the Common Elements, including, without limitation, the Limited Common Elements, and reconstruction thereof is required, or if at any time during reconstruction and repair, the funds for the payment thereof are insufficient, special casualty assessments in sufficient amounts to provide payment of such costs shall be levied by the Board of Directors. Such special casualty assessments shall not be allocated among Units in the manner provided in Section 5.6 hereof (relating to special assessments relating to repair or replacement of Limited Common Elements), but shall instead be deemed to be a general obligation of all Unit Owners; accordingly, the Board of Directors shall levy such special casualty assessments against all Unit Owners in proportion to the each Units' Percentage Interests. Special casualty assessments shall not require the approval of the Lofts Association, anything in these Bylaws to the contrary notwithstanding.

(c) Determination Amount of Special Casualty Assessment; Use of Reserve Funds. If the Board of Directors determines that the repair or reconstruction of any portion of the Condominium (including one or more Buildings) after a casualty will, upon completion, materially reduce the necessity of maintaining any reserve fund at its then current level, the Board of Directors may utilize such reserve fund to the extent it deems appropriate to reduce or eliminate the amount of any special casualty assessment. Any savings resulting therefrom shall be attributed to the Unit Owners owning Units benefited by any such reserve fund.

(d) Plans and Specifications. Any reconstruction or repair of the Condominium in accordance with this Article shall be made substantially in accordance with the plans and specifications under which the Condominium originally was constructed, unless otherwise agreed to by Unit Owners owning Units to which sixty-seven percent (67%) of the votes in the Lofts Association appertain subject to the requirements of applicable law at the time of such reconstruction or repair.

Section 9.3. Disbursements.

(a) Construction Fund. The net proceeds of insurance collected on account of casualty, together with any sums received by the Board of Directors from collections of special casualty assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner: the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

Wherever the Board deems it appropriate, the Board may retain a registered architect or registered engineer to supervise the work of repair or restoration and in such event no sums need be paid by the Board on account of such repair or restoration except upon certification to it by such architect or engineer that the work for which payment is being made has been completed in a good and workmanlike manner in accordance with approved plans and specifications and that the estimated total costs of completion of said repair or restoration less amounts theretofore advanced, does not exceed the undisbursed proceeds of the awards as augmented by funds obtained by any assessment or assessments to the Unit Owners as a Common Expense.

Section 9.4. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Common Elements as a result of fire or other casualty, or in the event of damage to, or destruction of, any Unit as a result of fire or other casualty, whether or not the Common Elements have been damaged or destroyed, the Board shall promptly adjust the loss, contract for the prompt repair or restoration of the Condominium (including the Common Elements and the Units, as the case may be), and disburse the proceeds of all insurance policies in payment of all costs and expenses actually incurred in connection with such repair or restoration in appropriate progress payments and with appropriate retainage.

Section 9.5. Emergency. Notwithstanding the foregoing, the Board may perform emergency work essential to the preservation and safety of the Property or the safety of persons, or required to avoid the suspension of any essential service to the Property, without having first adjusted the loss or obtained proceeds of insurance.

Section 9.6. Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners who paid special casualty assessments levied pursuant to Section 9.2 of this Article in proportion to their payments, and if special casualty assessments were not levied, any balance shall be disbursed in the same manner as surplus common assessments are disbursed pursuant to Section 5.4 hereof.

Section 9.7. Order of Repair. When damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of replacing and repairing those portions of the Common Elements which enclose and/or service the Units, next to the cost of replacing and repairing the perimeter walls of the Units, next to the cost of replacing and repairing the other Common Elements, and the balance, if any, to the cost of replacing and repairing the Units.

If the Board of Directors elects not to repair insubstantial damage to the Common Elements, the Board of Directors shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Condominium and the balance of any insurance proceeds received on account of such damage shall be distributed in the same manner as surplus assessments are disbursed pursuant to Section 5.4 hereof.

## ARTICLE X
## Condemnation

Section 10.1. Repair and Restoration After Condemnation. In the event of a taking by or threat of a taking by eminent domain, the Board shall, but only if and to the extent permitted by the Act and any other applicable law, represent each of the Unit Owners in an action to recover all awards with respect to the Common Elements and each Unit, and unless Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Lofts Association appertain agree that repair or restoration of the loss shall not be undertaken, the net proceeds of the awards, after deducting:

(a) related fees and expenses; and

(b) the portions of the awards attributable in the taking proceedings, or failing such attribution attributable by the Board, to:

(i) Units totally taken or partially taken and not economically feasible to restore; and

(ii) Units taken in the same manner as in a Special Partial Taking (as defined below in Section 10.3 hereof) except that the taking is made subject to only some or to none of the Bylaws and Rules and Regulations (which portions shall be paid to the Unit Owners respectively entitled thereto), shall be held by the Board and first applied to repair or restoration of the Common Elements and the remaining Units to as nearly their condition prior to the taking as may be feasible in the same manner as provided in Article IX hereof for disbursement of proceeds of insurance policies in the event of fire or other casualty.

In the event that the total cost of repair or restoration of the Common Elements and the remaining Units as estimated on the basis of an independent appraisal, or as determined during the course of repair or restoration, exceeds the total sum of the awards and the remaining portion of the Condominium has been diminished to the extent reconstruction is not practical, then the Board shall assess all remaining Unit Owners, as a Common Expense, the amount estimated to repair or restore in excess of the awards available therefor.

Notwithstanding the foregoing, the Board may perform emergency work essential to the preservation and safety of the Property or the safety of persons, or required to avoid the suspension of any essential service to the Property, without having first recovered the awards.

If there shall be a repair or restoration pursuant to the foregoing and the amount of the awards exceeds the cost of such repair or restoration, then such excess, if any, shall be added to the Lofts Association's reserve fund or, at the option of the Board, divided among all the Unit Owners and their mortgagees as their interests may appear) in proportion to their respective interests in the Common Elements.

Section 10.2. Readjustments Following Condemnation. Notwithstanding the provisions of Section 10.1 hereof, if the loss to particular Units other than those referred to in clauses (b)(i) and (ii) of Section 10.1 hereof shall not be in the same relative proportions as the

interests of the Unit Owners thereof in the Common Elements, the Board, to the extent permitted by the Act and any other applicable law, shall distribute any such excess funds, and charge any excess expenses, in such proportions as are just and equitable, and such readjustments shall thereafter be made in such interests of the Unit Owners or in the allocation of Common Expenses or both as are just and equitable. Following any taking which reduces the number of Units in the Condominium, the Condominium and the Lofts Association shall continue subject to and with the benefit of all the provisions of the Condominium Documents so far as applicable to the remaining Units, and the interests of the Unit Owners shall be apportioned in the same relative proportion with respect to the remaining Units as existed among the remaining Units prior to the taking, except as readjusted under the preceding provisions.

Section 10.3. Special Partial Takings and Temporary Takings. A Special Partial Taking shall occur when all or part of one or more Units, as Units, is taken subject to all of the provisions of the Condominium Documents without involving any taking of the Common Elements except to the extent of the proportionate interest therein of the Units taken, so that the taking authority becomes a successor in title to the Unit Owner or Unit Owners of the Units taken with the same effect as if such Units, or portions thereof, were purchased by the taking authority. Notwithstanding the provisions of Section 10.1 hereof, in the event of a Special Partial Taking or a temporary taking of a Unit or Units, the Unit Owner or Unit Owners of the Units taken, together with their Eligible Mortgagees, shall have exclusive rights to prosecute the proceedings for the respective taking awards and to retain the proceeds thereof. In the event of a temporary taking of Common Elements, the Board, but only if and to the extent permitted by the Act and any other applicable law, shall have exclusive rights to prosecute the proceedings for the respective taking awards and shall apply the proceeds thereof to reduce Common Expenses.

Section 10.4. Partition. If Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Lofts Association appertain agree that repair or restoration of the loss shall not be undertaken pursuant to Section 10.1, the Condominium, including all Units, shall be subject to partition at the suit of any Unit Owner. Such suit shall be subject to dismissal at any time prior to entry of an order to sell if any appropriate agreement to repair or restore is filed. Except as otherwise provided in this Article X, the net proceeds of all condemnation awards and of the partition sale together with any common funds shall be divided in proportion to the Unit Owners' respective undivided ownership in the Common Elements. To the extent feasible, any proceeds attributable to the Dock System and the Boat Slip shall be divided among the Dock Owners Group based on the number of Boat Slips that were appurtenant to each such Unit Owner's Unit. Upon such sale, the Condominium shall be deemed removed from the provisions of the Condominium Law.

Section 10.5. Awards for Unit Owners' Property and Relocation Allowances. Where all or part of the Property is taken by eminent domain, each Unit Owner shall have the exclusive right to claim all of the award made for his respective individual property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation of a displaced business concern.

Section 10.6. Notice to Unit Owners and Eligible Mortgagees. The Board, promptly upon having knowledge of any taking by eminent domain of the Property, the Building,

the Units, the Common Elements, or any portion thereof, or any threat thereof, shall notify all Unit Owners and Eligible Mortgagees.

## ARTICLE XI
## Mortgagees

Whenever so requested in writing by an Eligible Mortgagee, the Board of Directors promptly shall report to such Eligible Mortgagee (a) any sixty (60) day delinquency in the payment of assessments due by the Unit Owner of the mortgaged Unit, (b) any material damage to such Unit or to the Common Elements, and of any condemnation or similar proceeding which may affect the Eligible Mortgagee, (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Lofts Association, and (d) any proposed action requiring the consent of Eligible Mortgagees in the Section of the Declaration captioned "Approval of Mortgagees".

## ARTICLE XII
## Compliance and Default

Section 12.1. Unit Owners Subject to Act, Declaration, Bylaws and Rules and Regulations. All Unit Owners shall be governed by and shall comply with the provisions of the Act, the Declaration, these Bylaws and the Rules and Regulations, as any of the same may be amended from time to time. A default by a Unit Owner shall entitle the Lofts Association or Declarant to the relief as provided in this Article.

Section 12.2. Legal Proceedings. An action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of assessments, any other relief provided for in these Bylaws or in the Declaration, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, may be sought by the Lofts Association, the Board of Directors, the Managing Agent, or Declarant and shall not constitute an election of remedies.

Section 12.3. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

Section 12.4. Fines. The Board of Directors may levy reasonable fines against Unit Owners for violations of the Rules and Regulations, the Condominium Documents or the Act by the Unit Owner, its invitees, tenants, employees and/or agents. No fine may be levied for more than ten percent (10%) of such Unit Owner's annual assessment for any one violation; but each day a violation continues after notice is given to the Unit Owner is a separate violation. If a Unit Owner requests in writing a hearing before the fine is imposed, the imposition of the fine shall be suspended until hearing before the Board of Directors is held. Fines are special assessments and shall be collectible as such.

Section 12.5. No Waiver of Rights. The failure of the Lofts Association or Declarant to enforce any right, provision, covenant or condition which may be granted by the Act, the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of

the right of the Lofts Association or Declarant to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Lofts Association or to Declarant pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such rights as may be granted to such party by the Condominium Act, the Declaration, these Bylaws or the Rules and Regulations, or at law or in equity. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

Section 12.6. Abatement and Enjoinment of Violations by Unit Owners. The violation of any Rule or Regulation adopted by the Board of Directors, or any breach of these Bylaws or the breach of any provision of the Act or the Declaration shall give the Lofts Association and Declarant the right, in addition to any other rights set forth in these Bylaws (i) to enter the Unit in which or as to which such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that constitutes such violation and neither the Board of Directors nor Declarant shall thereby be deemed guilty in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, as provided by law. Any and all costs and expenses assessed against a defaulting Unit Owner shall be a special assessment against said Unit and in the event of a failure by said Unit Owner to pay such special assessment, the Lofts Association shall have all rights and remedies set forth in Article V in connection therewith.

Section 12.7. Consequential Damages. Declarant and each and every Unit Owner, by accepting title to a Unit, hereby agrees that said party shall not seek and shall not pursue the Unit Owner of the Commercial Unit or any of its tenants for any incidental or consequential (secondary) or punitive damages arising out of or under the Condominium Documents or matters in connection therewith or arising out of the use or occupancy of the Commercial Unit.

Section 12.8. Grievance Procedure.

(a) The Board of Directors or any Unit Owner may file a written complaint with the Secretary of the Association against another Unit Owner, (expressly excluding, however, Declarant, unless Declarant consents thereto) or the Association for violation of the Act, the Declaration, these Bylaws and any Rules and Regulations promulgated hereunder. If the Declarant does not consent to submit itself to the procedure outlined in this Sections 12.8, then and only then the Association and the Unit Owners shall have such rights and remedies as may be available at law or in equity against the Declarant.

(b) Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties therefor and the hearing procedure to the Unit Owner complained of by personal delivery or by certified mail, return receipt requested. The Unit Owner complained of may, within fifteen (15) days of the delivery or mailing of the notice, file a written answer with the Secretary admitting or denying the allegations of the notice. If, within

the time period allowed, the Unit Owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If, within the time period allowed, the Unit Owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held no more than thirty (30), but not less than fourteen (14) days, after delivery or mailing of a notice of hearing to the parties.

(c) Upon delivery or mailing of the notice of hearing in connection with a complaint, the President of the Association shall appoint the Grievance Committee. The Grievance Committee shall consist of Unit Owners who are not members of the Board of Directors, relatives, partners, employees of, or comembers in a limited liability company with, the Unit Owner complaining or complained of, witnesses at the hearing or persons otherwise participating or materially impacted by the result of the hearing.

(d) The hearing shall be conducted by the Grievance Committee. The parties and the Grievance Committee shall be entitled to examine and cross-examine witnesses. When summoned by the Grievance Committee to do so, it shall be the obligation of each Unit Owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal and conformity to the legal rules of evidence shall not be required. Within seven (7) days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary which shall be binding upon the Unit Owners, unless one of the parties to the grievance procedure elect to file a complaint with a court of law.

(e) Upon a determination by the Grievance Committee that a violation has occurred, the Board of Directors may, without limiting any other rights set forth in the Bylaws, impose a fine as described in Section 12.4 above.

## ARTICLE XIII
## Miscellaneous

Section 13.1. Amendments. These Bylaws may be amended by the agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Lofts Association appertain and in the manner provided by Section 703.10(5) of the Act as the same may be amended and renumbered from time to time (any amendment affecting the Dock System shall require the agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Dock Owners Group appertain). No such amendment shall be effective until an affidavit of an officer of the Lofts Association setting forth said amendment and stating that the requisite number of Unit Owners have consented to such amendment is filed by the Secretary of the Lofts Association in the minute book of the Lofts Association and a copy thereof is sent to each Unit Owner. No amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or the Declaration. An amendment once adopted as provided for herein shall then constitute part of the official Bylaws of the Condominium, and all Unit Owners shall be bound to abide by such modification or amendment. Anything herein to the contrary notwithstanding, and subject to any limitations imposed by the Act (with specific reference to Section 703.10 thereof), and except as required to comply with any applicable requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Lofts

Association, the Veterans' Administration or any other governmental or quasi-governmental agency insuring or involved in the making or purchasing of Mortgages of any Unit,

(i) so long as Declarant is the only Unit Owner, Declarant may amend these Bylaws without the consent or approval of any party;

(ii) so long as Declarant owns one or more Units, or any part thereof, no amendment to these Bylaws shall be adopted without the Declarant's written consent;

(iii) Subsections 8.1(a)(2) and 8.1(a)(3), Section 8.4 and Section 12.7 hereof may not be amended without the consent of the Unit Owner of the Commercial Unit;

(iv) no amendments to these Bylaws shall be adopted that could abridge, modify, eliminate or otherwise affect any privilege granted or reserved by the provisions of these Bylaws to Eligible Mortgagees; and

(v) this Section 13.1 shall not be amended except with the unanimous agreement of all of the Unit Owners in the Lofts Association.

Notwithstanding any other provisions of these Bylaws to the contrary, if any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, then at any time and from time to time the Board of Directors may effect an appropriate corrective amendment without the approval of the Unit Owners or the holder of any liens on all or any part of the Property. Each amendment of the type described in this paragraph shall be effective upon its due adoption, as provided for herein, by an instrument, which instrument has been executed and acknowledged by one or more officers of the Board of Directors.

Section 13.2. Execution. Unless otherwise provided by a resolution of the Board of Directors, any documents or instruments, including, without limitation, amendments to these Bylaws or the Declaration, executed on behalf of the Lofts Association shall be properly executed if signed by the President or Vice President and attested to by one other officer of the Lofts Association.

Section 13.3. Notices. Except as otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid, or otherwise as the Act may require or permit, (i) if to a Unit Owner, at the address that the Unit Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Lofts Association, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 13.4. Merger. Any merger or consolidation of the Lofts Association with another corporation shall require the agreement of Owners of Units to which at least eighty percent (80%) of the votes in the Lofts Association appertain and, to the extent applicable, shall be accomplished in compliance with the provisions of Sections 703.10(5) and 703.275 of the Act and Section 10.4 of the Declaration.

Section 13.5. Invalidity. The invalidity of any portion of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 13.6. 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 Bylaws or the intent of any provision hereof.

Section 13.7. Disclaimer. The Lofts Association shall not be liable for any failure of any utilities or other services to be obtained by the Lofts Association or paid for as a Common Expense, or for any injury or damage to personal property caused by the elements or by any Unit Owner, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Common Elements or Limited Common Elements or from any pipe, drain, conduit, appliance or equipment. The Lofts Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles of personal property which may be stored upon any of the Common Elements or any Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvement to the Common Elements or the Limited Common Elements or from any action taken by the Lofts Association to comply with any law, ordinance or the order or directive of any governmental authority or to comply with any agreement binding upon the Lofts Association. Notwithstanding any references herein to any security system, fire access control system, sprinkler system or other system or procedures of any similar nature, none of the Lofts Association, the Declarant or any successor Declarant shall in any way be considered insurers or guarantors of security within the Condominium, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of the ineffectiveness of security measures taken and no representations or warranties have been made that any fire access system, security system, sprinkler system or other system of a similar nature cannot be compromised or circumvented nor that any such system or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Unit Owner acknowledges, understands and covenants to inform its tenants, guests, invitees and family members that none of the Lofts Association, its Board of Directors, any committees formed pursuant to these Bylaws, the Declaration or by the Board of Directors, or the Declarant or any successor Declarant are insurers and that each person using the Condominium assumes all risk for loss for damage to persons, to Units and to the contents of Units resulting from acts of third parties. The Board of Directors, the Lofts Association, any Unit Owner and the Declarant shall not be considered a bailee of any personal property of any Unit Owner stored within the Common Elements (including without limitation automobiles and any property located in any automobiles) or responsible for the security of such personal property or for any loss or damage thereto. No member of the Board of Directors or officer of the Lofts Association or the Lofts

Association itself shall be released from liability for any criminal act by any such person or entity or from liability for the willful misconduct of such person or entity.

Without limiting the generality of the foregoing, each Unit Owner and each other person having an interest in or lien upon or making use of any portion of the Condominium or any Unit contained therein shall be bound by this Section 13.7 and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Lofts Association arising from or connected with any matter for which the liability of the Lofts Association has been disclaimed in this Section 13.7.

## ARTICLE XIV
## Dock Owners Group

Section 14.1. Membership. The Dock Owners Group shall be comprised of all Dock Owners (one vote in the Dock Owners Group is appurtenant to each Boat Slip, including Boat Slips Declarant has the right and option to construct). The Dock Owners Group is not a legal entity, including without limitation, an incorporator or unincorporated association and is intended to identify the Dock Owners separately from those Unit Owners that do not own a Boat Slip. Notwithstanding any other provision contained herein or in the Declaration, the Dock Owners Group shall be controlled by Declarant until such time as the earlier of (i) the date upon which seventy-five percent (75%) of the aggregate of (a) all Boat Slips constructed and (b) all Boat Slips which Declarant has the right and option to construct pursuant to applicable laws and regulations and/or any applicable permits or approvals (collectively, the "Dock Laws") have been conveyed to parties other than Declarant and (ii) the date upon which Declarant elects to relinquish control of the Dock Owners Group as such date is set forth in a written notice given by Declarant to the Lofts Association. Except as otherwise provided herein or in the Declaration, all matters shall be decided by the Dock Owners by majority vote. The Dock Owners Group shall meet at least once a year (and may meet additional times during the year before or after the regularly scheduled meeting) in order to and in time to submit its annual budget as set forth below. The first annual meeting of the Dock Owners Group shall be held on date to be determined by Declarant and will be held on the same date in subsequent years unless changed by a majority vote of the Dock Owners Group. The Dock Owners Group shall, by majority vote, elect officers and a Lofts Association representative. The officers of the Dock Owners Group shall have the authority to prepare and submit the budget and to carry out the decisions of a majority of the Dock Owners Group. The Dock Owners Group's representative to the Lofts Association shall have the right to work with the Board of Directors and to act as a liaison between the Board of Owners and the Dock Owners Group and the Board of Directors shall have the right to rely on the information provided to said Board by said representative. The Dock Owners Group representative may also be an officer of the Dock Owners Group. All officers and the representative must be Dock Owners, or employees, officers, directors or shareholders of a Dock Owner.

Section 14.2. Dock System Expenses. "Dock System Expenses" shall mean and include the actual and estimated expenses incurred by the Lofts Association for the benefit of Dock Owners and with respect to the Dock System, which may include a reasonable reserve for capital repairs and replacements.

Section 14.3. Assessments. The Dock Owners Group, upon the affirmative vote, written consent, or a combination thereof, of a majority vote of the Dock Owners may request that the Lofts Association provide repairs, replacements, maintenance and other services for the benefit of the Dock Owners with respect to the Dock System, the cost of which shall be assessed only against Units owned by Dock Owners. The Dock Owners Group shall be responsible for preparing and submitting a budget covering such matters as insurance, maintenance, repairs and reserves with respect to the Dock System and submitting the same to the Lofts Association at least 45 days before the beginning of the fiscal year.

Section 14.4. Dock Rules and Regulations. Dock Rules and Regulations concerning the operation and use of the Limited Common Element Dock System and Boat Slips may be promulgated, amended and/or repealed by the Dock Owners Group, provided, that such Dock Rules and Regulations are not contrary to or inconsistent with the Act, the Declaration or these Bylaws and further provided that the rules and regulations promulgated by the Dock Owners Group do no conflict with the rules and regulations promulgated by the Board of Directors. Copies of and changes to the Dock Rules and Regulations shall be furnished by the Dock Owners Group to each Dock Owner and to the Lofts Association prior to the time when the same shall become effective.

Section 14.5. Maintenance and Repair. The Lofts Association shall be responsible for the implementation of all maintenance and repairs relating to the Limited Common Element Dock System and Boat Slips and the Dock Owners shall be responsible for the cost of such Dock System Expenses which shall be covered by assessments levied only against Units owned by Dock Owners. The Dock Owners Group, by majority vote, shall be responsible for making all determinations as to whether repairs or maintenance or other expenditures are required, and the Dock Owners Group may select contractors and materialmen. However, if the Lofts Association determines that the failure to maintain or to make certain repairs and replacements will have an adverse impact on the Condominium, or if the Dock Owners Group fails to repair and maintain the Dock System consistent with the standard set for other Common Elements in the Condominium Documents, the Lofts Association may undertake any necessary repairs, replacements or maintenance (upon 30 days written notice to each Dock Owner except in the event an emergency) and levy assessments against Dock Owners for the cost thereof. The Lofts Association shall delegate authority to oversee the Dock System to the Dock Owners Group provided, however, that if the Dock Owners Group fails to maintain the Dock System as herein required, then the Lofts Association either with or without the coordination of the Managing Agent shall take over the maintenance, repair and replacement of the Dock System.

Section 14.6. Insurance. The Lofts Association shall obtain and maintain all required insurance with respect to the Dock System (as set forth in the Dock Owners Group budget), and the cost thereof shall be assessed only against Units owned by Dock Owners.

Section 14.7. Boat Slip Rentals. Unit Owners who own a Boat Slip may lease the same provided such rental arrangements are in compliance with applicable Dock Laws and provided the lease is pursuant to a written instrument which shall (i) require the tenant to comply with the Act, the Declaration, the Bylaws, Rules and Regulations, and Dock Rules and Regulations and the Dock Laws, (ii) provide that any failure to so comply shall constitute a default thereunder, and (iii) provided that the Lofts Association shall have the absolute power

and right to terminate the lease upon 90 days written notice. Promptly following the execution of any such lease of a Boat Slip, the Dock Owner shall deliver a conformed copy thereof to the Dock Owners Group and the Lofts Association.

Section 14.8. Conveyance of Boat Slips. A Boat Slip may be sold from one Unit Owner to another by the execution and recording of a deed with the Milwaukee County Register of Deeds or, if permitted by applicable law, by recorded or unrecorded assignment. A Boat Slip may also be sold to the Lofts Association, whereby it shall become a Limited Common Element appurtenant to all Units owned by existing Dock Owners. A Boat Slip may also be conveyed to the owner of Unit 1 of the Building Condominium whereby it would become a Limited Common Element pursuant to the Building Condominium documents appurtenant to Unit 1. The owner of Unit 1 shall be deemed a Dock Owner as to those Boat Slips appurtenant to Unit 1 of the Building Condominium and shall have all rights and obligations associated with being a Dock Owner. The Lofts Association shall keep a list of which Boat Slips are appurtenant to a particular Unit or Units. Purchasers of a Boat Slip shall provide a copy of any such deed or assignment to the Lofts Association with 15 days of sale.

**EXHIBIT A**

**CHART OF MAINTENANCE RESPONSIBILITIES**

| ITEM: | Lofts Association | Individual Unit Owner | Building Condominium Association |
|---|---|---|---|
| Arcade | | | X |
| Balconies – Residential (maintenance)* | | X | |
| Balconies – Residential (structural elements) | X | | |
| Building Sewer System – common to building | | | X |
| Building Water system – common to building | | | X |
| Bicycle Storage Area as shown on the Floor Plans**** | X | | |
| Canopy | | | X |
| Dock System (repair, maintenance, replacement)** | X | | |
| Dockwall | | | X |
| Elevators | X | | |
| Elevator Lobbies | X | | |
| Exterior Building Lights | | | X |
| Exterior Stairs and Ramp(s) | | | X |
| Exterior Walls (maintenance) | | | X |
| Exterior Walls (structural) | | | X |
| Exterior Windows (cleaning, maintenance) | | | X |
| Front Door – residential lobby | X | | |
| Front Door – individual residential unit entrance door | | X | |
| Front Door – exterior building doors (except residential) | | | X |
| Gutters/Downspouts | | | X |
| Individual Unit sewer usage charge | | X | |
| Individual Unit water consumption charge | | X | |
| Interior Systems located within a Unit and serving a Unit (plumbing, electrical, mechanical and communication) | | X | |
| Interior Systems located outside a Unit but serving only that Unit (plumbing, electrical, mechanical and communication)*** | | X | |
| Mailboxes | X | | |
| Original Landscaping | | | X |
| Parking Garage Door and Related Mechanical Equipment, if any | X | | |
| Parking Garage Lights | X | | |
| Parking Garage Utilities | X | | |
| Parking Garage (maintenance, repair, replacement) | X | | |
| Public Sidewalks (maintenance) | | | X |
| Recycling, Trash and Utility Rooms | | | X |
| Residential interior entryway hall lights (maintenance, repair) | X | | |
| Riverwalk | | | X |
| Roof Area "A"(maintenance, repair, replacement) | X | | |
| Roof Area "B" (maintenance, repair, replacement)**** | X | | |
| Screens - windows | | X | |
| Signage/Entranceway | | | X |
| Sunscreen (maintenance) | | | X |
| Sunscreen (structural elements) | | | X |
| Terraces (maintenance)* | | X | |
| Terraces (structural elements) | X | | |
| Terrace doors | | X | |
| Terrace door screens | | X | |
| Window Systems (maintenance, repairs, replacements) | | | X |
| Window Shades (maintenance, repairs) | | X | |
| Window Shades (replacement) | | X | |

* The term "maintenance" when used in this Exhibit includes snow removal, sweeping and similar items.

** Costs associated with the Dock System are the primary responsibility of the members of the Dock Owners Group.

*** At the cost and expense of the individual Unit Owner.

**** Pursuant to Section 4.1 of the Building Declaration, the Unit Owner of the Commercial Unit is solely responsible for the maintenance of the Bike Storage Area and the repair, maintenance and replacement of Roof Area "B".

**EXHIBIT B**
**Units: Initial Percentage Interests, Votes, and Parking Spaces**

**BUILDING ASSOCIATION**

| Building | Unit Number | Address | Initial Percentage Interest |
|---|---|---|---|
| Commercial | 1 | 301 E. Erie Street Milwaukee, WI | 21.80% |
| Residential | 2 | 311 E. Erie Street Milwaukee, WI | 78.20% |

**RESIDENTIAL ASSOCIATION**

| Individual Residential Units | Approx. SF | Percentage Interest of Unit 2 | Votes in Residential Association | Initial Number of Parking Spaces | |
|---|---|---|---|---|---|
| 201 | 1,215 | 0.89% | 1 | 1 | |
| 202 | 1,733 | 1.28% | 2 | 2 | |
| 203 | 835 | 0.61% | 1 | 1 | |
| 204 | 786 | 0.58% | 1 | 0 | |
| 205 | 2,053 | 1.51% | 3 | 2 | |
| 206 | 912 | 0.67% | 1 | 1 | |
| 207 | 2,809 | 2.07% | 3 | 2 | |
| 208 | 1,624 | 1.20% | 2 | 2 | |
| 209 | 1,624 | 1.20% | 2 | 2 | |
| 210 | 1,732 | 1.27% | 2 | 2 | |
| 211 | 835 | 0.61% | 1 | 1 | |
| 212 | 835 | 0.61% | 1 | 1 | |
| 213 | 835 | 0.61% | 1 | 1 | |
| 214 | 835 | 0.61% | 1 | 1 | |
| 215 | 1,624 | 1.20% | 2 | 2 | |
| 216 | 1,668 | 1.23% | 2 | 2 | |
| 217 | 1,721 | 1.27% | 2 | 2 | |
| 218 | 2,675 | 1.97% | 3 | 2 | |
| 219 | 2,591 | 1.91% | 3 | 2 | |
| 220 | 1,722 | 1.27% | 2 | 2 | |
| 221 | 877 | 0.65% | 1 | 1 | |
| 222 | 864 | 0.64% | 1 | 0 | |
| 223 | 851 | 0.63% | 1 | 1 | |
| 224 | 839 | 0.62% | 1 | 1 | |
| 225 | 1,651 | 1.22% | 2 | 2 | * |
| 226 | 1,625 | 1.20% | 2 | 2 | * |
| 227 | 1,215 | 0.89% | 1 | 1 | |
| 301 | 1,203 | 0.89% | 1 | 1 | |
| 302 | 1,733 | 1.28% | 2 | 2 | |
| 303 | 835 | 0.61% | 1 | 1 | |
| 304 | 786 | 0.58% | 1 | 0 | |
| 305 | 2,053 | 1.51% | 3 | 2 | |
| 306 | 912 | 0.67% | 1 | 1 | |
| 307 | 2,809 | 2.07% | 3 | 2 | |
| 308 | 1,624 | 1.20% | 2 | 2 | |
| 309 | 1,624 | 1.20% | 2 | 2 | |
| 310 | 1,732 | 1.27% | 2 | 2 | |
| 311 | 835 | 0.61% | 1 | 1 | |
| 312 | 835 | 0.61% | 1 | 1 | |
| 313 | 835 | 0.61% | 1 | 1 | |
| 314 | 835 | 0.61% | 1 | 1 | |
| 315 | 1,624 | 1.20% | 2 | 2 | |
| 316 | 1,668 | 1.23% | 2 | 2 | |

**EXHIBIT B**
**Units: Initial Percentage Interests, Votes, and Parking Spaces**

**RESIDENTIAL ASSOCIATION**

| Individual Residential Units | Approx. SF | Percentage Interest of Unit 2 | Votes in Residential Association | Initial Number of Parking Spaces | |
|---|---|---|---|---|---|
| 317 | 1,721 | 1.27% | 2 | 2 | |
| 318 | 2,675 | 1.97% | 3 | 2 | |
| 319 | 2,591 | 1.91% | 3 | 2 | |
| 320 | 1,722 | 1.27% | 1 | 2 | |
| 321 | 877 | 0.65% | 1 | 1 | |
| 322 | 864 | 0.64% | 1 | 1 | |
| 323 | 851 | 0.63% | 1 | 0 | |
| 324 | 839 | 0.62% | 1 | 1 | |
| 325 | 1,651 | 1.22% | 2 | 2 | |
| 326 | 1,625 | 1.20% | 2 | 2 | |
| 327 | 1,203 | 0.89% | 1 | 1 | |
| 401 | 1,972 | 1.45% | 2 | 2 | |
| 402 | 1,339 | 0.99% | 2 | 1 | |
| 403 | 1,339 | 0.99% | 2 | 2 | |
| 404 | 2,660 | 1.96% | 3 | 2 | |
| 405 | 2,623 | 1.93% | 4 | 2 | |
| 406 | 3,092 | 2.28% | 4 | 2 | |
| 407 | 2,960 | 2.18% | 3 | 2 | |
| 408 | 1,852 | 1.36% | 2 | 2 | |
| 409 | 1,852 | 1.36% | 2 | 2 | |
| 410 | 1,852 | 1.36% | 2 | 2 | |
| 411 | 1,339 | 0.99% | 2 | 2 | |
| 412 | 1,339 | 0.99% | 2 | 2 | * |
| 413 | 1,339 | 0.99% | 2 | 2 | |
| 414 | 1,339 | 0.99% | 2 | 1 | |
| 415 | 1,339 | 0.99% | 2 | 2 | * |
| 416 | 1,339 | 0.99% | 2 | 1 | |
| 417 | 2,429 | 1.79% | 3 | 2 | |
| 418 | 1,928 | 1.42% | 2 | 2 | |
| 419 | 3,043 | 2.24% | 3 | 2 | |
| 420 | 3,136 | 2.31% | 4 | 2 | |
| 421 | 3,579 | 2.63% | 4 | 2 | |
| 422 | 2,913 | 2.14% | 3 | 2 | |
| 423 | 2,072 | 1.53% | 2 | 1 | |
| 424 | 2,023 | 1.49% | 2 | 2 | |
| 425 | 2,009 | 1.48% | 2 | 2 | |
| 427 | 1,339 | 0.99% | 2 | 1 | |
| 428 | 1,339 | 0.99% | 2 | 1 | |
| 429 | 1,339 | 0.99% | 2 | 1 | |
| 430 | 1,972 | 1.45% | 2 | 2 | |
| | 135,844 | 100.00% | 160 | 129 | |

*indicates tandem parking configuration

# ARTICLES OF INCORPORATION

# OF

# MARINE TERMINAL LOFTS CONDOMINIUM ASSOCIATION, INC.

ARTICLES OF INCORPORATION
OF
MARINE TERMINAL LOFTS CONDOMINIUM ASSOCIATION, INC.
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# ARTICLES OF INCORPORATION
# OF
# MARINE TERMINAL LOFTS CONDOMINIUM ASSOCIATION, INC.

I, the undersigned, being a natural person over the age of 21 years and acting as incorporator of a nonstock, nonprofit corporation under the provisions of the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes, do hereby adopt the following as the Articles of Incorporation of such corporation:

## ARTICLE I
## Name

The name of the Corporation shall be Marine Terminal Lofts Condominium Association, Inc.

## ARTICLE II
## Period of Existence

The period of existence of the Corporation shall be perpetual.

## ARTICLE III
## Purposes

The purposes for which this corporation is organized are as follows:

(a) To serve as an association of unit owners under the Wisconsin Condominium Ownership Act who own certain residential property located in Milwaukee County, State of Wisconsin (the "Property") subject to the terms and conditions of the Declaration of Condominium (as the same may be amended from time to time, the "Declaration") for Marine Terminal Lofts Condominium (the "Condominium") as recorded in the Office of the Register of Deeds of Milwaukee County, Wisconsin;

(b) To serve as a means through which the unit owners may collectively and efficiently manage, maintain, reconstruct, care for and/or make additions to the Property in accordance with the Wisconsin Condominium Ownership Act and the Declaration;

(c) To act as the owner of the Residential Unit pursuant to the Declaration of Marine Terminal Building Condominium or any successor thereto; and

(d) To engage in any lawful activity related to the foregoing within the purposes for which a nonstock, non-profit corporation may be organized under the Wisconsin Statutes, subject to the Wisconsin Condominium Ownership Act and the Declaration.

## ARTICLE IV
## Powers

The Corporation shall have all of the powers enumerated in the Wisconsin Nonstock Corporation Law, to the extent not inconsistent with the Wisconsin Condominium Ownership Act, the Declaration and the Bylaws of the Corporation including, without limitation, the following:

(a) To exercise exclusive management and control of the common elements described in the Declaration;

(b) To operate, repair, replace, reconstruct, protect, maintain and/or make additions to the common elements as described in the Declaration;

(c) To purchase, lease or otherwise acquire units on behalf of all the unit owners and to sell, lease, mortgage, vote the votes appurtenant to, and otherwise deal with said units so acquired on behalf of all the unit owners;

(d) To hire, engage or employ and discharge such persons or entities as it may deem necessary or advisable to assist in the management of its affairs and the maintenance and operation of the Property;

(e) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(f) To determine, levy, collect and enforce assessments against the unit owners and use the proceeds thereof in the exercise of its powers and duties including, without limitation, the payment of operating expenses of the Corporation and the common expenses relating to the maintenance, repair, replacement, reconstruction, operation and protection of the common elements described in the Declaration;

(g) To borrow money for the purpose of improving, repairing, and maintaining the common elements described in the Declaration, and in aid thereof to mortgage any and all of its real or personal property as security for money borrowed or debts incurred;

(h) To grant easements and dedicate, sell or transfer all or any part of the common elements described in the Declaration to any state or municipal agency, authority or utility;

(i) To participate in mergers, consolidations or contracts with other nonprofit corporations organized for the same purposes;

(j) To purchase insurance on the Property and insurance for the benefit of the Corporation and its members;

(k) To adopt and amend rules and regulations governing the use and operation of the Property;

(l) To enforce by legal means the provision of the Wisconsin Condominium Ownership Act, the Declaration, the Bylaws of the Corporation and any rules and regulations governing the use and operation of the Property;

(m) To establish and maintain one or more accounts for deposit and withdrawal of the funds of the Corporation;

(n) To exercise the rights of the Residential Unit Owner pursuant to the Declaration of Marine Terminal Building Condominium; and

(o) To do all things necessary or convenient to effectuate the purposes of the Corporation.

## ARTICLE V
## Members

There shall be one class of members designated as "unit owners." The rights and qualifications of members are set forth in the Bylaws of the Corporation.

## ARTICLE VI
## Principal Office and Registered Agent

The location of the principal office of the Corporation shall be 301 East Erie Street, Milwaukee, Wisconsin 53202, and the registered agent shall be Mandel Riverfront Holdings I LLC. The address of the registered agent is 301 East Erie Street, Milwaukee, Wisconsin 53202.

## ARTICLE VII
## Amendments

These Articles may be amended by the agreement of those members to which at least sixty-seven percent (67%) of the votes in the Corporation appertain and in the manner provided by the Wisconsin Condominium Ownership Act.

## ARTICLE VIII
## Directors

The number of directors of the Corporation shall be fixed in the Bylaws of the Corporation and in no event shall be less than three. The manner in which directors shall be elected, appointed and removed shall be set forth in the Bylaws of the Corporation.

The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the initial directors are:

| NAME | ADDRESS |
|---|---|
| Barry R. Mandel | 301 East Erie Street<br>Milwaukee, Wisconsin 53202 |
| David A. Pavela | 301 East Erie Street<br>Milwaukee, Wisconsin 53202 |
| Robert B. Monnat | 301 East Erie Street<br>Milwaukee, Wisconsin 53202 |

ARTICLE IX
Incorporator

The name and address of the incorporator of the Corporation is:

Barry R. Mandel — 301 East Erie Street, Milwaukee, Wisconsin 53202

ARTICLE X
Nonprofit

The Corporation shall not have or issue shares of stock. No dividend shall ever be paid and no part of the net earnings, assets or surplus of the Corporation shall inure to the benefit of or be distributed to its members, directors, officers or any other private individual other than by a rebate of excess membership dues, fees or assessments. The Corporation may pay compensation in reasonable amounts to employees, members, directors or officers for services rendered and may confer benefits upon its members in conformity with its purposes and to the extent not prohibited in its Bylaws.

ARTICLE XI
Liability

The members shall not be liable for the obligations of the Corporation except as provided for and authorized under the Declaration.

Executed in duplicate this ____ day of May, 2006.

Barry R. Mandel, Incorporator

STATE OF WISCONSIN )
) SS
MILWAUKEE COUNTY )

Personally came before me this 13th day of May, 2006, the above-named Barry R. Mandel, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and he acknowledged that he executed the same for the purposes therein contained.

Name: BRENDA R. KORBEIN
Notary Public, State of Wisconsin
My commission expires 10/16/09

This document was drafted by and should be returned after filing to Matthew V. Munro, Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

# BUILDING DECLARATION

# DECLARATION OF

# MARINE TERMINAL BUILDING CONDOMINIUM

Document Number

**AMENDED AND RESTATED DECLARATION OF MARINE TERMINAL BUILDING CONDOMINIUM**

Recording Area

Name and Return Address

Sarah O. Jelencic
Foley & Lardner LLP
777 East Wisconsin Avenue
Suite 3600
Milwaukee, Wisconsin 53202-5367

429-0221-000-2
429-0220-000-07

Parcel Identification Number (PIN)

**AMENDED AND RESTATED**
**DECLARATION**
**OF**
**MARINE TERMINAL BUILDING CONDOMINIUM**

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**AMENDED AND RESTATED**
**DECLARATION**
**OF**
**MARINE TERMINAL BUILDING CONDOMINIUM**

This Declaration is made as of this ___ day of _____, 2006 by Mandel Riverfront Holdings II LLC, a Wisconsin limited liability company (hereinafter referred to as the "Declarant") and Mandel Riverfront Holdings I LLC, a Wisconsin limited liability company ("Unit 2 Owner").

WHEREAS, Unit 2 Owner was the original owner of certain real property located in the City of Milwaukee, County of Milwaukee, State of Wisconsin and more particularly described in **EXHIBIT A** attached hereto and made a part hereof (hereinafter referred to as the "Property").

WHEREAS, Unit 2 Owner declared the Property subject to that certain Declaration, of Marine Terminal Building condominium dated January 4, 2005 and recorded on January 5, 2005 in the Office of the Register of Deeds for Milwaukee County as Document No. 08927466 (the "Original Declaration), thereby creating a condominium under the Wisconsin Condominium Ownership Act and the Property and any and all improvements now or subsequently placed thereon and any and all easement rights and appurtenant rights belonging are now known and described as the Marine Terminal Building Condominium (hereinafter referred to as the "Condominium") with an address at 301-333 Erie Street, Milwaukee, Wisconsin 53202.

WHEREAS, the Condominium is composed of two (2) Units, the Commercial Unit or Unit 1 and the Residential Unit or Unit 2.

WHEREAS, Unit 2 Owner conveyed Unit 1 of the Condominium to Declarant and simultaneously assigned to Declarant all of Unit 2 Owner's right, title and interest as "Declarant" under the Original Declaration.

WHEREAS, Declarant, the owner of Unit 1 of the Condominium, and Unit 2 Owner, the owner of Unit 2 of the Condominium, being the owners of all of the Units within the Condominium, desire to amend and restate the Original Declaration as more particularly set forth herein.

## ARTICLE I
## DEFINITIONS

Section 1.1 Undefined Capitalized Terms. Capitalized terms not otherwise defined herein or on the Plat (as hereinafter defined) shall have the meanings specified or used in the Act.

Section 1.2 Defined Terms. The following terms shall have the following specific meanings when used herein:

(a) "Act" means Chapter 703: Wisconsin Condominium Ownership Act of the Wisconsin Statutes, as amended and renumbered from time to time.

(b) "Arcade" means that elevated, covered outdoor area along the Erie Street side of the Building which is situated at the same level as the first floor of the Building. The Arcade is a General Common Element.

(c) "Balconies" mean the hanging, steel framed, limited common elements located adjacent to the exterior of the Building at the first through the third floor levels, which balconies are functional balconies and not merely ornamental. The term "Balcony" means a single such balcony. A Balcony is part of the Unit to which such Balcony is attached.

(d) "Board of Directors" or "Board" means the governing body of the Building Association.

(e) "Boat Slips" as defined in Section 2.3.

(f) "Building" means the building on the Property.

(g) "Building Association" means Marine Terminal Building Condominium Association, Inc., the association of the Unit Owners in the Condominium.

(h) "Bylaws" means the Amended and Restated Bylaws of the Building Association.

(i) "Canopy" means the projecting steel framed roof element that is attached to and extends from the Erie Street elevation of the Building and is generally situated at the first floor elevation and runs the length of the Arcade. The Canopy is a General Common Element.

(j) "City" means the City of Milwaukee, Wisconsin.

(k) "Common Elements" both "General" and "Limited", mean all parts of the Condominium other than the Units, as more fully set forth in Sections 2.3, 2.4 and 2.5 of this Declaration.

(l) "Common Expenses" means and includes all sums lawfully assessed against the Unit Owners by the Building Association, including, without limitation, (i) expenses of administration, maintenance, repair or replacement of the Common Elements, including insurance premiums and contributions to such reserves as may be established, and (ii) expenses declared Common Expenses pursuant to the provisions of the Act or this Declaration or the Bylaws, including, without limitation, any costs incurred pursuant to the Riverwalk Agreement or the Riverwalk Easement or any grant of special privilege from the City of Milwaukee or any other governmental agency.

(m) "Condominium" means Marine Terminal Building Condominium.

(n) "Condominium Documents" consist of this Declaration, the Articles of Incorporation of the Building Association, the Bylaws and the Rules and Regulations.

(o) "Declarant" means Mandel Riverfront Holdings II LLC, a Wisconsin limited liability company, its successors and assigns, and any successors or assigns thereof to which Mandel Riverfront Holdings II LLC specifically assigns all of the rights of Declarant hereunder by an express written assignment, whether or not recorded. Any assignment may be made on a non-exclusive basis. The transfer of control of the Building Association does not constitute a termination of the rights of Declarant. Further, to the extent permitted under the Act, a lender may succeed to the rights of Declarant without assuming the obligations or liabilities of Declarant.

(p) "Declaration" means this Amended and Restated Declaration of Marine Terminal Building Condominium.

(q) "Dock Owner" means a (i) Unit Owner who owns one or more Boat Slips as a Limited Common Element to its Unit pursuant to this Declaration, or (ii) the owner of a Subunit of any Subcondominium who owns as a limited common element to his/her Subunit one or more Boat Slips pursuant to or in accordance with the applicable Subcondominium Documents, which Boat Slips would then also be Common Elements appurtenant to Unit 2 as Limited Common Elements under this Declaration.

(r) "Dock Owners Group" means the Dock Owners Group as described in Section 2.12.

(s) "Dock Wall" means sea wall constructed or to be constructed along the shore line of the Milwaukee River abutting portions of the Property for the length of the Riverwalk. The Dock Wall is a Common Element.

(t) "Eligible Mortgagee" means any person or entity who is the holder or a governmentally approved insurer or guarantor of an Eligible Mortgage and who has requested the Building Association to notify it of any proposed action pursuant to Section 10.3.

(u) "Eligible Mortgage" means any of the following (i) a recorded first deed of trust or mortgage encumbering a Unit or (ii) any junior mortgage which is to the Declarant or a seller of a Unit.

(v) "Floor Plans" consist of the plans attached hereto and made a part hereof as **EXHIBIT B** and any addendum thereto, showing perimeter outline particulars of the Building and the Units, which plans are being recorded as part of the Plat pursuant to the Act simultaneously with this document and constituting a part of this Declaration, as the same may be amended from time to time.

(w) "General Common Elements" means those portions of the Common Elements designated in this Declaration or the Plat or Floor Plans as being General Common Elements.

(x) "Governmental Regulations" means any and all laws, rules, regulations, ordinances, court orders or decrees issued or promulgated by any governmental authority, agency or instrumentality or any court having jurisdiction in connection therewith.

(y) "Limited Common Elements" means those portions of the Common Elements designated in this Declaration or on the Plat or Floor Plans as being Limited Common Elements.

(z) "Managing Agent" means any professional managing company employed to perform duties and services for the Condominium in accordance with the Act, this Declaration and the Bylaws.

(aa) "Parking Space(s)" means any one or more of the parking spaces located in the basement level of the Condominium.

(bb) "Percentage Interest" means the undivided percentage interest of each Unit in the Common Elements as set forth in Section 3.1 of this Declaration, as amended from time to time in accordance with the provisions of the Act and this Declaration.

(cc) "Plat" means the Plat of Survey of the Condominium being recorded pursuant to the Act simultaneously with this document and constituting a part of this Declaration, as the same may be amended from time to time.

(dd) "Property" means the real property as described in the description attached hereto and made a part hereof as **EXHIBIT A**, and further described on the condominium plat of survey attached hereto and made a part hereof as **EXHIBIT A-1**, and any amendments or addenda thereto.

(ee) "Reserved General Common Elements" means those portions of the Common Elements, if any, designated in this Declaration or on the Plat and Floor Plans as being Reserved General Common Elements.

(ff) "Riverwalk" means the easement area running the entire length of the Property along the Milwaukee River. Improvements to the Riverwalk include the walking surface, landscaping, and any water taxi stop, lighting, decorative railing, benches, trash receptacles, sculptures and/or sculpture foundations located from time to time thereon. The Riverwalk is a General Common Element.

(gg) "Riverwalk Agreement" means the Marine Terminal Development and Riverwalk Agreement described in Section 16.10 of Article XVI of this Declaration.

(hh) "Riverwalk Easement" means the Grant of Easement Agreement (Marine Terminal Riverwalk) as described in Section 16.11 of Article XVI of this Declaration.

(ii) "Roof Area B" means the area identified as Roof Area B on the Floor Plans depicting the roof of the Building and is also described in Section 4.1(f).

(jj) "Rules and Regulations" means the rules and regulations adopted from time to time by the Board of Directors pursuant to the Bylaws.

(kk) "Service Elements" means all utility services and systems, including, without limitation,, heating, ventilating and air conditioning, gas, electricity, sewer/water, plumbing, communication, cable, telephone, and internet services and systems; all chases, lines, pipes, wires, vents, flues, chimneys, ducts, cables, conduits, fire prevention installations and systems, stairwells, elevators, elevator shafts and equipment, building security systems, and building service equipment located within the Condominium.

(ll) "Service Rooms" means those certain utility, maintenance, equipment, trash and storage rooms which provide general services to both Units of the Building and which are deemed General Common Elements hereunder, but which are located within the Residential Unit in the basement of the Building.

(mm) "Subassociation" means a condominium association formed in connection with any Subunits.

(nn) "Subcondominium" means a separate condominium created by a Unit Owner subjecting said Unit Owner's Unit to a Subdeclaration and thereby subdividing said Unit into two or more Subunits.

(oo) "Subcondominium Documents" means the Subdeclaration, Articles of Incorporation, Bylaws of a Subassociation, and any rules and regulations promulgated in connection therewith.

(pp) "Subdeclaration" means a declaration of condominium which creates within a Unit a separate condominium within this Condominium.

(qq) "Subdivided Unit" means a Unit which has been subjected to a Subdeclaration.

(rr) "Subunit" means a condominium unit created as a result of a Unit Owner creating within said Unit Owner's Unit a Subcondominium by submitting said Unit Owner's Unit to a Subdeclaration.

(ss) "Sunscreens" means the louvered metal system which are designed to block sun and is attached to the Balcony framing system along the southwest elevation of the Building. The Sunscreens are General Common Elements.

(tt) "Terrace" means the area located on the top 3rd Floor of the Building forming the roof thereof and lying between the outside edge of said 3rd Floor roof and the exterior of the 4th Floor of the Building and which forms an outdoor terrace area for the occupants of the 4th Floor of the Building. The Terrace is part of the Residential Unit.

(uu) "Unit" means a Unit as defined in the Act, as separately described as a Unit on the Plat, on the Floor Plans, in the Section of this Declaration entitled "Description of Units" and any amendment or addendum to any of the foregoing.

(vv) "Unit Owner" means any natural person, combination of natural persons, corporation, partnership, limited liability company, association, trust or other entity capable of holding title to real property, or any combination thereof which owns fee simple title to a Unit or has equitable ownership to a Unit as a land contract vendee, but does not include any mortgagee, as such, unless and until such mortgagee takes title to a Unit by foreclosure or process in lieu thereof.

## ARTICLE II
## DESCRIPTION

Section 2.1 Description of Building. There will be one (1) Building on the Property as the same is designated on the Plat. The Building will initially contain a total of two (2) Units and appurtenant facilities. The general location, dimensions and area of the Building and facilities are shown on the Plat and the Floor Plans.

Section 2.2 Designation and Description of Units.

(a) Designation of Units. Units are identified by designation and number as indicated below and on the Plat or Floor Plans. The Building has been divided into the following two Units, each of which is limited to the uses set forth in Article VI:

(i) the "Commercial Unit", also referred to as "Unit 1"; and

(ii) the "Residential Unit," also referred to as "Unit 2".

(b) Description of Units. Each Unit and the approximate area, location, appurtenant Limited Common Elements, Reserved General Common Elements, if any, and immediate Common Elements to which said Unit has access are, to the extent feasible, generally shown on the Plat or Floor Plans.

(i) The perimeter boundaries of each Unit are as follows:

(A) Horizontal Boundaries: The upper and lower boundaries of a Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

(1) Lower Boundary: The lower boundary of a Unit is the horizontal plane of the under surface of the concrete slab below the lower most floor of each such Unit; provided however that with respect to the Residential Unit the lower boundary of the Residential Unit with respect to the basement level shall be the under surface of the concrete foundation slab below the Building and with respect to the remainder of the Residential Unit shall be the horizontal plane of the under surface of the concrete slab below the second floor of the Building;

(2) Upper Boundary: The upper boundary of Commercial Unit is the horizontal plane of the bottom surface of the concrete slab above the uppermost floor of said Unit. The upper boundary of the

Residential Unit is the horizontal plane formed at the highest point of the roof of the Building and provided further that with respect to the Residential Unit, the upper boundary of the basement level of the Residential Unit shall be the horizontal plane of the bottom surface of the concrete slab above the basement level of the Residential Unit.

(B) Vertical Boundaries: The vertical boundaries of a Unit are the vertical planes, extended to intersections with each other and with said Unit's upper and lower boundaries, the vertical boundaries separating horizontally adjacent Units or separating horizontally adjacent Units and Common Elements, are the vertical planes running through the exact center of each wall separating the Unit from either another Unit or from any Common Element areas, and as to the vertical boundaries separating Units from the exterior of the Building, the vertical plane described by the inner surface of such exterior walls.

(C) Included Items: Expressly included as part of each Unit are:

(1) any Terrace or Balcony serving the Unit and any doors thereto and structural systems appurtenant thereto;

(2) the front entrance door and any other entrance door to the Unit and any and all hardware associated therewith;

(3) all windows, screens or sky lights for the Unit, including Balcony or Terrace screens and doors;

(4) interior ceilings, floors, walls, soffits, and floor and wall coverings, including those within any Balcony or Terrace;

(5) the Service Elements, including, without limitation, elevators, elevator shafts and equipment, heating, ventilating and air conditioning equipment and related equipment exclusively serving a Unit, whether or not located within the designated boundary lines of the Unit;

(6) the lobbies or entranceways exclusively serving a Unit and, as to the Residential Unit, the elevator lobbies;

(7) as to the Residential Unit, the Terrace surrounding the 4th Floor of the Building, as more particularly depicted on the Plat;

(8) as to the Residential Unit, the parking on the basement level of the Building, the ramp(s) and garage doors leading to the basement parking;

(9) as to the Residential Unit, the basement level, including the parking, the storage areas, the bike storage area, but excluding the Service Rooms;

(10) subject to subparagraph (11) below, all space, interior partitions and other fixtures and improvements (including, without limitation, sinks, bathtubs, other plumbing facilities, refrigerators, ovens, television, cable and other communication lines and systems, any individual Unit temperature alarm, security systems and other appliances and systems exclusively serving such Unit), within the designated boundaries of a Unit; and

(11) if any Service Element or bearing walls, bearing columns or any other apparatus (including, without limitation, wall safes, medicine cabinets, elevator shafts or pits, built-in shelving and other similar items) lies within or partially within and partially outside of the designated boundaries of a Unit, any portions thereof exclusively serving that Unit shall be deemed a part of that Unit as set forth in subparagraph (10) above, while any portions thereof, serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements and a valid easement for any such part of the Common Elements and for its maintenance, inspection, repair or replacement shall exist in favor of the Building Association and the Declarant, their agents and employees.

(c) Discrepancies. Each Unit Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that there are various methods for calculating the square footage of a Unit, and that depending on the method of calculation, the quoted square footage of the Unit may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Unit, and settling and shifting of improvements, actual square footage of a Unit may be affected. By accepting title to a Unit, the applicable Unit Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Unit, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included as part of the Plat or Floor Plans of Declarant's promotional materials or otherwise. Without limiting the generality of this Section 2.2(c), Declarant promotional materials or otherwise, Declarant does not make any representation or warranty as to the actual size, dimensions (including ceiling heights) or square footage of any Unit or the Common Elements, and each Unit Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Unit.

Section 2.3 Description of Limited Common Elements. The Limited Common Elements consist of those Common Elements which are generally described below and/or are generally identified as such on the Plat and Floor Plans, and which are reserved for the use of specific Units to the exclusion of all other Units and include the following:

(a) Any dock, gangway and headwalk Declarant or Unit 2 Owner may construct adjacent to the Condominium to be reserved for the exclusive use of Dock Owners; and

(b) Any fingerpiers Declarant or Unit 2 Owner may construct adjacent to or within the Building Condominium, to be reserved for the exclusive use of particular Dock Owners. Each Dock Owner shall share its fingerpier with one other Dock Owner (and said fingerpier shall be a Limited Common Element appurtenant to the applicable Unit and, if applicable, a limited common element to a Subunit under the Subcondominium Documents); however, each Dock Owner shall only have the right to dock on one side of the fingerpier (each side, a "Boat Slip").

Section 2.4 Reserved General Common Elements. The Reserved General Common Elements, if any, are those parts of the General Common Elements not reasonably intended or designed to serve all of the Unit Owners which the Board of Directors or, as more particularly set forth below, the Declarant may, to the extent permitted by applicable law, designate from time to time for the use and benefit of the Building Association and/or any Unit Owner(s) to the exclusion of other Unit Owners(s) and may impose reasonable charges for and in consideration of such use. Any such designation by the Board of Directors or the Declarant shall not be construed as a sale or disposition of such portions of the General Common Elements and there shall be no reallocation of Percentage Interests hereunder.

Section 2.5 Description of General Common Elements. The General Common Elements as generally shown on the Plat and the Floor Plans consist of the entire Condominium other than the Units and the Limited Common Elements, and include without limitation the following:

(a) The Property;

(b) All columns, girders, beams and supports of the Building not included as parts of Units;

(c) All structural columns, caissons, exterior walls, bearing walls and all foundation or other elements located below the concrete slab foundation included within the Residential Unit (collectively, the "Structural Components") supporting the Building shall be Common Elements, regardless of where such structural components are located;

(d) The Arcade and those stairs and ramps providing access thereto;

(e) The Canopy and the Sunscreens;

(f) All fire stairs located in the Building, and all emergency exits and entrances located on the first floor or in the basement;

(g) All sidewalks, common walkways, pathways, retaining walls and private alleys, not included as parts of Units or the Limited Common Elements;

(h) All open space, exterior or street lighting, outside seating areas, planters, landscaping and similar areas and improvements, if any, not included as parts of Units or Limited Common Elements;

(i) All Service Elements serving all Units and all Service Elements, not included as parts of Units or Limited Common Elements and whether or not located within the designated boundaries of a Unit or a Common Element;

(j) All apparatus and installations existing or hereinafter constructed in the Building or on the Property for common use, or necessary or convenient to the existence, the common maintenance or safety of the Condominium and not included as part of the Units or Limited Common Elements;

(k) All access steps and landings, if any, serving Units, not included as parts of the Units;

(l) The chimney located in the southwesterly corner of the Building (the "S/W Chimney");

(m) The portions of Riverwalk and Dock Wall located on and adjacent to the Property; and

(n) Rights of the Condominium under the Riverwalk Agreement and Riverwalk Easement.

Section 2.6 Declarant's Right to Modify Units and/or Limited Common Elements. Declarant hereby reserves the right, without the consent of any Unit Owner, or any other party, to increase and/or modify or alter the size, location and floor plans of the Building, a Unit, Limited Common Elements and/or General Common Elements during the construction, restoration or rehabilitation of the Building, such Unit, Limited Common Elements, and/or General Common Elements, including, without limitation, combining two or more Units into one Unit or separating a Unit into two or more Units, and designating, relocating, restriping and/or renumbering Parking Spaces or, with the consent of the Unit Owner entitled to such Parking Space(s), reallocating Parking Spaces. In the event Declarant exercises its rights with respect to the Building, any Unit, Limited Common Element and/or General Common Element, Declarant shall have the right and authority, without the consent of any Unit Owner or any other party, to file an addendum to the Plat and/or Floor Plans with the Register of Deeds of Milwaukee County showing the location, size and floor plans of any such modified Unit and/or Limited Common Element and/or General Common Element, as applicable, and provided further that an amendment to the Plat and/or Floor Plans shall not be necessary for nonmaterial or other minor modifications.

Section 2.7 Declarant's Right to Alter Common Elements. The Declarant and its duly authorized agents, representatives and employees shall have the right exercisable in the sole discretion of the Declarant, to modify, alter, remove or improve any defective or nonfunctional Common Element (including, without limitation, any item of equipment or any fixture). Such right shall expire with respect to each Common Element as of the date two (2) years after Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Building Association, and/or the City and thereafter, the Board of Directors shall have such rights.

Section 2.8 Encroachment. If any portion of the General, Reserved General or Limited Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the General, Reserved General or Limited Common Elements as a result of the construction, reconstruction or repair of the Building, including, without limitation, the installation and location of utilities and plumbing, or as a result of settling or shifting of the Building, a valid easement for the encroachment and for its maintenance shall exist so long as the Building stands. The existing physical boundaries of a Unit or Common Elements constructed or reconstructed in substantial conformity with the Plat shall be conclusively presumed to be its boundaries, regardless of the settling or shifting of the Building and regardless of minor variations between the physical boundaries described in this Declaration or shown on the Plat and the existing physical boundaries of any such Unit or Common Element.

Section 2.9 Dedication. The Building Association is required, pursuant to the Riverwalk Agreement, to dedicate, transfer or provide a permanent public access easement to the City of Milwaukee that portion of the Property identified on the Plat as "Future Street" (the "North Milwaukee Street Extension (West ½)"). Any Unit Owner acquiring a Unit shall be deemed to have agreed to the terms and provisions of the Riverwalk Agreement and to the dedication of the North Milwaukee Street Extension (West ½).

Section 2.10 Limited Common Element Docks and Boat Slips. The Declarant has reserved the right, but without any obligation, to construct and install or to have the Unit 2 Owner construct or install certain dock headwalks, gangways and fingerpiers (the "Dock System") adjacent to or within the Condominium and connected to or attached to the Dock Wall as may be necessary or desirable in connection with said construction. The general area within which Declarant and/or the Unit 2 Owner may, at their sole option, construct and install such Dock System is shown graphically to the extent feasible on the Condominium Plat (the "Reserved Dock Area"). Declarant reserves the right to construct or not to construct or to have the Unit 2 Owner construct or not to construct a Dock System within the Reserved Dock Area, provided that if Declarant and/or Unit 2 Owner do elect to construct and install a Dock System, the number of Boat Slips created within such Dock System will not exceed 26. Said Boat Slips, if constructed, will be designated hereunder as Limited Common Elements appurtenant to Unit 1 or Unit 2 of the Condominium. Those Boat Slips which are appurtenant to Unit 2, if constructed, may then be further assigned to (and reserved for the exclusive use of) particular owners of Subunits electing to purchase the same as evidenced by either a deed or deeds to the owner of a Subunit or, if permitted by applicable law, by recorded or unrecorded assignment to the owner of a Subunit as a limited common element or limited common elements to the Subunit(s) of said owner(s) of the Subunit(s). Unit Owners or, if applicable, the owners of Subunits may convey, but only to another Unit Owner or to another owner of a Subunit, Boat Slips appurtenant to the conveying Unit Owner's Unit or appurtenant to the conveying Subunit owner's Subunit by deed or, if permitted by applicable law, a recorded or unrecorded assignment; whereupon such Boat Slips shall become appurtenant as a Limited Common Element to the Unit of the Unit Owner to which those interest is so conveyed or as a limited common element under the Subassociation Documents to a Subunit if such interest is so conveyed to said owner of the Subunit and the conveying Unit Owner or, if applicable, the conveying owner of a Subunit shall have no further rights to use the conveyed Boat Slip(s).

Section 2.11 WDNR Restrictions. If and to the extent any approvals or permits from the State of Wisconsin Department of Natural Resources are required for construction of any dock headwalk, gangway or fingerpiers to be included within the Condominium, then neither the Declarant nor the Unit 2 Owner will construct any such dock headwalk, gangway or finger piers until the Declarant or the Unit 2 Owner has obtained any necessary approvals or permits. Unit Owners, owners of Subunits and Eligible Mortgagees acknowledge that the purchase of a Boat Slip does not constitute the purchase of the exclusive ownership and use of the water within the Boat Slip. By conveying Boat Slips to Unit Owners, Declarant and the Unit 2 Owner are only intending to apportion (and regulate the use of) the Unit Owners' riparian rights pursuant to applicable laws and regulations. If a dock permit is obtained by Declarant or the Unit 2 Owner and Declarant or the Unit 2 Owner elects to construct headwalks, gangways and/or finger piers, a copy of any such dock permit will be available for review at the office of the Building Association.

Section 2.12 Dock Owners Group. The Dock Owners Group shall be comprised of the Dock Owners and is not intended to be and is not a separate legal entity or association. The Dock Owners Group is a group created pursuant to the Subcondominium Documents filed in connection with Unit 2 by the Unit 2 Owner and is comprised of those Subunits to which a Boat Slip that is appurtenant to Unit 2 as a Limited Common Element hereunder has been designated by the Unit 2 Owner, as the Declarant under the Subcondominium Documents, as a limited common element to said Subunit or has otherwise been conveyed to such Subunit as a limited common element. Notwithstanding the foregoing, if a Boat Slip or Boat Slips is/are appurtenant to Unit 1 as a Limited Common Element of the Condominium, then the Unit Owner of Unit 1 shall be a Dock Owner and shall have the same rights to vote and make decisions as a member of the Dock Owners Group in the same manner as any other owner of a Subunit with a Boat Slip or Boat Slips appurtenant to his or her Subunit. The Dock Owners Group, subject to the review and approval of the Subcondominium Association to be formed in connection with Unit 2, shall administer the Dock System (as defined in Section 2.10) as set forth in the Bylaws of the Subcondominium Documents.

## ARTICLE III
## PERCENTAGE INTERESTS AND VOTING

Section 3.1 Percentage Interests. The undivided Percentage Interest in Common Elements appurtenant to each Unit shall at any and all times be apportioned as follows:

| Unit | Percentage Interest |
|---|---|
| Commercial Unit | 21.8% |
| Residential Unit | 78.2% |
| | 100.00% |

Section 3.2 Votes. The total number of votes appurtenant to all Units in the Condominium shall be 100 and the following number of votes shall appertain to each Unit:

| Unit | Votes |
|---|---|
| Commercial Unit | 50 |
| Residential Unit | 50 |
| | 100 |

## ARTICLE IV
## EASEMENTS

Section 4.1 Additional Easements. In addition to and in supplementation of the easements provided for by Section 703.32 of the Wisconsin Statutes, as amended and renumbered from time to time, and other provisions of the Act, and any and all licenses, easements, rights-of-way, covenants, limitations and restrictions of record, including, without limitation, the Riverwalk Agreement, the Condominium shall be subject to the following easements and restrictions:

(a) Utility and Other Easements. The Units and Common Elements and the Property shall be, and are hereby, made subject to easements in favor of the Declarant and, the Building Association, appropriate utility and service companies and governmental agencies or authorities for such Service Elements as may be necessary or desirable to serve any portion of the Property, but only if approved by, and in locations designated by, the Declarant (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Building Association and the City and shall have completed the Condominium), and thereafter by a majority of the Board of Directors. The easements provided for by this Section 4.1(a) shall include, without limitation, rights of Declarant, the Building Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace Service Elements, such as, but not limited to, cable television and high speed internet, as may be necessary or desirable to serve any portion of the Property and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of completion of construction of the Unit by the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

(b) Declarant's Easements.

(i) Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Building Association, and/or the City and shall have completed the Condominium) to use portions of the Common Elements and any Units owned by Declarant for construction, repair or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Property.

(ii) Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any

Unit Owner, the Building Association and/or the City and shall have completed the Condominium) on, over and under those portions of the Common Elements not located within the Building for the purpose of maintaining and correcting drainage of surface, roof or storm water. The easement created by this Section 4.1(b) expressly includes the right to cut any trees, bushes, or shrubbery, to grade any soil, to landscape or to take any other action reasonably necessary.

(iii) Until the Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner, the Building Association, and/or the City and shall have completed the Condominium and for a period of two (2) years thereafter, the Declarant shall have an easement through the Units and the Common Elements for any access necessary to complete any repairs, replacement, maintenance, renovations or modifications to be performed by Declarant.

Notwithstanding anything to the contrary contained in this Declaration, the Bylaws or the Rules and Regulations, no provision in said Condominium Documents or any amendment or addendum thereto shall limit or restrict the Declarant's rights pursuant to this Section 4.1(b).

(c) Easement for Ingress and Egress Through Common Elements; Access to Units; Support and Utilities.

(i) Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all General Common Elements intended for such purposes, subject to such reasonable rules, regulations and restrictions as may be imposed by the Declarant or the Board of Directors.

(ii) To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building and the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building and the Common Elements.

(iii) To the extent necessary, each Unit shall have an easement for the location, maintenance, repair and replacement of utility lines, pipes, wires and appurtenant facilities and systems which service only said Unit ("Individual Unit Utility Systems") to the extent any such Individual Unit Utility Systems are located within, attached, anchored, braced or affixed to the concrete floor or ceiling slabs or exterior walls of an adjacent Unit, subject to compliance with subsection (d)(i) below;

(d) Common Elements Easement in Favor of Unit Owners. The Common Elements (including, without limitation, the Limited Common Elements) shall be and are hereby made subject to the following easement in favor of the Building Association and the Units benefited:

(i) For the installation, repair, maintenance, use, removal and/or replacement of Service Elements, whether or not such Service Elements are located in any of the other Units or in any other part of the Condominium, to the extent such Service Element serves any Unit or is necessary for service to any Unit; provided that any such installation, repair,

maintenance, use, removal and/or replacement of any such item does not, in the determination of the Board of Directors, unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner. Any such installation, repair, maintenance, use, removal and/or replacement shall be conducted by and in the manner provided in the Bylaws and may only be undertaken by a Unit Owner if the Building Association has elected not to make such repairs or replacements.

(ii) for the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards, pipes, utility lines, cables, ventilation ducts, elevator shafts, and other electrical, plumbing, ventilation and similar installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not, in the determination of the Board of Directors, unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner any such installation, repair, maintenance, use, removal and/or replacement shall be conducted by and in a manner provided in the Bylaws and may only be undertaken by Unit Owner if the Building Association has elected not to make such repairs or replacements.

(iii) for driving and removing nails, screws, bolts and other attachments into walls or other Common Elements bounding the Unit, the Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of concrete slab above the Unit and the top surface of the concrete slab below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not, in the determination of the Board of Directors, unreasonably interfere with the common use of any part of the Common Elements, adversely affect the thermal, fire protective or acoustical character of the Building or impair or structurally weaken the Building or the systems serving the Building and any and all such work is performed in a good and workmanlike manner and may only be undertaken by a Unit Owner if the Building Association has elected not to make such repairs or replacements.

(iv) for the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Elements (including without limitation the Limited Common Elements) on the date this Declaration is recorded or that were thereafter installed by Declarant or any Unit Owner purchasing its Unit from Declarant to the extent such encroachment is consented to by Declarant; provided that the repair, maintenance, use, removal and replacement of any such item does not, in the determination of the Board of Directors unreasonably interfere, in any material adverse respect for any significant time period, with the common use of any part of the Common Elements or the use of any Unit, adversely affect the thermal, fire protective or acoustical character of the Building, or impair or structurally

weaken the Building or the systems serving the Building and any such work is performed in a good and workmanlike manner.

(e) Units and Common Elements Easement in Favor of Building Association. The Units and the Common Elements, including, without limitation, the Limited Common Elements, are hereby made subject to the following easements in favor of the Building Association and its agents, employees and independent contractors:

(i) for inspection of the Units, Common Elements, including Limited Common Elements, in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible and to correct or remove therefrom any violations of the Condominium Documents or applicable Governmental Regulations;

(ii) for inspection, installation, use, maintenance, repair, removal, replacement, renovation, alteration, improvement, or relocation of Service Elements, General Common Elements, Reserved General Common Elements or Limited Common Elements situated in or accessible from such Units or Common Elements, the Dock Wall and the Riverwalk;

(iii) for correction of emergency conditions in one or more Units, the Common Elements, the Dock Wall and the Riverwalk;

(iv) for inspection, assessment, repair, replacement, renovation, alteration or improvement as may be necessary or desirable as a result of a casualty or condemnation to any of the Common Elements or Units; and

(v) for performing any or all of their respective duties and responsibilities or for exercising any powers granted to said parties hereunder.

Any installation, replacement or relocation of Common Elements or Service Elements within a Unit shall be located at or near previous locations (if any) or, to the extent commercially feasible, in locations which will not unreasonably disturb the use of the Unit for its intended purposes. Except in an emergency, any right of access to a Unit granted pursuant to this Section shall be exercised only after five business days advanced notice and with commercially reasonable efforts to minimize interference with the use of such Unit. The Unit shall promptly be restored to its condition immediately prior to such access after completion of any work in a Unit conducted pursuant to any right of access granted in this Section 4.1(e). Notwithstanding the foregoing, in case of an emergency such right of entry shall be immediate and without notice, whether or not the Unit Owner is present at the time.

(f) Roof Equipment Easement. The Unit Owner of the Commercial Unit is hereby granted and conveyed a permanent, perpetual, nonexclusive easement for the placement of heating, ventilating and air conditioning systems and related equipment and any and all necessary or appurtenant systems (the "Commercial Rooftop Systems") at a location or locations designated by the Declarant, as the Unit Owner of the Residential Unit, on the roof of the Residential Unit in the area identified as Roof Area B on the Floor Plans ("Roof Area B") (the "Commercial Rooftop Area"), together with the right to inspect, maintain, use, operate, repair, replace, modify, renovate, expand, modernize and improve the Commercial Rooftop

Systems as may be necessary so that the Commercial Rooftop Systems provides the necessary or desirable functions and services to the Commercial Unit or the then modern equivalent functions and services and access to and from the Commercial Rooftop Area. The Unit Owner of the Commercial Unit shall also have the right to install, place, inspect, maintain, use, operate, repair, replace, modify, renovate, expand, modernize and improve any and all necessary or desirable lines, pipes, wires, vents, flues, ducts, cables, conduits and similar items within the Common Elements, including, without limitation, the Service Elements so long as such placement, installation, inspection, maintenance, use, operation, repair, replacement, modification, renovation, expansion, modernization or improvement does not unreasonably interfere with the use of the Residential Unit. Declarant may install the initial Commercial Rooftop Systems as part of the original construction of the Condominium; provided, however, that, upon conveyance of the Commercial Unit by the Declarant to any other party, the Unit Owner of the Commercial Unit shall be responsible for any and all inspection, maintenance, repair and replacement of the Commercial Rooftop Systems and Roof Area B in accordance with the following terms and conditions. Prior to any entry upon the roof, the Unit Owner of the Commercial Unit shall provide the Unit Owner of the Residential Unit or if the Residential Unit has been submitted to a Subdeclaration, then any officer or director of the Subassociation, with at least 24 hours prior notice of any such entry, which notice shall describe the scope of intended work and the timing and duration of such work, except in the event of an emergency when no such notice shall be required. The Unit Owner of the Commercial Unit and the Unit Owner of the Residential Unit shall cooperate in good faith to schedule any such entry and work so as not to unreasonably interfere with the use, occupancy, safety or security of the Residential Unit. The Unit Owner of the Residential Unit, at its sole cost, shall have the right to have a representative accompany the Unit Owner of the Commercial Unit, its employees, agents, representatives or contractors at any time any of said parties are on the roof of the Residential Unit. The Unit Owner of the Commercial Unit shall maintain or cause its contractors to maintain typical and commercially reasonable insurance in connection with the Commercial Rooftop Systems and any such entry or work on the roof. The Unit Owner of the Commercial Unit hereby indemnifies and saves and holds the Unit Owner of the Residential Unit harmless from and against any and all loss, liability, damage, claim, cost, fee or expense, including court costs and reasonable attorneys' fees, incurred by the Unit Owner of the Residential Unit or any of the occupants of the Residential Unit arising out of the Commercial Rooftop Systems and the negligent inspection, maintenance, repair, modification, renovation, expansion, modernization, improvement and/or replacement thereof.

(g) Satellite Easement. The Unit Owner of the Commercial Unit is hereby granted and conveyed a permanent, perpetual nonexclusive easement for the placement of satellite dishes and/or antenna and/or related equipment, including any systems that are designed to modernize or replace such equipment, and any and all necessary or appurtenant systems (the "Communication Systems") at a location or locations on the roof of the Residential Unit designated by the Declarant, or if the Declarant no longer owns a Unit, then as designated by the Unit Owner of the Commercial Unit, but if so designated by the Unit Owner of the Commercial Unit, then subject to the approval of the Residential Unit Owner which shall not be unreasonably withheld (the "Communication System Area"), together with the right to inspect, install, maintain, use, operate, repair, replace, modify, renovate, expand, modernize and improve the Communication Systems. The Unit Owner of the Commercial Unit shall also have the right to install, place, inspect, maintain, use, operate, repair, replace, modify, renovate,

expand, modernize and improve any and all necessary or desirable lines, pipes, wires, vents, cables, conduits, communication lines and systems and similar items within the Common Elements, including, without limitation, the Service Elements, so long as such placement, installation, inspection, maintenance, use, operation, repair, replacement, modification, renovation, expansion, modernization or improvement does not unreasonably interfere with the use of the Residential Unit. Notwithstanding the foregoing, the installation of any such Communication System shall not have a significant detrimental visual impact on the character of the building when viewed by a person standing at ground level next to the Building. The Unit Owner of the Commercial Unit shall be responsible for any and all inspection, maintenance, repair and replacement of the Communication Systems in accordance with and on the same terms as set forth in subsection (f) above for the Commercial Roof Top Systems.

(h) Parking Easement. The Unit Owner of the Commercial Unit is hereby granted and conveyed a permanent, perpetual, exclusive easement for (i) the use of not more than 27 parking spaces ("Commercial Parking Spaces") to be located as determined by Declarant in the basement portion of the Residential Unit and (ii) vehicular and pedestrian ingress and egress to and from such Commercial Parking Spaces. The location of the Commercial Parking Spaces may not be changed or altered and the access to and from such parking spaces may not in any way be hindered without the consent of the Unit Owner of the Commercial Unit. The Commercial Parking Spaces may be used by any person or entity granted the right to use any such Commercial Parking Space by the Unit Owner of the Commercial Unit. The Building Association shall maintain a record of which numbered parking spaces have been designated by the Declarant as Commercial Parking Spaces. The Unit Owner of the Residential Unit shall have no liability or responsibility in connection with the use of the Commercial Parking Spaces by the Unit Owner of the Commercial Unit or those claiming by, through or under the Unit Owner of the Commercial Unit, unless any such loss, liability, damage, cost, fee or expense arises out of the negligence or willful misconduct of, or the breach of any applicable provision of the Condominium Documents by, the Unit Owner of the Residential Unit, its members, officers, directors, employees, agents, tenants, contractors, occupants, licensees or invitees or the failure of the Residential Unit Owner to maintain the Commercial Parking Spaces as required in the Bylaws.

(i) Service Rooms Easement. The Unit Owner of the Commercial Unit is hereby granted and conveyed a permanent, perpetual, nonexclusive easement for vehicular and pedestrian access to and from the Service Rooms. The Service Rooms are General Common Elements and are intended for the use of all of the Units. The Unit Owner of the Residential Unit shall have no liability or responsibility in connection with the use of the Service Rooms by the Unit Owner of the Commercial Unit, unless any such loss, liability, damage, cost, fee or expense arises out of the negligence or willful misconduct of, or the breach of any applicable provision of the Condominium Documents by, the Residential Unit Owner, its members, officers, directors, employees, agents, tenants, contractors, occupants, licensees or invitees.

(j) Bicycle Storage. The Unit Owner of the Commercial Unit is hereby granted and conveyed a permanent, perpetual, exclusive easement for use of the bicycle storage area located in the basement portion of the Residential Unit located as generally shown on the Plat for the purposes of storing bicycles and for pedestrian and bicycle ingress and egress to and from the bicycle storage area. The Unit Owner of the Commercial Unit and any

individuals granted the right by or through the Unit Owner of the Commercial Unit to store bicycles within the bicycle storage area shall be provided with access to the bicycle storage area as necessary to store their bicycles on a 24-hour basis. The Unit Owner of the Residential Unit shall have no liability or responsibility in connection with the use of the bicycle storage area by the Unit Owner of the Commercial Unit, or those claming by, through or under the Unit Owner of the Commercial Unit, unless any such loss, liability, damage, cost, fee or expenses arises out of the negligence or willful misconduct of, or the breach of any applicable provision of the Condominium Documents by, the Residential Unit Owner, its members, officers, directors, employees, agents, tenants, contractors, occupants, licensees, or invitees. The Unit Owner of the Commercial Unit shall be responsible for maintaining the bicycle storage area.

(k) Elevator Easement. The Unit Owner of a Commercial Unit is hereby granted and conveyed a permanent, perpetual and nonexclusive easement for the use of the elevators to travel between the basement and the first floor of the Building including access to and from the exterior of the Building to the elevators located in the basement and to the elevators located on the first floor for any parties desiring to enter or exit the Commercial Unit. The Unit Owner of the Residential Unit shall have no liability or responsibility in connection with the use of the elevators by the Unit Owner of the Commercial Unit, or those claiming by, through or under the Unit Owner of the Commercial Unit unless any such loss, liability, damage, cost, fee or expense arises out of the negligence or willful misconduct of, or the breach of any applicable provision of the Condominium Documents by, the Residential Unit Owner, its members, officers, directors, tenants, employees, agents, contractors, occupants, licensees or invitees or the failure of the Residential Unit Owner to maintain the elevators as required in the Bylaws.

(l) Special Privilege. Declarant has applied for a special privilege letter permitting certain portions of the building to encroach upon city sidewalks. A copy of the special privilege letter when received will be available in the Building Association's offices.

Section 4.2 Inconvenience. Each Unit Owner hereby acknowledges that the activities of the Declarant or the Building Association pursuant to this Article IV may temporarily impair access to the Building and cause inconvenience to the Unit Owners and the occupants of their Units.

Section 4.3 Encroachment and Sales.

(a) Encroachment. If by reason of construction, reconstruction, settlement or shifting of the Building, or the design or construction of any Unit, any part of the Common Elements shall at any time encroach upon any part of any Unit, or any part of any Unit shall at any time encroach upon any part of the Common Elements or any Unit shall at any time encroach upon part of any other Unit, an easement for the continuation and maintenance of such encroachment is hereby established and shall exist for the benefit of such encroaching Unit or Common Element so long as all or any part of the Building containing such Unit or Common Element shall remain standing.

(b) Easement to Facilitate Sales.

(i) Declarant and its duly authorized agents, representatives and employees shall have the right, exercisable in Declarant's sole discretion, to use as model, sales and/or rental offices and/or for any other lawful purpose or purposes any Unit or Units or any part or part thereof which have not been conveyed by the Declarant and any Unit or Units or any part or part thereof leased by the Declarant from Unit Owners or Subunit Owners who may agree to lease their Units or Subunits to the Declarant for such use(s). Such Units shall be Units within the meaning of this Declaration and the Condominium Act, and shall not comprise a part of the Common Elements. The Declarant shall have the absolute right for itself, its successors and its invitees and prospective purchasers, to use and enter, without being subject to any charge or fee therefor, any and all such Units and the Common Elements, including parking areas, for model, sales and/or rental purposes and/or for any other lawful purpose or purposes, including placing thereon "for sale" or "for rent" signs and other promotional materials.

(ii) Declarant shall have an easement to maintain sales and/or construction offices, including, without limitation, a sales center, sales and/or construction trailer or tent, and management offices throughout the Property and to maintain one or more advertising signs on the Common Elements. Declarant may from time to time relocate any such models, management offices and sales and/or construction offices, trailers and tents to different locations within the Property. Upon the relocation of a model, management office or sales office, Declarant may remove all personal property and fixtures therefrom.

(iii) So long as Declarant shall be engaged in selling or leasing property, Declarant shall have the right to restrict the use of the Common Element parking spaces, if any, for sales purposes. Such use shall include reserving such spaces for use by prospective purchasers, Declarant's employees, and others engaged in sales, maintenance, construction or management activities.

Notwithstanding anything to the contrary contained in this Declaration, the Bylaws, or the Rules and Regulations, no provision in said Condominium Documents or any amendment or addendum thereto shall limit or restrict the Declarant's rights pursuant to this Section 4.3(b).

Section 4.4 Binding Nature. All easements and rights described herein are granted and reserved to and shall inure to the benefit of and be binding upon, the Declarant, the Building Association, all Unit Owners and occupants of a Unit and all owners of a Subunit and their respective successors and assigns. Either the Building Association or the Declarant, as applicable, shall have the authority to execute all documents necessary to carry out the intent of this Section.

Section 4.5 Construction and Noise Level. All Unit Owners should expect noise vibrations and other inconveniences inherent in any construction project as well as intermittent shutdowns of the Condominium's building systems to facilitate Unit Owner hookups and other renovations in and to the Condominium until all of the Units have been occupied. Declarant shall have the right to and may utilize elevators and other systems and may install and retain scaffolding and other equipment on and in the Condominium to complete construction of the Condominium and the Units. Certain services, such as cable, computer and other similar services may be provided by outside suppliers and delays and interruptions in any services will not be the responsibility of Declarant. Declarant agrees to use commercially reasonable efforts

to cause any such activities undertaken by Declarant within the Building to be undertaken in a manner consistent with normal and prudent construction practices so as to minimize any unreasonable disruption to the use by the Unit Owners of their Units.

Each Unit Owner, by acceptance of the deed or other conveyance of a Unit, hereby acknowledges and agrees that sound and impact noise transmissions in a building such as the Building is very difficult to control and that noises from adjoining or nearby Units and/or mechanical equipment may be heard in another Unit. Declarant does not make any representation or warranty as to the level of sound or impact noise transmission between and among Units and the other portions of the Condominium and each Unit Owner hereby waives and expressly releases, to the extent not prohibited by applicable law as of the date of this Declaration, any such warranty and claims for loss or damages resulting from sound transmission or impact noise transmission.

## ARTICLE V
## BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 5.1 Monthly Payments. The Board of Directors shall levy and enforce the collection of the general and special assessments for Common Expenses in accordance with the terms and conditions contained in the Bylaws, including, without limitation, the creation and enforcement of liens on the Units. Assessments shall commence as to any Unit upon the date of the first conveyance of a Subunit to a third party.

All Common Expense annual assessments shall be due and payable in equal monthly installments, in advance, on the first day of each month unless different payment periods and due dates are selected by the Board of Directors. Special Assessments shall be due and payable in the manner established by the Board of Directors pursuant to the Bylaws. Assessments, other than special assessments, shall be deemed to have been adopted and assessed on a monthly or annual basis (or such other basis as may be elected by the Board of Directors from time to time). Upon any conveyance of a Unit to a party or parties other than Declarant, Declarant shall have no further obligations in connection therewith.

The total annual assessment against each Unit Owner for Common Expenses and any special assessment levied pursuant to the Bylaws, together with interest thereon, penalties and the expenses of the proceedings, including, without limitation, reasonable attorneys' fees, hereby is declared to be a lien against the Unit of such Unit Owner within the purview of the Act, which lien shall be enforced pursuant to Section 703.16 and Section 703.165 of the Act, as amended or renumbered from time to time, and as provided by law and the Bylaws.

Section 5.2 Surplus Funds. Surplus funds (collectively, "Surplus Funds") of the Building Association remaining after payment of or provision for Common Expenses and any prepayment of reserves may in the discretion of the Board of Directors either (i) be credited, in proportion to each Unit Owner's obligation to pay Common Expenses, to the next monthly installments due from Unit Owners, or (ii) refunded among Unit Owners who paid assessments in proportion to their payments, or (iii) added to reserves until exhausted.

Section 5.3 Statutory Reserve Account Statement. Declarant has elected not to have a statutory reserve account. Future expenditures for repairs and replacements will be funded through reserves as established from time to time by the Board of Directors as more particularly provided in the Bylaws.

## ARTICLE VI
## USE RESTRICTIONS

Section 6.1 Restrictions. The occupancy and use of the Units and Common Elements shall be subject to the restrictions set forth in the Bylaws, as the same may be amended from time to time, and the following restrictions:

(a) The Commercial Unit may be used for office, retail and residential purposes and for any other purpose or purposes not expressly prohibited by the Bylaws, the Rules and Regulations or by any applicable Governmental Regulation;

(b) The Residential Unit shall be used for residential purposes and appurtenant and accessory purposes provided that, if the Residential Unit is subjected to a Subdeclaration, then any number of Subunits may be used as model units and/or a sales offices solely for sales of Subunits and provided further that such purposes are not prohibited by the Bylaws, Rules and Regulations or any applicable Governmental Regulation and provided that the parking areas within the Residential Unit shall be used only for parking and any storage systems that are designed, installed or approved by Declarant or upon the Declarant no longer owning a Unit, the Board;

(c) Each Unit Owner shall be obligated to maintain said Unit Owner's Unit in a manner consistent with the applicable terms and provisions of the Bylaws and Rules and Regulations;

(d) A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction, or repair to his Unit or Units which could impair the structural integrity of the Building or any mechanical or electrical system therein; or adversely affect either the thermal, fire protective, or acoustical character of the Building; or lessen the support of any portion of the Building; or create a nuisance substantially affecting the use and enjoyment of other Units or the Common Elements; or violate the Condominium Documents or any applicable law, ordinance or governmental rule, regulation or order.

(e) A Unit Owner is prohibited from making any alteration, installation, removal, addition, reconstruction or repair to the outside surface of the Building without the prior written approval of the Board of Directors in accordance with the Bylaws and then only in accordance with the Bylaws; provided, however, that this restriction shall not apply to the Declarant.

(f) No Unit, except those Units owned by Declarant, shall be subjected to or used for any fractional interest ownership, cooperative, licensing or other arrangement that would entail weekly, monthly or any type of revolving or periodic occupancy by multi-unit owners, cooperators, licensees, or fractional interest owners.

(g) The Unit Owner of the Residential Unit shall not alter the configuration or striping of the Parking Spaces or the location and configuration of the fire access and stairs or prevent, restrict or inhibit access to and from the Parking Spaces, fire access and stairs by occupants of the Commercial Unit, without the consent of the Unit Owner of the Commercial Unit.

Section 6.2 Rules and Regulations. Rules and Regulations, not in conflict with the provisions of this Declaration and the Bylaws, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Declarant, during the period of time that the Declarant controls the Board of Directors, or the Board of Directors, in their reasonable discretion, subject to the right of the Building Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Board of Directors promptly after the adoption of such Rules and Regulations or any amendments thereto. The Declarant so long as it owns a Unit and, if the Declarant no longer owns a Unit, then the Board of Directors (i) shall have the right, but shall not be required to, adopt rules and regulations providing reasonable restrictions on the types of vehicles that may be parked within the parking spaces appurtenant to the Residential Unit, on the length of time in which any vehicle which is not operable may be left within such parking areas, and on such other items as the Declarant or the Board, as applicable, may deem advisable and (ii) shall have the authority (but not the obligation) to regulate and administer all issues and disputes regarding parking in said parking areas, and to grant exceptions to any such rules and regulations when the circumstances make such exceptions necessary or desirable.

## ARTICLE VII
## LEASING

Section 7.1 Declarant's Right to Lease or Sell Units. The Declarant shall retain title to each Unit not conveyed to any purchaser. The Declarant retains the right to enter into leases with any third parties for occupancy of any of the Units, any part or parts thereof, so retained by Declarant and not so conveyed to any purchaser, the terms and conditions of which leases shall be determined by the Declarant, in its sole discretion, or to lease back and sublease any Unit, or any part or parts thereof, so conveyed.

Section 7.2 Unit Owner's Right to Lease. Except as set forth in Section 7.1 with respect to the rights of Declarant, a Unit Owner may lease or sublease his Unit, or any part or parts thereof, at any time and from time to time provided that:

(a) Neither the Residential Unit, nor any part thereof, may be leased or subleased for transient or hotel purposes or for an initial term of less than six (6) months;

(b) Neither the Residential Unit, nor any part thereof, may be leased or subleased without a written lease or sublease, a copy of which must be provided to the Building Association within five (5) business days after execution thereof;

(c) A notice of any lease of any Unit or part thereof shall be furnished to the Board of Directors or the Secretary of the Building Association within five (5) business days after execution thereof setting forth the identity, address and contact name for tenant, the

permitted and anticipated use of the premises by said tenant and the commencement date and expiration date of the lease; and

(d) The right of any lessee or sublessee of a Unit, or any part or parts thereof, shall be subject to, and each such lessee or sublessee shall be bound by, the Act, the covenants, conditions, and restrictions set forth in the Declaration, Bylaws and Rules and Regulations (a copy of which documents shall be provided by the Unit Owner to its tenant(s)) and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments or special assessments on behalf of the Unit Owner of that Unit.

Section 7.3 Lease of Boat Slips. Dock Owners may lease their Boat Slips subject to restrictions set forth in the Bylaws and the Subcondominium Documents, as applicable, and any applicable laws and regulations, provided that the Building Association and Dock Owners Group may, upon 90 days' written notice, terminate any such lease rights pursuant to the Bylaws.

## ARTICLE VIII
## SUBDIVIDED UNITS

Section 8.1 Units Subject to Subdeclaration. Subject to the prior written approval of the Declarant until such time as the Declarant no longer has any ownership interest in any Unit and, if and at such time the Declarant no longer has any ownership interest in any Unit, then a majority of the Board of Directors (as applicable, the "Approving Entity"), a Unit Owner may create a condominium within said Unit Owner's Unit by subjecting said Unit to a Subdeclaration, thereby subdividing said Unit Owner's Unit into two or more Subunits, each of said Subunits thereby becoming a separate condominium unit within the Subdivided Unit, which Subdivided Unit will remain a Unit within this Condominium.

Section 8.2 Subordination and Use. The Subunits and the Subcondominium Documents (as such term is hereinafter defined) shall be subject to and subordinate to the Condominium Documents as the same may be amended, modified or promulgated pursuant to this Declaration and Bylaws. Subunits will also be subject to the restrictions, rules and regulations contained in the Subdeclaration, the articles of incorporation (the "Subarticles") of any condominium association formed in connection with any such Subunits (the "Subassociation"), the bylaws of said Subassociation (the "Sub-bylaws") and any rules and regulations (the "Subrules") promulgated in connection therewith or pursuant thereto (collectively, the "Subcondominium Documents").

Section 8.3 Approval and Amendment. All of the Subcondominium Documents shall be subject to the prior written approval of the Approving Entity. Any and all amendments, modifications, supplementations, recisions, cancellations, terminations or promulgations of any of said Subcondominium Documents shall be subject to the prior written approval of the Approving Entity.

Section 8.4 Amendment. In the event any of the Condominium Documents are amended or new Rules and Regulations are promulgated after the creation of a Subcondominium, then the Subcondominium Documents shall be deemed amended to the extent said Subcondominium Documents are inconsistent with the Condominium Documents, as amended.

Section 8.5 Cooperation. If the Approving Entity has approved a Subcondominium, then the other Unit Owners that do not own the Unit to be subject to the Subdeclaration shall join into such Subcondominium Documents to the extent necessary to create the Subcondominium and to accomplish the purposes of this Article and shall execute such other documents as may be reasonably necessary in connection therewith, provided that said documents do not increase the responsibilities or liabilities of said other Unit Owners in connection with this Condominium or the Subcondominium.

Section 8.6 Common Expenses and Assessments of the Subcondominium. Any and all liens created pursuant to the Condominium Documents, including, without limitation, those arising by virtue of Section 703.16 of the Act, as amended and renumbered from time to time, shall be subordinate to the Subcondominium and the Subdeclaration; provided, however, that if any Common Expenses assessed against a Subdivided Unit pursuant to the terms of the Condominium Documents and/or said Section 703.16 are not paid when due, then the Building Association shall have a lien, not only on the Subdivided Unit, but on each Subunit, but only to the extent that the owner of any such Subunit has failed to pay when due any such Common Expenses attributable to the Subunit owned by said owner. Said Building Association lien shall be superior to any lien on said Subunit arising in connection with expenses or assessments or any other sums due pursuant to any of the Subcondominium Documents, whether arising pursuant to Section 703.16 of the Act or otherwise. In that connection, there shall be deemed to have been assessed against each Subunit the proportion of the Common Expenses assessed against the Subdivided Unit by the Building Association pursuant to the Condominium Documents equal to the product of (i) all of said Common Expenses assessed against a Subdivided Unit and (ii) the percentage interest of such Subunit in the common elements of the Subcondominium, but only to the extent that said Common Expenses have not been assessed against a Subunit by the Subassociation of the Subcondominium and paid by the owner of said Subunit. The Building Association shall also have a lien on any and all funds and accounts of the Subassociation with respect to Common Expenses assessed against the Subdivided Unit by the Building Association.

Section 8.7 Mortgages and Other Liens. All mortgages and other encumbrances on the Units are subject and subordinate to the rights of the Unit Owners to create Subcondominiums within said Unit Owners' Unit pursuant to the terms of this Article VIII and to any Subdeclaration and the Subcondominium created thereby; provided, however, that any holder of a mortgage may prohibit the Unit Owner from creating a Subcondominium within said Unit Owners' Unit without first obtaining a prior written approval of said mortgage holder.

Section 8.8 Subassociation. Upon the formation of the Subassociation, the Subassociation shall be deemed to be the Unit Owner of the Subdivided Unit and shall have all rights and obligations of a Unit Owner hereunder with respect to a Subdivided Unit as more particularly set forth in the Bylaws. The Subassociation, as the Unit Owner of the Subdivided

Unit, or the Board of Directors of the Subassociation, if permitted by the Subcondominium Documents, shall elect one representative who shall be an owner of a Subunit, and who shall be entitled to vote all of the votes of the Unit Owner of said Subdivided Unit. An officer of said Subassociation shall file a Certificate with the Secretary of the Building Association to that effect identifying the representative, all as more particularly set forth in the Bylaws.

Section 8.9 Construction and Mechanic Liens. Any and all work conducted within a Unit, including, without limitations, the build out of a Unit, such as the construction of partition walls, the construction or installation of internal HVAC, electrical and plumbing systems within a Unit and any and all similar or related work, shall be at the direction of and for the benefit of said Unit and the Unit Owner of said Unit only, and any all contractors, materialmen and others providing work and/or materials in connection therewith shall have a right only to place a lien on said Unit and shall have no right, whatsoever, to place a lien on the Condominium as a whole or any other Unit thereof.

## ARTICLE IX
## AMENDMENT TO DECLARATION

Section 9.1 Amendment. Except as otherwise set forth in this Declaration, this Declaration may be amended by the agreement of Unit Owners of Units to which at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Building Association appertain and in the manner provided by Section 703.09(2) and Section 703.093 of the Act, as amended and renumbered from time to time. All Unit Owners of Units who are subject to a mortgage shall first obtain the written consent of the holder of any such mortgage to the vote by said Unit Owner in favor of any amendment and shall provide evidence of such consent to the Board of Directors in a form satisfactory to the President thereof. No such amendment shall be effective until recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin. Anything herein to the contrary notwithstanding, and subject to any limitations imposed by the Act and except as required to comply with any applicable requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or any other governmental or quasi-governmental agency insuring or involved in the making or purchasing of Eligible Mortgages of any Unit:

(a) so long as Declarant is the only Unit Owner, the Declarant may amend this Declaration without the consent or approval of any party;

(b) so long as Declarant owns one or more Units, or any part thereof, no amendment to this Declaration shall be adopted that could unreasonably interfere with the sale, lease or other disposition of such Unit(s) or Subunits or that could abridge, modify, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Declarant hereunder or which would impose any discriminatory charge or fee against Declarant;

(c) no amendment to this Declaration shall be adopted that would abridge, modify, eliminate or otherwise adversely affect any right, power, easement, privilege or benefit reserved by the provisions of this Declaration to Eligible Mortgagees; and

(d) notwithstanding the above, if Declarant determines that a typographical error, misnomer, inadvertent omissions or any other error has been made in this Declaration, Declarant, without further authority, shall have the right to correct any such error by an instrument amending the Declaration and recorded with the office of the Register of Deeds for Milwaukee County, Wisconsin.

Any amendment to this Declaration may be executed (A) if on behalf of the Declarant pursuant to Declarant's rights hereunder, by any authorized officer of the Declarant, and (B) if on behalf of the Building Association, pursuant to the requirements regarding execution set forth in Bylaws.

Section 9.2 Amendments to the Condominium Documents. The Condominium Documents may be amended only in accordance with the Act and the Condominium Documents. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to any applicable requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, secondary mortgage market institutional guarantors, or secondary mortgage market institutional insurers with respect to condominium projects, then at any time and from time to time the Board of Directors, to the extent permitted by applicable law, may effect an appropriate corrective amendment without the approval of the Unit Owners or the holder of any liens on all or any part of the Property. Each amendment of the type described in this Section 9.2 shall be effective upon the recording in the Office of the Register of Deeds for Milwaukee County, Wisconsin of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Board of Directors.

Section 9.3 Implied Consent. The failure of any Unit Owner or holder of a mortgage on a Unit to respond to any notice of a proposed amendment within thirty (30) days after the sending of the notice to said Unit Owner or mortgagee by certified or registered U.S. mail, with return receipt requested, shall be deemed implied consent by said Unit Owner or the holder of said mortgage to any such amendment. A copy of each amendment shall be mailed or personally delivered to each Unit Owner at such Unit Owner's address as stated on the roster of members to be kept pursuant to the Bylaws and any holder of a mortgage provided said holder has provided notice to the Building Association of its address and the appropriate contact person and has requested copies of said amendments.

## ARTICLE X
## MORTGAGES

Section 10.1 Requirements.

(a) No Unit Owner shall have the right or authority to mortgage, encumber or otherwise place a lien upon the Property or any part thereof, provided that each Unit Owner

shall have the right to mortgage or encumber said Unit Owner's Unit and the undivided interest in the Common Elements appurtenant to such Unit.

(b) Any Eligible Mortgage or other lien on a Unit and the obligations secured thereby shall be deemed to provide, generally, that the Eligible Mortgage or other lien instrument and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the Eligible Mortgagee or lien holder shall have no right (i) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (ii) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceeds to Unit Owners pursuant to Section 703.18 of the Act, as amended and renumbered from time to time, or a distribution of insurance proceeds in excess of the cost of repair or restoration being received by the Unit Owner of the Unit encumbered by such Eligible Mortgage.

(c) Nothing contained in Section 10.1(b) hereinabove or elsewhere in this Declaration shall give a Unit Owner, or any other party, priority over any rights of the Eligible Mortgagee or other lien holder of a Unit pursuant to its Eligible Mortgage or other lien instrument in case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

(d) No Unit Owner or purchaser of a Unit shall deliver any mortgage or other lien instrument secured by a Unit, or any obligation to be secured thereby, unless it has first notified the Board of Directors of the name and address of the proposed Eligible Mortgagee or lien holder and the priority of such mortgage or lien instrument. Failure to provide such notice to the Board of Directors shall not affect the validity, enforceability or priority of any such mortgage or lien instrument.

Section 10.2 Eligible Mortgagees.

(a) Upon receipt of the name and address of the holder of an Eligible Mortgage, the Secretary of the Board of Directors shall instruct the insurer of the Property to add the name of the Eligible Mortgagee or other lien holder to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Eligible Mortgagee or other lien holder with a Certificate of Insurance showing that the Eligible Mortgagee's or other lien holder's name has been so added.

(b) The Secretary shall maintain a register of Eligible Mortgages, showing the names and addresses of the Eligible Mortgagees or other lien holders and whether it is a first mortgage or deed of trust to the extent such information has been received by said Secretary.

Section 10.3 Rights of Eligible Mortgagees.

(a) Upon the specific written request (in the form set forth in Section 10.3(b) hereof) of a holder of an Eligible Mortgage on a Unit or its servicer or any insurer or guarantor thereof to the Board of Directors, such person or entity shall be entitled to receive

some or all of the following as designated in the request and by virtue of such request shall be deemed to be an "Eligible Mortgagee" entitled to the rights of an Eligible Mortgagee pursuant to the Condominium Documents:

(i) Copies of budgets, notice of assessment, or any other notices or statements provided under this Declaration by the Board of Directors to the Unit Owner of the Unit covered by the Eligible Mortgage;

(ii) Any audited or unaudited financial statements of the Board of Directors which are prepared for the Board of Directors and distributed to the Unit Owner and the holder of any Eligible Mortgage on a Unit shall be entitled to have an audited statement prepared at its own expense if one is not otherwise available;

(iii) Copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative;

(iv) Notice of substantial damage to or destruction of any Unit subject to the Eligible Mortgage (in excess of $250,000) or any part of the Common Elements (in excess of $250,000);

(v) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(vi) Notice of any default under this Declaration or the Bylaws of the Unit Owner of the Unit which is subject to the Eligible Mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Building Association to the Unit Owner of the existence of the default;

(vii) Notice of any sixty (60) day delinquency in the payment of assessments or charges owed by a Unit Owner of a Unit which is subject to the Eligible Mortgage.

(viii) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Building Association;

(ix) Notice of any decision by the Board of Directors to terminate any professional management of the Property and assume self-management of the Property; and

(x) Notice of any proposed action which would require the consent of a specified percentage of certain mortgagees as set forth in Section 10.4. below.

(b) The request of an Eligible Mortgagee or its servicer shall specify which of the above items it desires to receive, shall request all rights under the Condominium Documents, shall indicate the address to which any notices or documents shall be sent by the Board of Directors and shall set forth the unit number or address of the Unit on which it has or insures or guarantees an Eligible Mortgage. The Board of Directors need not inquire into the validity of any request made hereunder by an Eligible Mortgagee. The Board of Directors may refuse to honor any request where, after reasonable inquiry, it shall determine that the person

making such request is not entitled to the material so requested and may establish reasonable rules to implement this Section 10.3(b). As a condition of the transmittal of such items, the Board of Directors, on behalf of the Building Association, may charge an Eligible Mortgagee for the cost of any such copies and any postage incurred in connection therewith.

(c) Failure to comply with the requirements set forth above shall in no way invalidate the otherwise proper actions of the Building Association and the Board of Directors.

(d) Any Eligible Mortgagee shall have the right, exercisable upon written request to the Board of Directors, to examine the books and records of the Building Association at any reasonable time.

Section 10.4 Implied Approval. The approval of an Eligible Mortgagee to any of the foregoing amendments, modifications, or revisions may be assumed when any Eligible Mortgagee fails to submit a response to any written proposal for any such amendment, modification or revision within thirty (30) days after proper notice has been delivered to the Eligible Mortgagee, by certified or registered mail, return receipt requested.

Section 10.5 Application and Effect. The provisions of this Article X shall supersede any inconsistent provision or provisions of this Declaration, the Bylaws or the Rules and Regulations; provided, however, that said provisions shall not be deemed to limit or expand and shall not supersede the following:

(a) The amendment provisions of Article IX of this Declaration and of Section 1 of Article XIII of the Bylaws;

(b) The right granted to the Declarant in this Declaration to subdivide or relocate the boundaries of Units and to designate Reserved General Common Elements; and/or

(c) The rights of any Unit Owner and his or her mortgagee with respect to matters particularly affecting such Unit Owner's Unit and/or Eligible Mortgage, including, without limitation, as set forth in Section 11.1 hereof, with respect to any relocation, combination or subdivision, and Article VIII, with respect to a Unit Owner's right to submit said Unit Owner's Unit to a Subdeclaration.

Section 10.6 Subordination of Lien for Common Expenses. The lien for Common Expenses provided for in the Condominium Documents and in Section 703.16 of the Act, as amended and renumbered from time to time, shall be subject and subordinate to the lien of any Eligible Mortgage upon any Unit or Subunits; provided, however, that said subordination to any Eligible Mortgage shall apply only to the assessments which become due and payable prior to the earliest to occur of (i) any such holder of an Eligible Mortgage taking possession of a Unit, (ii) the sale or transfer of such Unit pursuant to a foreclosure, or (iii) the sale or transfer by any other proceeding in lieu of foreclosure, including, without limitation, a deed in lieu of foreclosure. The Unit Owner shall remain personally liable for all such Common Expenses and said sale or transfer or the taking of possession shall not relieve such Eligible Mortgagee or transferee from liability for any Common Expenses thereafter becoming due nor from the lien from any subsequent Common Expenses, including, without limitation, said Unit's proportionate

share of any prior Common Expenses that have not been paid by any Unit Owner, including the Unit Owner owning the Unit encumbered by such Eligible Mortgage.

## ARTICLE XI
## BOUNDARY RELOCATION; PARTITION

Section 11.1 Relocation of Unit Boundaries and Subdivision of Units. Any Unit may be subdivided into 2 or more Units, combined or the boundaries thereof relocated if such action shall have been approved in writing by all affected Unit Owners, all Eligible Mortgagees of the Units involved and the Board of Directors, and if the Declarant then holds any ownership interest in any Unit, the Declarant. The foregoing consents shall not be required with respect to Unit subdivisions or boundary relocations made by the Declarant. An amendment to this Declaration to effect any Unit subdivision, combination or boundary relocation shall be recorded by the Secretary or other officer of the Building Association. Any such subdivision, combination or relocation provisions shall comply with the applicable provisions of Section 703.13 (6), (7) and (8) of the Act, as the same may be amended or renumbered from time to time, and with the provisions of the Bylaws.

Section 11.2 Liens and Indemnification. All work in connection with a relocation, combination, and/or subdivision shall be completed in a good and workmanlike manner, free from all liens. The Unit Owner(s) owning Units with respect to which the boundaries are relocated or owning any Units that are subdivided shall indemnify and hold harmless the other Unit Owners, the Board of Directors, the Declarant and the Building Association from and against all claims of third parties for personal injury or property damage arising from work performed in connection with any such relocation or subdivision. The Board shall have the authority to assess against any such Unit, any and all costs reasonably incurred by the Building Association as the result of the failure by said Unit Owner to pay any and all costs that are associated with such work or that are covered by the foregoing indemnity.

Section 11.3 Ownership of Contiguous Units. No Unit Owner may combine vertically contiguous Units and no Unit Owner may modify, alter, remove or create openings in any floor slab, without the express written consent of the Board of Directors, which may be withheld for any reason whatsoever and shall be subject to compliance by such Unit Owner with all of the conditions set forth in subsections (a) through (d) below and provided further that any such Unit Owner shall provide certificates from a licensed engineer and/or architect acceptable to the Board of Directors that any openings in the floor slab will not affect the structure of the Building or disturb any post tension wiring or rods. Any Unit Owner owning two or more horizontally contiguous Units may create openings in or remove or alter the boundary walls between such Units in such a manner as not to interfere with or encroach upon any other Units or Common Elements; provided that any such construction by the Unit Owners shall be upon the following terms and conditions;

(a) any such alterations must be approved by the Board of Directors and if required by the Board of Directors or applicable law, the Unit Owner and all record owners of liens on the Unit shall join in the execution of an amendment to this Declaration;

(b) the Unit Owner agrees to indemnify and hold harmless the Building Association and any other Unit Owners from and against any and all costs, expenses, damages or liabilities (including any damages or liabilities arising from damage to property or death or injury to persons) which the Building Association and any other Unit Owners may suffer or to which the Building Association may be exposed as a result of the construction and maintenance of such openings in or alterations to the boundary walls or slabs;

(c) the Unit Owner shall be required to obtain such insurance coverage as may be reasonably requested by the Board of Directors; and

(d) prior to the vesting of title to any of such contiguous Units in a Unit Owner who is not vested with title to all such contiguous Units, the Unit Owner will restore such boundary walls to the location and condition existing immediately prior to any opening, removal or alteration of the boundary walls. If the Unit Owner fails to perform such restoration, the Building Association may perform the restoration and charge the affected Units and Unit Owner for the cost thereof as an assessment and if such assessment is not paid when due, the Building Association shall have the same rights as if the Unit Owner had failed to pay Common Expense assessment hereunder.

Section 11.4 No Revocation or Partition. Except as otherwise set forth herein, the Common Elements shall remain undivided and no Unit Owner or any other person shall bring or have the right to bring any action for partition or division thereof, nor shall the Common Elements be abandoned by act or omission, unless the Condominium regime is waived and terminated by agreement of Unit Owners owning Units to which appertain at least one hundred percent (100%) of all the votes in the Condominium and one hundred percent (100%) of the holders of any mortgages on the Units, except as provided herein in the event of casualty or condemnation.

## ARTICLE XII
## ALTERATIONS AND MODIFICATIONS

Section 12.1 Construction/Modification of Units, Common Elements and Improvements on the Property. Except as set forth in this Article XII, no Unit Owner shall make any addition, alteration, decoration, enclosure or improvement to, including, without limitation, repainting, revarnishing, or changing the appearance of, the Common Elements or to any exterior surface of any Unit or the Condominium until a written request setting forth the details of the addition, alteration, improvement or change shall have been submitted to and approved in writing as to harmony of external design, soundness and visual aesthetics by the Board of Directors, which approval may be conditioned, approved or denied in the Board of Director's sole discretion, and all required governmental approvals and permits are in place. Except as set forth in this Article XII with respect to certain rights of the Declarant and the Unit Owner of the Commercial Unit, the alteration of any Terraces, Balconies, Sunscreens, Canopies, exterior doors, windows, window walls, window systems or the installation or placement of any flagpoles, bird feeders, banners, posters, artwork or similar personal property that would require anchorage or attachment to the Building or to the exterior surface of a Unit is prohibited. The placing of any landscaping, sculpture or similar elements weighing 250 pounds singularly or 1,000 pounds, in the aggregate, on any Balcony or Terrace shall also be prohibited unless a

structural engineer appointed by the Board of Directors determines that the placing of said landscaping, plant, sculpture or similar element is within a conservative determination of the safe loading capacity of the applicable Balcony or Terrace and is not otherwise a safety hazard to the other occupants of the Building. The Board of Directors may not approve any addition, alteration, improvement or change unless such addition, alteration, improvement or change complies with the Act, this Declaration, the Bylaws and the then current Rules and Regulations, except for replacement of screening or glass in a window or glass door contained in a Unit with screening or glass similar to the material that is being replaced.

Without limiting the generality of the foregoing, and as examples only and except as set forth in this Article XII with respect to certain rights of the Declarant and the Commercial Unit Owner of the Unit, no Unit Owner other than Declarant, without having first obtained the prior consent of the Board of Directors shall:

(a) change, modify or remove, in whole or in part, replace, reroute, or otherwise affect any column, wall or partition, pipe, duct, wire or conduit or any other Service Element, or obstruct any easement herein provided for;

(b) change, modify or otherwise affect in any manner any mechanical, electrical, plumbing, telecommunication, architectural or structural system, Service Element, Structural Component or any other element or component of the Building;

(c) remove, replace, change or in any way alter any door, window, screen, exterior ceiling fan, fixture or equipment located within, in or on, or change the style, pattern, texture or outside color of, (i) the exterior surface of, a Unit or Building wall, including, without limitation, doors, or (ii) any window shade or blind adjacent to or attached to the interior or exterior of any exterior window, glass door or window wall (including, without limitation, any wall situated between a Balcony or Terrace and the interior of the Unit) except, and subject to compliance with the Bylaws and Rules and Regulations, a Unit Owner may remove and replace any such item with exactly the same door, window, screen, exterior ceiling fan fixture or equipment, in all respects, as the item so removed, unless and then only to the extent any changes have been preapproved by the Board of Directors of the Building Association and then only to the extent the Building Association elects not to undertake such removal and replacement);

(d) remove, replace, change or in any way alter or adjust the roller shades installed adjacent to the windows in the Unit or install any window treatments or any other items between said roller shade(s) as originally installed and the window(s) as originally installed; it being understood and agreed that any alterations to the roller shades and/or the windows could negatively affect the windows and/or the warranty applicable thereto;

(e) affix to or over any exterior door or window, whether located in a wall adjacent to a Terrace or Balcony, or elsewhere, or otherwise install on the exterior of any Unit or Building, any storm or hurricane shutter which has not been approved by the Declarant or, if the Declarant no longer owns a Unit, the Board of Directors or any awning or any protective or decorative panel, paneling, trim, enclosure, fixture, or appliance;

(f) otherwise change, modify or alter (i) any Common Element, (ii) the exterior surface of any Unit or the appearance thereof, (iii) the flooring, ceiling or walls (if any) of any Terrace or Balcony; (iv) the configuration of the space located within any Terrace or Balcony, or (v) otherwise modify any Terrace or Balcony so that it thereby differs in **[design?]** appearance from the Terrace or Balcony of any other Units of the same type.

Section 12.2 Guidelines. The Board of Directors may develop and promulgate policy guidelines for the application of the design and aesthetic control provisions set forth herein and for undertaking construction activities within any Unit. The policy guidelines may include review procedures, aspects and objectives of review, and principles and criteria used as standards in determining the achievement of the required objectives. The policy guidelines may also include specific design practices that, though optional, are generally acceptable methods for achieving the required objectives in particular design or aesthetic problems frequently encountered in the Condominium. The policy guidelines are intended to assist the Board of Directors and the Unit Owners in the ongoing process of community design and aesthetics. They may be modified and supplemented from time to time, on due notice to the Unit Owners and subject to the approval of the Board. The Board of Directors may grant variances to the policy guidelines if the grant of such variance is consistent with the overall objects of this Article and is necessary or desirable because of an unusual situation or set of circumstances. The Board of Directors may require that a Unit Owner employ certain contractors, in particular, when the employment of a specified contractor is necessary or desirable to avoid the possibility of negating or reducing the benefits of any applicable warranty. In particular, any work involving the windows, window walls or window systems shall be performed or overseen by Klein Dickert unless otherwise agreed to by Declarant in writing or, if the Declaration no longer owns a Unit, then by the Board of Directors of the Building Association.

Section 12.3 Submittal Requirements; Permits. Unit Owners requesting approval pursuant to this Section may be required to submit such supplemental information, including plans and specifications, containing such additional detail as the Board of Directors may reasonably request. The Board of Directors may impose a reasonable fee in connection with the review of any such plans and specifications and, in addition thereto, may require a Unit Owner to reimburse the Board of Directors for any out of pocket costs and expenses incurred by the Board of Directors in connection with such review if the Board of Directors determines that an outside architect, engineer or consultant should be retained in connection therewith. The Unit Owner shall be responsible for obtaining, and shall obtain, all necessary or desirable approvals and permits and shall comply with all applicable laws, ordinances, rules and regulations with respect to any such addition, alteration, improvement, change or item.

Section 12.4 Procedure. Within thirty (30) days after the receipt by the Board of Directors of all of the information requested from a Unit Owner in connection with any proposed addition, alteration, improvement or change, the Board of Directors shall, in writing to such Unit Owner, approve, with specified conditions, or refuse the Unit Owner's request with respect to any such addition, alteration, improvement or change.

Section 12.5 Insurance. The Board may also require that the Unit Owner carry additional insurance coverages naming the Building Association as an additional insured provided such requirements are reasonable.

Section 12.6 Violations. The Board shall have the power to impose reasonable fines and to issue a cease and desist request to any Unit Owner, his/her/its guests, invitees, or lessees whose actions are inconsistent with the provisions of this Section.

Section 12.7 Failure to Act. In the event the Board of Directors fails to either (i) approve or disapprove such plans and specifications and/or requests or (ii) request additional information within forty-five (45) days after said plans and specifications and/or requests have been submitted to it in writing, such plans and specifications or requests shall be deemed to have been approved by the Board of Directors. In the event that plans and specifications or requests are not submitted to or approved by the Board of Directors, or the actual design, construction or location of any improvement or change shall be materially at variance with approved plans and specifications or approved requests, the Building Association may, until one year (but not thereafter) after the completion of construction, commence a suit or other action to require the removal or alteration of such improvement or changes.

Section 12.8 Authority to Act. The Board of Directors may appoint in writing a member of such committee who shall have authority to approve the construction of improvements or placement of items as set forth in this Article XII.

Section 12.9 Declarant Excluded. Notwithstanding anything to the contrary contained herein, this Article XII shall not apply to the Declarant and the Declarant may make or construct any improvement, addition, alteration or change without obtaining the approval of the Board of Directors, or otherwise complying with this Article XII.

Section 12.10 Commercial Unit Signage. Notwithstanding anything to the contrary contained herein, the Unit Owner of the Commercial Unit shall have the right from time to time and at any time to install, place, inspect, maintain, repair, replace, remove, alter, change and/or modify signage for the benefit of the Commercial Unit and its users and occupants without obtaining the approval of the Board of Directors or otherwise complying with this Article XII, as long as such signage is either on the Property or adjacent or attached to the exterior walls or windows of the Commercial Unit or attached to or adjacent to the Arcade.

## ARTICLE XIII
## CONDOMINIUM DOCUMENTS: SCOPE

Section 13.1 Scope of Coverage. All present and future Unit Owners of Units, tenants of such Unit Owners and any other occupants of Units, employees of Unit Owners, or any other persons that in any manner use or come upon the Condominium or any part thereof shall be subject to and shall comply with the provisions of this Declaration (including the Plat and Floor Plans), the Articles, the Bylaws and Rules and Regulations of the Building Association, as these instruments may be amended from time to time. A violation of the provisions of the Condominium Documents by any such person shall be deemed a substantial violation of the duties of the respective Unit Owner. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit shall constitute an acceptance by such Unit Owner, tenant or occupant of the provisions of such instruments, as they may be amended from time to time. The provisions contained in such instruments shall be covenants running with the land and shall bind any person having at any time any interest or

estate in such Unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof. The enforcement may be by such judicial proceedings as the Board of Directors may deem appropriate as well as pursuant to the provisions of the Condominium Documents and/or the Act, including, but not limited to, the right to injunctive relief.

## ARTICLE XIV
## DAMAGE OR DESTRUCTION; EMINENT DOMAIN

Section 14.1 Damage or Destruction. In the event the Condominium is destroyed or damaged to such an extent that either the insurance proceeds, if any, constitute less than one hundred percent (100%) of the cost of completing repair or reconstruction, then action by Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Building Association appertain taken within One Hundred Twenty (120) days after such damage or destruction shall be necessary to determine not to repair or reconstruct the Condominium as more fully described in Section 1, Article IX of the Bylaws. In the event of either (a) damage or destruction for which insurance proceeds are equal to or greater than one hundred (100%) of the cost of completing repair or (b) Unit Owners owning Units to which seventy-five percent (75%) of the votes in the Building Association appertain did not vote within said 120-day period to waive, terminate and partition the Condominium, then the Condominium shall be repaired and reconstructed pursuant to arrangement by the Board of Directors of the Building Association as provided in said section of the Bylaws.

Section 14.2 Eminent Domain. Whenever all or part of the Common Elements shall be taken or threatened to be taken, injured or destroyed by eminent domain or the threat thereof, each Unit Owner, to the extent permitted by applicable law, appoints the Building Association as attorney-in-fact for the purpose set forth in Section 14.3. Each Unit Owner shall be entitled to notice thereof, but in any proceedings for the determination of damages, such damages, to the extent permitted by applicable law, shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. In the event of a taking by eminent domain, or the threat of a taking by eminent domain, the award shall be applied pursuant to the terms and provisions of the Bylaws and any readjustments to the Percentage Interests appurtenant to the Units shall also be as more particularly set forth in the Bylaws.

Section 14.3 Negotiations. In the event all or part of the Common Elements are destroyed or damaged or are taken, injured or destroyed by eminent domain, to the extent permitted by applicable law, the Building Association shall represent the Unit Owners in negotiations, settlements and agreements with the condemning authority and/or the insurance company. To the extent permitted by applicable law, each Unit Owner appoints the Building Association as attorney-in-fact for this purposes. Any insurance proceeds, or any award or proceeds of settlement shall, to the extent permitted by applicable law, be payable to the Building Association for the use and benefit of the Unit Owners and their mortgagees as their interests may appear and in accordance with the terms of the Bylaws and Section 703.19 and Section 703.195 of the Act.

Section 14.4 Priority of First Mortgagees. Except as otherwise provided by the Act, no provision of this Declaration, the Bylaws, or the Rules and Regulations, shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of

holders of first mortgages or deeds of trust pursuant to their first mortgages or deeds of trust in case of the distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or the Common Elements or any portions thereof.

## ARTICLE XV
## INSURANCE

Section 15.1 Insurance. The Board of Directors and Unit Owners shall obtain and maintain insurance as provided in the Bylaws.

## ARTICLE XVI
## ADDITIONAL PROVISIONS

Section 16.1 Waiver. No provision contained in this Declaration 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 which may occur.

Section 16.2 Severability. The invalidity or unenforceability of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid or unenforceable provision had never been included herein. Any conflict between any provision of any Condominium Document and the Act, or any questions regarding the interpretation of any Condominium Documents, shall be governed by the Act.

Section 16.3 No Obligations. Nothing contained in the Condominium Documents shall be deemed to impose upon the Declarant or its successors or assigns any obligations of any nature to build, renovate or provide any improvements except to the extent required by the Act.

Section 16.4 Resident Agent. The resident agent under Section 703.23 of the Act and registered agent for service of process shall be Mandel Group, Inc., 301 East Erie Street, Milwaukee, Wisconsin 53202. Change of agent for service of process may be accomplished by resolution adopted by a majority of the Board of Directors of the Building Association and by the filing of such change with the Department of Financial Institutions of the State of Wisconsin or such other office as shall then be designated for the filing of a change of registered agent for nonprofit corporations or as otherwise provided in Section 703.23 of the Act.

Section 16.5 Mergers. Upon a merger or consolidation of the Building Association with another corporation as provided in its Articles and Bylaws and Section 703.275 of the Act, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights and obligations of the Building Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within the Property except as herein above provided.

Section 16.6 Conveyance of Additional Common Elements. Declarant may convey to the Building Association or to the Unit Owners additional real estate, improved or unimproved, located within the boundaries of the Property or immediately adjacent thereto, any part or parts thereof, which upon conveyance or dedication to the Building Association or the Unit Owners, as applicable, shall be accepted by the Building Association or the Unit Owners, as applicable, and thereafter shall be maintained by the Building Association at its expense for the benefit of all of the Unit Owners.

Section 16.7 Use of Facilities of Others. The Board of Directors shall have the right, upon the approval of Unit Owners owning Units to which a majority of the votes in the Building Association appertain, to enter into agreements, including, without limitation,, easement agreements and licenses, granting the Unit Owners the right to use the recreational facilities or other facilities, including, without limitation, privately owned utilities, of other associations or land owners on reasonable terms and conditions, including, without limitation, payment of a fee in connection therewith.

Section 16.8 Power of Attorney. In the furtherance of the Declarant's and the Building Association's rights pursuant to Section 2.6, Section 4.1(i) and Article IX and, to the extent permitted by law, a power coupled with a interest is hereby reserved and granted to the Declarant and to the Board of Directors to make, consent to and/or execute any of the documents that the Declarant and the Board of Directors are authorized to make, consent to and/or execute pursuant to Section 2.6, Section 4.1(i) and Article IX of this Declaration and each deed or other document of conveyance, mortgage or other evidence of lien or obligation or any other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to, the reservation of the power reserved and granted to the Declarant and granted to the Building Association to make, consent to, execute and/or record any such documents.

Section 16.9 Assignment. Declarant shall have the right to assign all of its right, title, interest and obligation hereunder to any person or entity acquiring all of the Declarant's then ownership in the Condominium by written agreement expressly stating that the Declarant assigns all of its rights as Declarant hereunder to such person or entity, which assignment shall either expressly be set forth in any conveyance document conveying said ownership interest or expressly set forth in a separate assignment and shall be effective upon recording of a conveyance document or separate assignment in the Office of the Register of Deeds for Milwaukee County, Wisconsin. Declarant will also have the right, to the extent permitted by applicable law, to collaterally assign all of its right, title, interest and obligation hereunder to any holder of a mortgage encumbering all of Declarant's then ownership in the Condominium by written agreement expressly setting forth any such collateral assignment.

Section 16.10 Development and Riverwalk Agreement. Unit 2 Owner has entered into or will enter into that certain Marine Terminal Development and Riverwalk Agreement with the City of Milwaukee (the "City") providing for the construction of the Riverwalk on portions of the Property, including the North Milwaukee Street Stub (West ½). In addition, the Riverwalk Agreement will provide for, among other things, the operation and maintenance of the Riverwalk. Unit 2 Owner intends to assign its rights pursuant to the Riverwalk Agreement to the Building Association upon completion of its construction

obligations thereunder and the Building Association agrees to assume the obligations of Unit 2 Owner with respect to that portion of the Riverwalk on the Property, including the North Milwaukee Street Stub (West ½), arising from and after the date of such assignment. The Building Association and the Unit Owners shall be responsible for certain of the obligations provided for in the Riverwalk Agreement with respect to the Property, including the North Milwaukee Street Extension (West ½), as more particularly set forth therein. Upon execution, a copy of the Riverwalk Agreement will be available upon request.

Section 16.11 Riverwalk Easement. The Property will be subject to that certain Grant of Easement Agreement (Marine Terminal Riverwalk) by and between the Building Association and the City. The Riverwalk Easement sets forth certain requirements regarding insurance, maintenance, right of entry, public rights, rules and regulations, decorations, utilities, and alterations. The Building Association and Unit Owners shall be responsible for certain of the obligations set forth in the Riverwalk Easement. Upon execution, a copy of the Riverwalk Easement will be available upon request.

Section 16.12 Special Privilege. The Project will be issued a "special privilege" letter, consent or permit from the City which will allow the Declarant to construct and maintain certain privately owned improvements into, on and/or over, and to conduct and maintain encroachments of privately owned improvements into, on and/or over, the public rights of way. The Building Association shall be responsible with complying with all terms of the "special privilege" and for paying any and all fees associated therewith. A copy of the "special privilege" letter, consent or permit will be available for review at the offices of the Condominium.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed on the date first above written.

DECLARANT AND UNIT 1 OWNER:

MANDEL RIVERFRONT HOLDINGS II LLC

By: _____
Name: Barry R. Mandel
Its: Manager

UNIT 2 OWNER:

MANDEL RIVERFRONT HOLDINGS I LLC

By: _____
Name: Barry R. Mandel
Its: Manager

**ACKNOWLEDGEMENT**

STATE OF WISCONSIN )
) SS.
COUNTY OF MILWAUKEE )

Personally came before me this 13th day of May, 2006 Barry R. Mandel, the Manager of Mandel Riverfront Holdings II LLC, to me known to be the person who executed the foregoing on behalf of said limited liability company and acknowledged same.

_____
Printed Name: BRENDA R. KOLACIA
Notary Public, State of Wisconsin
My Commission is permanent.
(If not permanent, state expiration date:
10/18/09 )

## ACKNOWLEDGEMENT

STATE OF WISCONSIN )
) SS.
COUNTY OF MILWAUKEE )

Personally came before me this 13th day of MAY, 2006 Barry R. Mandel, the Manager of Mandel Riverfront Holdings I LLC, to me known to be the person who executed the foregoing on behalf of said limited liability company and acknowledged same.

Brenda R. Koracin
Printed Name: BRENDA R. KORACIN
Notary Public, State of Wisconsin
My Commission is permanent.
(If not permanent, state expiration date:
10/18/09 )

## ACKNOWLEDGEMENT AND CONSENT

This Declaration and the Condominium Documents are hereby acknowledged, approved and consented to by Johnson Bank, the mortgagee pursuant to that certain Mortgage and Security Agreement dated March 31, 2003 granted by Declarant to Johnson Bank and recorded against the Property on April 7, 2003 in the office of the Register of Deeds for Milwaukee County, Wisconsin as Document No. 8492659.

JOHNSON BANK

_____
Name:
Its:

## ACKNOWLEDGEMENT

STATE OF WISCONSIN )
) SS.
COUNTY OF MILWAUKEE )

Personally came before me this ____ day of _____, 2006, _____, the _____ of Johnson Bank, to me known to be the person who executed the foregoing on behalf of said _____ and acknowledged same.

_____
Printed Name: _____
Notary Public, State of Wisconsin
My Commission is permanent.
(If not permanent, state expiration date:
_____ )

This document was drafted by and should be returned to Sarah O. Jelencic, c/o Foley & Lardner LLP, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

**EXHIBIT A**
**LEGAL DESCRIPTION OF PROPERTY**

Lots 1 to 10 inclusive, together with the West ½ of vacated North Milwaukee Street adjoining Lot 10 on the East, in Block 165, in Survey and Subdivision of Lots 1 and 2 of Section 33, Town 7 North, Range 22 East, City of Milwaukee, County of Milwaukee, State of Wisconsin.

Address: 106-120 North Broadway, Milwaukee, Wisconsin
Tax Key No.: 392-2176-100-X

now known as:

Unit 1, together with said unit's undivided 21.8% interest in the common elements and Unit 2, together with said Unit's undivided 78.2% interest in the common elements (and the exclusive use of the limited common elements appurtenant to said units), all in Marine Terminal Building Condominium, a condominium declared and existing under and by virtue of the Condominium Ownership Act of the State of Wisconsin and recorded by a Declaration as such condominium in the office of the Register of Deeds for Milwaukee County, Wisconsin, recorded January 5, 2005, as Document No. 8927466, said condominium being located in the City of Milwaukee, County of Milwaukee, State of Wisconsin on the real estate described in said Declaration and incorporated herein by this reference thereto.

Tax Key No. 429-0220-000-02 & 429-0220-000-07

**EXHIBIT A-1**

**PLAT OF SURVEY**

# MARINE TERMINAL BUILDING CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

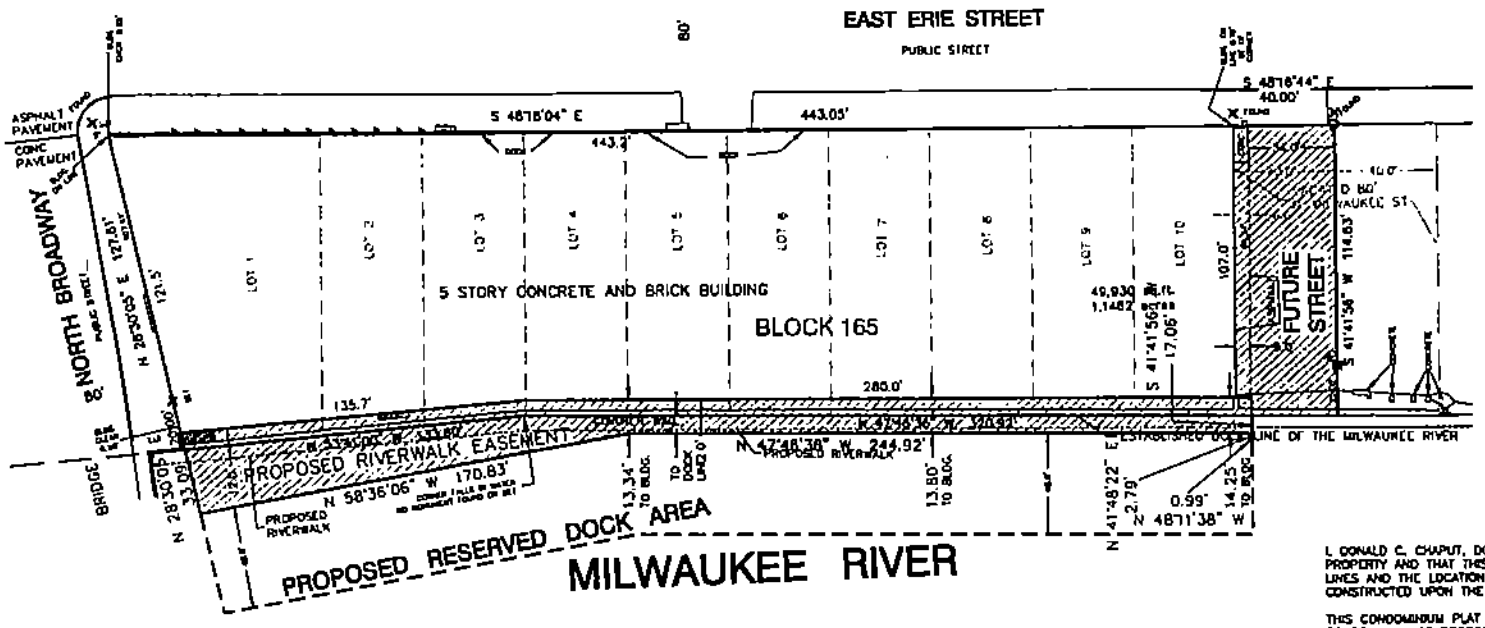
LOTS 1 TO 10, INCLUSIVE, TOGETHER WITH THE WESTERLY ONE-HALF OF VACATED NORTH MILWAUKEE STREET ADJOINING LOT 10 ON THE EAST, IN BLOCK 165 IN SURVEY AND SUBDIVISION OF LOTS 1 AND 2 OF SECTION 33, TOWN 7 NORTH, RANGE 22 EAST, CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN.

MANDEL GROUP DRAWING NO. 160966-CLH

NOTES:

1. COMMON ELEMENTS ARE ALL AREAS WITHIN THE CONDOMINIUM AND OUTSIDE OF THE UNITS, EXCEPT THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS.

2. REFER TO SECTION 2.3 OF THE ORIGINAL DECLARATION OF CONDOMINIUM FOR DESCRIPTIONS OF THE LIMITED COMMON ELEMENTS.







CCE/MTB = GENERAL COMMON ELEMENT TO MARINE TERMINAL BUILDING CONDOMINIUM

| UNIT # | AREA |
|---|---|
| 1 | 41,671 SQ. FT. |
| 2 | 219,304 SQ. FT. |

I, DONALD C. CHAPUT, DO HEREBY CERTIFY THAT I HAVE SURVEYED THE ABOVE DESCRIBED PROPERTY AND THAT THIS SURVEY IS AN ACCURATE REPRESENTATION OF THE EXTERIOR BOUNDARY LINES AND THE LOCATION OF THE BUILDINGS AND IMPROVEMENTS CONSTRUCTED OR TO BE CONSTRUCTED UPON THE PROPERTY.

THIS CONDOMINIUM PLAT IS A CORRECT REPRESENTATION OF MARINE TERMINAL BUILDING CONDOMINIUM AS PROPOSED AT THE DATE HEREOF, AND THE IDENTIFICATION AND PROPOSED LOCATION OF EACH UNIT AND THE COMMON ELEMENTS CAN BE DETERMINED FROM THE PLAT. THE UNDERSIGNED SURVEYOR MAKES NO CERTIFICATION AS TO THE ACCURACY OF THE DIAGRAMMATIC FLOOR PLANS OF THE CONDOMINIUM BUILDING(S) AND UNITS CONTAINED IN THE PLAT AND THE APPROXIMATE DIMENSIONS AND FLOOR AREAS THEREOF.

DONALD C. CHAPUT, RLS, S-1318 DATE


National Survey & Engineering
A Division of R.A. Smith & Associates, Inc.
262-781-1000
Fax 262-797-7373
16745 W. Bluemound Road
Suite 200
Brookfield, WI 53005-5938
www.nsae.com


SHEET 1 OF 1

**EXHIBIT B**
**FLOOR PLANS**