SECTION VIII

MORTGAGE

8.1. **Separate Mortgages of Units**. No Unit Owner shall have the right or authority to Mortgage or otherwise encumber the Property or any part thereof; provided, however, that each Unit Owner and Parking Unit Owner shall have the right to Mortgage or encumber his or her own Unit and Parking Unit and its individual interest in the Property.

8.2. **Mortgagees**. When a Mortgage is delivered by a Unit Owner to the Mortgagee, the Unit Owner shall simultaneously notify, in writing, the Secretary of the Association of the name and address of such Mortgagee. Upon receipt of such notice, the Secretary of the Association shall notify the insurer of the Mortgagee's name and address.

8.3. **Roster of Mortgagees**. The Board of Directors shall maintain a roster of Mortgagees from information received by the Unit Owners. The roster shall state the name and address of each Mortgagee. Each Mortgagee shall advise the Association as to the priority of its lien on the Unit and Parking Unit.

8.4. **Liens**. The liens for Assessments created under the Act or pursuant to the Declaration or the Bylaws upon the Unit and Parking Unit shall be subject and subordinate to and shall not affect liens for general and special taxes, all unpaid sums on a first Mortgage recorded prior to the making of the Assessment, mechanic's liens filed prior to the making of the Assessment and all unpaid sums on any loan made by the Veterans Administration under Section 45.79 of the Wisconsin Statutes.

8.5. **Mortgagee in Possession**. A Mortgagee of any Unit or Parking Unit who comes into possession of the Unit or Parking Unit pursuant to the remedies provided in the Mortgage shall take the Unit and Parking Unit free of any claims for unpaid Assessments or charges against the Unit and Parking Unit which accrued prior to the time such Mortgagee comes into possession of the Unit and Parking Unit.

8.6. **Rights of Mortgagees**. Each Mortgagee, its agent or representative, upon written request to the Board of Directors, shall be entitled thereafter to the following:

(a) notice of any default by the mortgagor of such Unit and Parking Unit in the performance of such mortgagor's obligations under this Declaration or any of the Condominium Documents which is not cured within thirty (30) days.

(b) copies of budgets, notice of any Assessments, or any other notices or statements provided under this Declaration by the Board of Directors to the Unit Owner;

(c) copies of any financial statements of the Association which are distributed to the Unit Owners;

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

(e) notice of damage in excess of $5,000.00 to or destruction of any Unit or Parking Unit subject to the Mortgage or any damage to the Common Elements in excess of $10,000.00;

(f) notice of any pending or threatened condemnation or eminent domain proceedings with respect to any part of the Property;

(g) a notice that payment of the premium is more than ten (10) days late and notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association or any entity responsible for managing the Condominium within sixty (60) days prior to any such lapse, cancellation or material modification;

(h) notice of any decision by the Board of Directors to terminate any management of the Property;

(i) notice of any proposed action which would require the consent of Mortgagees pursuant to the Act;

(j) the right to examine the books and records of the Association at any reasonable time and to audit the same at its sole cost;

(k) notice of any Assessment or any other charges levied by the Association which is more than sixty (60) days past due;

(l) notice of any judgment which is rendered against the Association; and

(m) the right to cure a default in the payment of any Assessment.

Unless otherwise stated, the above notices shall be provided to the Mortgagee within a reasonable time after the occurrence of the event, which requires a notice to be given by the Association.

8.7. Restrictions on actions of Association. The Association may not take any of the following actions:

(i) encumber the Common Elements; or

(ii) assign the future income of the Association, including its right to receive any Assessments.

No provision contained herein shall be deemed to limit the Association's power to grant any easements over the Common Elements.

8.8. Application and Effect. The provisions of this Section 8 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 the following:

(a) the right granted to the Declarant to subdivide or relocate the boundaries of Units and Parking Units; and/or

(b) the rights of any Unit Owner and his or her Mortgagee with respect to matters solely affecting such Unit, Parking Unit and/or Mortgage.

8.9. Intentionally Deleted.

8.10. Priority of First Mortgagees. Except as otherwise provided by the Act, no provision of this Declaration or the Condominium Documents, shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of holders of first Mortgages pursuant to their first

Mortgages in case of the distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units, Parking Units and/or the Common Elements or any portions thereof.

SECTION IX

BOUNDARY RELOCATION AND SUBDIVISION OF UNITS

9.1. Relocation of Unit Boundaries. Any two or more Unit Owners may agree to relocate the boundaries of their Units or Parking Units if:

(a) the structural integrity and value of the Building, Common Elements or the Unit are not adversely affected;

(b) the affected Unit Owners submit a written proposal to an Officer of the Association which proposal includes:

(i) the written consent of the affected Unit Owner's Mortgagees;

(ii) plats and plans, reflecting the altered boundaries and the dimensions thereof between adjoining Units or Parking Units and the Units' and Parking Units' identifying numbers or letters (such plats and plans shall be certified as to their accuracy in compliance with 703.13(6) of the Act by a civil engineer, architect or licensed land surveyor);

(iii) drafts of the proposed amendment to the Declaration necessary to accomplish such relocation;

(iv) deeds of conveyance, transfer returns and other documents necessary to accomplish such relocation; and

(v) any reallocation of the votes appertaining to the Units and Parking Units affected by the relocation of any boundaries.

(c) Within thirty (30) days after the Association receives all of the items required by Section 9.1(b) the Board of Directors shall determine whether or not, in its sole discretion, to permit the relocation of the Unit boundaries and/or Parking Unit, as applicable. If the Board of Directors approves the relocation of the boundaries of the Unit and/or Parking Unit, the Association shall submit the proposed amendment to this Declaration to all Unit Owners and their Mortgagees who shall execute the Amendment upon the request of the Board of Directors;

(d) The amendment to this Declaration shall:

(i) reflect the relocation of any Units or Parking Units, as applicable;

(ii) contain words of conveyance;

(iii) state a reasonable reallocation, as determined by the affected Unit Owners, of the Allocated Interest; and

(iv) state a reasonable reallocation, as determined by the Board of Directors, of the liability for future Common Expenses appurtenant to the new Units or expenses appurtenant to the Parking Area if the boundaries of a Parking Unit are relocated;

(e) If the proposed amendment to this Declaration is duly approved, the Association shall cause such amendment and related documents to be recorded; and

(f) All expenses relating to the matters referred to in this Section 9.1, including all expenses incurred by the Association, shall be paid by the affected Unit Owners as a condition precedent to the amendment to this Declaration and the recording of related documents.

The relocation of the boundaries shall be effective as of the date the amended Declaration is recorded.

9.2. Liens on Work and Indemnification. All work in connection with a relocation of Unit boundaries of a Unit shall be completed in a good, workmanlike manner and free from all liens. The Unit Owner(s) who initiate or whose actual boundaries are relocated shall indemnify and hold harmless the other Unit Owners, the Board, the Declarant and the Association from and against all claims of third parties for personal injury or property damage from work performed in connection with any relocation. The Board of Directors shall have the authority to assess a Special Assessment against any Unit and/or Parking Unit for any cost incurred by the Association as a result of nonpayment of any relocation cost by the Unit Owner.

SECTION X

MAINTENANCE, ALTERATION AND IMPROVEMENT OF CONDOMINIUM

10.1. Responsibility of Unit Owners.

(a) Each Unit Owner, at his or her sole expense, shall be responsible for keeping his or her Unit (excluding items which are visible from the Common Elements), including without limitation the items identified in Section 4.2(c) all of the equipment, fixtures and appurtenances located on or upon the Unit, in good order, condition and repair and in a clean and sanitary condition. Without in any way limiting the foregoing, each Unit Owner shall be responsible for the maintenance, repair or replacement of (excluding items which are visible from the Common Elements) any lighting fixtures, refrigerators, ranges, plumbing fixtures, dishwashers, disposals, laundry equipment such as washers and dryers, the air conditioning, heating and hot water systems and equipment, any chutes, flues, exhaust fans, ducts, conduits, wires, cables, electrical, security, telephone, television, wall safes, medicine cabinets, built in shelving and all communication systems, water, sewer and gas mains and laterals and all other utility lines and distribution systems and fixtures and any portions thereof exclusively serving that Unit, 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.

(b) Notwithstanding Section 10.1(a) for purposes of uniformity, the Association shall replace, repair, paint, maintain and adorn external features such as the items identified in Section 4.2(c)(iv) and other similar items which are visible from the Common Elements or exterior of Building and portions of any conduits, wires, cables, water, sewer and gas mains and laterals and all other utility lines and distribution systems lying above or under any Common Element; provided, however, the individual Unit Owner who owns the Unit which the items identified in Section 4.2(c)(iv) and other similar external items are a part of and/or service and the Unit Owner's Unit to which such portions of any conduits, wires, cables, water, sewer and gas mains and laterals and all other utility lines and distribution systems appertain shall pay the cost incurred by the Association in replacing, repairing, painting, maintaining and adorning such items.

(c) The Unit Owner shall at all times maintain the temperature of his or her Unit at or above 50° fahrenheit.

(d) The Unit Owner shall be solely responsible for the cost of repair of any damage to the Condominium caused by the Unit Owner's failure to discharge his or her obligation pursuant to this Section 10.1. If a Unit Owner fails to discharge his or her obligations pursuant to this Section 10.1, then the Association shall have the right, but not the obligation, to discharge such obligations on behalf of the Unit Owner and any if the costs so incurred by the Association are not promptly repaid to the Association, then the Board of Directors shall assess a Special Assessment against the Unit for such expense.

10.2. Responsibility of Association. The Association shall be responsible for the management and control of the Common Elements and Parking Area and shall cause the same to be maintained, repaired and kept in good condition, order and repair. Without in any way limiting the foregoing, the Association shall be responsible, at the expense of the Association (unless necessitated by the negligence or misuse of a Unit Owner, in which case such expense shall be charged to such Unit Owner), for the following:

(a) all painting, repairing, restoration, general maintenance and decorating of Building exteriors, walls, doors, windows, roofs and Common Element hallways and doors;

(b) lawn care, including landscaping, fertilizing, watering, weed control, tree pruning, grass cutting, edging and trimming, as required;

(c) snow and ice removal from paved sidewalks, driveways and parking areas of the Property;

(d) maintenance, repair or restoration of sidewalks, walkways, driveways and parking areas of the Property;

(e) maintenance, repair and replacement of electrical wiring, lighting, heating and air conditioning systems and pipes and ducts in and servicing Common Elements;

(f) purchase, maintenance, repair, replacement and storage of equipment and materials required to accomplish the foregoing; and

(g) maintenance and repair of the floor joist and/or the unimproved cement floor of the lower most floor of each Unit; provided, however, the Unit Owner shall be responsible for the maintenance and repair of any floor covering material which covers the floor joist or the cement floor.

Each Parking Unit Owner shall cooperate with the Association in the Association's efforts to maintain the Parking Area. In furtherance of the foregoing, each Parking Unit Owner shall remove his car from the Parking Area when reasonably requested by the Association so that the Association may maintain the Parking Area.

10.3. Repair and Replacement Standards. All repairs and replacements shall, to the extent reasonably possible, be done in a manner which is substantially similar to the quality and appearance of original construction and installation.

10.4. Alterations to Unit A Unit Owner may make any alterations he deems desirable to his Unit, including the movement or modification of any interior walls, provided the Unit Owner complies

with all provisions of the Condominium Documents. A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction or repair to his or her Unit which might impair the structural integrity or value of the Building or any mechanical or electrical system therein; or adversely affect either the thermal or acoustical character of the Building; or impair any easement appurtenant to any Unit or the Condominium; or violate this Declaration or any applicable law, ordinance or governmental rule, regulation or order. All work done in connection with alteration to the Unit shall be completed in a good, workmanlike manner and free from all liens. Any Unit Owner who makes any alterations to his or her Unit shall be deemed to have indemnified and held harmless the other Unit Owners, the Board, the Declarant and the Association from and against all claims of third parties for personal injury or property damage from work performed in connection with any alterations.

10.5. Exterior Alterations. Except as permitted by the Rules and Regulations or as consented to by the Architectural Control Committee, a Unit Owner is prohibited from making any alteration, installation, removal, reconstruction or repair to the exterior of the Building in which his or her Unit is located.

10.6. Damage to Units and to Common Elements. In the event that the Association, or any individual or entity acting on behalf of the Association, damages any portion of a Unit, Parking Area or Common Element while making any repair or renovation to any portion of a Common Element, then the Association shall be responsible for promptly repairing and restoring any portion of any such Unit, Parking Area or Common Element to the condition in which it existed prior to the Association's actions. In the event that any Unit Owner, or any individual or entity acting on behalf of any Unit Owner, damages any portion of a Common Element while making a repair or renovation to his or her Unit, then the Association shall be responsible for promptly repairing and restoring the portion of the Common Element which was damaged to the condition in which it existed prior to such event and the Unit Owner shall be responsible for paying the cost incurred by the Association in repairing and restoring the Common Element.

SECTION XI

REPAIR OR RECONSTRUCTION

11.1. Repair or Reconstruction of Condominium. In the event the Common Elements are destroyed or damaged in part or in total, the Association shall within ninety (90) days from the date of the destruction or damage commence repair or reconstruction to the destruction or damage; provided, that the Association receives sufficient insurance proceeds to repair or reconstruct the destruction or damage. If the Common Elements are damaged to an extent that the amount of damage exceeds One Hundred percent (100%) of the available insurance proceeds, then the Condominium shall be subject to an action for partition upon obtaining the written consent of the Unit Owners, within ninety (90) days after the date of destruction or damage, holding eighty percent (80%) or more of the votes in the Association. All Unit Owners whose Unit is subject to a Mortgage shall first obtain his or her Mortgagee's written consent to the Unit Owner's intended vote. In the event the damage exceeds the available insurance proceeds and eighty percent (80%) or more of the Unit Owners do not vote in favor of partition, the Common Elements shall be reconstructed or repaired by the Association and all the repairs or reconstruction cost in excess of insurance proceeds shall be a Common Expense. The designs, plans and specifications of the reconstruction or repair may vary from the original construction upon approval of the Association. In the event of partition, the net proceeds of sale together with any net proceeds of insurance obtained by the Association shall be considered as one fund and shall be divided among all Unit Owners in proportion to their Allocated Interests and shall be distributed in accordance with the priority of interest in each Unit. Any Mortgagee may require that the net proceeds of any insurance payments, payable to the Unit Owner who granted the Mortgagee its Mortgage, be paid directly to a trustee designated by the Mortgagee.

11.2. Eminent Domain. In the event of the taking of all or part of the Property under the power of eminent domain, any damages shall be awarded as provided in Section 703.19(3) of the Wisconsin Statutes.

(a) Taking of Common Elements. Following the taking of all or a part of the Common Elements, the Association shall promptly undertake to restore the affected Common Elements to a condition compatible with the balance of the Property. Any costs of reconstruction in excess of the condemnation award shall be a Common Expense payable by the Unit Owners in proportion to their Allocated Interest. However, if the value of the taking exceeds the value of the remaining Common Elements to the extent that, in the judgment of the Association, reconstruction or restoration is not practical, the Condominium shall be subject to an action for partition upon obtaining the written consent of the Unit Owners having eighty percent (80%) or more of the vote in the Association. All Unit Owners whose Unit is subject to a Mortgage shall first obtain his or her Mortgagee's written consent to the Unit Owner's intended vote. In the case of partition, the net proceeds of sale, together with any net proceeds of the award of taking, shall be considered as one fund and shall be divided among all Unit Owners and Parking Unit Owners in proportion to their Allocated Interests and shall be distributed in accordance with the priority of interests in each Unit and Parking Unit. Any Mortgagee may require that the net proceeds of the award from any taking, payable to the Unit Owner who granted the Mortgagee its Mortgage, be paid directly to a trustee designated by the Mortgagee.

(b) Taking of Unit. Following a taking of all or substantially all of one or more Units, such that the restoration or reconstruction of the Unit or Units is not practical, the affected Unit Owners and their Mortgagees, if any, as their respective interests may appear, shall be entitled to receive the full amount of the award for the taking of their Units. The affected Unit Owners shall thereupon release and relinquish any and all interests in their Units, the Condominium Property, and the Common Elements of the Condominium. The remaining Unit Owners shall thereafter file an amendment to this Declaration, which would change the description of Property and improvements subject to the Declaration and the portion of the property designated as Units and Common Elements and change the Allocated Interest appurtenant to each Unit.

(c) Taking of a Portion of a Unit. In the event that a portion of any Unit is taken and the Unit is repaired or reconstructed, the Allocated Interests and vote appurtenant to such Unit shall remain unchanged.

11.3. Association as Designated Agent. The Association shall act as the designated agent and/or attorney-in-fact for each Unit Owner and their Mortgagees for the purpose of representing, negotiating and settling any proceeds or awards to be made to the Association or any Unit Owner on account of any casualty damage to the Condominium or eminent domain proceedings which involve the Condominium.

SECTION XII

RESTRICTIONS ON USE, OCCUPANCY AND TRANSFER

12.1. Limitations. Each Unit Owner, its agents, representatives, guests and invitees shall be subject to the restrictions set forth in this Declaration and the Condominium Documents, as amended from time to time, including without limitation, that the Building and Units are intended for and restricted exclusively to residential uses; provided, however, that the Declarant reserves the right to use various Units as a sample, model or sales office or management office for the Condominium.

12.2. **Declarant's Right to Transfer**. The Declarant shall have the right to transfer the Units and Parking Units by deed, land contract or by such other means of conveyance as it may choose, and in the event Declarant shall be required to foreclose or otherwise recover possession of any Unit and Parking Units, Declarant shall be free to dispose of any such Unit and Parking Units by any means the Declarant chooses. This Section may not be amended or repealed by the Association.

12.3. **Unit Owner's Restrictions on Leasing**. The Declarant may lease a Unit and Parking Units on such terms and conditions as it desires in its sole discretion. A Unit Owner other than the Declarant may lease his or her Unit or Parking Unit if he complies with the restrictions on leasing as stated in the Rules and Regulations. No rooms in any Unit may be rented and no transient tenants (people who are not members of the Unit Owner's immediate family who stay longer than sixty (60) days) may be accommodated. Notwithstanding anything to the contrary, Parking Units may only be leased to a Unit Owner or Lessee of a Unit Owner or an owner of a Unit of the Palmer Street Development.

12.4. **Unit Owner's Use of Unit as an Office**. A Unit Owner may operate an office out of his Unit if he does not: (a) erect or maintain any type of a sign, billboard or any form of advertising material which will be visible from any of the Common Elements; (b) conduct a retail business out of his or her Unit by which a sale is actually consummated in the Unit; (c) allow customers or clients to enter the Condominium or his or her Unit for the purpose of conducting business; (d) conduct any type of business which will unreasonably burden any of the utility facilities which service the Condominium; (e) conduct any type of business which would cause any insurance policy carried by or paid for by the Association or any other Unit Owner to be canceled or any premiums under such policies to be increased; (f) conduct any type of business which is prohibited by any federal, state, county or local law, ordinance or regulation; and (g) conduct any type of activity which would be reasonably considered offensive, or obnoxious to any other Unit Owner or would unreasonably interfere with any other Unit Owner's use and quiet enjoyment of his or her Unit or Parking Unit.

12.5. **Unlawful Use of Condominium or Unit**. No unlawful use may be made of the Condominium or any part thereof and each Unit Owner shall strictly comply with all valid laws, orders, rules and regulations of all governmental agencies having jurisdiction. Compliance with any legal requirements shall be accomplished by and at the sole expense of the Unit Owner or the Board of Directors, as the case may be, whichever shall have the obligation under this Declaration to maintain and repair the portion of the Condominium affected by any such legal requirements. Each Unit Owner shall give prompt notice to the Board of Directors of any written notice he receives of the violation of any legal requirements affecting his Unit, Parking Unit or the Condominium. Notwithstanding the foregoing provisions, any Unit Owner may, at its expense, defer compliance with and contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any legal requirements affecting any portion of the Condominium which such Unit Owner is obligated to maintain and repair, and the Board of Directors shall cooperate with such Unit Owner in such proceedings, provided that:

(a) such Unit Owner shall pay and shall defend, save harmless, and indemnify the Board of Directors, the Association and each other Unit Owner against all liability, loss or damage which any of them respectively shall suffer by reason of such contest and any noncompliance with such legal requirements, including reasonable attorneys' fees and other expenses reasonably incurred;

(b) such Unit Owner shall keep the Board of Directors advised as to the status of such proceedings;

(c) noncompliance shall not create a dangerous condition or constitute a crime or an offense punishable by fine or imprisonment;

(d) no part of any Building of which the Unit involved is a part of shall be subject to being condemned or vacated by reason of noncompliance or otherwise by reason of such contest; and

(e) such Unit Owner shall, if required by the Association, post a bond to ensure compliance with his or her obligations hereunder.

The Association may also contest any legal requirements and the costs and expenses thereof shall be a Common Expense.

12.6. Use of Parking Unit The Parking Units shall be used for the sole purpose of parking vehicles which fit within the boundaries of the Parking Unit. It is expressly stipulated and each and every Owner of a Unit or Parking Unit, his heirs, executors, administrators, assigns, successors and grantees hereby acknowledge that Parking Units are designed for use by standard size automobiles. They are not designed for use by vans, mini-vans, pickup trucks, recreational vehicles or sport utility vehicles.

SECTION XIII

INSURANCE

13.1. Insurance. The Association shall maintain fire and broad form extended coverage insurance on the Building and the Common Elements, including, but not limited to any fixtures owned by the Association and the Unit Owners (but excluding the personal property of the Unit Owner), in an amount not less than the replacement value of the Building and the Common Elements from time to time, including endorsements for automatic changes in insurance coverage as fluctuating values may warrant, contingency endorsements covering nonconforming use and a Special Condominium Endorsement. To the extent reasonably possible, the insurance shall provide (i) that the insurer waives its rights of subrogation as to any claim against Unit Owners, the Association, the Board of Directors and their respective servants and agents, and (ii) that the insurance cannot be canceled, invalidated or suspended on account of the conduct of any one or more Unit Owners, or the Association, or their servants, agents and guests, without sixty (60) days' prior written notice to the Association and which notice gives the Association an opportunity to cure the defect within that time. All required insurance shall be issued by an insurance company with a minimum of a B+ general policyholder's rating and of a class III financial size category in the Best's Key Rating Guide. The amount of protection and the types of hazards to be covered shall be reviewed by the Association at least semi-annually and the amount of coverage may be increased or decreased at any time it is deemed necessary by the Association to conform to the requirements of replacement value insurance. Any Mortgagee may receive an insurance certificate upon ten (10) days prior written notice. The insurance shall be obtained in the name of the Association as trustee for each of the Unit Owners and their respective Mortgagees.

13.2. Premiums and Deductibles. If the Association determines that it is economically feasible to procure insurance coverage from a company, which will allocate insurance expenses to each Unit and Parking Unit individually, then each Unit Owner shall pay to the Association the amount of the insurance expense allocated to his Unit and Parking Unit. If the Association determines that it is not economically feasible to procure insurance with a company which will allocate the cost of the insurance to each Unit and Parking Unit individually, then each Unit Owner's proportionate share of insurance expenses shall be determined by comparing the value and risks of any particular Unit Owner's Unit, Parking Unit and Limited Common Elements which appertain to his Unit and Parking Unit to the value

and risks of all Units, Parking Unit and Limited Common Elements. If the Association determines that it is economically feasible to obtain insurance with a company which will allocate the deductible to each Unit, Parking Unit and Common Element damaged, then the deductible portion of the insurance expense which relates to a particular Unit, Parking Unit and/or Limited Common Element shall be paid by the Unit Owner(s) whose Unit(s), Parking Unit or Limited Common Element(s) have been damaged and the Association shall pay the deductible which relates to that portion of the General Common Elements damaged. If the Association determines that it is not economically feasible to obtain insurance with a company which will allocate the deductible to each Unit, Parking Unit and Common Element damaged, then: (i) that portion of the deductible allocated to the General Common Elements which were damaged and payable as a Common Expense shall be determined by dividing the value of the loss to the General Common Elements by the value of the total loss for the particular occurrence multiplied by the amount of the deductible; and (ii) that portion of the deductible allocated as an expense to a Unit and Parking Unit shall be determined by dividing the value of the loss to the Unit, Parking Unit and the Limited Common Elements which appertain to that Unit and Parking Unit by the value of the total loss multiplied by the amount of the deductible. The Association shall have the right to assess a Special Assessment against any Unit Owner, and his Unit and Parking Unit, for any portion of a premium or deductible which is payable by the Unit Owner. The portion of the deductible for any insurance policy, which is treated as a Common Expense may not exceed the lesser of Ten Thousand Dollars ($10,000.00) or one percent (1%) of the policy face amount.

13.3. Proceeds of Insurance. In the event of partial or total destruction of the Building and/or Common Elements and it is determined to repair or reconstruct the Building and/or Common Elements, the proceeds of such insurance shall be paid to the Association as trustee to be applied to the cost of repairing and reconstructing the Building and/or the particular Common Element(s) which were damaged. If it is determined not to reconstruct or repair the Building and/or any particular Common Element, then the proceeds shall be distributed together with the net proceeds of any sale to the Unit Owners and their Mortgagees, if any, as their respective interests in the damaged Building and/or Common Element may appear.

13.4. Combined Protection Insurance. If insurance coverage is available to combine protection for the Association and the Unit Owner's individual personal property located on or about the Unit and Parking Unit, the Association shall have discretionary power to negotiate such combination of insurance protection on an equitable cost-sharing basis under which the Unit Owner would be assessed individually for the amount of insurance the Association includes in such policies for the Unit Owner's additional protection. Copies of all such policies shall be provided to each Mortgagee. Individual Unit Owners shall have the option to refuse participation in such combined insurance only by written notice to the Association within twenty (20) days of receipt of correspondence from the Association that such combined insurance is available. Nothing contained in this paragraph shall be deemed to prohibit any Unit Owner, at his or her own expense, from obtaining additional insurance coverage on his Unit and Parking Unit.

13.5. Public Liability Insurance. The Association shall provide public liability insurance covering the Common Elements in such amounts as may be determined at the discretion of the Board of Directors from time to time; provided, however, the amount of coverage shall not be less than One Million Dollars ($1,000,000.00) per single occurrence. The insurance coverage shall preclude the insurer's denial of a Unit Owner's claim because of the negligent acts of the Association or any Unit Owner. The Association may also provide worker's compensation insurance, directors' and officers' liability insurance in such amounts as are determined by the Board of Directors to be necessary from time to time.

13.6. Fidelity Bonds. The Association shall provide a blanket fidelity bond for anyone who either handles or is responsible for funds held or administered by the Association. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association. In no event shall the face value of the bond be for an amount less than the sum of three (3) months' Assessment plus any reserve funds held by the Association. The bond shall include a provision that calls for ten (10) days' written notice to the Association, the Unit Owner and any Mortgagee before the bond can be canceled or substantially modified. Any management agent that handles funds for the Association shall carry a fidelity bond with the same coverage as stated above.

13.7. Separate Insurance. Each Unit Owner shall be responsible for obtaining liability insurance for his own Unit and Parking Unit and casualty insurance for his or her personal property.

SECTION XIV

PROHIBITION ON PARTITION OF COMMON ELEMENTS

14.1. Partition of Common Elements. The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains. No Unit Owner shall execute any deed, mortgage, or other instrument affecting title to such Unit ownership without including therein both his or her interest in the Unit and his or her corresponding Allocated Interest in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership.

14.2. Partition of Parking Unit. No Unit Owner may execute a deed or other instrument (except for a mortgage) which conveys such Unit Owner's interest in the Parking Unit to anyone other than another Unit Owner. If a Mortgagee acquires a Parking Unit by foreclosure, deed-in-lieu of foreclosure or by any other means, the Mortgagee may only convey the Parking Unit to a Unit Owner.

SECTION XV

DISCLAIMER OF LIABILITY OF ASSOCIATION

15.1. Disclaimer. Notwithstanding anything contained herein or in the Condominium Documents, the Association shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Unit Owner, occupant or user of any portion of the Property including, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing, each Unit Owner and each other person having an interest in or lien upon, or making a use of, any portion of the Property shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this Article.

15.2. Parking Areas and Storage Lockers. Each Unit Owner shall be responsible for his personal property located in a storage locker, the Parking Unit, if applicable, or Limited Common Elements. Notwithstanding anything to the contrary contained in this Declaration, neither the Board of Directors, the Association, any Unit Owner nor the Declarant shall be (i) considered a bailee of any personal property of a Unit Owner stored in the Common Elements (including without limitation, property located in vehicles parked in the Parking Areas or property stored in a storage locker), whether exclusive possession of any particular area shall be given to any Unit Owner for parking purposes, or (ii) responsible for the security of such personal property or for any loss or damage thereto.

SECTION XVI

AMENDMENT TO DECLARATION

16.1. Amendment. Except as otherwise provided by the Act or except as otherwise provided for in this Declaration (in which event the Declaration may be amended solely by the Declarant without the consent of any other party), this Declaration may be amended by the agreement of Unit Owners having at least sixty-seven percent (67%) of the votes in the Association and in the manner provided by Section 703.09(2) of the Act. All Unit Owners whose Unit is subject to a Mortgage shall first obtain his or her Mortgagee's written consent to the Unit Owner's vote in favor of or against any amendment on a form satisfactory to the Board of Directors. The failure of any Unit Owner or Mortgagee to respond to any notice of a proposed amendment within thirty (30) days after the notice is delivered to it, shall be deemed implied consent by the Unit Owner or the Mortgagee to any such amendment, provided the notice was delivered by certified or registered mail with return receipt requested. Copies of Amendments shall be certified by the President and Secretary of the Association in a form suitable for recording. A copy of the amendments shall be recorded in the Office of the Register of Deeds of Milwaukee County and such amendment shall be effective at the time it is recorded. A copy of the amendment shall be mailed or personally delivered to each Unit Owner at his or her address as stated on the Membership Roster. So long as the Declarant owns one or more Units, this Declaration shall not be amended in any manner which would prevent or unreasonably interfere with the sale, lease or other disposition of such Units.

16.2. Special Amendments. Declarant, for as long as the Declarant shall have ownership in the Property or Condominium, and when the Declarant no longer has an interest in the Property or Condominium then the Board of Directors, shall have the right and power to record Special Amendments to this Declaration at any time and from time to time which amend this Declaration (i) to comply with requirements of the FNMA, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities or any institutional lender issuing a commitment to make Mortgage loans covering twenty percent (20%) or more of the Units, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee Mortgages secured by any Unit, (iii) to conform this Declaration with the requirements of the Act, or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to a Special Amendment on behalf of each Unit Owner. Each deed, Mortgage or other evidence of obligation, or 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 to Declarant to make, execute and record Special Amendments. The rights reserved to the Declarant under this Section 16.2 shall terminate at such time as the Declarant no longer holds or controls title to any part of the Property or ten (10) years from the date this Declaration is recorded, whichever first occurs.

SECTION XVII

TERMINATION OF CONDOMINIUM

17.1. Termination of the Condominium. The Condominium may be terminated upon the approval of a Termination Agreement by a vote of the Unit Owners holding eighty percent (80%) of the votes in the Association. A Unit Owner whose Unit is subject to a Mortgage shall first obtain his or her Mortgagee's written consent to the vote. The Termination Agreement, which shall be executed by those

who voted in favor of termination, shall include provisions relating to the use and maintenance of Common Elements after termination. The Termination Agreement shall also provide for the allocation and transfer of title to the Common Elements such that title to the Common Elements, other than the Limited Common Elements, shall be vested in the successors to the Unit Owners as tenants-in-common in proportion to their predecessor Unit Owner's Allocated Interest and title to Limited Common Elements shall be vested in the former Unit or Units to which they appertain, individually or as tenants-in-common, as the case may be. The termination agreement shall be recorded in the Register of Deeds office for Milwaukee County.

SECTION XVIII

ADDITIONAL PROVISIONS

18.1. **Rights of Action**. If the Declarant, Association, any Unit Owner or any other individual or entity subject to this Declaration or any Condominium Document fails to comply with any provision of the same, then the Declarant, the Association or any Unit Owner adversely affected shall have a claim for appropriate relief.

18.2. **Waiver**. The failure of the Association to enforce any provision of this Declaration or any provision in the Condominium Documents or to exercise any right or option or to serve any notice or to institute any action, shall not be construed as a waiver by the Association.

18.3. **Severability**. The provisions contained herein shall be construed as independent and severable and the invalidity or unenforceability of any provision or portion thereof shall not be deemed to impair or affect the validity or enforceability 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. 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.

18.4. **Captions**. The captions and headings of various paragraphs of this Declaration are for convenience only and are not to be construed as defining or limiting the scope or intent of the provisions thereof.

18.5. **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.

18.6. **Number and Gender**. Whenever used herein, the singular number shall include the plural, the plural the singular and use of any gender shall include all genders.

18.7. **Registered Agent**. The registered agent for service of process shall be Ken Higgs, Ogden and Company, Inc., 1665 North Water Street, Milwaukee, Wisconsin 53202, or such other person or entity as may be designated by the Board of Directors of the Association and upon proper filing of said name with the Register of Deeds for Milwaukee County, Wisconsin, and with the Secretary of State of the State of Wisconsin.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the date first set forth above.

DECLARANT:

_____

By: _____

_____

STATE OF _____)
) SS
COUNTY OF _____)

Personally came before me this _ day of _____, 2000, the above named _____ _____, as the _____ of _____, and to me known to be the person who executed the foregoing instrument in and acknowledged the same in such capacity.

_____
Notary Public, State of Wisconsin
My commission: _____

UPON RECORDING THIS INSTRUMENT SHOULD BE RETURNED TO:

Paul D. Dincin
234 E. Reservoir
Milwaukee, WI 53212

EXHIBIT A

LEGAL DESCRIPTION

REEL 5092 IMAGE 2233

DESCRIPTION

THAT PART OF VACATED (PENDING) E. RESERVOIR AVENUE AND PART OF VACATED (PENDING) N. PALMER STREET AND LOTS 9, 11, 12, 13, 14, 15, AND 16 OF BLOCK 31 OF SHERMAN'S ADDITION,
LOCATED IN THE SE1/4 OF THE NE1/4 OF SEC.20, T7N, R22E,
CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NE CORNER OF SAID SEC.20;
THENCE S00°33'14"E ALONG THE EAST LINE OF SAID NE1/4, 1822.11 FEET TO THE NORTH LINE OF E. RESERVOIR AVE.;
THENCE S88°57'35"W ALONG SAID NORTH LINE, 155.72 (REC. 155.77) FEET TO THE SE CORNER OF BLOCK 31 SHERMAN'S ADDITION AND THE POINT OF BEGINNING;

THENCE FROM SAID POINT OF BEGINNING S00°42'58"E ALONG THE WEST LINE OF N. HUBBARD ST., 5.00 FEET;
THENCE S88°57'35"W PARALLEL TO AND 5.00 FEET SOUTH FROM THE SOUTH LINE OF SAID BLOCK 31, 286.00 FEET;
THENCE N00°42'58"W PARALLEL TO AND 5.00 FEET WEST FROM THE WEST LINE OF SAID BLOCK 31, 155.07 FEET;
THENCE N88°57'35"E, 5.00 FEET TO THE NW CORNER OF LOT 11 SAID BLOCK 31;
THENCE CONTINUING N88°57'35"E ALONG THE NORTH LINE OF SAID LOT 11, 140.50 FEET TO THE NE CORNER OF SAID LOT 11;
THENCE N00°42'58"W ALONG THE WEST LINE OF LOT 9 SAID BLOCK 31, 50.02 (REC. 50.00) FEET TO THE NW CORNER OF SAID LOT 9;
THENCE N88°57'35"E ALONG THE NORTH LINE OF SAID LOT 9, 140.50 FEET TO THE WEST LINE OF N. HUBBARD STREET;
THENCE S00°42'58"E ALONG SAID WEST LINE, 200.09 (REC. 200.00) FEET TO THE POINT OF BEGINNING;
EXCEPTING THERE FROM THE SOUTH 50.00 FEET OF THE WEST 175.00 FEET:
NET CONTAINING 0.978 AC (42,627 S.F.) OF LAND.

\Contractandem\Tandem Developers Data Files\Brewer's Hill-Milwaukee\Legal\Closing Docs\CL Condo Dec-Version5.DOC 05/05/01

EXHIBIT A

LEGAL DESCRIPTION

LOTS NINE (9), ELEVEN (11), TWELVE (12), THIRTEEN (13), FOURTEEN (14), FIFTEEN (15) AND SIXTEEN (16) IN BLOCK THIRTY-ONE (31), IN SHERMAN'S ADDITION, IN THE NORTHEAST ONE-QUARTER (1/4) OF SECTION TWENTY (20), IN TOWNSHIP SEVEN (7) NORTH, RANGE TWENTY-TWO (22) EAST, IN THE CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN.

EXHIBIT B

COBBLERS LOFTS
PERCENTAGE OF OWNERSHIP

Unit #	% of Ownership
101	1.96800%
102	2.26600%
103	1.88200%
104	1.46600%
105	1.09800%
106	1.09800%
107	2.58700%
201	1.96800%
202	2.26600%
203	1.88200%
204	1.46600%
205	1.09800%
206	1.09800%
207	2.58700%
208	1.53700%
209	1.25500%
210	1.25500%
211	1.25500%
212	1.33600%
213	1.16400%
214	1.16400%
301	1.96800%
302	2.26600%
303	1.88200%
304	1.46600%
305	1.09800%
306	1.09800%
307	2.58700%
308	2.11700%
309	1.25500%
310	1.25500%
311	1.25500%
312	1.33600%
313	1.16400%
314	1.16400%
401	1.96800%
402	2.26600%
403	1.88200%
404	1.46600%
405	1.09800%
406	1.09800%
407	2.58700%
501	1.96800%
502	2.26600%
503	1.88200%
504	1.46600%
505	1.09800%
506	1.09800%
507	2.58700%
601	1.96800%
602	2.26600%
603	1.88200%
604	1.46600%
605	1.09800%
606	1.09800%
607	2.55100%

Unit #	% of Ownership
PU - 1	0.06421%
PU - 2	0.06421%
PU - 3	0.06421%
PU - 4	0.06421%
PU - 5	0.06421%
PU - 6	0.06421%
PU - 7	0.06421%
PU - 8	0.06421%
PU - 9	0.06421%
PU - 10	0.06421%
PU - 11	0.06421%
PU - 12	0.06421%
PU - 13	0.06421%
PU - 14	0.06421%
PU - 15	0.06421%
PU - 16	0.06421%
PU - 17	0.06421%
PU - 18	0.06421%
PU - 19	0.06421%
PU - 20	0.06421%
PU - 21	0.06421%
PU - 22	0.06421%
PU - 23	0.06421%
PU - 24	0.06421%
PU - 25	0.06421%
PU - 26	0.06421%
PU - 27	0.06421%
PU - 28	0.06421%

Unit #	% of Ownership	Monthly Assessments
GU - 1	0.17300%	$ 10.82
GU - 2	0.17300%	$ 10.82
GU - 3	0.17300%	$ 10.82
GU - 4	0.17300%	$ 10.82
GU - 5	0.17300%	$ 10.82
GU - 6	0.17300%	$ 10.82
GU - 7	0.17300%	$ 10.82
GU - 8	0.17300%	$ 10.82
GU - 9	0.17300%	$ 10.82
GU - 10	0.17300%	$ 10.82
GU - 11	0.17300%	$ 10.82
GU - 12	0.17300%	$ 10.82
GU - 13	0.17300%	$ 10.82
GU - 14	0.17300%	$ 10.82
GU - 15	0.17300%	$ 10.82
GU - 16	0.17300%	$ 10.82
GU - 17	0.17300%	$ 10.82
GU - 18	0.17300%	$ 10.82
GU - 19	0.17300%	$ 10.82
GU - 20	0.17300%	$ 10.82
GU - 21	0.17300%	$ 10.82
GU - 22	0.17300%	$ 10.82
GU - 23	0.17300%	$ 10.82
GU - 24	0.17300%	$ 10.82
GU - 25	0.17300%	$ 10.82
GU - 26	0.17300%	$ 10.82
GU - 27	0.17300%	$ 10.82
GU - 28	0.17300%	$ 10.82
GU - 29	0.17300%	$ 10.82
GU - 30	0.17300%	$ 10.82
GU - 31	0.17300%	$ 10.82
GU - 32	0.17300%	$ 10.82
Total	100.00000%	$ 6,255.42

GU - 29	0.17300%
GU - 30	0.17300%
GU - 31	0.17300%
GU - 32	0.17300%
GU - 33	0.17300%
GU - 34	0.17300%
GU - 35	0.17300%
GU - 36	0.17300%
GU - 37	0.17300%
GU - 38	0.17300%
GU - 39	0.17300%
GU - 40	0.17300%
GU - 41	0.17300%
GU - 42	0.17300%
GU - 43	0.17300%
GU - 44	0.17300%
GU - 45	0.17300%
GU - 46	0.17300%
GU - 47	0.17300%
GU - 48	0.17300%
GU - 49	0.17300%
GU - 50	0.17300%
GU - 51	0.17300%
GU - 52	0.17300%
GU - 53	0.17300%
GU - 54	0.17300%
GU - 55	0.17300%
GU - 56	0.17300%
GU - 57	0.17300%
GU - 58	0.17300%
GU - 59	0.17300%
GU - 60	0.17300%
Total	100.000000%

EXHIBIT B

DECLARATION

Unit Number	% of Ownership	Monthly Assessments
101	1.9680%	123.11
102	2.2660%	141.75
103	1.8820%	117.73
104	1.4660%	91.70
105	1.0980%	68.68
106	1.0980%	68.68
107	2.5870%	161.83
201	1.9680%	123.11
202	2.2660%	141.75
203	1.8820%	117.73
204	1.4660%	91.70
205	1.0980%	68.68
206	1.0980%	68.68
207	2.5870%	161.83
208	1.5370%	96.15
209	1.2550%	78.51
210	1.2550%	78.51
211	1.2550%	78.51
212	1.3360%	83.57
213	1.1640%	72.81
214	1.1640%	72.81
301	1.9680%	123.11
302	2.2660%	141.75
303	1.8820%	117.73
304	1.4660%	91.70
305	1.0980%	68.68
306	1.0980%	68.68
307	2.5870%	161.83
308	2.1170%	132.43
309	1.2550%	78.51
310	1.2550%	78.51
311	1.2550%	78.51
312	1.3360%	83.57
313	1.1640%	72.81
314	1.1640%	72.81
401	1.9680%	123.11
402	2.2660%	141.75
403	1.8820%	117.73
404	1.4660%	91.70
405	1.0980%	68.68
406	1.0980%	68.68
407	2.5870%	161.83
501	1.9680%	123.11
502	2.2660%	141.75
503	1.8820%	117.73

Unit Number	% of Ownership	Monthly Assessments
504	1.4660%	91.70
505	1.0980%	68.68
506	1.0980%	68.68
507	2.5870%	161.83
601	1.9680%	123.11
602	2.2660%	141.75
603	1.8820%	117.73
604	1.4660%	91.70
605	1.0980%	68.68
606	1.0980%	68.68
607	2.5510%	159.58
PU-1	0.0580%	3.63
PU-2	0.0580%	3.63
PU-3	0.0580%	3.63
PU-4	0.0580%	3.63
PU-5	0.0580%	3.63
PU-6	0.0580%	3.63
PU-7	0.0580%	3.63
PU-8	0.0580%	3.63
PU-9	0.0580%	3.63
PU-10	0.0580%	3.63
PU-11	0.0580%	3.63
PU-12	0.0580%	3.63
PU-13	0.0580%	3.63
PU-14	0.0580%	3.63
PU-15	0.0580%	3.63
PU-16	0.0580%	3.63
PU-17	0.0580%	3.63
PU-18	0.0580%	3.63
PU-19	0.0580%	3.63
PU-20	0.0580%	3.63
PU-21	0.0580%	3.63
PU-22	0.0580%	3.63
PU-23	0.0580%	3.63
PU-24	0.0580%	3.63
PU-25	0.0580%	3.63
PU-26	0.0580%	3.63
PU-27	0.0580%	3.63
PU-28	0.0580%	3.63
PU-29	0.0580%	3.63
PU-30	0.0580%	3.63
PU-31	0.0580%	3.63
GU-1	0.1730%	10.82
GU-2	0.1730%	10.82
GU-3	0.1730%	10.82
GU-4	0.1730%	10.82
GU-5	0.1730%	10.82
GU-6	0.1730%	10.82
GU-7	0.1730%	10.82

Unit Number	% of Ownership	Monthly Assessments
GU-8	0.1730%	10.82
GU-9	0.1730%	10.82
GU-10	0.1730%	10.82
GU-11	0.1730%	10.82
GU-12	0.1730%	10.82
GU-13	0.1730%	10.82
GU-14	0.1730%	10.82
GU-15	0.1730%	10.82
GU-16	0.1730%	10.82
GU-17	0.1730%	10.82
GU-18	0.1730%	10.82
GU-19	0.1730%	10.82
GU-20	0.1730%	10.82
GU-21	0.1730%	10.82
GU-22	0.1730%	10.82
GU-23	0.1730%	10.82
GU-24	0.1730%	10.82
GU-25	0.1730%	10.82
GU-26	0.1730%	10.82
GU-27	0.1730%	10.82
GU-28	0.1730%	10.82
GU-29	0.1730%	10.82
GU-30	0.1730%	10.82
GU-31	0.1730%	10.82
GU-32	0.1730%	10.82
Total	**100.0000%**	**$6,255.42**

Cobblers Lofts

Unit No.	Storage No
101	4H
102	4I
103	4J
104	4K
105	4L
106	4M
107	4N
201	5H
202	5I
203	5J
204	5K
205	5L
206	5M
207	5N
208	6H
209	6I
210	6J
211	6K
212	6L
213	6M
214	6N
301	3A
302	3B
303	3C
304	3D
305	3E
306	3F
307	3G
308	3H
309	3I
310	3J
311	3K
312	4O
313	4P
314	4Q
401	4A
402	4B
403	4C
404	4D
405	4E
406	4F
407	4G
501	5A
502	5B
503	5C
504	5D
505	5E
506	5F
507	5G
601	6A
602	6B
603	6C
604	6D
605	6E
606	6F
607	6G