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ARTICLES OF INCORPORATION
OF
BREAKWATER CONDOMINIUM ASSOCIATION, INC.

BreakWater Condominium Association, Inc. is organized under Chapter 181 of the Wisconsin Statutes as a non-stock, non-profit corporation.

ARTICLE I
Name

The name of the Corporation is BreakWater Condominium Association, Inc. (the "Corporation").

ARTICLE II
Registered Agent

The name and address of the Corporation's initial registered agent are:

Jeffrey A. Natrop
643 East Erie Street
Milwaukee, Wisconsin 53202-6203

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ARTICLE III
Principal Office

The address of the initial principal office of the Corporation is:

643 East Erie Street
Milwaukee, Wisconsin 53202-6203

The initial principal office is located in Milwaukee County, Wisconsin.

ARTICLE IV
Members

The Corporation will have members.

ARTICLE V
Purpose

The Corporation is organized to act as the association of unit owners for The BreakWater Condominium, a condominium created under Chapter 703 of the Wisconsin Statutes and located at 1313 North Franklin Place in the City of Milwaukee, Milwaukee County, Wisconsin.

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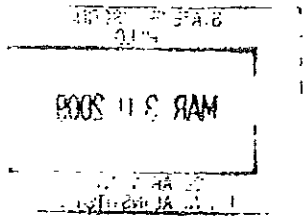

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ARTICLE VI
Board of Directors; Actions Without Meeting

The affairs of the Corporation shall be managed by a board of directors. The board of directors shall initially consist of three directors. The number of directors may be changed as provided in the Corporation's Bylaws provided that, at all times, there shall be at least three directors. The board of directors may take any action required or permitted to be taken by these Articles or the Bylaws without a meeting if a written consent, setting forth the action so taken, is signed by 67% of the directors then in office.

ARTCILE VII
Incorporator

The name and address of the Incorporator of the Corporation are:

John M. Wirth
Mallery & Zimmerman, S.C.
Suite 900
731 North Jackson Street
Milwaukee, Wisconsin 53202-4697

Dated as of March 24, 2009.

John M. Wirth
Incorporator

Drafted by:

John M. Wirth
Mallery & Zimmerman, S.C.
Suite 900
731 North Jackson Street
Milwaukee, Wisconsin 53202-4697
telephone: 414-271-2424
facsimile: 414-271-8678
e-mail: jwirth@mzmilw.com

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BYLAWS OF
BREAKWATER CONDOMINIUM ASSOCIATION, INC.

THESE BYLAWS govern the administration of BREAKWATER CONDOMINIUM (the "Condominium"), which is located in the City of Milwaukee, Milwaukee County, Wisconsin, as required under Section 703.10 of the Wisconsin Condominium Ownership Act (the "Act"). Every owner of a Unit in the Condominium (each a "Unit Owner") shall comply strictly with these Bylaws and with the rules adopted under these Bylaws (the "Rules"), as these Bylaws and the Rules are amended from time to time, and with the covenants, conditions and restrictions set forth in the Declaration of Condominium of the Condominium (the "Declaration") and in the Plat of the Condominium, both recorded in the Office of the Milwaukee County Register of Deeds, as they may be amended from time to time, and in the deed to the Unit Owner's Unit, if any. When there are unsold Units in the Condominium, the declarant of the Condominium ("Declarant") enjoys, except as described in the Declaration, the same rights and assumes the same duties as they relate to each individual unsold Unit. Capitalized terms not otherwise defined in these Bylaws have the definitions provided in the Declaration.

ARTICLE 1
FORM OF ADMINISTRATION

1.1 Incorporation. The affairs of the Condominium shall be administered by an Association of the Unit Owners (the "Association"). The Association shall be incorporated as a non-stock corporation under Chapter 181 of the Wisconsin Statutes ("Chapter 181") under the name "BreakWater Condominium Association, Inc." The membership of the Association shall at all times consist exclusively of all of the Unit Owners.

1.2 Delegation of Duties. The duties of the Association are delegated to a board of directors (the "Board") to the extent described in Article 4. The powers and manner of selection and removal of the members of the Board are set forth in Article 4.

ARTICLE 2
ASSOCIATION ADDRESS

The Association's mailing address shall be 643 East Erie Street, Milwaukee, Wisconsin 53202-6203, provided that at or prior to completion of construction of the Condominium improvements, the Association shall amend its mailing address.

ARTICLE 3
ASSOCIATION MEETINGS

3.1 Calling Meetings, Location.

(a) The Association shall hold annual meetings for the purpose of electing Directors and transacting such other business as may be authorized by the Unit Owners. The Board

shall call the first annual meeting on the second Monday of the first January after the expiration of the Period of Declarant Control described in the Declaration. The Board shall call subsequent annual meetings on the second Monday of January of each subsequent year. Notwithstanding the foregoing, the Board may call any annual meeting, including the initial annual meeting, for a date 30 days before or after the day established in this Section.

(b) The Board may call special meetings of the Association, and shall do so if Unit Owners holding at least 25% of the votes in the Association sign, date, and deliver to any Association officer one or more written demands for the meeting describing one or more purposes for which it is to be held.

(c) Each meeting shall be held at such time and such place as the Board may determine, but within 20 miles of the Association's principal office.

3.2 Quorum. Unit Owners holding at least 25% of the votes in the Association must be in attendance to constitute a quorum at any meeting of the Association. Attendance may be in person or by proxy as provided below.

3.3 Roster of Unit Owners; Meetings. The Association shall maintain a current roster of names and addresses of every Unit Owner to which notice of meetings of the Association shall be sent. Every Unit Owner shall furnish the Association with his or her name and current mailing address. No Unit Owner may vote at meetings of the Association until this information is furnished. No regular or special meeting of the Association, including any annual meeting, may be held except on at least 10 days' advance written notice delivered or mailed to every Unit Owner at the address shown on the roster or unless written waivers of notice are duly executed by all Unit Owners.

3.4 Presiding Officer. The President of the Association shall preside at all meetings of the Association he or she attends. If the President is absent, the Directors present shall select one Director to preside. If no Directors are present, the Unit Owners present shall select a Unit Owner to preside.

3.5 Recording Officer. The Secretary of the Association shall keep the minute book for recording the resolutions of the Association and count votes at meetings of the Association. In the Secretary's absence, the person presiding over the meeting shall appoint a person to fulfill those duties for the meeting.

3.6 Voting. At meetings of the Association, each Unit shall only be entitled to cast one vote. Unit Owners may vote by proxy, but the proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a mortgagee or lessee of the Unit. If only one of multiple owners of a Unit is present at a meeting of the Association, the owner is entitled to cast the vote allocated to that Unit. If more than one of the multiple Unit Owners are present, the vote allocated to that Unit may be cast only by unanimous agreement of the Unit's Unit Owners, but unanimous agreement is conclusively presumed if any one of them purports to cast the vote

allocated to that Unit without protest being made promptly by any of the others to the person presiding over the meeting.

3.7 Majority Requirement. Unless otherwise provided in the Act, and subject to provisions in these Bylaws requiring a different majority, decisions of the Association shall be made on a majority of votes of the Unit Owners present, entitled to vote, and voting.

3.8 Prohibiting Voting by Certain Unit Owners. If the Association has recorded a statement of condominium lien on a Unit and the amount necessary to release the lien has not been paid at the time of a meeting of the Association, the Unit Owner may not vote at the meeting.

3.9 Action by Written Consent. Action required or permitted to be taken or approved by the Unit Owners may be approved without a meeting of Unit Owners if the action is approved by Unit Owners holding at least 50% of the votes in the Association entitled to vote to take or approve the action. Action required or permitted to be taken or approved by Declarant may be approved without a meeting of Unit Owners. In either such case, the action must be evidenced by one or more written consents describing the action taken, signed by the required number of Unit Owners or Declarant, as the case may be, and delivered to the Association for inclusion in the minutes or filing with the Association records. All signatures on the written consent shall be dated and, in determining whether the required number of Unit Owners have signed the consent, only those signatures dated after the date of the most recent meeting of the Association may be counted.

3.10 Action by Written Ballot. Any action that may be taken at an annual or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Unit Owner entitled to vote on the matter. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot under this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A solicitation for votes by written ballot shall include all of the following information: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve each matter other than election of Directors; and (c) the time by which a ballot must be received by the Association in order to be counted. A written ballot may not be revoked.

ARTICLE 4
DIRECTORS

4.1 Number. Until the expiration of the Period of Declarant Control, as defined in the Declaration, the Board shall consist of three persons (each a "Director"). After the expiration of the Period of Declarant Control, the Board shall consist of five Directors.

4.2 Appointment and Election. Declarant shall appoint the initial Directors and, subject to the provisions below for election of Directors by the Unit Owners, their successors. The

Unit Owners shall elect members of the Board as provided below. All Directors elected by the Unit Owners shall be Unit Owners. Equity holders, officers and directors of entity Unit Owners shall be considered Unit Owners for purposes of the preceding sentence.

(a) Prior to the conveyance of 25% of the Percentage Interests to purchasers, the Association shall hold a meeting at which one Director appointed by Declarant shall resign and the Unit Owners other than Declarant shall elect one Director.

(b) Not later than 45 days after the expiration of the Period of Declarant Control described in the Declaration, the Association shall hold a meeting at which the remaining two Directors appointed by Declarant shall resign and the Unit Owners shall elect four Directors.

(c) During the Period of Declarant Control, at each annual meeting of the Association, Declarant shall appoint a Director to succeed each Director previously appointed by Declarant who has not resigned pursuant to the preceding paragraphs, and the Unit Owners shall elect a Director to succeed each Director previously elected by the Unit Owners pursuant to Section 4.2(a).

(d) After the Period of Declarant Control, at each annual meeting of the Association, the Unit Owners shall elect a Director to succeed each Director whose term has expired as described below.

4.3 Terms.

(a) The terms of Directors elected or appointed during the Period of Declarant Control shall expire at the first annual meeting of the Association following his or her appointment or election.

(b) The terms of two Directors elected pursuant to Section 4.2(b) shall expire at the first annual meeting of the Association following their election. The terms of the other two Directors elected pursuant to Section 4.2(b) shall expire at the second annual meeting of the Association following their election. Thereafter, the terms of all five Directors shall expire at the second annual meeting of the Association following their election.

(c) The term of a Director filling a vacancy, as described below, expires at the next annual meeting of the Association, at which time a Director will be elected or appointed to fill the remaining term of the Director who vacated the position or, if such term would normally expire at such meeting, for a new term of normal length.

4.4 Powers and Duties. All aspects of the management, operation and duties of the Association shall be delegated to the Board and, except as limited by the Articles, these Bylaws or the Declaration, the Board shall have all powers allowed by the Act. Except for matters reserved to the Unit Owners by the Act, the Declaration or these Bylaws, all policy and operational decisions of the Association, including interpretation of the Condominium Instruments, Bylaws, Rules and other documents relating to the Condominium or the Association, shall be made by the Board.

4.5 Compensation. Directors shall receive no compensation for their services as Directors.

4.6 Removal.

(a) Directors elected by the Unit Owners may be removed with or without cause by majority vote of the Unit Owners. A Director elected by the Unit Owners may be removed by the Unit Owners only at a meeting called for the purpose of removing the Director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

(b) Directors elected by the Board may be removed with or without cause by the vote of a majority of the Directors then in office. However, a Director elected by the Board to fill the vacancy of a Director elected by the Unit Owners may be removed with or without cause by the Unit Owners, but not the Board.

(c) Directors appointed by Declarant may be removed with or without cause by Declarant.

4.7 Vacancies.

(a) Unless otherwise provided in the Association's Articles of Incorporation (the "Articles"), any vacancy occurring on the Board, including a vacancy created by an increase in the number of Directors, may be filled until the next succeeding annual meeting of the Association by the affirmative vote of a majority of the Directors then in office, although less than a quorum. In the event that the Board ceases to exist, the Unit Owners have the power to elect a new Board.

(b) Unless the Articles provide otherwise and except for vacancies caused by a resignation described in Section 4.2(a) or (b), if a vacant office was held by a Director appointed by Declarant, only Declarant may fill the vacancy.

4.8 Meetings.

(a) The Board shall hold at least one regular meeting quarterly for the purpose of conducting such business as may come before the Board. The Board may by resolution establish times and places for other regular meetings. Notice of meetings shall be given in a manner best calculated to assure that actual notice is received by all Directors.

(b) The President or two of the Directors then in office may call and give notice of a special meeting of the Board. Special meetings of the Board must be preceded by at least two days' notice to each Director of the date, time and place, but not the purpose, of the meeting.

(c) The Board may permit any or all Directors to participate in a regular or special meeting or in a committee meeting of the Board by, or to conduct the meeting through the

use of, any means of communication that satisfies the requirements of Section 181.0820(3) of Chapter 181.

4.9 Quorum and Voting. Except where a higher percentage is required under Chapter 181 or the Articles, a quorum of the Board consists of a majority of the Directors in office immediately before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of all Directors is the act of the Board unless Chapter 181, the Articles or another provision of these Bylaws requires the vote of a greater number of Directors.

4.10 Action Without Meeting. An action required or permitted to be taken at a Board meeting may be taken without a meeting if a written consent setting forth the action is signed by two-thirds of the Directors then in office. All Directors must be noticed immediately of the text of the written consent and of its effective date and time.

4.11 Committees. The Board may adopt resolutions designating one or more committees. Each committee shall consist of three or more Directors elected by the Board. To the extent provided by the resolution, the committee may exercise the powers of the Board with respect to the management of the affairs of the Association, when the Board is not meeting, except for electing officers or the filling of vacancies on the Board or on committees created under this Section. The Board may elect one or more of its members as alternate members of a committee created under this Section, who may take the place of absent members at any meeting of the committee. The designation of a committee and the delegation of authority to it do not relieve the Board or any Director of any responsibility imposed upon the Board or Director by law.

4.12 Professional Management. The Board may engage the services of a professional manager or managing agent for the Condominium, including a master association under Section 703.155 of the Act. The term of any contract for professional management services shall not exceed one year, and shall be terminable by the Board with or without cause without the payment of any penalty or an advance notice of more than 90 days. If Declarant enters into a professional management contract before expiration of the Period of Declarant Control, the contract must give the Association the right to terminate it without cause at any time after Declarant conveys 75% of the Units to purchasers.

ARTICLE 5
OFFICERS

5.1 Appointment and Terms. The Board shall appoint a President, a Secretary and a Treasurer, each of whom shall be members of the Board. In addition, the Board may appoint a Vice President and such other officers, assistants to officers, acting officers and agents as the Board may deem necessary. The same person may simultaneously hold more than one office. Each officer shall hold office until his or her successor shall have been duly appointed or until the officer's prior death, resignation or removal, at which time the Board shall appoint a successor.

5.2 Duties and Authority. Each officer has the authority and shall perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties and authority

prescribed in a resolution of the Board or by direction of an officer authorized by the Board to prescribe the duties and authority of other officers.

(a) The President shall be the Association's chief executive officer and shall preside at all meetings of the Association and the Board at which he or she is present. The President shall have and exercise general supervision over the conduct of the Association's affairs and over its other officers, employees, agents and consultants subject, however, to the Board's control. The President shall have authority to sign, execute and deliver in the Association's name all instruments either when specifically authorized by the Board or when required or deemed necessary or advisable by the President in the ordinary conduct of the Association's normal business, except in cases where the signing and execution of the instruments shall be expressly delegated by the Board to some other officer(s) or agent(s) of the Association or shall be required by law or otherwise to be signed or executed by some other officer or agent.

(b) If the Board opts to appoint a Vice President, in the President's absence, or in the event of his or her death or inability or refusal to act, or if for any reason it shall be impractical for the President to act personally, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions on the President. The execution of any instrument of the Association by the Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the President's place.

(c) The Secretary shall keep minutes of and count votes at all meetings of the Association and the Board and its committees; see that all notices are duly given in accordance with the Declaration, these Bylaws or as required by law; be custodian of the Association's corporate records and see that the books, reports, statements and all other documents and records required by law are properly kept and filed; and have charge of the records of the membership in the Association and keep such records in such manner as to show at any time, the names and addresses of the Unit Owners, the Units owned by each, and the time when each became a Unit Owner.

(d) The Treasurer shall be responsible for all of the Association's funds and securities; receive and deposit all monies of the Association in depositories selected by the Board; disburse such funds as directed by the Board; and keep or cause to be kept, at the Association's principal office or such other office or offices as the Board shall from time to time designate, correct records of the Association's funds, business and transactions. If required by the Board, the Treasurer shall furnish a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine.

5.3 Compensation. The Board shall fix the compensation of each officer, if any.

5.4 Removal. The Board may remove any officer, but the removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment shall not of itself create contract rights.

ARTICLE 6
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Except to the extent limited by the Articles, the Association shall indemnify Directors and officers as required under Section 181.0872 of Chapter 181. Unless otherwise provided by the Articles or by written agreement between the Director or officer and the Association, the Director or officer seeking indemnification under Subsection 181.0872(2) of Chapter 181 shall select one of the means described in Section 181.0873 of Chapter 181 for determining his or her right to indemnification.

ARTICLE 7
OPERATIONS

7.1 Budgets. The Board shall annually adopt and distribute to all Unit Owners an annual budget setting forth all anticipated common expenses and any amounts to be allocated to reserve accounts and to any other funds for future expenditures; the amount and purpose of any other anticipated Association expenditure; the amount in any reserve account or any other funds held for future expenditures; any common surpluses; the amount and source of any income, other than Unit Owner assessments; and the aggregate amount of any assessment to be levied against Unit Owners and the purpose of the assessment.

7.2 Assessments. The Board shall levy and collect Assessments pursuant to the attached Exhibit A. Assessments not paid when due shall bear interest from the date due until paid at the lower of the highest rate permitted by law or 6% over the prime rate of interest published from time to time in The Wall Street Journal, Midwest Edition, adjusted as and when such prime rate is adjusted.

7.3 Availability of Condominium Documents. The Association shall have current copies of the Declaration, the Articles, these Bylaws and the Rules as well as its own books, records and financial statements available for inspection by Unit Owners or by holders, insurers and guarantors of first mortgages that are secured by Units in the Condominium. These documents shall be available at the Association's principal office during normal business hours.

7.4 Rules. The Board may adopt, amend and repeal the Rules for the operation of the Condominium and the Association and the use and maintenance of the Condominium property, provided that no such Rule may contradict the Act, the Declaration, the Articles or these Bylaws. Any Rule adoption, amendment or termination while Declarant owns any Unit shall require Declarant's consent.

7.5 Remedies.

(a) If any Unit Owner fails to comply with the Act, the Declaration, these Bylaws, the Rules or any decisions made by the Association (each a "violation"), the Unit Owner may be sued for damages caused by the failure or for injunctive relief, or both, by the Association or by any other Unit Owner. Unit Owners shall also have similar rights of action against the

Association. A Unit Owner who commits a violation is also liable for any charges, fines or assessments imposed by the Association pursuant to these Bylaws or the Rules as a result of the violation.

(b) If a tenant of a Unit commits a violation that results in a charge, fine or assessment imposed by the Association pursuant to these Bylaws or the Rules, the tenant is liable for the charge, fine or assessment. If the Association complies with the notice requirement below, the Unit Owner of the Unit occupied by the tenant when the violation occurred is liable for any charges, fines or assessments imposed by the Association for which the tenant is liable that are not paid by the tenant within 30 days after receiving the notice below. This paragraph does not affect the liability of the tenant to the Unit Owner for any charges, fines or assessments paid by the Unit Owner under this paragraph.

(c) If the Association imposes a charge, fine or assessment as a result of a violation by a tenant of a Unit, the Association shall give notice to the tenant by any method under Section 704.21(1)(a) to (e) of the Wisconsin Statutes and to the Unit Owner of the Unit occupied by the tenant by any method under Section 704.21(2)(a) to (d) of the Wisconsin Statutes. The notice shall include the amount of charges, fines or assessments for which the tenant is liable and notice that if the tenant fails to pay the Association the amount for which the tenant is liable within 30 days after the tenant receives the notice, the Unit Owner is liable to the Association for the amount unpaid by the tenant although the tenant may be liable to the Unit Owner for any amounts the Unit Owner pays.

(d) This Section does not otherwise affect the liability of a Unit Owner or tenant who commits a violation.

ARTICLE 8
BORROWING MONEY; ACQUIRING AND CONVEYING PROPERTY

8.1 Regular Course. The Association may, on the terms and conditions and for the consideration determined by the Board, do any of the following:

(a) Sell, lease, exchange or otherwise dispose of all, or substantially all, of its property in the usual and regular course of its activities.

(b) Sell, lease, exchange or otherwise dispose of less than substantially all of its property whether or not in the usual and regular course of activities.

(c) Mortgage, pledge, dedicate to the repayment of indebtedness, whether with or without recourse, or otherwise encumber any or all of its property whether or not in the usual and regular course of its activities.

While Declarant owns any Unit, any transaction described in this Section shall require Declarant's consent. However, unless required by the Declaration or the Articles, approval of the other Unit Owners of a transaction described in this Section is not required.

8.2 Other Than Regular Course. The Association may sell, lease, exchange or otherwise dispose of all, or substantially all, of its property other than in the usual and regular course of its activities on the terms and conditions and for the consideration determined by the Board if the proposed transaction is approved by all of the following:

(a) Unless the Declaration or the Articles provides otherwise, the Board.

(b) The Unit Owners, by two-thirds of the votes cast or a majority of the voting power, whichever is less.

(c) While Declarant owns any Unit, Declarant.

8.3 Borrowed Money. Notwithstanding the foregoing, the Association shall not have borrow funds or incur indebtedness which would cause its total loans and obligations outstanding to be in excess of $100,000 without the prior consent of all of the following:

(a) Unless the Declaration or the Articles provides otherwise, the Board.

(b) The Unit Owners, by two-thirds of the votes cast or a majority of the voting power, whichever is less.

(c) While Declarant owns any Unit, Declarant.

8.4 Notice Requirements. If the Board seeks to have a transaction approved by the Unit Owners at an Association meeting, the Association shall give notice to the Unit Owners of the proposed meeting. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the sale, lease, exchange or other disposition of all, or substantially all, of the property or assets of the Association and contain or be accompanied by a copy or summary of a description of the transaction.

8.5 Written Consents or Ballots. If the Board seeks to have a transaction approved by the Unit Owners by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of a description of the transaction.

8.6 Abandonment of Transaction. After a sale, lease, exchange or other disposition of property is authorized, the transaction may be abandoned, subject to any contractual rights, without further action by the Unit Owners or any other person who approved the transaction in accordance with the procedure set forth in the resolution proposing the transaction or, if none is set forth, in the manner determined by the Board.

ARTICLE 9
AMENDMENTS

These Bylaws may be amended by the affirmative vote of 67% of the Unit Owners; provided, however (a) any amendment made while Declarant owns any Unit shall require Declarant's consent, and (b) any amendment to these Bylaws or the Articles of Incorporation changing any matter of a material adverse nature to mortgage holders of Units or their assignees (including those matters specified in the rules issued by the Federal National Mortgage Association) shall require the written consent of Eligible Mortgage Holders (as defined in the Declaration) that represent at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. Each Eligible Mortgage Holder, Eligible Guarantor (as defined in the Declaration), and Eligible Insurer (as defined in the Declaration) shall be entitled to receive timely written notice from the Association of any proposed amendment to these By-Laws or the Articles of Incorporation. If and to the extent an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment to these Bylaws or the Articles of Incorporation within 60 days after it receives a properly addressed notice, by certified or registered mail, with a "return receipt" requested, such Eligible Mortgage Holder shall be deemed to have consented in writing to the proposal. Each particular set forth in Articles 1-8 shall be expressed in the Bylaws as amended.

ARTICLE 10
RULES OF CONSTRUCTION

10.1 Liberal Construction. The provisions of these Bylaws shall be liberally construed to facilitate the operation of the Condominium and the Association.

10.2 Severability. All provisions of these Bylaws are severable and the invalidity of one provision does not affect the validity of any other provision.

10.3 Conflicts. If there is any conflict between any provisions of the Act or any of the Condominium Instruments and any provisions of these Bylaws or the Rules, the provisions of the Act or the Condominium Instruments shall control. If there is any conflict between any provisions of these Bylaws or the Rules and any provisions of the Articles, the provisions of the Articles shall control. If there is any conflict between any provisions of these Bylaws and any provisions of the Rules, the provisions of these Bylaws shall control.

EXHIBIT A

Assessment Provisions

The following provisions are set forth in the Declaration and are incorporated in these Bylaws by reference. The following provisions may not be amended without also amending the Declaration.

[FROM ARTICLE 9 OF THE DECLARATION]

9.1 Preparation of Estimated Budget. Unless otherwise provided in the Bylaws, the Board shall, on or about December 1 of each year, or as soon after such date as reasonably practical, prepare the Annual Budget. The Board shall, on or about December 15, or as soon thereafter as reasonably practical, notify each Unit Owner in writing of the Annual Budget. The notice shall contain a reasonable itemization including those items required by Wisconsin Statutes Section 703.161(2). The estimate set forth in the Annual Budget shall be assessed as described below. On or before the date of the Annual Meeting each calendar year (as specified in the Bylaws), the Board shall supply to all the Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Common Surpluses shall be credited as described below until exhausted, and any net shortage shall be added according to each Unit Owner's payment obligations to the installments due in the succeeding months after rendering of the accounting as provided in the Bylaws.

9.2 Calculation of General Assessments. Each Unit Owner shall be assessed an annual General Assessment equal to the sum of the following:

(a) The amount determined by multiplying the amount need to fund the Annual Budget, excluding insurance premiums and costs associated with the Parking Units, by a fraction, the numerator of which is the Unit's Assessment Share and the denominator of which is the sum of all Units' Assessment Shares;

(b) Insurance premiums, if any, attributable to the Unit Owner's Unit, Limited Common Elements and Parking Unit(s), as described in Section 14.3; and

(c) Expenses, if any, attributable to maintaining and repairing the Unit Owners' Parking Units, including without limitation striping of parking spaces, as described in Section 7.6.

Assessments may be reasonably rounded so that the total of all General Assessments so assessed equals the Annual Budget.

9.3 Payment of General Assessments. The Unit Owners shall pay annual General Assessments in 12 equal monthly installments, in advance, on the first day of each month.

Except for Declarant with regard to the Initial Assessment Contribution, no Unit Owner may exempt himself or herself from liability for his or her general assessment by waiver of the use of enjoyment of any of the Common Elements and facilities or by abandonment of his or her Unit.

9.4 Assessments Against Units Owned by Declarant. Notwithstanding any contrary provision of this Declaration, during the Period of Declarant Control, no General Assessments shall be assessed against any Unit owned by Declarant; however, during the Period of Declarant Control, the General Assessments payable by any Unit Owner other than Declarant shall not exceed the amount that Unit Owner would be charged if Declarant's Units were subject to full General Assessments, based on the annual operating budget then in effect. During the Period of Declarant Control, Declarant shall pay the deficit if the total General Assessments payable by Unit Owners other than Declarant do not cover total Common Expenses

9.5 Reserves. So long as Declarant owns any unoccupied Unit, the Board may not assess for reserves or replacements (including any statutory reserve account under Wisconsin Statutes Section 703.163) other than the Initial Assessment Contribution described below. Any Unit used as a sales office or as a model Unit shall be considered "unoccupied," as such term is used in this Article. Thereafter, the Board may build up and maintain a reasonable reserve for contingencies and replacements. The Board shall first charge against such reserve all extraordinary expenditures not originally included in the Annual Budget which may become necessary during the year.

9.6 Initial Assessment Contribution. At the time each constructed Unit is first occupied, the Unit Owner, other than Declarant, shall pay the Initial Assessment Contribution (in addition to the first monthly general assessment payment) to the manager or managing agent or as otherwise directed by the Board. The Initial Assessment Contribution shall equal two months' of then payable General Assessments. The Initial Assessment Contribution shall not be credited against future monthly payments. The Initial Assessment Contribution shall be used and applied as an operating reserve for Common Expenses in the manner described above. Declarant shall not during the period of Declarant control use such reserve to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits. Declarant shall pay the Initial Assessment Contribution for each unsold Unit upon expiration of Declarant control; provided, however, each purchaser of any such Unit shall reimburse Declarant at closing for any Initial Assessment Contribution paid by Declarant for such Unit.

9.7 Additional General Assessments. During the Period of Declarant Control, the Board may, at any time, levy an additional general assessment, which shall be assessed to the Unit Owners in the same proportion as other General Assessments, if but only if one or more Unit Owners fail to pay their Assessments (and then only to the extent of such unpaid Assessments). After the Period of Declarant Control, if the Annual Budget or the General Assessments collected prove inadequate for any reason, including because one or more Unit Owners fail to pay their Assessments, the Board may, at any time, levy an additional general assessment, which shall be assessed to the Unit Owners in the same proportion as other General Assessments. The Board shall serve notice of such additional General Assessments on the Unit Owners as provided in the Bylaws. All such Unit Owners shall be obligated to pay the additional general assessment when required by the Board.

9.8 Budget for First Year. When the first Board elected under this Declaration takes office, it shall determine the Annual Budget for the period commencing 30 days after the election and ending on December 31 of the calendar year in which the election occurs.

9.9 Failure to Prepare Annual Budget. If the Board fails to prepare or delays preparing or serving the Annual Budget or any adjusted estimate, such delay or failure shall not constitute a waiver of, or release in any manner, any Unit Owner's obligation to pay General Assessments whenever they are determined. In the absence of the Annual Budget or any adjusted estimate, the Unit Owner shall continue to pay the monthly General Assessment at the then existing monthly rate established for the previous period until a new Assessment is mailed or delivered.

9.10 Books and Records. The Board shall keep (a) current copies of the Declaration, its Articles of Incorporation, its Bylaws and other rules concerning the Condominium, and (b) full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Any Unit Owner, a representative of a Unit Owner duly authorized in writing or a holder, insurer or guarantor of a first mortgage secured by a Unit may inspect such records and the vouchers authorizing the payments at such reasonable time or times during normal business hours of week days as the Unit Owner may request. Upon 10 days' prior notice to the Board and payment of a reasonable fee as fixed by the Board not to exceed $25 (or such greater amount as allowed by the Act, as amended from time to time), the Board shall furnish a statement to any Unit Owner that sets forth, in detail, the amount of any unpaid Assessments or other charges due and owing from such Unit Owner.

9.11 Status of Collected Funds. The Board shall collect, hold and expend all funds for the purposes designated. Except for such Special Assessments as the Board levies against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid Assessments, the Board shall hold all funds for the benefit, use and account of all the Unit Owners as provided in the Bylaws.

9.12 Disposition of Common Surpluses. So long as Declarant owns any unoccupied Units, all common surpluses of the Association shall be credited against General Assessments payable by Declarant for unsold, unoccupied Units. After Declarant sells the final unoccupied Unit held by Declarant, all common surpluses of the Association shall be credited to the Unit Owners' Assessments for common expenses in the same proportion as other General Assessments.

9.13 Special Assessments. The Board may, whenever necessary or appropriate, levy Special Assessments against any Unit (other than unoccupied Units owned by Declarant) for expenses arising from (a) the acts or omissions of any Unit Owner, Occupant or tenant of such Unit, or any employee, guest, contractor, agent or invitee of a Unit Owner, Occupant or tenant of such Unit (including, without limitation, increases in premiums for insurance policies maintained by the Association); (b) against any Unit to remedy any violation by such Unit's Unit Owner of this Declaration, the Bylaws or the Rules; or (c) or as otherwise provided by this Declaration.

9.14 Audited Statement. The Association shall prepare an audited financial statement no later than 120 days after the end of each fiscal year of the Association. Each such statement shall be available to any holder, insurer or guarantor of any first mortgage secured by a Unit upon written request by any such party.

DISCLOSURE MATERIALS

The BreakWater Condominium

Declarant/Seller:
Franklin & Knapp LLC
643 East Erie Street
Milwaukee, Wisconsin 53202-6203

Declarant's Agent:
Jeffrey Natrop
643 East Erie Street
Milwaukee, Wisconsin 53202-6203

Property Address:
1132 East Knapp Street
Milwaukee, Wisconsin 53202-2829

1. 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.

2. 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.

3. 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 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 5 BUSINESS DAYS FOLLOWING THE EARLIER OF EITHER 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.

INDEX

These disclosure materials contain the following proposed documents for the Condominium:

1. Executive Summary. The Executive Summary highlights for a buyer of a Condominium Unit essential information regarding the Condominium. The Executive Summary begins on page A-1.

2. Declaration. The Declaration establishes and describes the Condominium, the Units and the Common Areas. The Declaration begins on page B-1.

3. Bylaws. The Bylaws contain rules which govern the Condominium and affect the rights and responsibilities of Unit Owners. The Bylaws begin on page C-1.

4. Rules and Regulations. The Rules and Regulations for the Condominium begin on page D-1.

5. Articles of Incorporation. The operation of a condominium is governed by the association, of which each unit owner is a member. Powers, duties, and operation of an association are specified in its articles of incorporation. The Articles of Incorporation begin on page E-1.

6. Management or Employment Contracts.

7. Annual Operating Budget. The Association incurs expenses for the operation of the Condominium which are assessed to the Unit Owners. The operating budget is an estimate of those charges which are in addition to mortgage and utility payments. The budget begins on page F-1.

8. Floor Plan and Map. The seller has provided a floor plan of the Unit being offered for sale and a map of the Condominium which shows the location of the Unit you are considering and all facilities and common areas which are part of the Condominium. The floor plan and map are included as Exhibit B to the Declaration.

9. Statutory Reserve Account Statement. The seller has opted not to require a statutory reserve account; however, as described in the Declaration, the Association shall establish reserves. The statutory reserve account statement begins on page G-1.

EXECUTIVE SUMMARY
FOR
THE BREAKWATER CONDOMINIUM

This Executive Summary explains where certain information can be located in these disclosure materials. It is not intended to be a complete description of all rights and obligations of Unit Owners, the Association or Declarant. A prospective purchaser should thoroughly review these disclosure materials to understand these rights and obligations fully.

1. Condominium Identification. The name of the Condominium is "The BreakWater Condominium."

2. Expansion Plans. The Declarant has not reserved the right to expand the Condominium.

3. Governance. The name of the Condominium Association is "BreakWater Condominium Association, Inc." Its address is 1313 N. Franklin Place, Milwaukee, WI 53202 but is managed by Colliers International. The contact information is as follows: Colliers International, 833 E. Michigan St, Suite 500, Milwaukee, WI 53202. Phone: 414-276-9500, Fax: 414-276-9501, Email: yannah.rosenquist@colliers.com

4. Special Amenities. The Condominium includes the following special amenities:

   (a) Clubhouse. Unit owners shall have access to a clubhouse room in the Condominium. The clubhouse room is shown on Exhibit B to the Declaration, and use of the Clubhouse is described in Section 9 of the Rules.

   (b) Fitness Room. Unit Owners shall have access to a fitness room in the Condominium. The fitness room is shown on Exhibit B to the Declaration, and use of the Clubhouse is described in Section 9 of the Rules.

   (c) Decks. Each Unit has a large private deck accessed from a patio door. Approximate deck locations are shown on Exhibit B to the Declaration, and use of the decks is described in Section 11.3 of the Declaration and Section 4 of the Rules.

   (d) Parking. Heated indoor parking is available. Parking is shown on Exhibit B to the Declaration and described in Article 7 and Section 9.2 of the Declaration and Section 1 of the Rules.

5. Maintenance and Repair of Units. A description of a Unit Owner's responsibilities for the repair and maintenance of the Unit may be found in Section 12.1 of the Declaration.

6. Maintenance, Repair and Replacement of Common Elements. Descriptions of responsibilities for the maintenance, repair, and replacement of Common Elements and

Limited Common Elements and how repairs and replacements will be funded may be found in Articles 9 and 12 of the Declaration.

7. Rental of Units. A description of restrictions on Unit Owners' right to rent their Units may be found in Section 11.6 of the Declaration and Section 8 of the Rules.

8. Unit Alterations. The rules, restrictions, and procedures governing a Unit Owner's authority to alter the Units or enclose Limited Common Elements may be found in Article 13 of the Declaration.

9. Parking. Descriptions of the availability, restrictions and costs of parking may be found in Article 7 and Section 9.2 of the Declaration and Section 1 of the Rules.

10. Pets. A description of rules relating to Unit Owners' pets may be found in Section 11.5 of the Declaration and Section 7 of the Rules.

11. Reserves. Declarant has elected, as described in the Statutory Reserve Account Statement in these disclosure materials, not to establish a statutory reserve account under Wisconsin Statutes Section 703.163. However, a reserve for repairs and replacement of Common Elements beyond routine maintenance shall be established for the payment of extraordinary expenses. Unit Owners shall initially fund that reserve through payments made at the closing of the sale of their Units. That fund may later be supplemented by Unit Owner assessments. More information about reserves may be found in Sections 9.5 and 9.6 of the Declaration and on Exhibit A (Sections 9.5 and 9.6) of the Bylaws.

12. Fees on New Units. A description of the budget and assessment process may be found in Article 9 of the Declaration and on Exhibit A of the Bylaws. A description of Declarant's obligation to pay assessments may be found in Section 9.4-9.7, 9.13 and 13.9 of the Declaration and on Exhibit A (Sections 9.4-9.7 and 9.13) of the Bylaws. More information on fees can be found in the current estimated Annual Budget provided in these disclosure materials. A transfer fee of $500, customarily paid by the buyer, will be collected at closing and added to the reserve fund.

13. Amendments. A Unit purchaser's rights and responsibilities may be altered by an amendment of the Declaration or Bylaws. Descriptions of the amendment processes and requirements may be found in Article 21 of the Declaration and Article 9 of the Bylaws.

14. Other Restrictions and Features. Additional rights and obligations of Declarant Unit Owners, the Association or Declarant are set forth in the Declaration, the Rules and other documents provided with this Executive Summary. Prospective purchasers should review all documents carefully.

DECLARATION OF CONDOMINIUM

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DOC.# 09711968

REGISTER'S OFFICE | SS
Milwaukee County, WI|

RECORDED 03/17/2009 09:14AM

JOHN LA FAVE
REGISTER OF DEEDS
AMOUNT: 131.00
FEE EXEMPT 77.25 #: 0

Document Number

Name and Return Address and Drafted by:

John M. Wirth
Mallery & Zimmerman, S.C.
731 North Jackson Street, Suite 900
Milwaukee, Wisconsin 53202

DECLARATION OF CONDOMINIUM FOR THE BREAKWATER CONDOMINIUM

Parcel Identification Number (PIN)
359-1382-0

Recording Area

THIS DECLARATION is made as of March 4, 2009 by FRANKLIN & KNAPP LLC, a Wisconsin limited liability company ("Declarant").

Declarant, as the owner of the Property described below, subjects the Property to this Declaration and to the condominium form of ownership under the Wisconsin Condominium Ownership Act as set forth in Chapter 703 of the Wisconsin Statutes. This Declaration shall run with the land and shall bind and benefit Declarant, its successors and assigns and all Persons now or in the future having any interest in the Property, and each transferee of any legal or equitable interest in all or any part of the Property accepts any document of conveyance subject to all terms and conditions of this Declaration and all obligations imposed by this Declaration.

ARTICLE 1
DEFINITIONS

As used in this Declaration, the following terms and phrases have the following meanings:

1.1 "Act" means the Wisconsin Condominium Ownership Act, Chapter 703 of the Wisconsin Statutes.

1.2 "Annual Budget" means the estimate prepared by the Board of the total amount necessary to pay Common Expenses for the following calendar year together with (except as prohibited below) a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements.

1.3 "Applicable Laws" means all applicable federal, state, county and local laws, ordinances and regulations, including without limitation the Act.

1.4 "Arbitrator" has the meaning given to it in Section 23.4.

1.5 "Assessment Share" is the number assigned to a Unit by Declarant roughly based on its size. As shown on Exhibit C, each Unit has been assigned an Assessment Share of 1, 1.25 or 1.75. Assessment Shares are used in calculating General Assessments against the Unit.

1.6 "Assessments" means General and Special Assessments for Common Expenses and charges, fines or assessments against specific Units or Unit Owners for damages to the Condominium or for penalties for violations of this Declaration, the Bylaws or the Rules.

1.7 "Association" means the association of Unit Owners required to be established by Section 703.15 of the Wisconsin Statutes to govern the condominium, which may be a nonprofit corporation or an unincorporated association, and which shall have the powers provided by Chapter 703 of the Wisconsin Statutes and any additional powers granted pursuant to this Declaration. The Association is described in Article 8.

1.8 "Board" means the Board of Directors of the Association. The Board is the governing body of the Association. The Board shall be elected as described in this Declaration and the Bylaws.

1.9 "Building" means the structure constructed or to be constructed on the Property to contain the Units.

1.10 "Bylaws" means the Bylaws of the Association as adopted from time to time.

1.11 "Common Elements" means all of the Property except the Units, including but not limited to the land on which the Improvements are located; all common driveways, walkways, courtyards and other open areas, as shown on the Plat and all amendments to the Plat; water systems and other private utility lines to the point they become distinctly identifiable to a particular Unit; public utility lines; master television cable or antenna and lines, if any; the landscaping done or to be done on the Property; any areas for the storage of property utilized in the maintenance of the Property; bearing walls, floors and ceilings (except the interior surfaces of such elements that form the outer boundaries of each Unit); lobby and Building entrances and exits not appurtenant to any particular Unit; ducts, tanks, pumps, motors, fans, compressors, electrical wiring, pipes and sewer laterals to the extent they serve more than one Unit or other of the Common Elements; elevators; common rooms including, without limitation, the clubhouse shown on Exhibit B; and roofs, foundations, columns, girders, beams, supports, outside walls and structural parts of the Building. Each Unit Owner shall have an undivided interest in all of the Common Elements. The term "Common Elements" includes Limited Common Elements as defined below, unless otherwise stated in some particular provision of this Declaration.

1.12 "Common Expenses" means any and all expenses lawfully incurred by the Association in connection with the management and control of the Condominium, the cleaning, maintenance and repair and replacement of the Common Elements and Limited Common Elements, the administration of the Association, other obligations of the Association described in this Declaration, and all other expenses lawfully incurred by the Association for the benefit of the Condominium. Common Expenses shall include without limitation expenses incurred for the

following items: insurance premiums; reserve funds (if any); landscaping and lawn care; cleaning and janitorial service; window washing; snow shoveling and plowing; Improvements to the Common Elements and Limited Common Elements; common security lighting; municipal utility services and other common utilities; trash collection; and maintenance, management and security salaries, wages, benefits and payroll taxes; management fees; taxes, charges and fees payable by the Association to any governmental entity.

1.13 "Common Surpluses" means the balance of all income, rents, profits and revenues from the Common Elements and facilities remaining after the deduction of the Common Expenses.

1.14 "Condominium Instruments" means this Declaration and the Plat.

1.15 "Declaration" means this instrument, by which the Property is submitted to the provisions of the Act, and shall include such amendments, if any, to this instrument that are adopted from time to time pursuant to the terms of this Declaration.

1.16 "Eligible Guarantor" means a guarantor of a first mortgage on a Unit that provides written request to the Association at the address specified in the Bylaws in which such Person provides its name and address along with the Unit Number or Unit address on which there is a first mortgage guaranteed by such Person.

1.17 "Eligible Insurer" means an insurer of a first mortgage on a Unit that provides written request to the Association at the address specified in the Bylaws in which such Person provides its name and address along with the Unit Number or Unit address on which there is a first mortgage it insures.

1.18 "Eligible Mortgage Holder" means a holder of any first mortgage or land contract on a Unit that provides written request to the Association at the address specified in the Bylaws in which such Person provides its name and address along with the Unit Number or Unit address on which it has a first mortgage.

1.19 "General Assessment" means an assessment of amounts necessary to fund the Annual Budget, and any supplement to the Annual Budget. General Assessments are assessed against all Units based on the calculation described in Section 9.2.

1.20 "Improvements" means all buildings, structures, improvements and other permanent fixtures of whatever kind on the Property at any time.

1.21 "Initial Assessment Contribution" is an amount payable, as described in Section 9.6, at the time of an initial purchase of Unit for Association reserves.

1.22 "Limited Common Elements" means those Common Elements designated in this Declaration as reserved for exclusive use of one or more but less than all Unit Owners. The Limited Common Elements are designated and set forth on the Plat, and are identified on the Plat as to type, extent and Unit or Units to which the Limited Common Element are assigned. However,

any fixture designed to serve a single Unit and located contiguous to the boundary of the Unit shall be deemed a Limited Common Element exclusively for that Unit and need not be shown on Exhibit B.

1.23 "Occupant" means the Person or Persons, other than a Unit Owner, in possession of a Unit.

1.24 "Parking Unit" means a parking space, area or garage as described in Article 7.

1.25 "Parking Unit Number" means the unique number designating each Parking Unit as set forth in this Declaration.

1.26 "Person" means an individual, corporation, partnership, limited liability company, association, trustee or other legal entity.

1.27 "Percentage Interest" means a Unit's undivided interest in the Common Elements as described in Article 6.

1.28 "Period of Declarant Control" means the period commencing on the date that the first Unit is conveyed by Declarant to any Person other than Declarant and ending on the earlier of the following:

(a) Three years after the date this Declaration is recorded; or

(b) Thirty days after the conveyance of 75% of the Percentage Interests to purchasers.

If there is any Unit Owner other than Declarant, this Declaration may not be amended to increase the scope or the Period of Declarant Control.

1.29 "Plat" means the Plat of the Condominium, as recorded at the time of this Declaration with the Register of Deeds of Milwaukee County, and as amended from time to time.

1.30 "Property" means the land legally described on Exhibit A, together with all air space, all Improvements, and all easements, rights and appurtenances to the land.

1.31 "Registered Agent" means the Person to receive service of process for the Condominium in the cases provided in the Act.

1.32 "Special Assessment" means any amount payable by a Unit Owner or assessable against a Unit other than General Assessments.

1.33 "Unit" means a part of the Property subject to the Act intended for the private and independent use as a single family residence. See Section 4.2 for specifications of Unit boundaries.

1.34 "Unit Number" means the unique number designating each Unit as set forth in this Declaration.

1.35 "Unit Owner" means the Person, or combination of Persons, who owns a Unit and an undivided interest in the Common Elements and facilities appurtenant to such Unit in the percentage specified and established in this Declaration.

ARTICLE 2
NAME AND ADDRESS

The Condominium shall be known as The Breakwater Condominium. The current address of the Condominium is 1313 North Franklin Place, Milwaukee, Wisconsin 53202-2829 (the address by which the Condominium is known may change after construction).

ARTICLE 3
PROPERTY

A description of the land on which the Condominium is to be located is set forth on Exhibit A to this Declaration. The Property is divided into the Units and the Common Elements (including the Limited Common Elements), as described below.

ARTICLE 4
UNITS

4.1 Number and Identification. The Condominium contains 101 Units, all of which are contained in one building and are more fully described in the Plat. The Units are identified by numbers as shown on the Plat.

4.2 Description. Each Unit shall be a single apartment-type unit comprised of one or more cubicles of air at one or more levels of space, having boundaries determined as follows:

(a) Upper Boundaries. The upper boundaries of any portion of the Unit shall be the plane of the bottom of the precast plank supporting the ceiling above the uppermost existing story of living area of such portion, extended to an intersection with the perimetrical boundaries.

(b) Lower Boundaries. The lower boundaries of any portion of the Unit shall be the horizontal plane of the uncovered or unfinished upper surface of the floor of such portion or of any stairway included in such portion, whichever is lower, extended to an intersection with the perimetrical boundaries.

(c) Perimetrical Boundary. The perimetrical boundaries of the Unit shall be the vertical planes, the elevations of which coincide with the inside face of the studs or concrete or other surface supporting the drywall or other wall surface, extended to an intersection with the upper and lower boundaries.

(d) Special Rules for Intrusions and Extrusions into or out of Such Boundaries. If and to the extent there are any extrusions such as bay windows or recessed cabinetry or intrusions such as boxed duct work, the extrusion shall be included in the Unit and the intrusion shall be excluded from the Unit, in each instance interpreted in a manner consistent with the surrounding boundary (e.g., including the drywall in the Unit but excluding the studs or concrete surface behind such drywall).

(e) Other Items. To the extent applicable and to the extent they only serve the Unit, each Unit shall include the following. If any of the following items serve more than one Unit or the Common Areas but some identifiable and distinct part of the item serves only the Unit, that identifiable and distinct part shall be part of the Unit and, to the extent any portion of the item is not part of any particular Unit, such part shall be Limited Common Elements appurtenant to those Units served by the item.

(1) All exterior doors, door locks, hinges and other door hardware, including doors to the deck serving the Unit.

(2) All windows and screens attached to the Unit, and all window hardware.

(3) The air conditioning unit serving the Unit, including all portions of the unit which extend through a Common Element and all portions of the unit on the rooftop of the Building or elsewhere in the Condominium.

(4) Heat and hot water systems and equipment.

(5) Telephone, television, computer and other communication systems.

(6) Electric wires, conduit and fixtures.

(7) Sewer and gas mains and laterals and all other utility lines and distribution systems.

(8) Interior chutes, flues, ducts and exhaust fans, including exhaust fans for the Unit's kitchen hood.

(9) Security systems.

(10) Fireplaces.

The approximate dimensions and floor area of each Unit, and further details identifying and describing each Unit, are shown on the Plat.

4.3 Changes by Declarant. Pursuant to applicable provisions of the Act, including Section 703.11 of the Wisconsin Statutes, Declarant reserves the right to change the layout, location, dimensions and construction details of the Building, Units, Parking Units, Common Elements and Limited Common Elements shown on the Plat that are not yet fully constructed, provided that such changes shall not substantially alter the nature and quality of the Building, the Units and the Parking Units. For this purpose, Declarant shall have the exclusive right, without a vote of any other Unit Owners, to amend this Declaration and the Plat for the purpose of describing and depicting the layout, location, Unit Numbers, Parking Unit Numbers and dimensions of the Building, Units, Parking Units, Common Elements and Limited Common Elements as finally located and erected.

4.4 Dimensions. The square footage, size and dimensions of the Building and each Unit as described, set out and shown in the Condominium Documents, are approximate and are shown for descriptive purposes. Due to variations in methods of measuring, and deviations that may occur during construction, Declarant does not warrant that any Unit contains the precise area, square footage or dimensions shown in the Condominium Documents.

4.5 Title. Each Unit Owner's interest in his or her Unit must be held in fee simple.

4.6 Unit Owners' Rights and Duties. Each Unit Owner shall be subject to all the rights and duties assigned to Unit Owners under the terms of the Condominium Instruments and the Bylaws. When there are unsold Units in the Condominium, Declarant also enjoys the same rights and assumes the same duties as they relate to each individual unsold Unit.

4.7 Right of Ingress and Egress. Each Unit Owner has an unrestricted right of ingress and egress to his or her Unit. This right shall be perpetual and shall pass with the Unit as transfers of ownership of the Unit occur.

ARTICLE 5
COMMON ELEMENTS

5.1 Use. The Common Elements may be used only for the purposes for which they were intended and, except as provided in the Condominium Instruments and the Bylaws, the Common Elements are subject to mutual rights of support, access, use and enjoyment by all Unit Owners. However, any portion of the Common Elements designated as Limited Common Elements may be used only by the Unit Owner of the Unit to which their use is limited.

5.2 Limited Common Elements. Each Limited Common Element is reserved for the exclusive use of the owner or owners of the Unit to which it is appurtenant, to the exclusion of all other Unit Owners. The Limited Common Elements include without limitation the outside deck immediately adjacent to each Unit to which the Unit has access by a door from the Unit. In addition, fixtures designed to serve a single Unit, located contiguous to the Unit's boundaries, are Limited Common Elements appurtenant to that Unit exclusively.

ARTICLE 6
PERCENTAGE INTERESTS

Every Unit Owner owns a Percentage Interest. The Percentage Interest appurtenant to each Unit is set forth on Exhibit C to this Declaration. The Percentage Interests appurtenant to each Unit are set forth in Exhibit C to this Declaration. Except as provided in the Act, all Common Elements shall remain undivided. Except as provided in the Act, no Unit Owner, nor any other Person, may bring a suit for partition of the Common Elements. The Percentage Interests shall have a permanent character and, except as provided by the Act, may not be changed without the written consent of all of the Unit Owners and their mortgagees. Any change shall be evidenced by an amendment to this Declaration recorded among the appropriate land records. The Percentage Interests may not be separated from the Unit to which they appertain. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a Unit also shall affect, in like manner, the Percentage Interest appurtenant to the Unit, and any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of any Percentage Interest will be void unless the Unit to which that Percentage Interest is allocated is also transferred.

ARTICLE 7
PARKING UNITS

7.1 Configuration. In general, but as more specifically described below, a Parking Unit shall consist of a single parking space. Parking Unit's shall be configured in five different ways, including: compact open parking spaces; open heated parking spaces; open heated parking spaces with "over the hood" storage cabinets; open heated parking spaces with storage lockers; and interior two-car garages.

7.2 Number. Declarant anticipates that there will be a total of 180 Parking Units; however, Declarant reserves the right to reduce or increase the number of Parking Units by dividing and combining Parking Units or portions of Parking Units, or otherwise deleting or adding Parking Units, prior to any affected Parking Unit being made appurtenant to a Unit.

7.3 Description. A Parking Unit consists of a cubicle of air which is described as follows: (a) the upper boundary shall be the lowest surface of the ceiling above such Parking Unit; (b) the lower boundary shall be the upper surface of the concrete or asphalt floor below such Parking Unit; and (c) the vertical boundaries of each Parking Unit shall be the boundary lines of such Parking Unit as shown on the Plat. A Parking Unit shall also include any storage cabinet or locker serving the Parking Unit and, in the case of interior garages, all doors serving the Parking Units included in the garage (including overhead garage doors, exit doors, door locks, hardware hinges, garage door openers and related mechanical systems serving the Parking Unit, if any, but excluding the overhead garage door used to enter the parking Common Element).

7.4 Transfers of Parking Units. At or prior to the sale by Declarant of a Unit, a Parking Unit shall be designated for such Unit and, upon the sale, shall be made appurtenant to the Unit. Unit Owners may transfer Parking Units between themselves provided that, at least 10 business days prior to the transfer, the Unit Owners participating in the transfer provide notice to the Board, a copy of the deed and the written consent from the transferring Unit Owner's mortgagee(s).

7.5 Use. Use and maintenance of the parking garage and the Parking Units shall be subject to the Rules. No Improvements of any nature may be constructed in the Parking Units by any Unit Owner without the prior written approval of the Board. The Board may withhold such approval in the Board's sole and absolute discretion.

7.6 Assessments for Maintenance and Repair of Parking Units. Each Unit Owners' proportionate share of expenses associated with maintaining and repairing Parking Units, including without limitation striping of parking spaces, shall be determined by multiplying the cost of such repairs and maintenance by a fraction, the numerator of which shall be the number of automobiles the Unit Owner's Parking Unit(s) are designed to accommodate and the denominator of which shall be the total number of automobiles that all of the Parking Units are designed to accommodate. The Board may round the resulting totals so that the total of all Parking Unit expenses allocated equals the total of all such expenses.

ARTICLE 8
ASSOCIATION OF UNIT OWNERS

The affairs of the Condominium shall be governed by the Association. The Association is intended to constitute a legal entity for all purposes, even if its corporate rights lapse at any time.

8.1 Until Establishment. Until the Association is established, Declarant has the power and responsibility to act in all instances where the Act, any other provision of the law or this Declaration requires action by the Association or its directors or officers.

8.2 Establishment. Declarant shall establish the Association not later than the date of the first conveyance of a Unit to a purchaser. The Association shall be organized as a nonprofit corporation under Chapter 181 of the Wisconsin Statutes. After it is organized, the membership of the Association shall at all times consist exclusively of all of the Unit Owners.

8.3 Declarant Control. During the Period of Declarant Control, Declarant or Persons designated by Declarant may appoint and remove the officers of the Association and may exercise the powers and responsibilities otherwise assigned by this Declaration or the Act to the Association, its officers or the Board.

8.4 Meetings to Elect Directors. Prior to the conveyance of 25% of the Percentage Interests to purchasers, the Association shall hold a meeting and the Unit Owners other than Declarant shall elect at least 25% of the members of the Board. Prior to the conveyance of 50% of the Percentage Interests to purchasers, the Association shall hold a meeting and the Unit Owners other than Declarant shall elect at least 33 1/3% of the members of the Board.

8.5 Calculation of the Percentage Interests. The calculation of the Percentage Interests conveyed to purchasers under the preceding Sections shall be based on the Percentage Interests appertaining to each Unit which has been conveyed assuming that all the Units to be completed are included in the Condominium.

8.6 Elections After Expiration of Declarant Control. Not later than 45 days after the expiration of the Period of Declarant Control, the Association shall hold a meeting and the Unit Owners shall elect the Board, which shall be comprised of at least three directors. The directors shall take office upon election.

8.7 Borrowing Money; Acquiring and Conveying Property. The Association may borrow money and purchase, lease, mortgage, grant security interests in and sell real estate and personal property as provided in the Bylaws. The Association may purchase goods and services jointly with other condominium associations or other Persons.

8.8 Voting. Each Unit Owner shall have one vote at meetings of the Association.

8.9 Association Property. No Unit Owner may have any right, title or interest in any property owned by the Association other than as holder of a Percentage Interest appurtenant to such Unit Owner's Unit.

ARTICLE 9
ASSESSMENTS

9.1 Preparation of Estimated Budget. Unless otherwise provided in the Bylaws, the Board shall, on or about December 1 of each year, or as soon after such date as reasonably practical, prepare the Annual Budget. The Board shall, on or about December 15, or as soon thereafter as reasonably practical, notify each Unit Owner in writing of the Annual Budget. The notice shall contain a reasonable itemization including those items required by Wisconsin Statutes Section 703.161(2). The estimate set forth in the Annual Budget shall be assessed as described below. On or before the date of the Annual Meeting each calendar year (as specified in the Bylaws), the Board shall supply to all the Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Common Surpluses shall be credited as described below until exhausted, and any net shortage shall be added according to each Unit Owner's payment obligations to the installments due in the succeeding months after rendering of the accounting as provided in the Bylaws.

9.2 Calculation of General Assessments. Each Unit Owner shall be assessed an annual General Assessment equal to the sum of the following:

(a) The amount determined by multiplying the amount need to fund the Annual Budget, excluding insurance premiums and costs associated with the Parking Units, by a fraction,

the numerator of which is the Unit's Assessment Share and the denominator of which is the sum of all Units' Assessment Shares;

(b) Insurance premiums, if any, attributable to the Unit Owner's Unit, Limited Common Elements and Parking Unit(s), as described in Section 14.3; and

(c) Expenses, if any, attributable to maintaining and repairing the Unit Owners' Parking Units, including without limitation striping of parking spaces, as described in Section 7.6.

Assessments may be reasonably rounded so that the total of all General Assessments so assessed equals the Annual Budget.

9.3 Payment of General Assessments. The Unit Owners shall pay annual General Assessments in 12 equal monthly installments, in advance, on the first day of each month. Except for Declarant with regard to the Initial Assessment Contribution, no Unit Owner may exempt himself or herself from liability for his or her general assessment by waiver of the use of enjoyment of any of the Common Elements and facilities or by abandonment of his or her Unit.

9.4 Assessments Against Units Owned by Declarant. Notwithstanding any contrary provision of this Declaration, during the Period of Declarant Control, no General Assessments shall be assessed against any Unit owned by Declarant; however, during the Period of Declarant Control, the General Assessments payable by any Unit Owner other than Declarant shall not exceed the amount that Unit Owner would be charged if Declarant's Units were subject to full General Assessments, based on the annual operating budget then in effect. During the Period of Declarant Control, Declarant shall pay the deficit if the total General Assessments payable by Unit Owners other than Declarant do not cover total Common Expenses

9.5 Reserves. So long as Declarant owns any unoccupied Unit, the Board may not assess for reserves or replacements (including any statutory reserve account under Wisconsin Statutes Section 703.163) other than the Initial Assessment Contribution described below. Any Unit used as a sales office or as a model Unit shall be considered "unoccupied," as such term is used in this Article. Thereafter, the Board may build up and maintain a reasonable reserve for contingencies and replacements. The Board shall first charge against such reserve all extraordinary expenditures not originally included in the Annual Budget which may become necessary during the year.

9.6 Initial Assessment Contribution. At the time each constructed Unit is first occupied, the Unit Owner, other than Declarant, shall pay the Initial Assessment Contribution (in addition to the first monthly general assessment payment) to the manager or managing agent or as otherwise directed by the Board. The Initial Assessment Contribution shall equal two months' of then payable General Assessments. The Initial Assessment Contribution shall not be credited against future monthly payments. The Initial Assessment Contribution shall be used and applied as an operating reserve for Common Expenses in the manner described above. Declarant shall not during the period of Declarant control use such reserve to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits. Declarant shall pay the

Initial Assessment Contribution for each unsold Unit upon expiration of Declarant control; provided, however, each purchaser of any such Unit shall reimburse Declarant at closing for any Initial Assessment Contribution paid by Declarant for such Unit.

9.7 Additional General Assessments. During the Period of Declarant Control, the Board may, at any time, levy an additional general assessment, which shall be assessed to the Unit Owners in the same proportion as other General Assessments, if but only if one or more Unit Owners fail to pay their Assessments (and then only to the extent of such unpaid Assessments). After the Period of Declarant Control, if the Annual Budget or the General Assessments collected prove inadequate for any reason, including because one or more Unit Owners fail to pay their Assessments, the Board may, at any time, levy an additional general assessment, which shall be assessed to the Unit Owners in the same proportion as other General Assessments. The Board shall serve notice of such additional General Assessments on the Unit Owners as provided in the Bylaws. All such Unit Owners shall be obligated to pay the additional general assessment when required by the Board.

9.8 Budget for First Year. When the first Board elected under this Declaration takes office, it shall determine the Annual Budget for the period commencing 30 days after the election and ending on December 31 of the calendar year in which the election occurs.

9.9 Failure to Prepare Annual Budget. If the Board fails to prepare or delays preparing or serving the Annual Budget or any adjusted estimate, such delay or failure shall not constitute a waiver of, or release in any manner, any Unit Owner's obligation to pay General Assessments whenever they are determined. In the absence of the Annual Budget or any adjusted estimate, the Unit Owner shall continue to pay the monthly General Assessment at the then existing monthly rate established for the previous period until a new Assessment is mailed or delivered.

9.10 Books and Records. The Board shall keep (a) current copies of the Declaration, its Articles of Incorporation, its Bylaws and other rules concerning the Condominium, and (b) full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Any Unit Owner, a representative of a Unit Owner duly authorized in writing or a holder, insurer or guarantor of a first mortgage secured by a Unit may inspect such records and the vouchers authorizing the payments at such reasonable time or times during normal business hours of week days as the Unit Owner may request. Upon 10 days' prior notice to the Board and payment of a reasonable fee as fixed by the Board not to exceed $25 (or such greater amount as allowed by the Act, as amended from time to time), the Board shall furnish a statement to any Unit Owner that sets forth, in detail, the amount of any unpaid Assessments or other charges due and owing from such Unit Owner.

9.11 Status of Collected Funds. The Board shall collect, hold and expend all funds for the purposes designated. Except for such Special Assessments as the Board levies against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid Assessments, the Board shall hold all funds for the benefit, use and account of all the Unit Owners as provided in the Bylaws.

9.12 Disposition of Common Surpluses. So long as Declarant owns any unoccupied Units, all common surpluses of the Association shall be credited against General Assessments payable by Declarant for unsold, unoccupied Units. After Declarant sells the final unoccupied Unit held by Declarant, all common surpluses of the Association shall be credited to the Unit Owners' Assessments for common expenses in the same proportion as other General Assessments.

9.13 Special Assessments. The Board may, whenever necessary or appropriate, levy Special Assessments against any Unit (other than unoccupied Units owned by Declarant) for expenses arising from (a) the acts or omissions of any Unit Owner, Occupant or tenant of such Unit, or any employee, guest, contractor, agent or invitee of a Unit Owner, Occupant or tenant of such Unit (including, without limitation, increases in premiums for insurance policies maintained by the Association); (b) against any Unit to remedy any violation by such Unit's Unit Owner of this Declaration, the Bylaws or the Rules; or (c) or as otherwise provided by this Declaration.

9.14 Audited Statement. The Association shall prepare an audited financial statement no later than 120 days after the end of each fiscal year of the Association. Each such statement shall be available to any holder, insurer or guarantor of any first mortgage secured by a Unit upon written request by any such party.

ARTICLE 10
UNPAID ASSESSMENTS

10.1 Liability for Assessments. A Unit Owner shall be personally liable for all Assessments, and installments of Assessments, coming due while owning a Unit, including any Assessments coming due during the pendency of any claim by the Unit Owner against the Association or during any period in which the Unit is not occupied by the Unit Owner or is leased or rented to any other Person. If a Unit is sold or otherwise voluntarily transferred, the transferee shall be jointly and severally liable with the transferor for all unpaid Assessments against the transferor, together with late charges and interest, for the transferor's share of the common expenses up to the time of the transfer, without prejudice to the rights of the transferee to recover from the transferor the amounts paid by the transferee for such Assessments. By acceptance of a conveyance of his or her Unit, each Unit Owner assumes this joint and several liability. Liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the Assessments are made.

10.2 Late Payment Charge. If any assessment is overdue for more than 10 days, a Unit Owner other than Declarant shall be liable for a late payment charge of $100 for the purpose of defraying the expenses connected with handling such delinquent payment. The Board may adjust such late payment charge without amending this Declaration. This late payment charge shall apply individually to all payments past due, and no daily pro rata adjustment shall be made.

10.3 Lien. Subject to the applicable terms and conditions of the Act, all Assessments, until paid, together with interest, late charge and actual costs of collection (including actual attorneys' fees), constitute upon assessment a lien on the Units on which they are assessed. The lien shall be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the delinquent assessment was due. A lien may be enforced and foreclosed by the Association or any other Person specified in the Bylaws, in the same manner, and subject to the same requirements, as a foreclosure of mortgages on real property in this state. The Association shall recover costs and actual attorneys' fees. The Association may bid on the Unit at foreclosure sale and acquire, hold, lease, mortgage and convey the Unit. The lien will not be affected by the sale or transfer of the Unit, unless a foreclosure of a first mortgage is involved, in which case the foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further Assessments.

10.4 Interest. Any assessment, or installment of any assessment, not paid when due shall bear interest, at the option of the Association, from the date when due until paid at a rate not exceeding the highest rate permitted by law as stated in the Bylaws.

10.5 Rent During Foreclosure. In the event of the foreclosure of a lien for unpaid Assessments, the Unit Owner who is the defendant in such proceeding shall be required to pay reasonable rent for such Unit. Such rent shall constitute a special assessment as described above.

ARTICLE 11
USE RESTRICTIONS

11.1 Units. The Building and the Units are intended for and restricted to residential uses only, as further restricted by this Declaration, the Bylaws and the Rules; provided, however, that Declarant may use and occupy any or all Units owned by Declarant as model Units and sales offices until all Units have been sold.

11.2 Common Elements.

(a) The Common Elements may be used only for the purposes for which they were intended and, except as provided in the Condominium Instruments and the Bylaws, the Common Elements are subject to mutual rights of support, access, use and enjoyment by all Unit Owners. However, any portion of the Common Elements designated as Limited Common Elements may be used only by the Unit Owner of the Unit to which their use is limited.

(b) A Unit Owner may not in any way obstruct the use of the Common Elements or another Unit.

(c) A Unit Owner shall not do or permit any act within the Condominium, including any Unit or the Common Elements, which will cause an increase in the rate of insurance carried by the Association or cancellation of any policy of insurance carried by the Association.

(d) A Unit Owner shall not do or permit any act within the Condominium, including any Unit or the Common Elements, which violates any Applicable Law.

11.3 Decks. All patio furniture placed on any deck shall be unpainted teakwood treated with teakwood oil. Patio umbrellas are permitted on decks. Cushions, pads and patio umbrellas shall be a dark green that matches the Condominium standard. The Board shall establish regulations in the Rules to ensure that the decks maintain a uniform appearance and to promote the quiet and safe enjoyment of the decks by all Unit Owners.

11.4 Window Coverings. In order to maintain a more uniform appearance to the exterior of the Building, all drapes, shades, blinds and other window coverings that face the exterior of the Building shall be color Ivory Ecru.

11.5 Animals.

(a) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that a Unit Owner may have no more than one (1) dog not to exceed seventy-five (75) pounds in weight (weight restrictions shall be waived for any certified and trained guide dog regularly used by any disabled occupant) and two (2) domestic cats provided that such animals are not maintained for commercial or breeding purposes. Notwithstanding the foregoing, a Unit Owner may have a second dog if, at the time the Unit Owner first occupies the Unit Owner's Unit, such dog is eight or more years old; however, at the death of such second dog, the Unit Owner may thereafter have only one dog.

(b) No pet shall be allowed at large within the Common Elements. All pets shall be always leashed and within the immediate control of the Unit Owner or responsible person when outside of the Unit.

(c) The Unit Owner owning or permitting any pet in the Condominium shall pick-up and dispose of all pet wastes and droppings, shall clean-up all messes caused by the pet and shall prevent the pet from causing any damage and be responsible for any damage caused by the pet.

(d) Declarant and the Board may, in their sole discretion, but are not obligated to, prohibit the presence of so-called "attack" dog or dogs they deem to be a danger in the Condominium.

(e) The Board may establish additional pet regulations in the Rules to ensure that pets are kept safely, in a sanitary manner and without unreasonably disturbing other Occupants.

11.6 Leases.

(a) Declarant intends to sell all Units and Parking Units and to use all commercially reasonable efforts to do so; however, Declarant may lease any Unit or Parking Unit it owns to any Person on any terms and conditions acceptable to Declarant.

(b) All Persons occupying Units without the concurrent occupancy of the Unit Owner or the spouse or lineal descendant or ascendant of the Unit Owner shall be considered tenants for purposes of this Section. Unit Owners may allow occupancy of their Units by tenants, but only in compliance with the following requirements.

(c) No Unit may be leased without a written lease.

(d) Before a tenant signs a lease, the Unit Owner shall provide the tenant with copies of this Declaration as amended, from time to time, the Bylaws as amended, from time to time, and the Rules as amended, from time to time. Every lease shall contain a statement to the effect that the tenant acknowledges receiving copies of those documents and agrees to comply with the Act and those documents.

(e) Any Unit Owner who enters into a lease for his or her Unit shall provide the Secretary of the Association with a copy of such lease within five (5) days after its execution.

(f) No Unit may be leased for a term of less than six (6) months. No transient or temporary leases are allowed.

(g) A Unit Owner who leases his or her Unit shall remain liable for the payment of any Assessment and any other amount due under the Condominium Instruments and the performance of the Unit Owner's obligations under the Condominium Instruments and the Rules; however, by entering into a lease with the Unit Owner, the tenant agrees to be jointly and severally liable and responsible for such amounts and such performance. The Association shall have the option to pursue the Unit Owner, the tenant or both of them for the payment of any Assessment or any other payment due to the Association. The Association may evict any tenant who violates any of the requirements of the Condominium Instruments or the Rules.

(h) Leases may include the right to use the Limited Common Elements appurtenant to the Unit leased, the Unit Owner's Parking Unit(s) and other Common Elements to the extent the Unit Owner has the right to use such Common Elements and to the extent not otherwise restricted.

Additional restrictions on leases may be set forth in the Rules. However, no such restrictions shall limit the term of any lease.

11.7 Additional Restrictions. In order to promote a safe and enjoyable living environment, to maintain the value of the Condominium and the Units and to promote the type of living environment desired by the Unit Owners, the Board may from time to time adopt additional Rules. Copies of all amendments to the Rules shall be furnished to the Unit Owners by the Board prior to the time such amendments shall be effective. No new Rule shall be applicable to Declarant unless, at the time the Rule is adopted, Declarant consents to be bound by the Rule.

11.8 Fines. In addition to all other remedies available to the Association, the Association shall have the right to collect a fine from any Unit Owner who violates (or allows any Occupant of the Unit Owner's Unit or any guest of the Unit Owner to violate) any provision of this Declaration, the Bylaws or the Rules, for each day such violation continues in such amount as is from time to time set forth in the Bylaws or the Rules. Any such fine assessed shall be a Special Assessment.

ARTICLE 12
MAINTENANCE, REPAIRS AND REPLACEMENTS

12.1 By Unit Owners.

(a) Each Unit Owner shall at its expense keep his or her Unit and all of its equipment, fixtures and appurtenances in good order, condition and repair and in compliance with applicable law, and shall be responsible for such interior decorating as may at any time be necessary or advisable to maintain the good condition, function and appearance of the Unit. Without limiting the foregoing obligations, each Unit Owner shall be responsible for maintaining, repairing and replacing interior lighting fixtures, refrigerators, air conditioning equipment, furnaces and heating equipment, dishwashers, disposal, laundry equipment including washers and dryers, ranges, fireplaces, plumbing fixtures, ceiling fans, the interior of exterior windows and doors (but the Association shall maintain the exterior of such doors and windows at the Association's expense when done in connection with Common Element maintenance, but the Unit may receive a Special Assessment for the cost of such maintenance, repairs or replacement to the extent required due to negligence or abuse) and other equipment that may be in or connected with his or her Unit.

(b) Each Unit Owner shall keep the Limited Common Elements appurtenant to his or her Unit in good, clean, sanitary and attractive condition. Notwithstanding the foregoing:

(i) The Association shall have the exterior sides of windows and patio doors cleaned periodically (however, to the extent a Unit Owner has had screens installed, the Association shall have no obligation to wash a screened window unless the Unit Owner removes the screen in advance of the window cleaning);

(ii) The Association shall maintain, repair or replace all decks at the cost of the Association (except the Unit may receive a Special Assessment for the cost of maintenance, repairs or replacement to the extent required due to negligence or abuse). The Unit Owner shall clean the deck appurtenant to the Unit Owner's Unit.

(c) If any Unit Owner fails to properly perform any of his or her obligations under this Article, the Association may give the Unit Owner written notice of the maintenance, repair or replacement the Association deems necessary. If the Unit Owner fails to properly perform the maintenance, repair or replacement within 30 days after such notice, the Association may, without waiving or releasing the Unit Owner from any such obligations, perform the obligations and specially assess the Unit Owner for the cost of doing so.

12.2 By the Association.

(a) The Association shall keep the Common Elements in good order, condition and repair and in compliance with applicable law. Without limiting the foregoing obligations, the Association shall:

(i) Maintain, repair, replace and if applicable re-stripe all driveways, walkways and exterior parking areas, if any (including snow and ice removal), as well as the Parking Units (however, the owner of a Parking Unit may receive a Special Assessment for the cost of maintenance, repairs or replacement to the Parking Unit or any equipment associated with the Parking Unit to the extent required due to negligence or abuse);

(ii) Maintain all landscaped areas (including lawn care, grass cutting, tree pruning, planting and leaf raking);

(iii) Maintain, repair and restore the exterior of the Building in a condition reasonably close to original, including maintaining, cleaning, replacing and otherwise caring for all exterior paint, cultured stone, simulated stucco, siding, trim, roofing, signage and the like;

(iv) Maintain, repair and replace all systems constituting Common Elements, including Limited Common Elements;

(v) Maintain, repair, replace and clean the lobby, hallways, clubhouse, exercise room and other areas of common use in the Building; and

(vi) Purchase, maintain, repair, replace and store all equipment, furniture, fixtures and materials necessary or desirable to accomplish the foregoing, including equipping the clubhouse and exercise room.

(b) The Association may temporarily close off Common Elements or entries to the Property, the Building or any or Unit or temporarily suspend services or amenities to facilitate such work.

(c) All costs of such work, materials and equipment shall be Common Expenses; provided, however, that if any maintenance, repair or replacement of any of Common Elements (including Limited Common Elements) is necessitated by reason of misuse by, or

negligence of, a Unit Owner or Occupant, or of a tenant, guest or agent of a Unit Owner or a Unit Owner's tenant, the Association may specially assess the reasonable cost of the maintenance, repair or replacement to the responsible Unit Owner.

12.3 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 and shall comply with Applicable Laws.

ARTICLE 13
ARCHITECTURAL CONTROLS; ALTERATIONS

13.1 Alterations to Common Elements and Unit Exteriors.

(a) Except for easements otherwise described in this Declaration, the Association shall have absolute control over all Improvements, additions and other alterations to the Common Elements, including all exteriors of the Building and Limited Common Elements, and no Unit Owner may undertake any such work without the Association's prior written consent.

(b) Except as permitted by the Rules, a Unit Owner is prohibited from making any alteration, installation, removal, reconstruction or repair to the exterior of his or her Unit or any portion of his or her Unit which is visible from outside the Condominium or the Common Elements.

(c) All Unit exteriors (including doors and overhead garage doors) and Limited Common Elements shall be maintained in exactly the same colors. All exterior items (including windows, doors, overhead garage doors, lighting fixtures, cultured stone, simulated stucco, siding, trim, roofing and the like) that are replaced shall be replaced with items of the same brand, product, style and color as the original items, if possible. If the original item is no longer available, substitutions may be made only with the Association's prior written consent.

13.2 Alterations Within Units. No remodeling or alterations shall be made to the interior of any Unit without the prior written consent of the Board, including, but not limited to, remodeling or alterations affecting the plumbing, gas and electrical fixtures and lines and location of walls. In any event, all bedrooms must be carpeted. A Unit Owner may make any Improvements or alterations within his or her Unit that do not impair the structural integrity or lessen the support of any portion of the Condominium and that do not create a nuisance substantially affecting the use and enjoyment of other Units or the Common Elements.

13.3 Alterations of Parking Units. A Unit Owner may not make any alterations to a Parking Unit.

13.4 Alterations Between and Merger of Adjoining Units and/or Parking Units. A Unit Owner acquiring an adjoining or part of an adjoining Unit may not remove all or any part of any intervening partition or create doorways or other apertures in the partition even if those acts do not impair the structural integrity or lessen the support of any portion of the Condominium.

13.5 Relocation of Boundaries. A Unit Owner other than Declarant may not relocate boundaries between adjoining Units or Parking Units. Declarant may, in furtherance of Declarant's efforts to sell Units and Parking Units, relocate boundaries between adjoining Units owned by Declarant and between adjoining Parking Units on the terms set forth in this Section.

(a) If Declarant desires to relocate those boundaries, Declarant shall, on behalf of the Association, prepare or have prepared at Declarant's cost appropriate amendments to the Condominium Instruments and plans of the altered Units and/or Parking Units as described below. Declarant shall provide such documents to the Association's President who shall, after 30 days' written notice provided to all of the Unit Owners, execute such documents on behalf of the Association provided such documents reasonably comply with this Section.

(b) The amendment to this Declaration shall identify the Units and/or Parking Units involved and shall state that the boundaries between those Units are being relocated. If Declarant desires to reallocate between the affected Units and/or Parking Units the Percentage Interests in the Common Elements, rights to use the Limited Common Elements appertaining to those Units and/or the Units' Assessment Shares, Declarant shall include such reallocation in the amendment. The resulting Units shall continue to have one vote each in the Association.

(c) The amendment to the Plat and the plans shall show the altered boundaries between and the dimensions of the adjoining Units and/or Parking Units, their identifying Unit Numbers and/or Parking Units and any new or altered Limited Common Elements appurtenant to such Units. The amendment and the plans shall be certified as to their accuracy and compliance with this Section by a civil engineer, architect or licensed land surveyor authorized to practice his or her profession in this state.

(d) The amendments are effective when the Association's President has executed them and Declarant has recorded them. The recordation of the amendments is conclusive evidence that the relocation of boundaries did not violate the Condominium Instruments.

13.6 Separation of Units; Separation of Parking Units. A Unit Owner other than Declarant may not separate a Unit or Parking Unit into two or more Units. Declarant may, in furtherance of Declarant's efforts to sell Units and Parking Units, separate a Unit into two or more Units or a Parking Unit into two or more Parking Units in accordance with this Section.

(a) If Declarant desires to separate a Unit into two or more Units or a Parking Unit into two or more Parking Units, Declarant shall, on behalf of the Association, prepare or have prepared at Declarant's cost appropriate amendments to the Condominium Instruments and plans of the altered Units and/or Parking Units as described below. Declarant shall provide such documents to the Association's President who shall, after 30 days' written notice provided to all of the Unit Owners, execute such documents on behalf of the Association provided such documents reasonably comply with this Section.

(b) The amendment to this Declaration shall assign a new identifying Unit Number to each new Unit created by the separation of a Unit and a new identifying Parking Unit Number to each new Parking Unit created by separation of a Parking Unit, and shall allocate to the resulting Units all of the Percentage Interests in the Common Elements, rights to use the Limited Common Elements and Assessment Share formerly appertaining to the separated Unit. Each resulting Unit shall be entitled to one vote in the Association, and the total number of votes in the Association shall be accordingly increased.

(c) The amendment to the Plat and the plans shall show the boundaries separating and dimensions of the new Units and/or Parking Units together with their other boundaries, their new identifying Unit Numbers and/or Parking Units and any new or altered Limited Common Elements appurtenant to such Units. The amendment and the plans shall be certified as to their accuracy and compliance with this Section by a civil engineer, architect or licensed land surveyor authorized to practice his or her profession in the state.

(d) The amendments are effective when the Association's President has executed them and Declarant has recorded them. The recording of the amendments is conclusive evidence that the separation did not violate any restrictions or limitation specified by the Condominium Instruments and that any reallocations made under this Section were reasonable.

13.7 Merger of Units; Merger of Parking Units. A Unit Owner other than Declarant may not merge Units or Parking Units. Declarant may, in furtherance of Declarant's efforts to sell Units and Parking Units, merge adjoining Units and merge adjoining Parking Units in accordance with this Section.

(a) If Declarant desires to merge two or more Units and/or two or more Parking Units, Declarant shall, on behalf of the Association, prepare or have prepared at Declarant's cost appropriate amendments to the Condominium Instruments and plans of the altered Units and/or Parking Units as described below. Declarant shall provide such documents to the Association's President who shall, after 30 days' written notice provided to all of the Unit Owners, execute such documents on behalf of the Association provided such documents reasonably comply with this Section.

(b) The amendment to this Declaration shall assign a new identifying Unit Number to each Unit resulting from a merger and a new identifying Parking Unit Number to each Parking Unit resulting from a merger, and shall allocate to a Unit resulting from a merger all of the Percentage Interests in the Common Elements, rights to use the Limited Common Elements previously appurtenant to the merged Units and Assessment Share. The resulting Unit shall be entitled to one vote in the Association, and the total number of votes in the Association shall be accordingly reduced.

(c) The amendment to the Plat and the plans shall show the boundaries of the merged Unit and/or Parking Unit together with its new identifying Unit Number and/or Parking Unit Number and any new or altered Limited Common Elements appurtenant to such Unit. The amendment and the plans shall be certified as to their accuracy and compliance with this Section by

a civil engineer, architect or licensed land surveyor authorized to practice his or her profession in the state.

(d) The amendments are effective when the Association's President has executed them and Declarant has recorded them. The recording of the amendments is conclusive evidence that the merger did not violate any restrictions or limitation specified by the Condominium Instruments and that any reallocations made under this Section were reasonable.

13.8 Construction Activities. Certain portions of the Common Elements, Units and Limited Common Elements might not be completed on or before the time Unit Owners take possession of Units and construction activities might continue at the Condominium after such time. Construction activities might cause noise and dust, workmen and equipment might be present and certain Common Elements may be temporarily unavailable during periods of construction. Each Unit Owner, by virtue of accepting a deed to his or her Unit, waives any consequential damages arising from all such activities.

13.9 Rooftop Unit, No. 100. Declarant retains the right to install, at Declarant's sole expense and for Declarant's benefit, rooftop cellular or radio frequency equipment, antennas, or cameras, and related equipment and security barriers, or similar apparatus, on the perimeter of the mechanical penthouse or the perimeter of the tower roof, and to run any associated wiring through and mount equipment in the mechanical penthouse, and to house switchgear and other related apparatus in the mezzanine level – Rooftop Unit, No. 100, and to utilize conduits that connect the rooftop unit to the "wire termination room" located in the lower level, and to house wire termination and other switchgear in the "wire termination room." The foregoing equipment and rooms are collectively referred to in this Declaration as the "Rooftop Unit." The equipment shall not disturb rooftop Limited Common Elements. Declarant may sell the Rooftop Unit or rent it out to others. The improvement and use to the Rooftop Unit should comply with all applicable laws. The owner of the Rooftop Unit shall not have a vote in the Association and shall have no obligation as a result of such ownership for Common Expenses, except that owner of the Rooftop Unit shall pay an Assessment to the Association equal to the amount by which, if any, use of the Rooftop Unit increases the cost of insurance maintained by the Association. Electricity for the Rooftop Unit shall be separately metered and paid for by Declarant or its assigns.

ARTICLE 14
ASSOCATION INSURANCE

14.1 Maintenance of Insurance. The Association shall maintain the following insurance: (a) insurance against loss or damage by fire and other hazards on an all risk basis for not less than full replacement value of the Improvements (specifically excluding the Unit Owners' personal property); (b) if any part of the Improvements on the Property are in a Special Flood Hazard Area — which is designated as A, AE, AH, AO, AR, A1-30, A-99, V, VE, V1-30 or VO on a Flood Insurance Rate Map — a "master" or "blanket" policy of flood insurance in an amount at least equal to the lesser of 100% of the insurable value of the Building and other Improvements (including all Common Elements and commonly-owned personal property) or the maximum coverage available under the applicable National Flood Insurance Program; and (c) a commercial

general liability policy in the amount of at least $5 million combined single limit; and (d) blanket fidelity insurance coverage for anyone who either handles or is responsible for funds that the Association holds or administers. Insurance coverage shall be written on the Property in the name of the Association as trustee for each of the Unit Owners in proportion to their respective obligations for payment of insurance premiums. Fidelity insurance coverage shall name the Association as insured. Premiums shall be Common Expenses. Provisions for such insurance shall be without prejudice to the right of each Unit Owner to insure his or her own Unit for personal benefit.

14.2 Use of Proceeds. Casualty insurance proceeds shall first be disbursed by the Association for the repair or restoration of the damaged Common Elements, and the Unit Owners and mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless the Association has determined not to rebuild, or a court has ordered partition of the Property, or there is a surplus of insurance proceeds after the Common Elements have been completely repaired or restored.

14.3 Premiums.

(a) If the Board determines, in its sole and absolute discretion, that it is economically feasible to procure insurance coverage from an insurance company which will allocate insurance expenses individually to each Unit, Limited Common Elements and Parking Unit, then each Unit Owner shall pay to the Association the amount of the insurance expense allocated to the Unit Owner's Unit, Parking Unit and the Limited Common Elements appurtenant to the Unit Owner's Unit.

(b) If the Board determines that it is not economically feasible to procure such individually allocated insurance, then each Unit Owner's proportionate share of insurance expense shall be determined by multiplying the cost of such insurance by a fraction, the numerator of which shall be the number of square feet of floor area in the Unit, Parking Unit or Limited Common Element to which the cost is being allocated and the denominator of which shall be the total square feet of floor area of all Units, Parking Units and Limited Common Elements. The Board may round the resulting totals so that the total of all insurance expenses allocated equals the total cost of such insurance. Square footages as set forth on the Plat or any amendment to the Plat shall be determinative and bind all parties for all purposes.

ARTICLE 15
DAMAGE OR DESTRUCTION

15.1 Association Representation. The Association shall represent the Unit Owners in any proceedings, negotiations, settlements or agreements related to damage or destruction affecting the Common Elements. By acceptance of a conveyance of his or her Unit, each Unit Owner appoints the Association as an attorney-in-fact for this purpose. Any proceeds from a settlement shall be payable to the Association for the benefit of the Unit Owners and their mortgage holders.

15.2 Repair or Reconstruction. In the event of damage to or destruction of the Common Elements, the Association shall promptly undertake to repair or reconstruct it to a condition compatible with the remainder of the Condominium. All cost of the repair or reconstruction in excess of available insurance proceeds shall be a Common Expense payable by the Unit Owners in proportion to their respective obligations for payment of insurance premiums. Notwithstanding the foregoing, the Board may levy a Special Assessment for excess expense, and any resulting increase in insurance premiums.

15.3 Insufficient Insurance Proceeds. However, if the Condominium is damaged to an extent more than the available insurance proceeds, the Condominium shall be subject to an action for partition upon obtaining the written consent of (a) Unit Owners having 75% or more of the votes; and (b) Eligible Mortgage Holders that represent at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. In the case of partition, the net proceeds of sale together with any net proceeds of insurance shall be considered as one fund and shall be divided among all Unit Owners pursuant to their Percentage Interests, and shall be distributed in accordance with the priority of interests in each Unit.

15.4 Deductibles.

(a) If the Board procures insurance coverage from an insurance company which will allocate the deductible to each Unit, Limited Common Element and/or Parking Unit damaged, then the deductible portion of insurance expense which relates to a particular Unit, Limited Common Element and/or Parking Unit shall be paid by the Unit Owner(s) whose Unit(s) or Limited Common Element(s) have been damaged and the Association shall pay the deductible which relates to that portion of the Common Elements (excluding Limited Common Elements) damaged.

(b) If the Board does not procure insurance that so allocates deductibles, then (i) that portion of the deductible allocated to Common Elements (excluding Limited Common Elements) which were damaged and payable as a Common Expense shall be determined by dividing the value of the loss to such 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 appurtenant to that Unit by the value of the total loss for the particular occurrence multiplied by the amount of the deductible. The Board may round the resulting totals so that the total of all insurance expenses allocated equals the total cost of such insurance. The Board may assess a Special Assessment against any Unit Owner, and the Unit Owner's Unit and Parking Unit, for any portion of a deductible payable by the Unit Owner.

ARTICLE 16
UNIT OWNERS' INSURANCE

Each Unit Owner shall at his or her expense keep all of his or her personal property in or at the Condominium and the contents of his or her Unit, Limited Common Elements and Parking Unit insured for Unit Owner's benefit, in an amount equal to the lesser of their full replacement value or insurable value, on an "all-risk" basis.

ARTICLE 17
GENERAL PROVISIONS REGARDING INSURANCE, WAIVERS AND INDEMNIFICATIONS

17.1 Insurance Companies. Insurance policies maintained pursuant to this Declaration shall be written by companies reasonably satisfactory to the Association that are licensed or authorized to do business and in good standing in the State of Wisconsin and have a general policyholder's rating and a financial rating acceptable to the Board.

17.2 Releases.

(a) Insurance policies maintained pursuant to this Declaration for loss or damage by fire or other risks shall permit releases of liability as provided below and include waiver of subrogation clauses as to Unit Owners and the Association respectively. To the maximum extent not prohibited by law, the Association and each Unit Owner waive and release and discharge each other from all claims or demands arising out of damage to destruction or loss of use of property caused by fire or other casualty arising due to any act or omission of the other or otherwise and agree to look only to their respective insurance coverages in the event of such a loss. Notwithstanding the foregoing releases, if any damage to the Property results from any act or omission of a Unit Owner(s) and any of the Association's loss is deductible, such Unit Owner(s) shall pay to the Association the deductible amount. This paragraph shall not affect Association's or any Unit Owner's repair obligations under other provisions of this Declaration.

(b) To the maximum extent not prohibited by law, each Unit Owner waives all claims, and neither the Association nor Declarant shall be liable to any Unit Owner, for damage to Unit Owner's personal property, including consequential damages. This paragraph shall apply especially, but not exclusively, to damage caused by water, snow, frost, steam, refrigerators, sprinkling devices, air conditioning apparatus, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors, noise or bursting or leaking of pipes and shall apply equally whether damage results from acts or omissions of the Association, Declarant or any other Person and whether damage results from any of the foregoing causes or otherwise.

(c) All personal property in the Condominium belonging to Unit Owner shall be at Unit Owner's sole risk. Neither the Association nor Declarant shall be liable for damage, theft or loss affecting this personal property, and Unit Owner shall defend and indemnify the Association and Declarant against claims and liability for injuries to this property.

(d) Neither the Association nor Declarant warrants that any of the services the Association may supply will be free from interruption, and these services are subject to all Applicable Laws. Unit Owner acknowledges that any one or more of these services may be suspended by reason of accident, repairs, alterations, improvements or causes beyond the control of the Association or Declarant. No such interruption of service shall be deemed a disturbance of Unit Owner's use and possession of all or any part of the Unit, the Common Elements or any Parking Unit or render either the Association or Declarant liable to Unit Owner for damages or relieve Unit Owner from paying any Assessment.

17.3 Indemnifications.

(a) Subject to Paragraph (d), each Unit Owner shall indemnify the Association and Declarant against any and all damages claimed to be suffered by third parties (including reasonable attorneys' fees and all other costs and liabilities incurred in connection with any action or proceeding brought with respect to such a claim) arising from any (i) breach by such Unit Owner of his or her obligations under this Declaration or the Rules; (ii) act or negligence by Unit Owner; or (iii) accident, injury or damage in or about the Condominium to the extent caused by such Unit Owner or any Occupant of such Unit Owner's Unit. If an action or proceeding is brought against the Association or Declarant with respect to such a claim, such Unit Owner, on notice from the Association or Declarant, shall resist or defend the action or proceeding by counsel reasonably satisfactory to the party providing notice.

(b) Subject to Paragraph (d), the Association shall indemnify each Unit Owner and Declarant against any and all damages claimed to be suffered by third parties (including reasonable attorneys' fees and all other costs and liabilities incurred in connection with any action or proceeding brought with respect to such a claim) arising from any (i) breach by the Association of its obligations under this Declaration; (ii) act or negligence by the Association; or (iii) accident, injury or damage in or about the Condominium to the extent caused by the Association. If an action or proceeding is brought against a Unit Owner or Declarant with respect to such a claim, the Association, on notice from Unit Owner or Declarant, shall resist or defend the action or proceeding.

(c) Subject to Paragraph (d), Declarant shall indemnify each Unit Owner and the Association any and all damages claimed to be suffered by third parties (including reasonable attorneys' fees and all other costs and liabilities incurred in connection with any action or proceeding brought with respect to such a claim) arising from any (i) breach by Declarant of its obligations under this Declaration; (ii) act or negligence by Declarant; or (iii) accident, injury or damage in or about the Condominium to the extent caused by Declarant. If an action or proceeding is brought against a Unit Owner or the Association with respect to such a claim, the Declarant, on notice from a Unit Owner or the Association, shall resist or defend the action or proceeding.

(d) Whenever the Association, Declarant or any Unit Owner are jointly responsible (whether with each other or with others) for damages suffered by a third party, their indemnification obligations under this Section shall be limited to their respective percentages of responsibility for the damages.

(e) These indemnification obligations do not apply to the extent the Association, Declarant and Unit Owner, or any combination of them, have released each other from claims elsewhere in this Declaration.

ARTICLE 18
EMINENT DOMAIN

18.1 Association Representation. The Association shall represent the Unit Owners in any eminent domain proceedings, negotiations, settlements or agreements affecting the Common Elements. By acceptance of a conveyance of his or her Unit, each Unit Owner appoints the Association as an attorney-in-fact for this purpose. Any proceeds from a settlement shall be payable to the Association for the benefit of the Unit Owners and their mortgage holders.

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

(a) Every Unit Owner is entitled to the entire award for the taking of all or part of their respective Unit and for consequential damages to their Unit.

(b) Any award for the taking of Limited Common Elements (including any Parking Units) shall be allocated to the Unit Owners of the Units to which the use of those Limited Common Elements in proportion to their respective Percentage Interests.

(c) In the event no reconstruction is undertaken, any award for the taking of Common Elements shall be allocated to all Unit Owners in proportion to their respective using the obligations for payment of insurance premiums.

18.3 Restoration. Following the taking of all or a part of the Common Elements, the Association shall promptly undertake to restore the Improvements of the Common Elements to an architectural whole compatible with the existing structure. Any costs of such restoration in excess of the condemnation award shall be a common expense payable by the Unit Owners in proportion to their respective obligations for payment of insurance premiums. However, if the taking under the power of eminent domain is to the extent where the remaining Condominium has been diminished to the extent that reconstruction or restoration is not practical, the Condominium shall be subject to an action for partition upon obtaining the written consent of (a) Unit Owners having 75% or more of the votes; and (b) Eligible Mortgage Holders that represent at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. In the case of partition, the net proceeds of sale, together with any net proceeds of the award for taking, shall be considered as one fund and shall be divided among all Unit Owners in proportion to their respective obligations for payment of insurance premiums, and shall be distributed in accordance with the priority of interests in each Unit.

18.4 Percentage Interests and Votes. A taking of all or part of a Unit may not include any of the Percentage Interest or vote appurtenant to the Unit. Instead, the following provisions shall apply:

(a) Following the taking of a part but less than all of any Unit, the Percentage Interest and Assessment Share appurtenant to the Unit shall not be adjusted, and the vote appurtenant to that Unit shall be appurtenant to the remainder of that Unit.

(b) Following the taking of all of any Unit, the Percentage Interest and Assessment Share appurtenant to the Unit shall be eliminated, the right to vote appurtenant to the Unit shall terminate, and the Percentage Interests appurtenant to each remaining Unit shall be adjusted to the amount determined by dividing the Unit's Assessment Share by the sum of all Units' Assessment Shares remaining.

(c) The Association shall promptly prepare and record an amendment to this Declaration reflecting the new Percentage Interests and Assessment Shares appurtenant to the Units.

18.5 Priority of Distribution of Damages for Units. All damages for each Unit shall be distributed in accordance with the priority of interests at law or in equity in each respective Unit.

18.6 Conveyances in Lieu of Condemnation. In this Article, "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceeding.

ARTICLE 19
EASEMENTS AND ENCROACHMENTS

19.1 Presumption as to Existing Physical Boundaries. Any existing physical boundaries of any Unit or Common Elements constructed or reconstructed in substantial conformity with the Plat shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement or lateral movement of the Building or any Improvement and regardless of minor variations between the physical boundaries as described in this Declaration or shown on the Plat and the existing physical boundaries of any such Unit or Common Element. This presumption applies only to encroachments within the Condominium.

19.2 Encroachments as Result of Authorized Work or Shifting or Other Movement. If any portion of any Common Element encroaches on any Unit or if any portion of a Unit encroaches on any Common Element, as a result of the duly-authorized construction, reconstruction or repair of the Building or any Improvement, or the shifting, settlement, or other movement of any portion of the Building or any Improvement, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the Building or Improvement stands. Additionally, the Common Elements may encroach on public rights of way pursuant to special privileges granted to the Association, and the Association shall pay annual fees to the municipality associated with such special privileges.

19.3 Easements. The Association and, as long as Declarant owns any Unit, Declarant, shall have and may grant permits, licenses and easements over the Common Elements for utilities, roads, completion or repair of Improvements and other purposes necessary for the proper operation of the Condominium, including without limitation a reciprocal easement benefitting the Condominium and the property adjoining the Condominium to the west by which both properties shall have the beneficial use of a sidewalk along the border of the properties, which easement the adjoining property owner may terminate at any time.

19.4 Right of Entry. The Association and, as long as Declarant owns any Unit, Declarant, shall have an irrevocable right and an easement to enter Units to complete or make repairs to Common Elements when reasonably necessary for public safety, to prevent damage to other portions of the Condominium or to remedy the Unit Owner's failure to perform his or her maintenance, repair or replacement obligations as described above. Except in cases involving manifest danger to public safety or property, the Association or Declarant shall make a reasonable effort to give notice to the owner of any Unit to be entered for any such purpose. No entry by the Association or Declarant for the purposes specified in this Section may be considered a trespass.

19.5 Easements Included in Transfers of Units. A transfer or other disposition of a Unit shall include and be subject to any easement arising under the provisions of this Section without specific or particular reference to the easement.

19.6 Easement to Use Common Elements. Each Unit Owner shall have a valid nonexclusive easement for the use of Common Elements and other facilities, subject only to limited regulation by the Association (such as provisions for guest parking, reservation of the clubhouse, fees for clubhouse use or closing for repairs). A Unit Owner's rights to use the Common Elements are further subject to temporary suspension because (a) the Unit Owner has failed to pay Assessments, but such suspension shall be limited to the period in which he or she has failed to pay such Assessments; or (b) the Unit Owner has failed to abide by the Association's rules for use of the Common Elements.

19.7 Easement to Rooftop Unit. Declarant and transferee of Declarant shall retain an easement over the Common Elements to access the Rooftop Unit to install, repair, replace and otherwise service the Rooftop Unit and its Improvements.

19.8 Other Matters Affecting Title. The Condominium is subject to the recorded easements, restrictions and other matters (the "Permitted Encumbrances") described on the attached Exhibit D, including a Party Wall Agreement creating rights and obligations in the Property and certain real property to the west of the Property.

ARTICLE 20
RIGHTS OF MORTGAGE HOLDERS

20.1 Notice. Each Eligible Mortgage Holder, Eligible Guarantor, and Eligible Insurer shall be entitled to receive timely written notice from the Association of the following events:

(a) Any condemnation or casualty loss that affects either a material portion of the Condominium or the unit securing its mortgage.

(b) Any 60-day delinquency in the payment of Assessments or charges owed by the Unit Owner of any Unit on which it holds the mortgage.

(c) A lapse, cancellation or material modification of any insurance policy maintained by the Association; and

(d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

20.2 Approval of Removal from Act. Except as provided above in connection with damage to or destruction of the Property or eminent domain, any action to remove all or any part of the Property from the Act must be agreed to by Eligible Mortgage Holders that represent at least 67% of the votes of the mortgaged Units. However, implied approval will be assumed when an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

ARTICLE 21
AMENDMENTS

21.1 Unit Owner Consent. Except as provided below, this Declaration may be amended only with the written consent of at least 67% of the Unit Owners. Any amendment made while Declarant owns any Unit shall require Declarant's consent. An amendment becomes effective when it is recorded in the same manner as this Declaration. A Unit Owner's written consent is not effective unless it is approved in writing by the first mortgagee of the Unit, if any. Approval from the first mortgage lender or equivalent security interest holder on a Unit, or the Person servicing the first mortgage loan or its equivalent, constitutes approval of the first mortgagee or equivalent security interest holder under this Section.

21.2 Declarant Consent. No amendment to this Declaration, the Association's Articles of Incorporation, the Bylaws or the Rules shall alter or abrogate the rights or obligations of Declarant or Declarant's successors or assigns unless Declarant consents in writing to such amendment.

21.3 Eligible Mortgage Holder Consent. Amendments to this Declaration changing any of the provisions governing the following matters may be amended only with the written consent of

Eligible Mortgage Holders that represent at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders:

(a) Voting rights;

(b) Increases in Assessments that raise the previously assessed amount by more than 25%, assessment liens or the priority of assessment liens;

(c) Reduction in reserves for maintenance, repair and replacement of Common Elements;

(d) Responsibility for maintenance and repairs;

(e) Reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use;

(f) Redefinition of any Unit boundaries;

(g) Convertibility of Units into Common Elements or vice versa;

(h) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(i) Hazard or fidelity insurance requirements;

(j) Imposition of any restriction on the leasing of Units;

(k) Imposition of any restrictions on Unit Owners' right to sell or transfer Units;

(l) A decision by the Association to establish self-management if professional management had been required previously by the Condominium Instruments or by Eligible Mortgage Holders;

(m) Restoration or repair of the Condominium after damage or partial condemnation in a manner other than that specified in the Condominium Instruments;

(n) Any provisions that expressly benefit mortgage holders, insurers or guarantors.

21.4 Assignment of Declarant's Rights. Declarant may assign its rights and obligations as Declarant of the Condominium under the Act, this Declaration and the Bylaws by recording an amendment to the Declaration that includes the assignment and an acceptance of the assignment that is signed by the assignee and acknowledged; provided that no amendment of the Declaration shall be required in connection with any collateral assignment of the Declarant's rights and

obligations unless and until the collateral assignee exercises its rights under the collateral assignment and actually becomes the Declarant. Declarant may not assign less than all of its rights and obligations as Declarant.

21.5 Special Amendments. Declarant, for as long as Declarant shall have an ownership interest in any of the Units, and then the Board, 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 (a) to comply with requirements of the Federal National Mortgage Association, 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 20% or more of the Units, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee mortgages secured by any Unit, (c) to conform this Declaration with the requirements of the Act or other Applicable Laws, (d) pursuant to the boundary relocation, unit separation and unit merger provisions of this Declaration, or (e) to correct clerical or typographical errors in this Declaration or in any Exhibit, supplement or amendment to this Declaration. In furtherance of the foregoing, a power coupled with an interest is reserved to Declarant, and then as described below, to the Board, 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 or the acceptance of a Unit shall be deemed to be a grant and acknowledgment of, and consent to the reservation of, the power reserved to Declarant, and then as described below, to the Board, to make, execute and record special amendments. The rights reserved to Declarant under this Section shall terminate when Declarant no longer holds or controls title to any part of the Property or 10 years from the date this Declaration is recorded, whichever occurs first, at which time such rights shall pass to the Board.

ARTICLE 22
SERVICE OF PROCESS

Service of process on the Association shall be made on the Registered Agent. The name and address of the initial Registered Agent are as follows:

Jeffrey A. Natrop
643 East Erie Street
Milwaukee, Wisconsin 53202-6203

Declarant shall file the name and address of the Registered Agent with the Wisconsin Department of Financial Institutions. Declarant or the Association may change the name or address of the Registered Agent in the same manner and to the same extent that names and addresses of Registered Agents may be changed by corporations, and no amendment of this Declaration shall be necessary. If the Association is incorporated, the registered agent for the Association shall be the Registered Agent for the Condominium.

ARTICLE 23
DISPUTES; CONSTRUCTION DEFECTS; ARBITRATION

23.1 Binding Effect of Dispute Resolution Provisions on Unit Owners. To the extent allowed by law, each person who accepts a deed from Declarant, and each subsequent transferee of any legal or equitable interest in all or any part of the Property, by accepting such deed or transfer, shall be bound by the following construction defects and dispute resolution provisions.

23.2 Binding Effect of Dispute Resolution Provisions on Association. To the extent allowed by law, the Association shall be bound by the following construction defects and dispute resolution provisions. No amendment subsequent to the expiration of Period of Declarant Control may modify the following construction defects or dispute resolution provisions without Declarant's consent except to the extent that such modification alters only rights between parties other than Declarant or its successors and assigns.

23.3 Construction Defects and Warranty Claims.

(a) Except as specifically allowed by law, the Association shall not bring an action or claim on behalf of one or more Unit Owners against Declarant or its contractors, agents, successors, assigns or any combination of them for construction defects or warranty claims related to the Units. Unit Owners are authorized to bring all such claims on their own behalf pursuant to the terms of the offer to purchase executed by Declarant and a Unit Owner.

(b) Except as specifically allowed by law, no Unit Owner shall bring an action or claim against Declarant or its contractors, agents, successors, assigns or any combination of them for construction defects or warranty claims related to the Common Areas and related improvements. The Association is authorized to bring all such claims as described below.

(c) For a period of three months following the Period of Declarant Control, Declarant warrants to the Association that (i) all materials and equipment furnished by Declarant and its contractors and agents for construction of the Common Elements and related improvements shall be of good quality; (ii) all construction by Declarant and its contractors shall be free from material faults and material defects; and (iii) the Common Elements substantially conform to the Plans, as modified pursuant to this Declaration. This warranty does not extend to damages or defects caused by abuse, modifications not executed by Declarant or contractors under direction of Declarant, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage. **THE ASSOCIATION WAIVES ALL OTHER EXPRESS OR IMPLIED WARRANTIES.**

(d) On or before the first day of the fourth month after the last month during the Period of Declarant Control, the Association may make a claim under the foregoing warranty by providing to Declarant a Final Punch List Agreement in the form attached to this Declaration as Exhibit E. The terms of the Final Punch List Agreement are incorporated in this Declaration by reference. The Association may provide punch lists of defects to Declarant from time to time prior to execution and delivery of the Final Punch List Agreement; however, **CLAIMS UNDER THE**

FOREGOING WARRANTY SHALL ONLY BE MADE BY AND THROUGH THE TIMELY COMPLETION, EXECUTION AND DELIVERY OF THE FINAL PUNCH LIST AGREEMENT.

23.4 Mediation and Arbitration.

(a) Any controversy or claim arising out of or relating to this Declaration or enforcement of the Rules, including without limitation all controversies and claims related to construction defects and warranty claims, shall be resolved by arbitration as described below.

(b) Prior to submitting any matter for arbitration, the parties to the controversy or claim shall submit such controversy or claim to mediation in an attempt to resolve their dispute. The mediator shall be chosen by agreement of the parties to the claim or controversy if such agreement can be reached within 10 business days of the date demand is made for mediation. If the parties cannot so agree, the parties shall select the Arbitrator as described below, and the Arbitrator shall either mediate the dispute or shall designate a person to mediate the dispute. The mediation shall be conducted pursuant to rules established by the mediator. If mediation is unsuccessful, the dispute shall proceed to binding arbitration as described below. Mediation conducted pursuant to this provision shall not preclude the Arbitrator from requiring later mediation.

(c) A single Arbitrator shall be chosen by agreement of the parties to the claim or controversy if such agreement can be reached within 10 business days of the date demand is made for arbitration. If the parties cannot so agree, the Arbitrator shall be chosen as provided in Wisconsin Statutes Section 788.04(1).

(d) The arbitration shall be conducted pursuant to rules established by the Arbitrator. The Arbitrator shall determine the meaning of all terms and phrases in this Agreement which relate to the controversy, and no party shall look to a court to make such a determination. The Arbitrator shall issue his or her decision in writing. This agreement to arbitrate shall be specifically enforceable. If any party refuses, upon 10 business days= prior written notice, to participate in the arbitration process, the arbitration shall proceed without such party and the Arbitrator shall make his or her rulings without the input of such party. The decision of the Arbitrator shall be binding pursuant to applicable law, and judgment upon the award ordered by the Arbitrator may be entered in any court having jurisdiction over the controversy. The Arbitrator shall award costs, including reasonable attorneys' fees, to the party or parties whose position the Arbitrator finds to be most correct.

(e) Subject to the foregoing, the Association and any aggrieved Unit Owner shall have the right of action against any Unit Owner who fails to comply with any rule, restriction, condition or regulation adopted by the Board, or any covenant, by-law or provision of the Declaration.

ARTICLE 24
RULES OF CONSTRUCTION

24.1 Liberal Construction. The provisions of the Condominium Instruments shall be liberally construed to facilitate the creation and operation of the Condominium.

24.2 Severability. All provisions of the Condominium Instruments are severable and the invalidity of one provision does not affect the validity of any other provision.

24.3 Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived because of lack of enforcement, irrespective of the number of violations or breaches which may occur or any time lapse.

24.4 Conflicts. If there is any conflict between any provisions of this Declaration and any provisions of the Plat, the Bylaws or the Rules, the provisions of this Declaration shall control. If there is any conflict between any provisions of any of the Condominium Instruments and any provisions of the Bylaws or the Rules, the provisions of the Condominium Instruments shall control. If there is any conflict between any provisions of any of the Condominium Instruments and any provisions of the Act, the provisions of the Act shall control.

24.5 Incorporation. The Condominium Instruments shall be construed together and are determined to incorporate one another to the extent that any requirement of the Act applying to one instrument is satisfied if the deficiency can be corrected by reference to any of the others.

[SIGNATURES ON FOLLOWING PAGE]

Dated as of the date first set forth above.

DECLARANT:

FRANKLIN & KNAPP LLC, a Wisconsin limited liability company

By: _____
Peter S. Renner
Manager

STATE OF WISCONSIN)
) ss
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me on March 5, 2009 by Peter S. Renner, Manager of Franklin & Knapp LLC, a Wisconsin limited liability company.

_____
Name: DEBORAH E. METKE
Notary Public, State of Wisconsin
My commission 02-06-11.

MORTGAGEES' CONSENT

Pursuant to Wisconsin Statutes Section 703.09, M&I Marshall & Isley Bank, mortgagee of the Property described in the foregoing Declaration, consents to the execution and recording of this Declaration.

Dated March 4, 2009.

M&I MARSHALL & ISLEY BANK

By: _____
Name: Geoffrey R Nauth
Title: Vice President

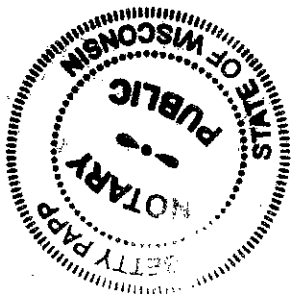
By: _____
Name: Mark Henschel
Title: AVP

ACKNOWLEDGMENT

STATE OF WISCONSIN)
) ss
COUNTY OF MILWAUKEE)

This instrument was acknowledged before me on March 4, 2009 by Geoffrey R Nauth and Mark Henschel, a Vice President and Assistant Vice Pres, respectively, of M&I Marshall & Isley Bank.

_____
Name: Betty Papp
Notary Public, State of Wisconsin
My commission 2-28-2010



EXHIBITS

A. Legal Description of Property
B. Description of Units and Common Elements
C. Percentage Interests
D. Permitted Encumbrances
E. Final Punch List Agreement

Drafted by:
John M. Wirth
Mallery & Zimmerman, S.C.
Suite 900
731 North Jackson Street
Milwaukee, Wisconsin 53202
telephone: 414-727-6276
facsimile: 414-727-6306
e-mail: jwirth@mzmilw.com

EXHIBIT A

Legal Description of Property

PARCEL A:

ALL THAT PART OF PARCEL TWO (2) OF CERTIFIED SURVEY MAP NO. 6603, RECORDED IN THE OFFICE OFTHE REGISTER OF DEEDS FOR MILWAUKEE COUNTY, WISCONSIN ON DECEMBER 29, 1998 IN REEL 4466, IMAGES 1316 TO 1318, INCLUSIVE, AS DOCUMENT NUMBER 7658730, WHICH WAS FORMERLY DESCRIBED AS FOLLOWS:

ALL OF LOTS 1, 2, 4, 5 AND 7, ALL IN SUBDIVISION OF LOTS 4 AND A PART OF LOT 3, IN BLOCK 196, IN ROGERS ADDITION, IN THE SOUTHEAST 1/4 OF SECTION 21, IN TOWNSHIP 7 NORTH, RANGE 22 EAST, IN THE CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN.

PARCEL B:

ALL THAT PART OF PARCEL TWO (2) OF CERTIFIED SURVEY MAP NO. 6603, RECORDED IN THE OFFICE OFTHE REGISTER OF DEEDS FOR MILWAUKEE COUNTY, WISCONSIN ON DECEMBER 29, 1998 IN REEL 4466, IMAGES 1316 TO 1318, INCLUSIVE, AS DOCUMENT NUMBER 7658730, WHICH WAS FORMERLY A PART OF:

THE WEST 140 FEET OF LOT 5 AND THE WEST 140 FEET OF THE SOUTH 21 FEET OF LOT 6, BLOCK 196, ROGERS' ADDITION TO MILWAUKEE IN FRACTIONAL LOTS 7 AND 8 IN SECTION 21, TOWNSHIP 7 NORTH, RANGE 22 EAST, IN THE CITY OF MILWAUKEE, COUNTY OF MILWAUKEE AND STATE OF WISCONSIN.

SAID PARCELS A AND B ALSO BEING DESCRIBED AS:

ALL OF PARCEL TWO (2) OF CERTIFIED SURVEY MAP NO. 6603, RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MILWAUKEE COUNTY, WISCONSIN ON DECEMBER 29, 1998 IN REEL 4466, IMAGES 1316 TO 1318, INCLUSIVE, AS DOCUMENT NUMBER 7658370, BEING A DIVISION OF A PART OF LOTS 5 AND 6, IN BLOCK 196, ROGERS' ADDITION TO MILWAUKEE IN FRACTIONAL LOTS 7 AND 8 AND LOTS 1, 2, 4, 5 AND 7 ALL IN SUBDIVISION OF LOTS 4 AND A PART OF LOT 3, IN BLOCK 196 IN ROGERS ADDITION, IN THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 21, IN TOWN 7 NORTH, RANGE 22 EAST, IN THE CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN.

TAX KEY NO. 359-1382-0

EXHIBIT B

Description of Units and Common Elements

EXHIBIT B

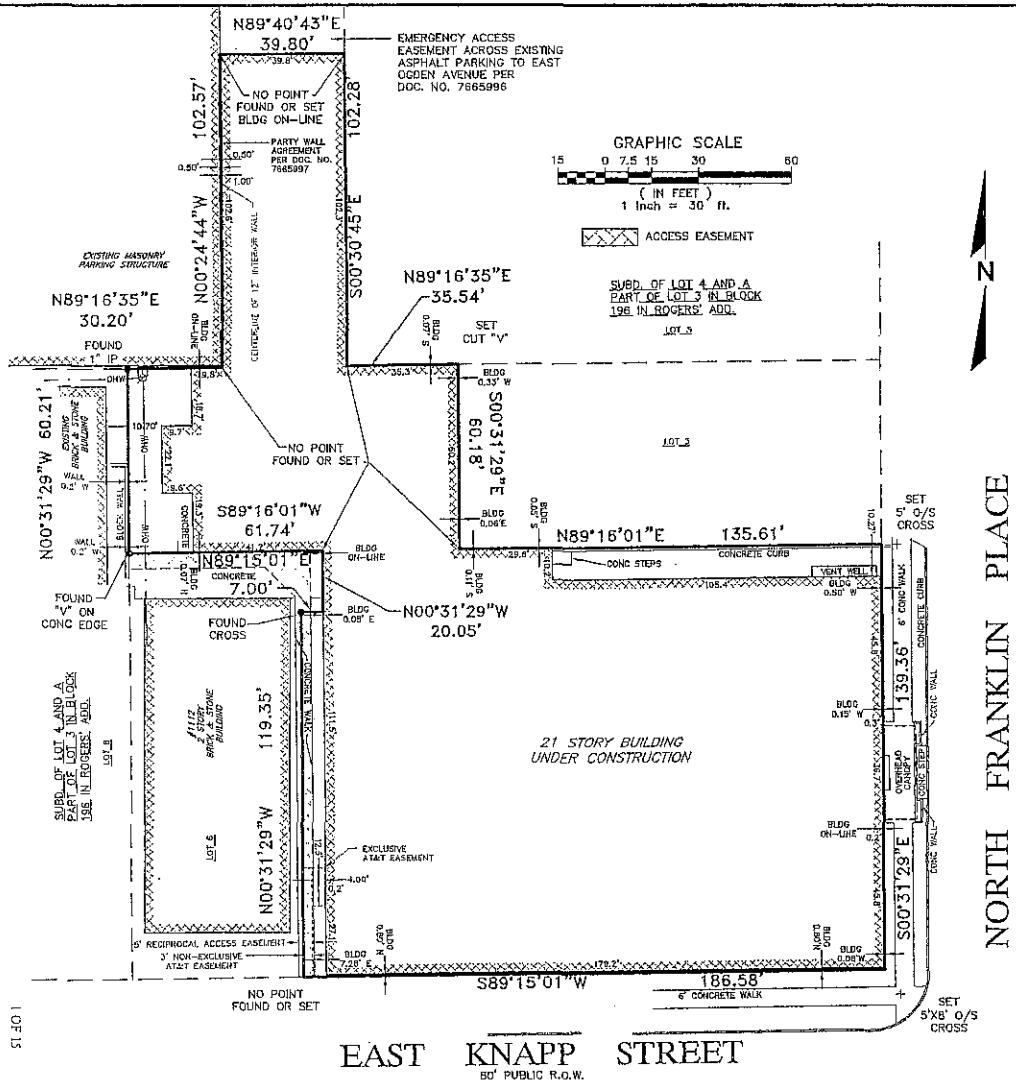
THE BREAKWATER CONDOMINIUM

CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

KNOWN AS 1132 EAST KNAPP STREET, IN THE CITY OF MILWAUKEE, COUNTY OF MILWAUKEE, STATE OF WISCONSIN

PARCEL TWO (2) OF CERTIFIED SURVEY MAP NO. 6603, RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MILWAUKEE COUNTY, WISCONSIN ON DECEMBER 29, 1998 IN REEL 4466, IMAGE 1316, AS DOCUMENT NO. 7658370, BEING A DIVISION OF A PART OF LOTS 5 AND 6, IN BLOCK 196, OF ROGERS ADDITION TO MILWAUKEE IN FRACTIONAL LOTS 7 AND 8, AND LOTS 1, 2, 4, 5 AND 7, IN SUBDIVISION OF LOT 4 AND PART OF LOT 3, IN BLOCK 196, IN ROGERS ADDITION, IN THE SOUTHWEST ONE-QUARTER (1/4) OF THE SOUTHEAST ONE-QUARTER (1/4) OF SECTION TWENTY-ONE (21), IN TOWNSHIP SEVEN (7) NORTH, RANGE TWENTY-TWO (22) EAST, IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN.

FEBRUARY 13, 2009 162576-AJM



NOTES:

1. COMMON ELEMENTS ARE ALL AREAS WITHIN THE CONDOMINIUM AND OUTSIDE OF THE UNITS.

2. REFER TO SECTION 1.20 OF THE ORIGINAL DECLARATION OF CONDOMINIUM FOR DESCRIPTIONS OF THE LIMITED COMMON ELEMENTS.

LCE = LIMITED COMMON ELEMENT – REFER TO THE DECLARATION OF CONDOMINIUM FOR A COMPLETE LIST OF THE LIMITED COMMON ELEMENTS.

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 THE BREAKWATER 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-1316

FEBRUARY 27, 2009
DATE

WISCONSIN DONALD C. CHAPUT S-1316 BROOKFIELD WI LAND SURVEYOR

R.A. Smith National, Inc.
Beyond Surveying and Engineering
16745 W. Bluemound Road, Brookfield WI 53005
262-781-1000 Fax 262-797-7373
www.rasmithnational.com

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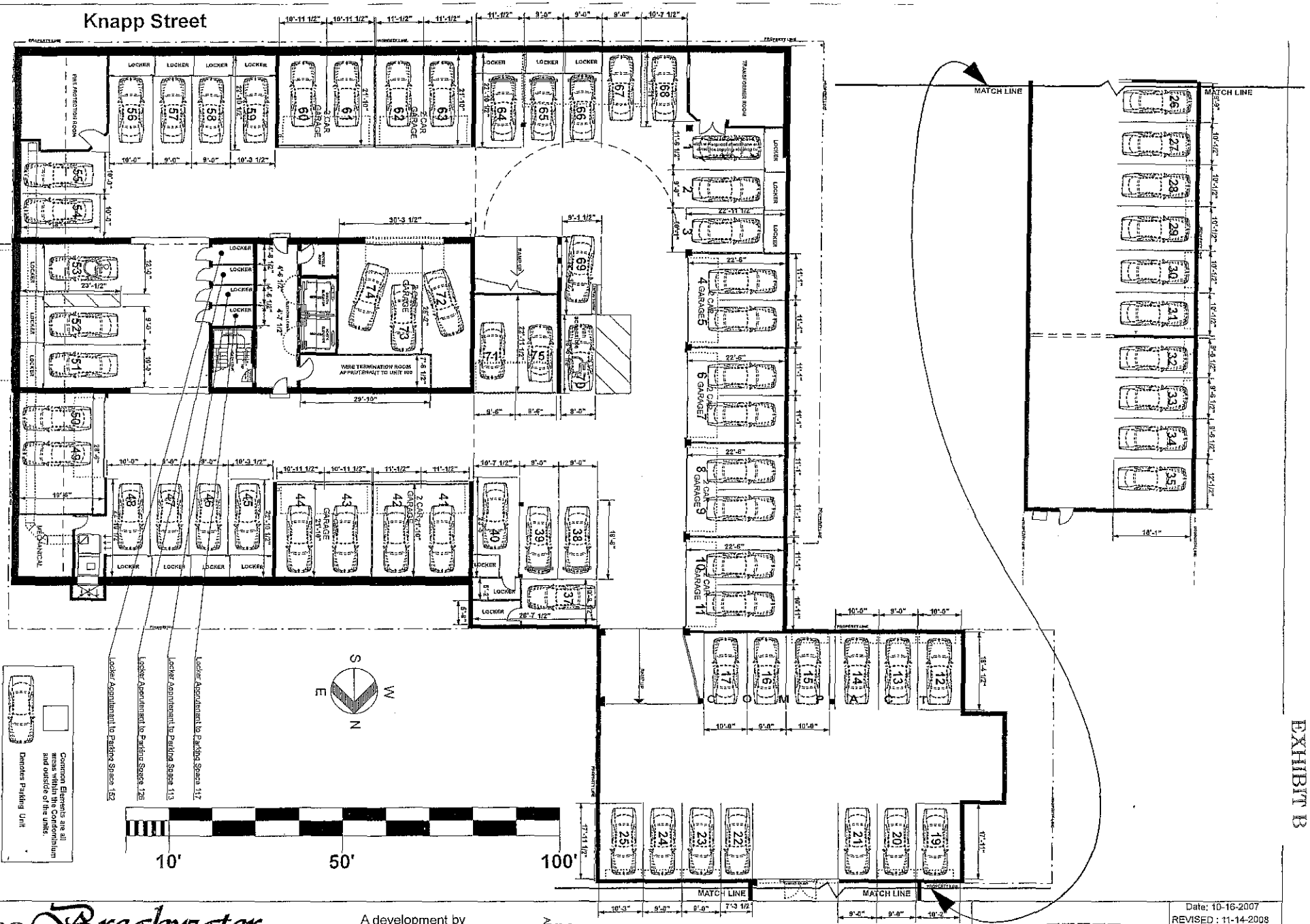

LOWER LEVEL PARKING

2 of 15

EXHIBIT B

The Breakwater
CONDOMINIUM
1313 N Franklin Place
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Milwaukee County

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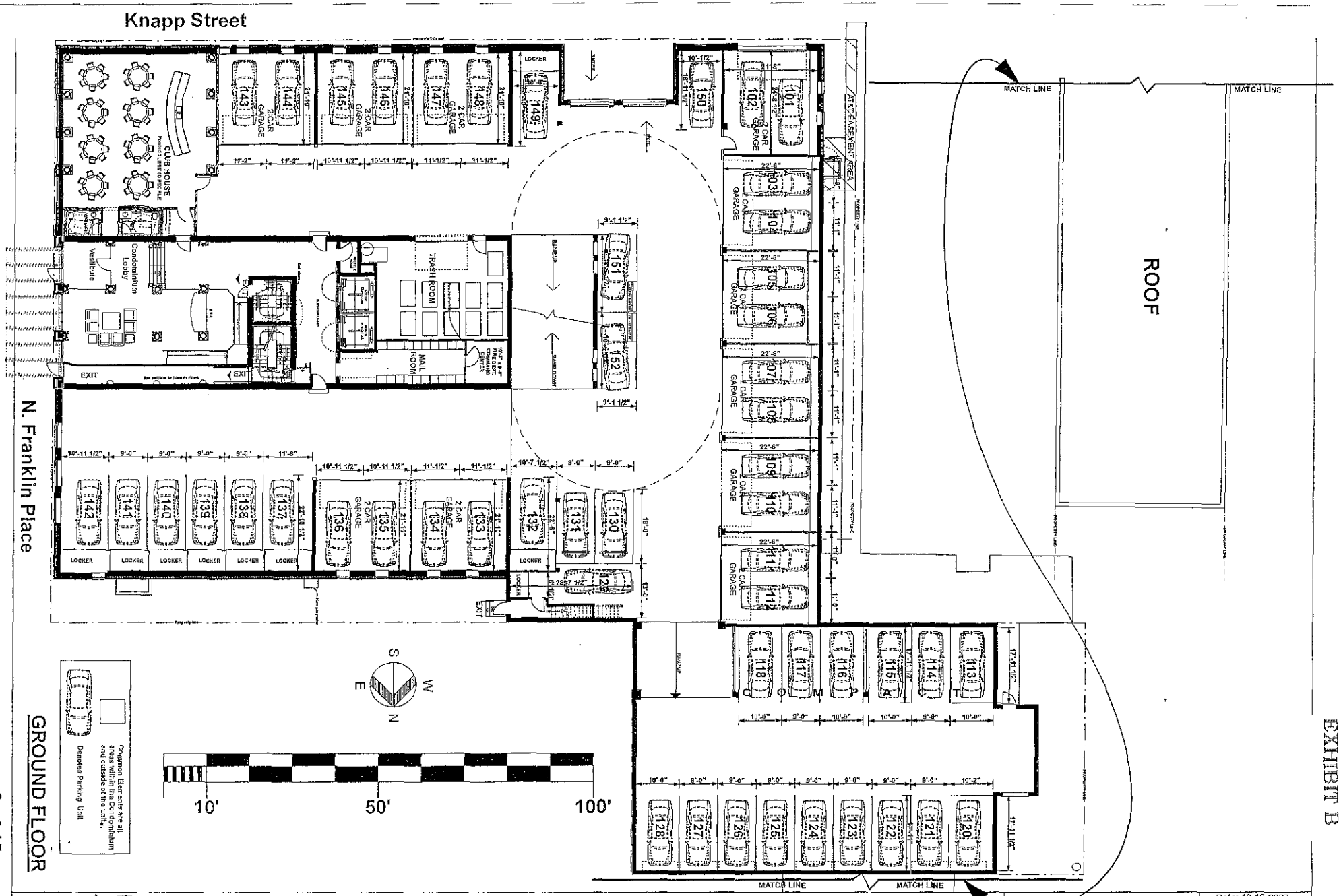

GROUND FLOOR

EXHIBIT B

3 of 15

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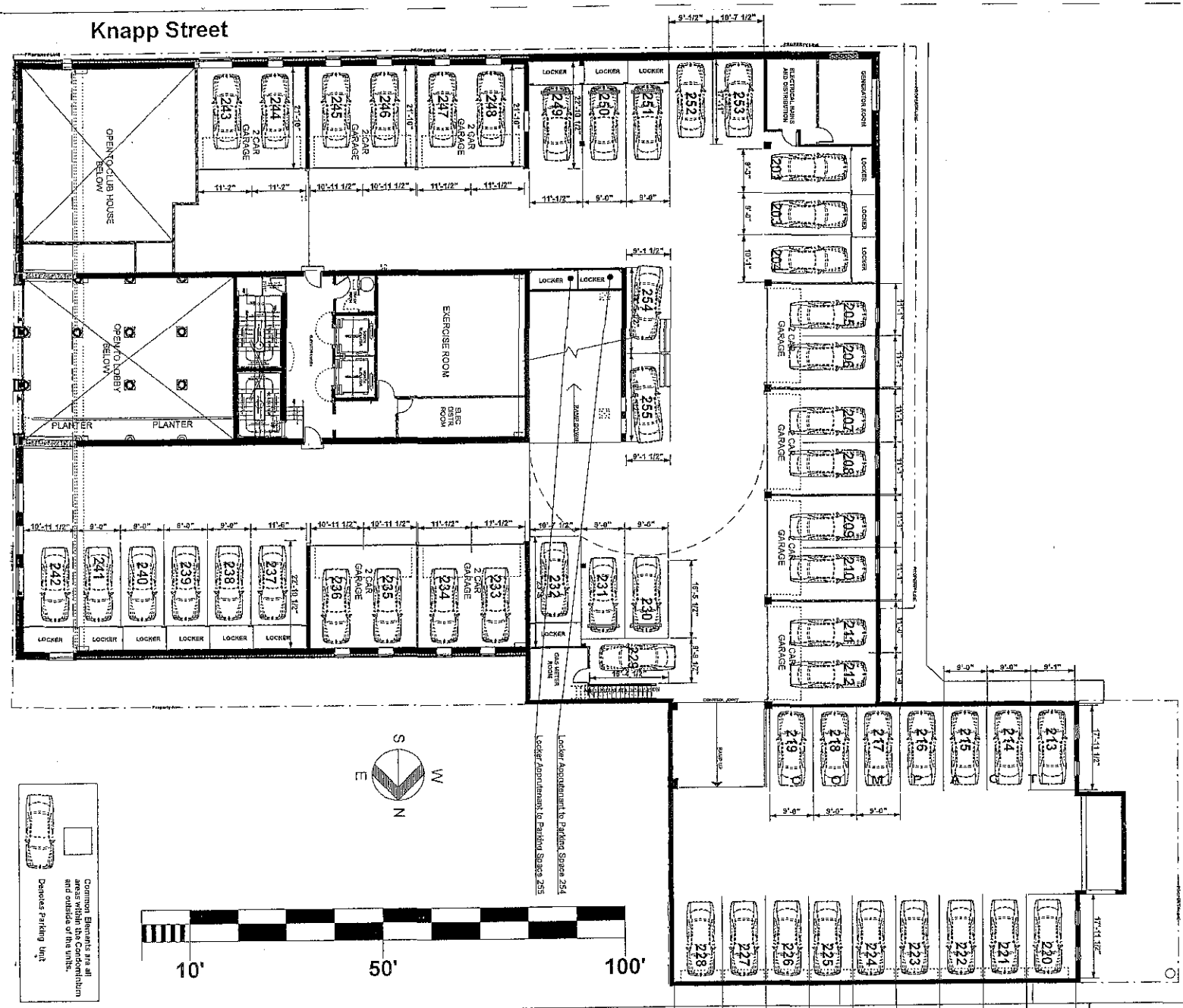

UPPER LEVEL 2ND FLOOR PARKING

EXHIBIT B

4 of 15

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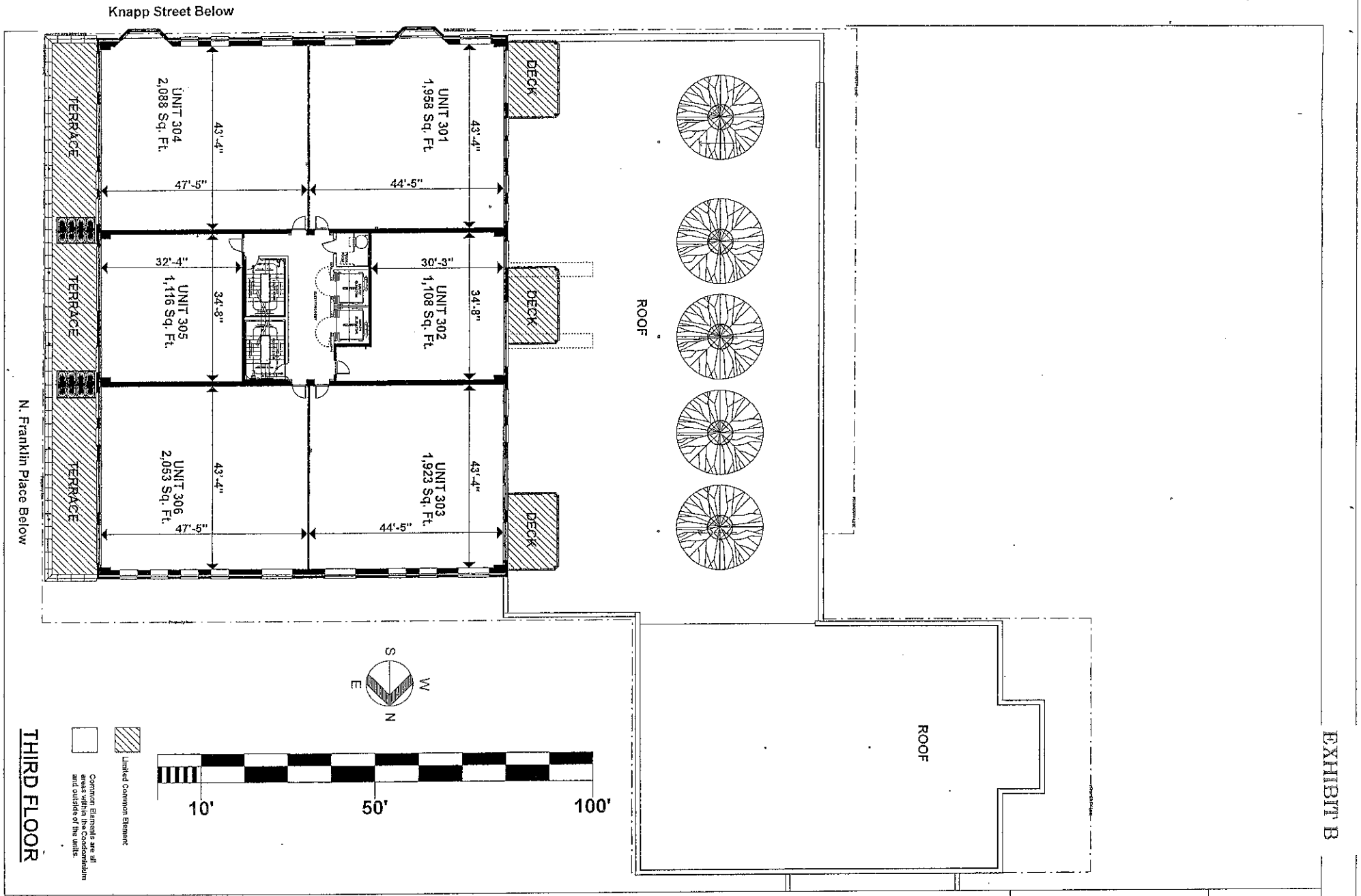

THIRD FLOOR

EXHIBIT B

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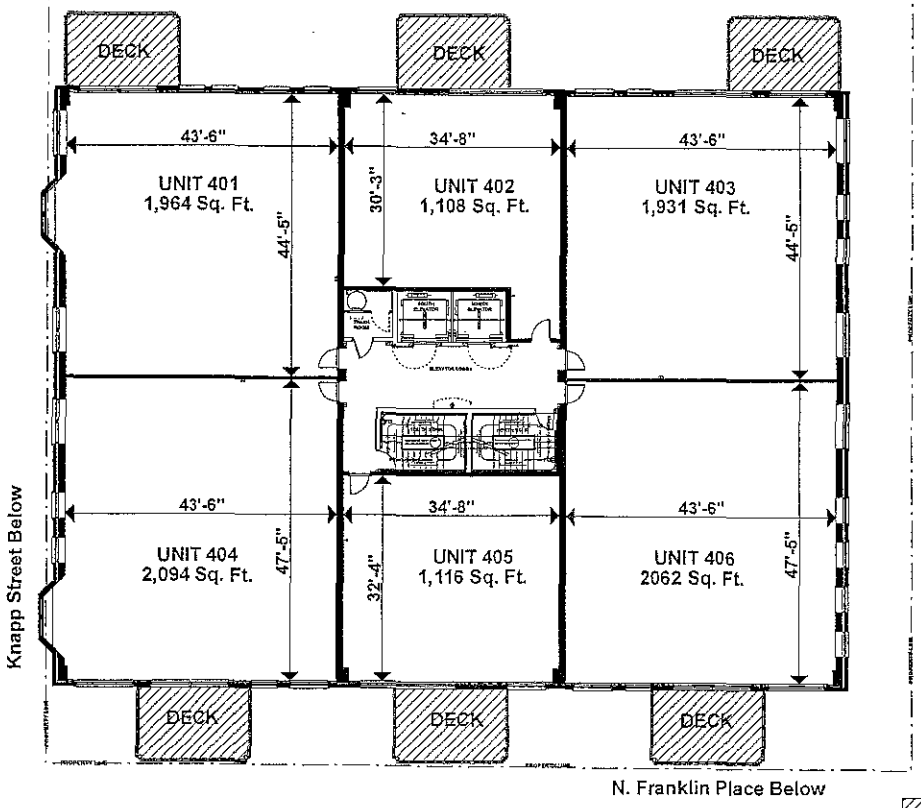

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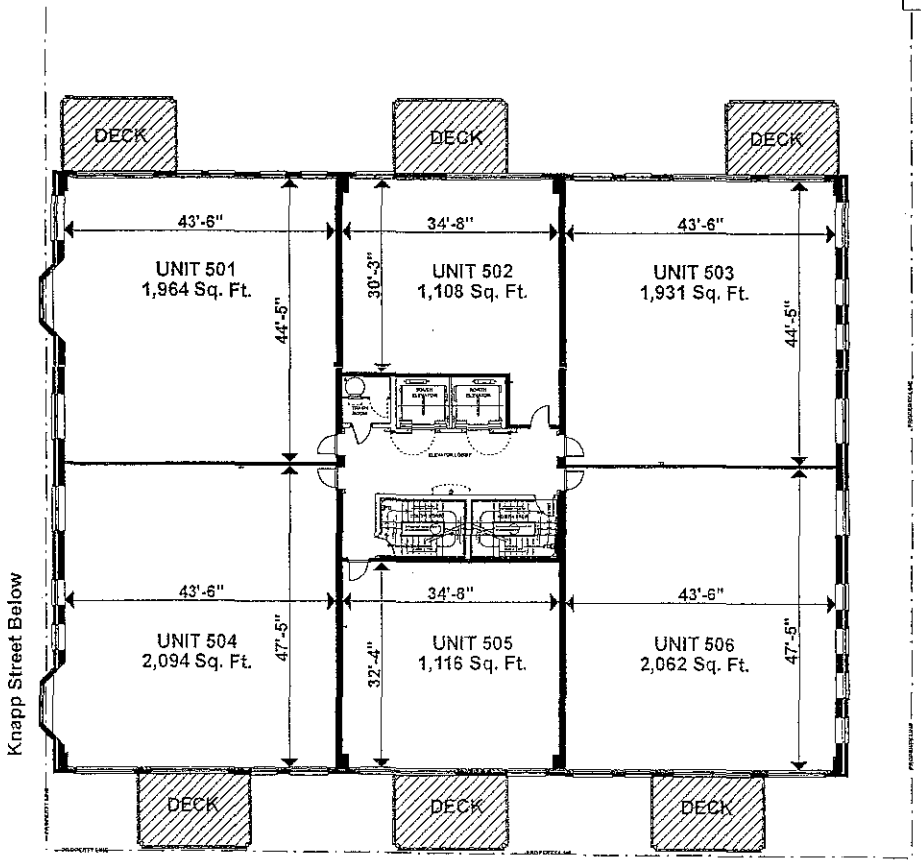

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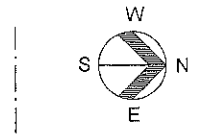
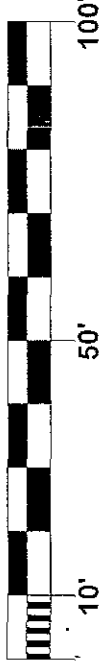


Limited Common Element

Common Elements are all areas within the Condominium and outside of the units.



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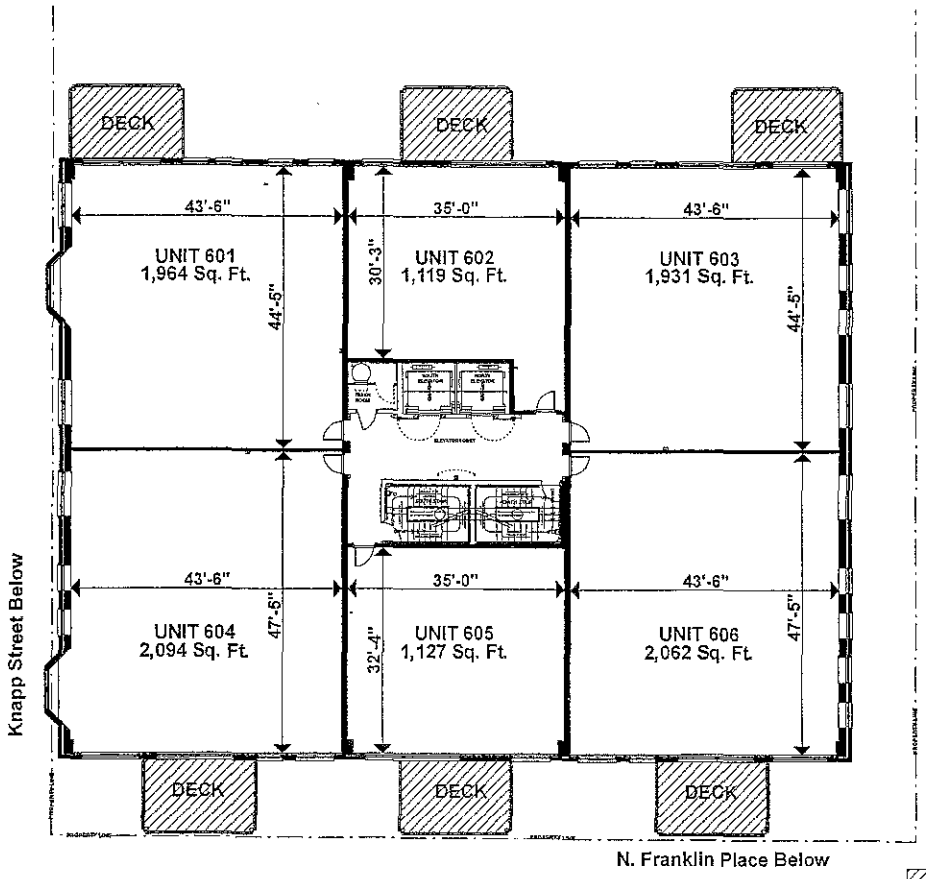

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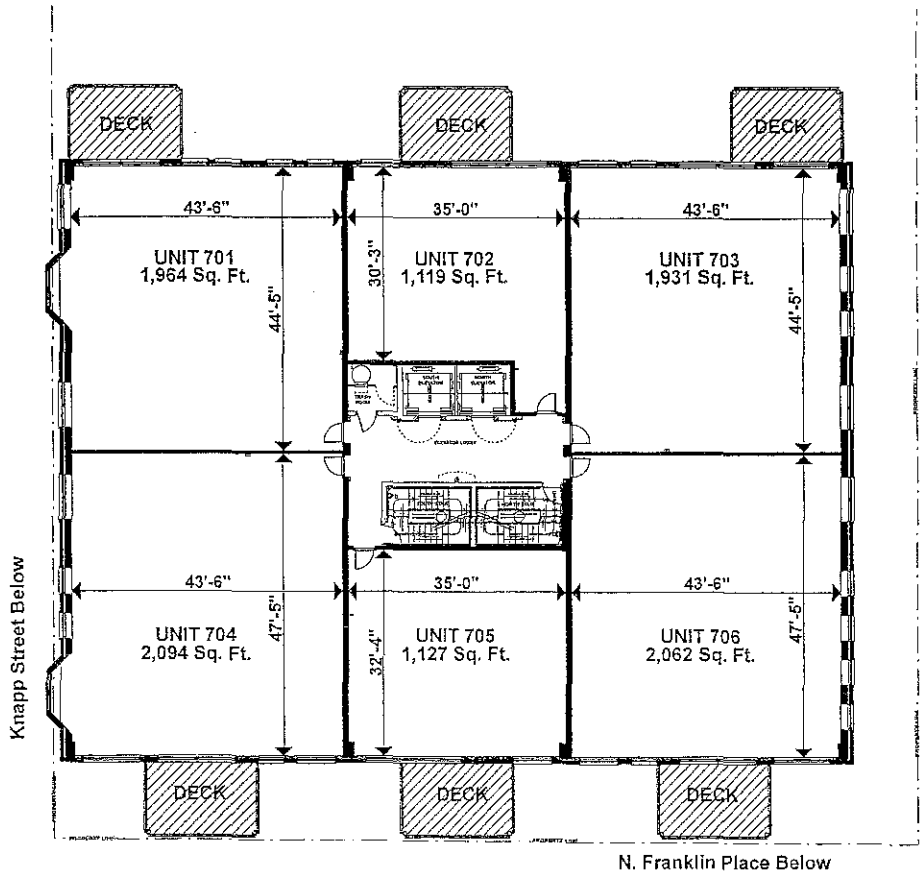

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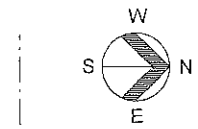

Limited Common Element

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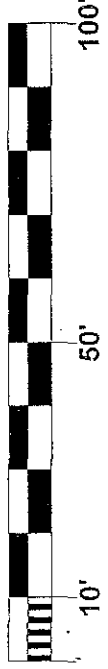

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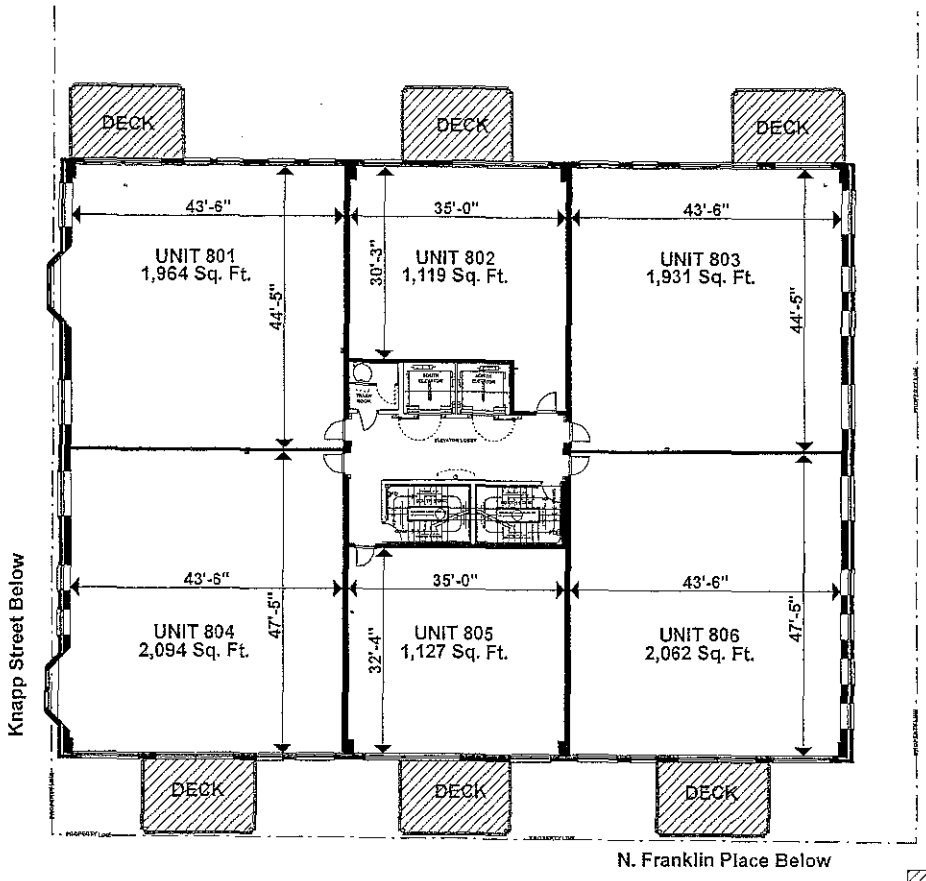

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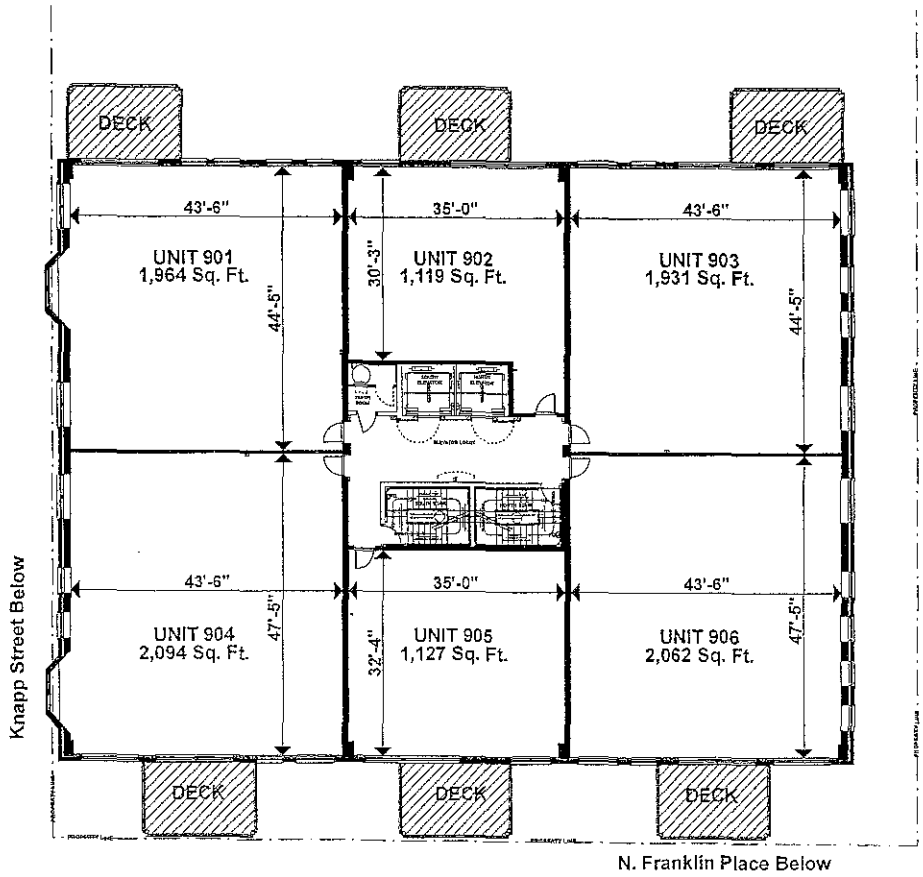

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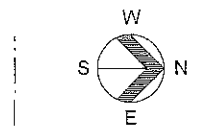

Limited Common Element

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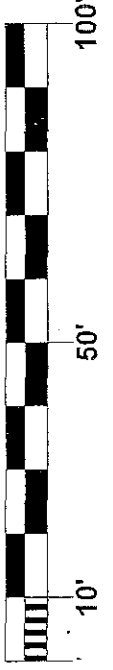

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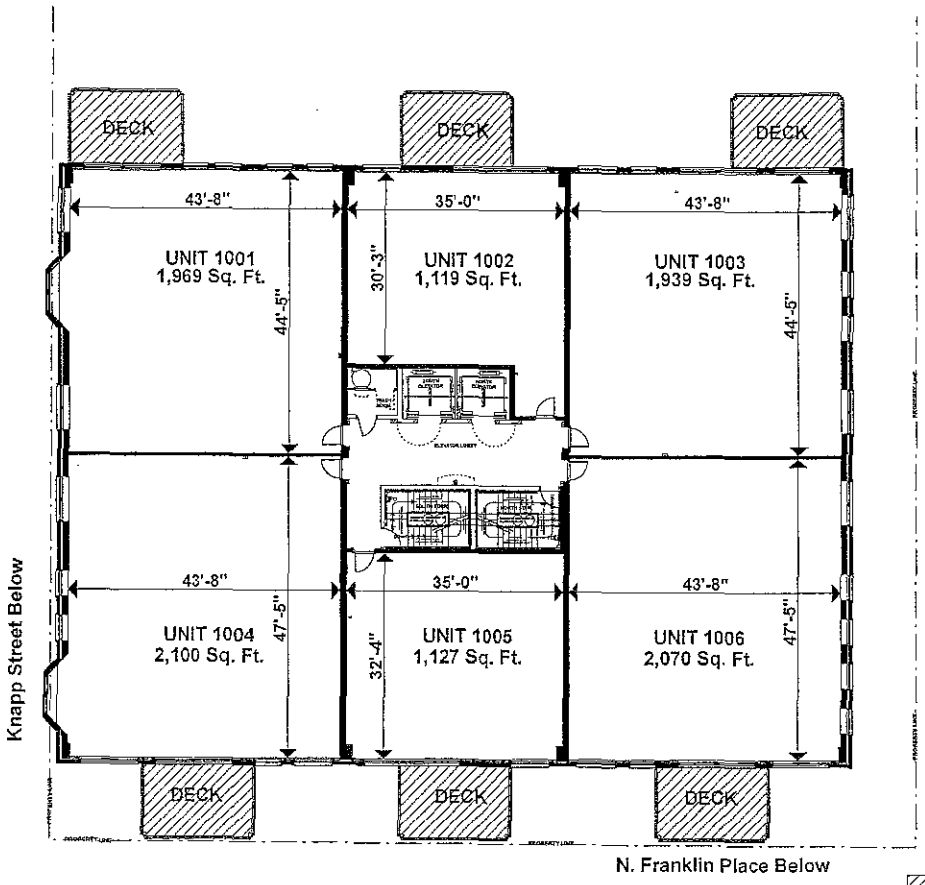

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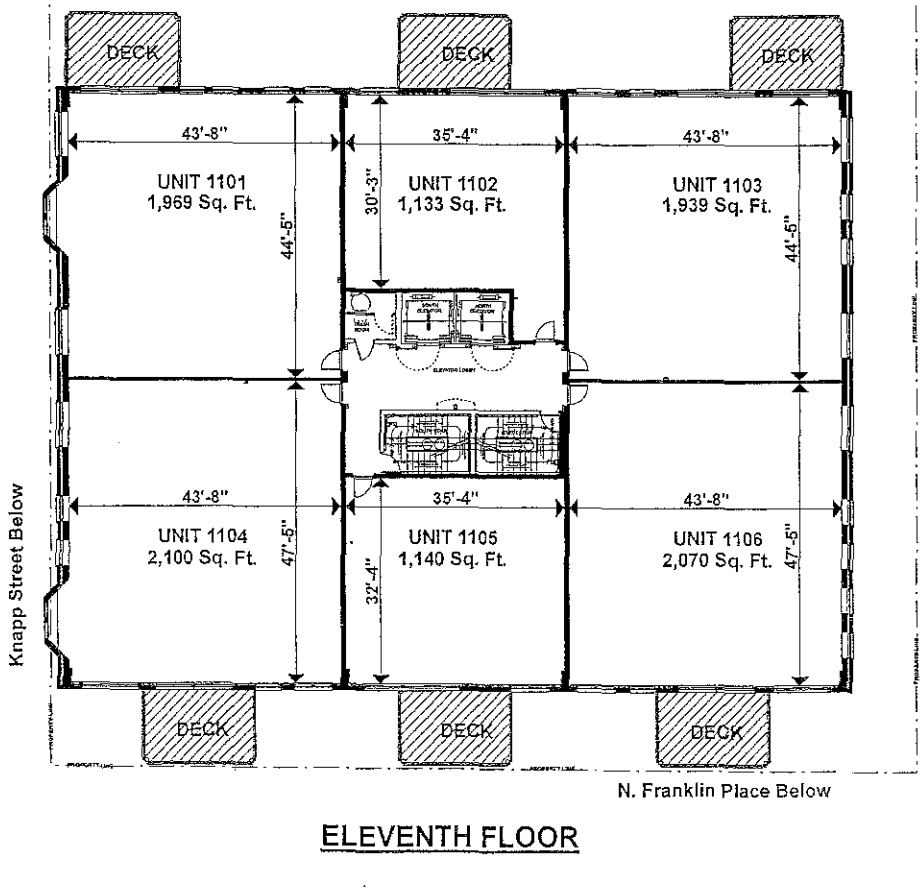

ELEVENTH FLOOR

Limited Common Element

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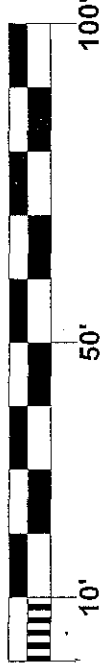

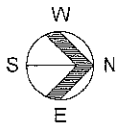

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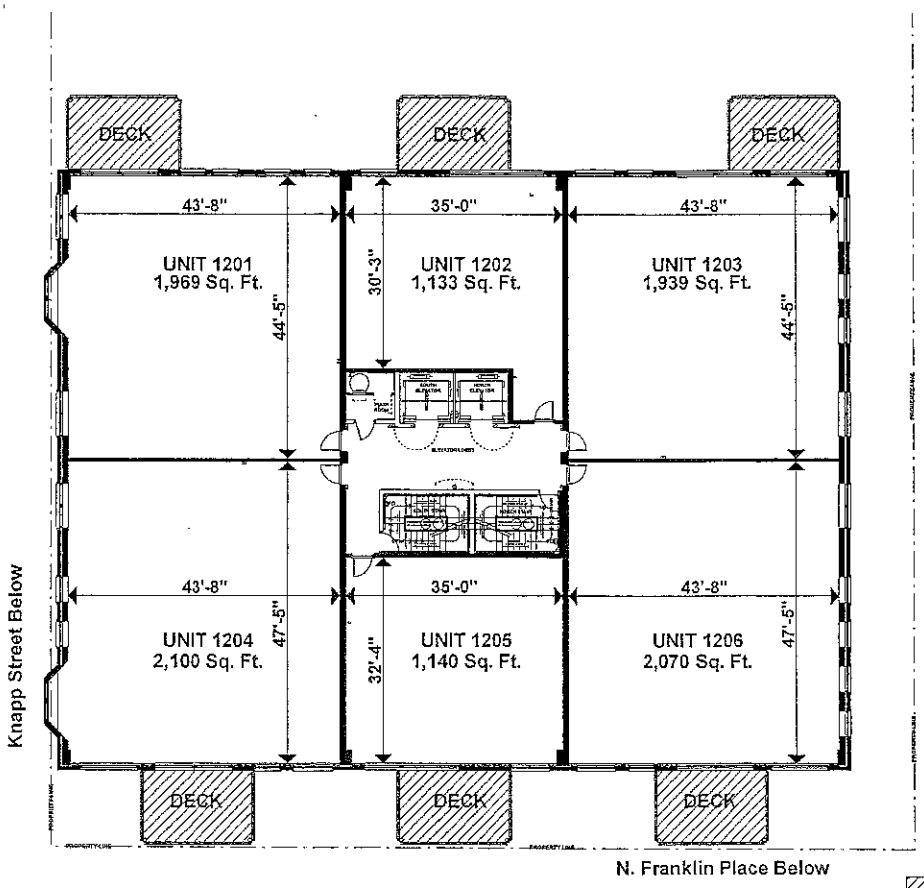

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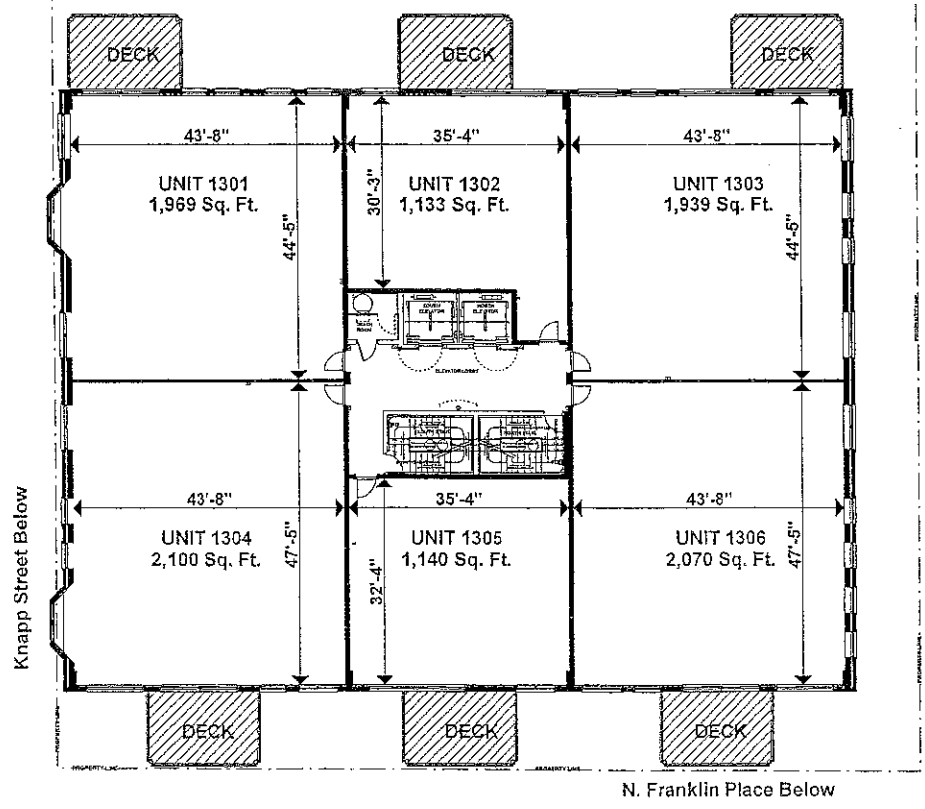

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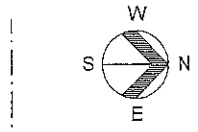

Limited Common Element

Common Elements are all areas within the Condominium and outside of the units.



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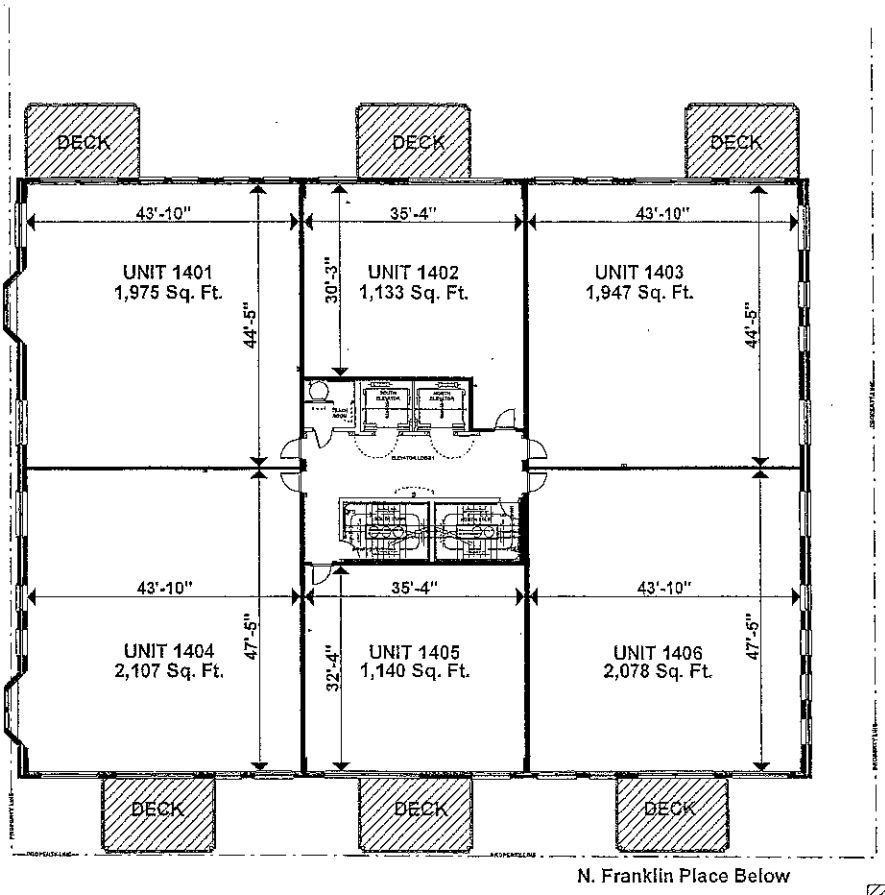

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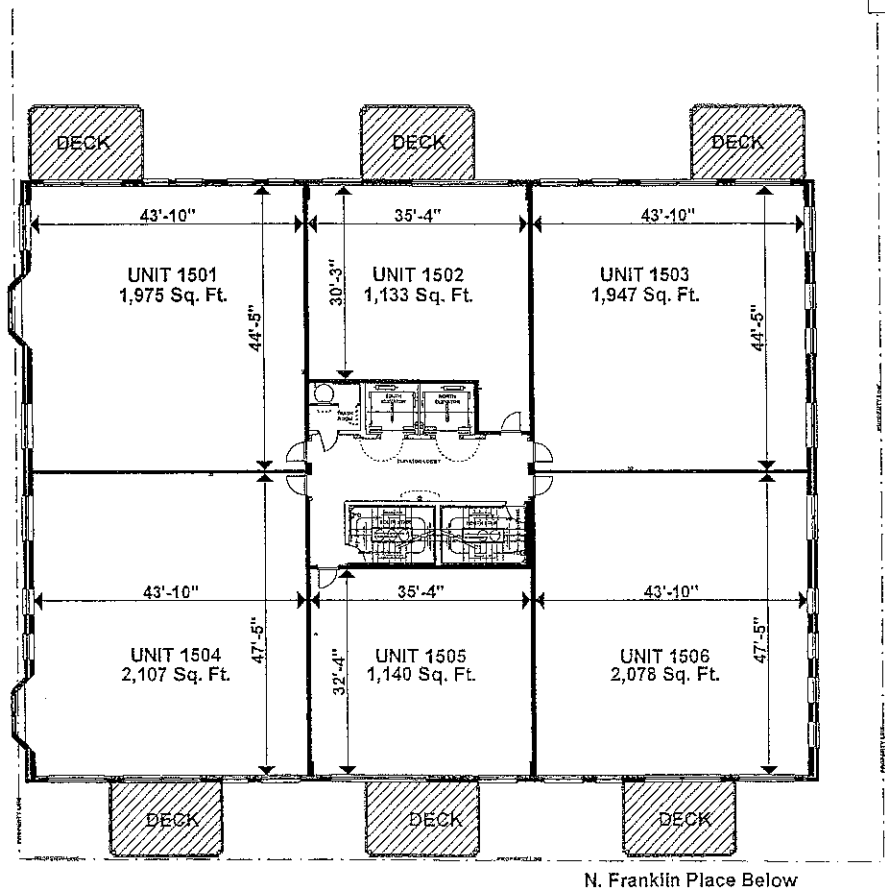

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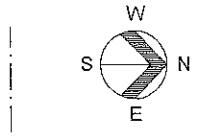

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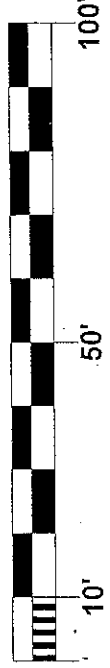

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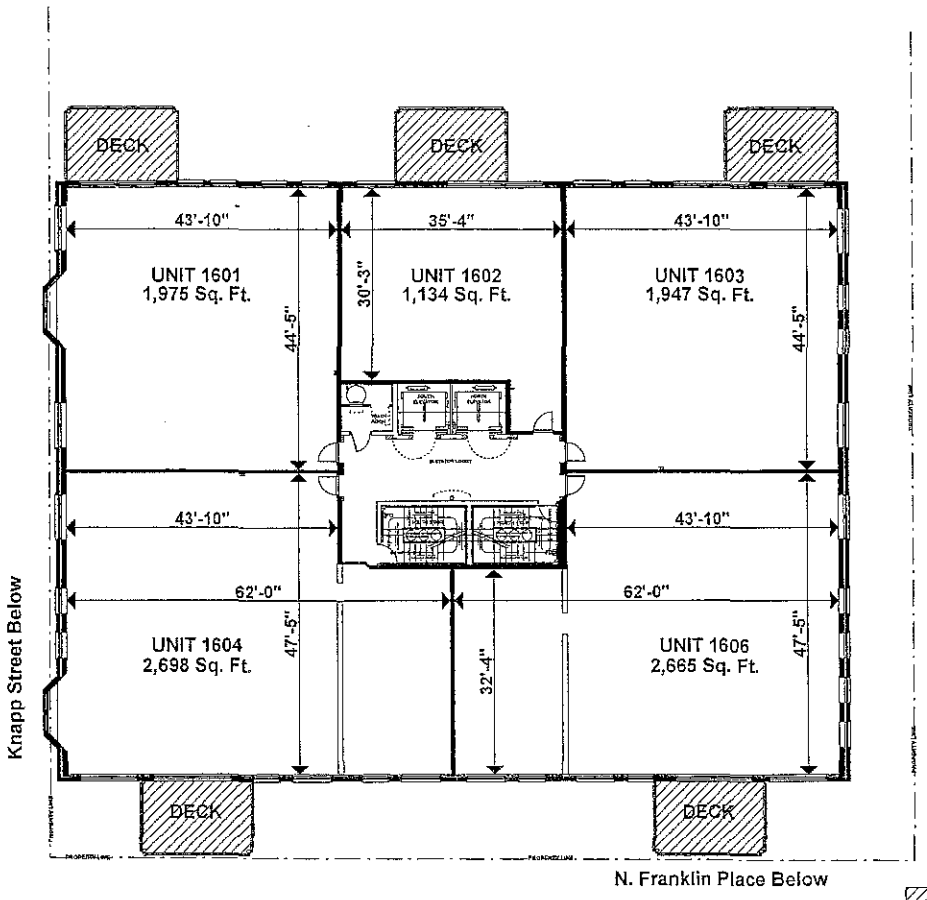

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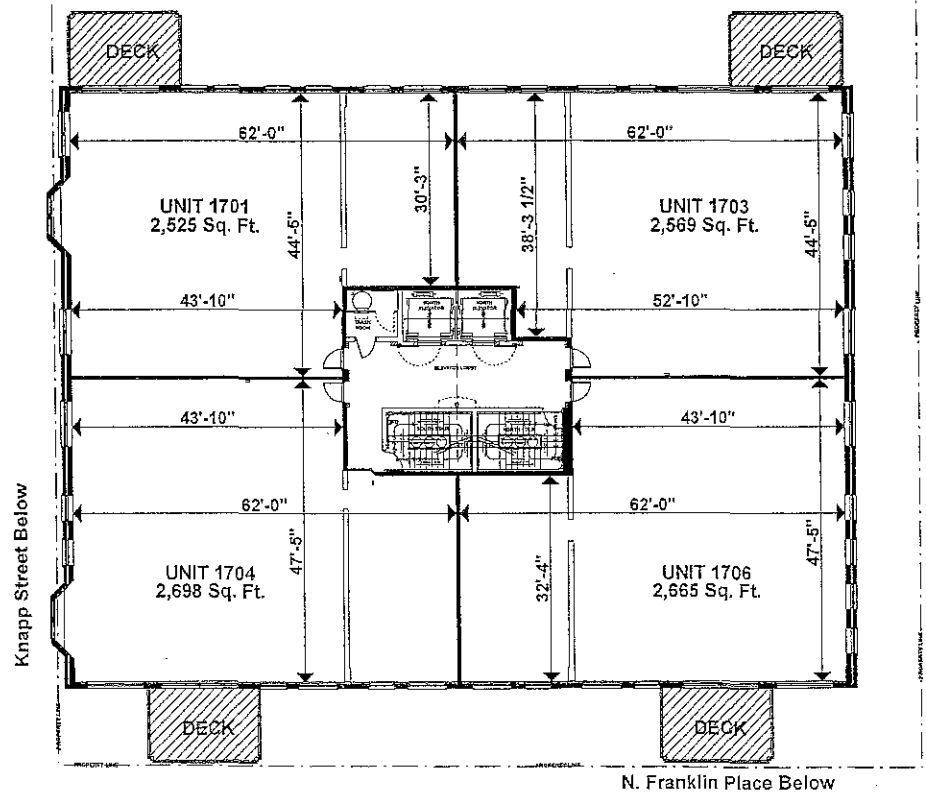

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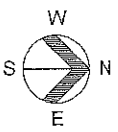

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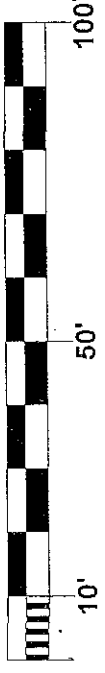

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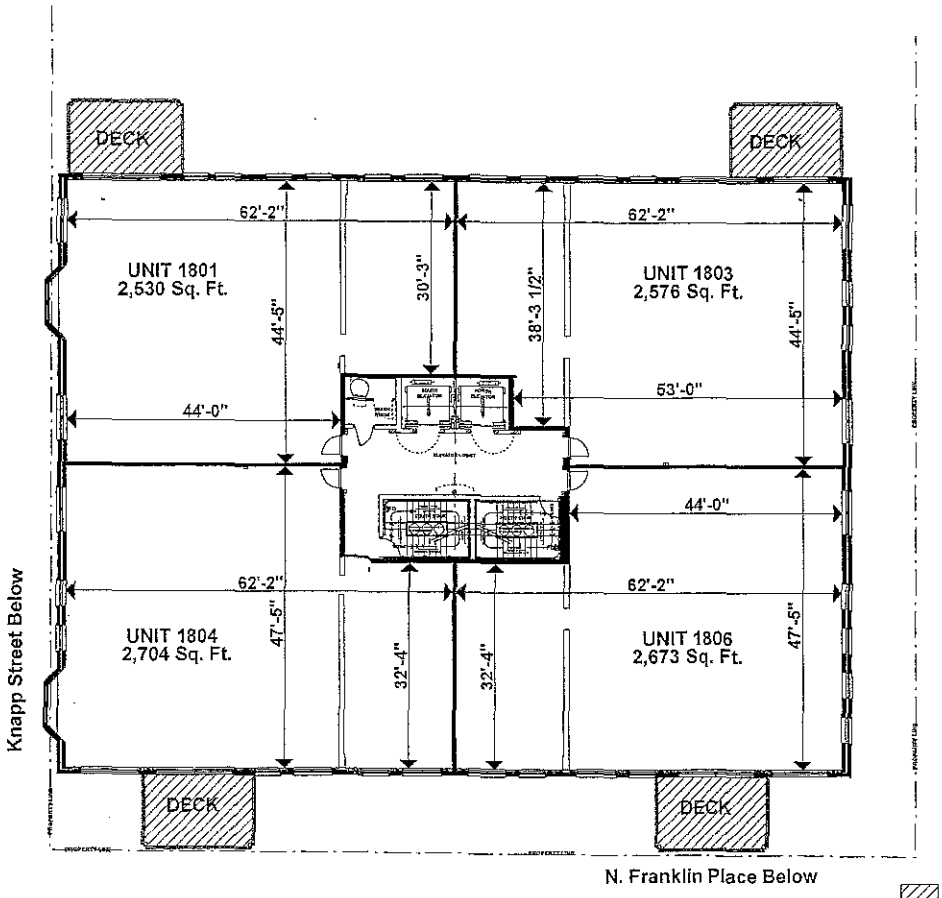

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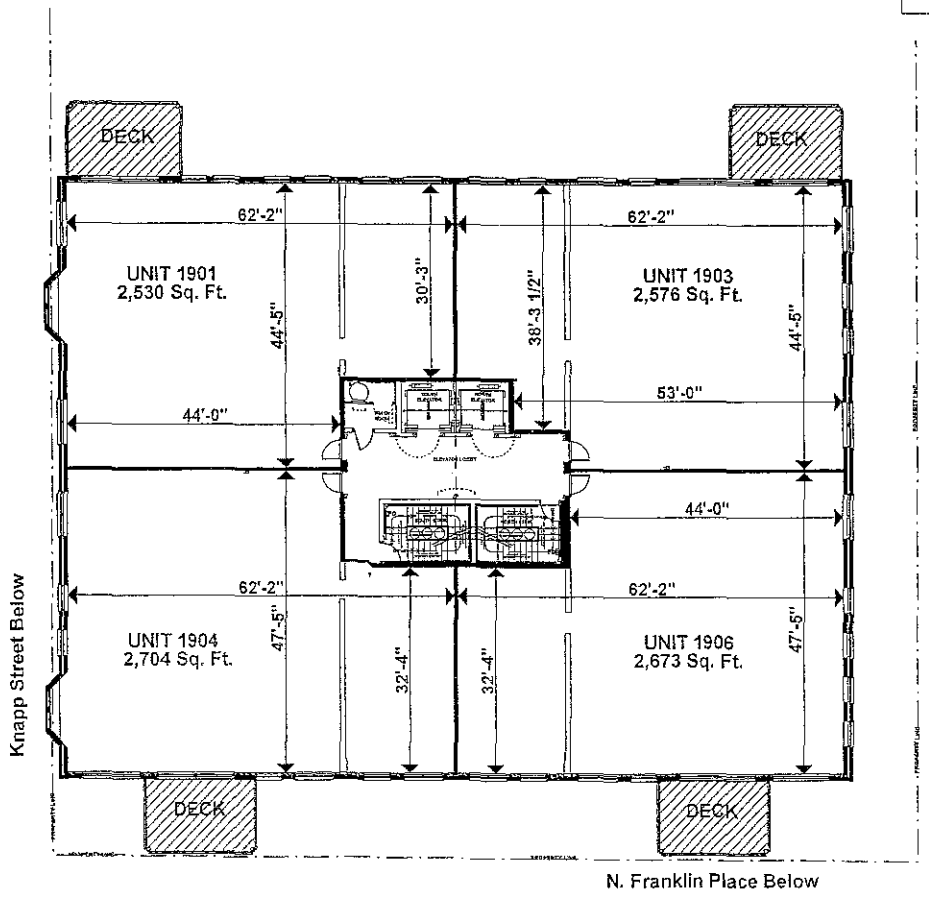

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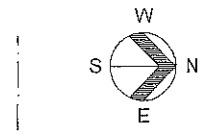

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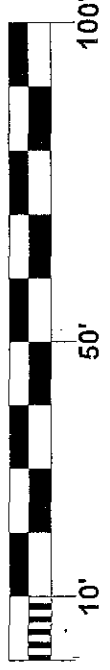

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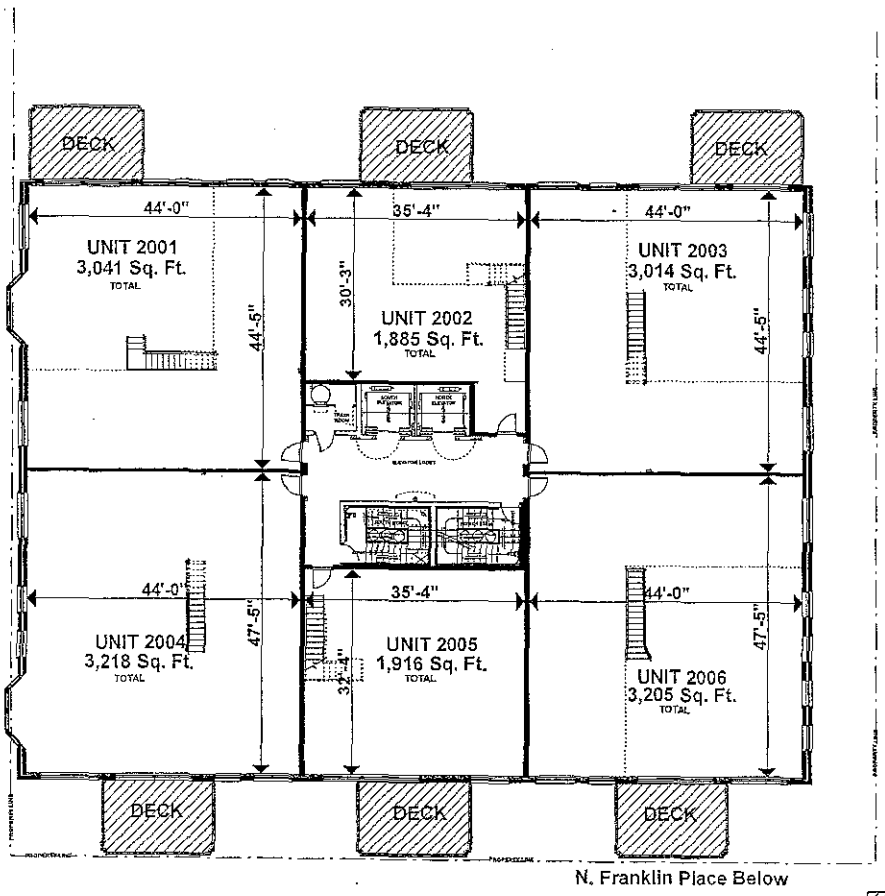

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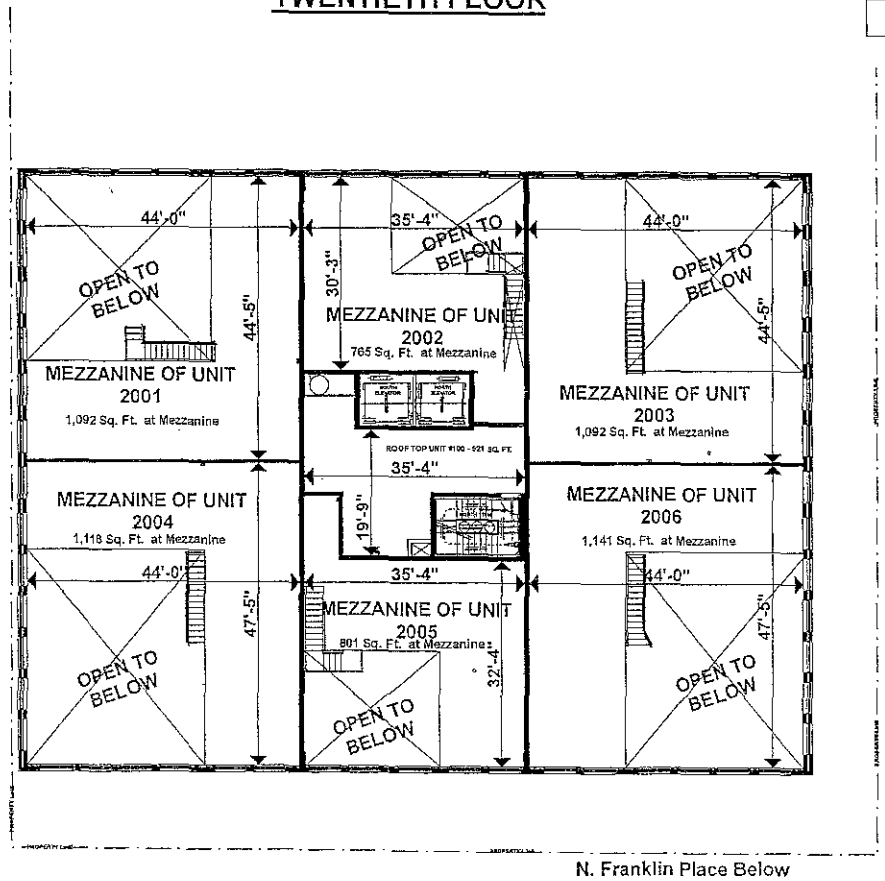
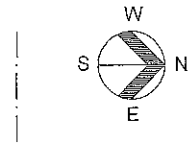
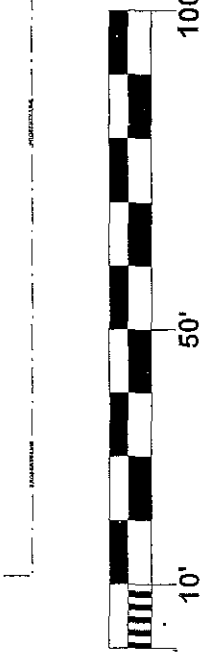


MEZZANINE

Space Appurtenant to Unit #100





Limited Common Element

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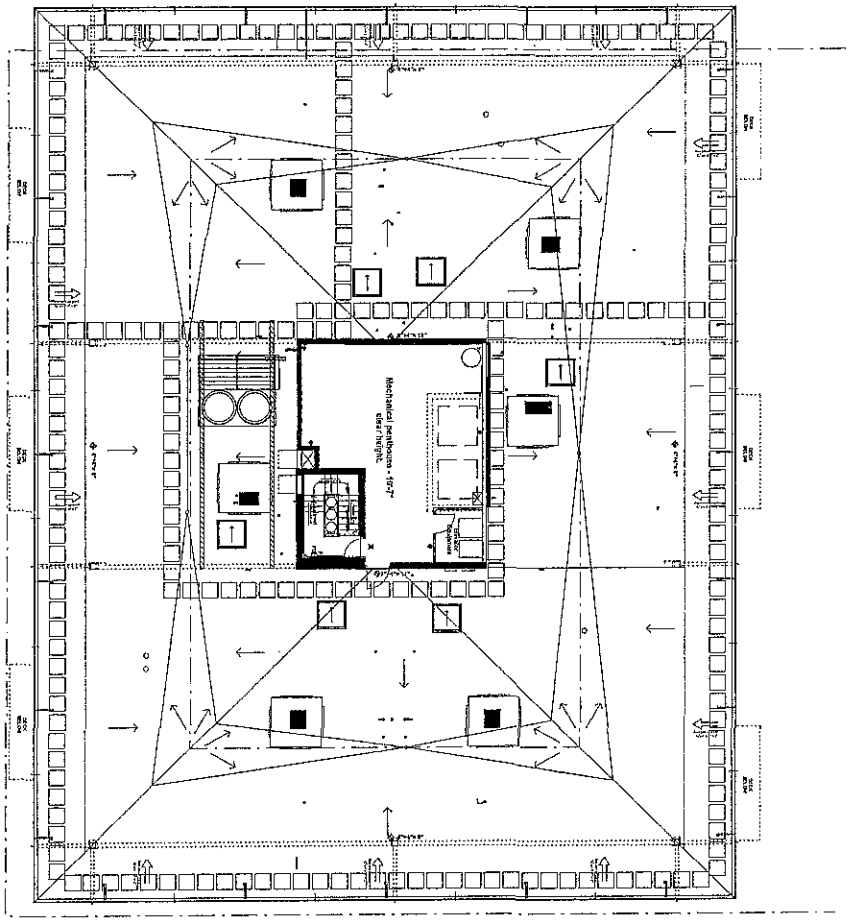
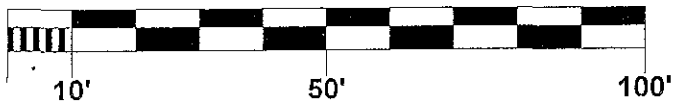
EXHIBIT B



ROOF

Common Elements are all areas within the Condominium and outside of the units.



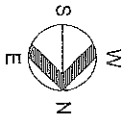


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EXHIBIT C
Percentage Interests

Unit Number	Number of Bedrooms	Assessment Share (A multiplier of 1 for a 1-bedroom, 1.25 for a 2-bedroom, and 1.75 for a 3-bedroom)	Percentage Interest in Common Elements (calculated the same way as Assessment Share)	Votes per Unit
301	2	1.25	0.9728%	1
302	1	1	0.7782%	1
303	2	1.25	0.9728%	1
304	2	1.25	0.9728%	1
305	1	1	0.7782%	1
306	2	1.25	0.9728%	1
401	2	1.25	0.9728%	1
402	1	1	0.7782%	1
403	2	1.25	0.9728%	1
404	2	1.25	0.9728%	1
405	1	1	0.7782%	1
406	2	1.25	0.9728%	1
501	2	1.25	0.9728%	1
502	1	1	0.7782%	1
503	2	1.25	0.9728%	1
504	2	1.25	0.9728%	1
505	1	1	0.7782%	1
506	2	1.25	0.9728%	1
601	2	1.25	0.9728%	1
602	1	1	0.7782%	1
603	2	1.25	0.9728%	1
604	2	1.25	0.9728%	1
605	1	1	0.7782%	1
606	2	1.25	0.9728%	1
701	2	1.25	0.9728%	1
702	1	1	0.7782%	1
703	2	1.25	0.9728%	1
704	2	1.25	0.9728%	1
705	1	1	0.7782%	1
706	2	1.25	0.9728%	1
801	2	1.25	0.9728%	1
802	1	1	0.7782%	1
803	2	1.25	0.9728%	1
804	2	1.25	0.9728%	1
805	1	1	0.7782%	1
806	2	1.25	0.9728%	1
901	2	1.25	0.9728%	1
902	1	1	0.7782%	1
903	2	1.25	0.9728%	1
904	2	1.25	0.9728%	1
905	1	1	0.7782%	1

EXHIBIT C
Percentage Interests

Unit Number	Number of Bedrooms	Assessment Share (A multiplier of 1 for a 1-bedroom, 1.25 for a 2-bedroom, and 1.75 for a 3-bedroom)	Percentage Interest in Common Elements (calculated the same way as Assessment Share)	Votes per Unit
906	2	1.25	0.9728%	1
1001	2	1.25	0.9728%	1
1002	1	1	0.7782%	1
1003	2	1.25	0.9728%	1
1004	2	1.25	0.9728%	1
1005	1	1	0.7782%	1
1006	2	1.25	0.9728%	1
1101	2	1.25	0.9728%	1
1102	1	1	0.7782%	1
1103	2	1.25	0.9728%	1
1104	2	1.25	0.9728%	1
1105	1	1	0.7782%	1
1106	2	1.25	0.9728%	1
1201	2	1.25	0.9728%	1
1202	1	1	0.7782%	1
1203	2	1.25	0.9728%	1
1204	2	1.25	0.9728%	1
1205	1	1	0.7782%	1
1206	2	1.25	0.9728%	1
1301	2	1.25	0.9728%	1
1302	1	1	0.7782%	1
1303	2	1.25	0.9728%	1
1304	2	1.25	0.9728%	1
1305	1	1	0.7782%	1
1306	2	1.25	0.9728%	1
1401	2	1.25	0.9728%	1
1402	1	1	0.7782%	1
1403	2	1.25	0.9728%	1
1404	2	1.25	0.9728%	1
1405	1	1	0.7782%	1
1406	2	1.25	0.9728%	1
1501	2	1.25	0.9728%	1
1502	1	1	0.7782%	1
1503	2	1.25	0.9728%	1
1504	2	1.25	0.9728%	1
1505	1	1	0.7782%	1
1506	2	1.25	0.9728%	1
1601	2	1.25	0.9728%	1
1602	1	1	0.7782%	1
1603	2	1.25	0.9728%	1

EXHIBIT C
Percentage Interests

Unit Number	Number of Bedrooms	Assessment Share (A multiplier of 1 for a 1-bedroom, 1.25 for a 2-bedroom, and 1.75 for a 3-bedroom)	Percentage Interest in Common Elements (calculated the same way as Assessment Share)	Votes per Unit
1604	3	1.75	1.3619%	1
1606	3	1.75	1.3619%	1
1701	3	1.75	1.3619%	1
1703	3	1.75	1.3619%	1
1704	3	1.75	1.3619%	1
1706	3	1.75	1.3619%	1
1801	3	1.75	1.3619%	1
1803	3	1.75	1.3619%	1
1804	3	1.75	1.3619%	1
1806	3	1.75	1.3619%	1
1901	3	1.75	1.3619%	1
1903	3	1.75	1.3619%	1
1904	3	1.75	1.3619%	1
1906	3	1.75	1.3619%	1
2001	3	1.75	1.3619%	1
2002	2	1.25	0.9728%	1
2003	3	1.75	1.3619%	1
2004	3	1.75	1.3619%	1
2005	2	1.25	0.9728%	1
2006	3	1.75	1.3619%	1
		128.5	100%	

EXHIBIT D

Permitted Encumbrances

Restriction as shown on Certified Survey Map No. 6603, recorded December 29, 1998 in the Office of the Register of Deeds for Milwaukee County, Wisconsin as Document Number 7658370, stating:

> That all utility lines to provide electric power and telephone service and cable television or communications systems lines or cables to all lots in the subdivision shall be installed underground in easements provided therfore.

Terms, provision and conditions of a Party Wall Agreement recorded January 12, 1999 in the Office of the Register of Deeds for Milwaukee County, Wisconsin in Reel 4475, Image 2519 as Document Number 7665997.

Covenants, conditions, restrictions and other provisions contained in Easement recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin as Document No. 7665996.

Utility Easement granted by an instrument recorded as Document No. 9627656.

Terms, conditions, restriction and other provisions contained in Easement Agreement with owner of the adjoining property (1112 East Knapp Street) for pedestrian access, garbage removal and maintenance and repair purposes. As of the date of this Declaration, such Easement Agreement has been executed but, upon information and belief, not yet recorded.

EXHIBIT E

Final Punch List Agreement

FINAL PUNCH LIST AGREEMENT

This Final Punch List Agreement ("Agreement") is made as of _____, 200___, between FRANKLIN & KNAPP LLC, a Wisconsin limited liability company ("Developer"), and BREAKWATER CONDOMINIUM ASSOCIATION, INC., a Wisconsin non-stock, non-profit corporation ("Association").

RECITALS

A. Association is an association the owners of the units in The BreakWater Condominium (the "Condominium") in the City of Milwaukee, Milwaukee County, Wisconsin.

B. Developer developed the Condominium and constructed the improvements to the Condominium.

C. Association desires to have Developer perform additional work at the Condominium. Developer desires to correct all construction defects and other construction work; however, as a condition of performance, Developer requires Association to agree that the work to be done is the final work that Association will request from Developer.

AGREEMENTS

In consideration of the foregoing recitals, the mutual agreements that follow and other consideration, the receipt and sufficiency of which the parties acknowledge, THE PARTIES AGREE:

1. Punch List. The Final Punch List attached to this Agreement describes all construction defects and other work (collectively, the "Final Punch List Work") that Association desires to have Developer complete.

2. Completion of Final Punch List Work. Developer shall complete the Final Punch List Work in a good and workmanlike manner on or before the date 180 days after the date of this Agreement; provided, however, if the Final Punch List Work is delayed due to conditions outside of Developer's reasonable control, the deadline shall be extended for the reasonable period that is necessary for Developer to complete the Final Punch List Work.

3. Release. Except for the Final Punch List Work, Association, for itself and its members, releases Developer from all past, present, and future claims, damages, expenses and other liabilities and obligations in connection with the development of the Condominium and construction of improvements to the Condominium. Association shall indemnify Developer from all damages, including costs of defense, if Association or any of its members make any claim against Developer based on anything other than the Final Punch List Work.

4. Completion of Final Punch List Work.

(a) Developer shall provide written notice to Association when Developer maintains the Final Punch List Work is completed. Such written notice shall either be hand delivered or sent by certified mail, return receipt requested.

(b) On or before the 10th business day after Association receives Developer's notice, TIME BEING OF THE ESSENCE, Association shall provide to Developer written notice specifying in detail any item or items of the Final Punch List Work that Association disputes is completed in a good and workmanlike manner. If Developer does not receive such written notice on or before such 10th business day, Association shall be deemed to have accepted the Final Punch List Work and Developer shall have no further obligations to Association.

(c) If Association properly and timely disputes any of the Final Punch List Work, Developer shall have 20 business days to correct such disputed work. At the end of such period, Association may commence an action pursuant to the following Section for the disputed Final Punch List Work.

5. Disputes; Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled pursuant to the provisions of Article 23 of the recorded Declaration for the Condominium.

6. Governing Law. This Agreement shall be governed by the internal laws of the State of Wisconsin.

7. Authority. Each party to this Agreement represents and warrants that this Agreement shall bind and inure to the benefit of each of the parties and its equity owners. Each person executing this Agreement on behalf of Association personally represents that he or she has the authority to enter into this Agreement on behalf of Association and its members and that this Agreement is authorized by all necessary corporate approvals of Association. The person executing this Agreement on behalf of Developer personally represents that he or she has the authority to enter into this Agreement on behalf of Developer and that this Agreement is authorized by all necessary approvals of the partners of Developer.

Dated as of the date first set forth above.

FRANFLIN & KNAPP LLC, a Wisconsin limited liability company

By: _____
Name: _____
Title: _____

BREAKWATER CONDOMINIUM ASSOCIATION, INC., a Wisconsin nonstock, nonprofit corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BYLAWS

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Exhibit A – Assessment Provisions

RULES AND REGULATIONS OF
THE BREAKWATER CONDOMINIUM

The following are the Rules and Regulations ("Rules") for the BreakWater Condominium Association, Inc. Capitalized terms not otherwise defined in these Rules shall have the meanings assigned to such terms in the Declaration of Condominium for The BreakWater Condominium.

These Rules may be amended or repealed by the Board at any time during the existence of the Condominium; however, certain of these Rules are contained in the Declaration (those noted and marked with a *), and such rules may not be amended without amending the Declaration. *Copies of all amendments to these Rules shall be furnished to the Unit Owners by the Board prior to the time such amendments shall be effective. [NOTE: ALSO CONTAINED IN THE DECLARATION]

No provision of these Rules or any amendment to these Rules may contravene any provision of the Declaration. To the extent of any inconsistency between these Rules and the Declaration, the provisions of the Declaration shall govern.

When used in these Rules, the term "Unit Owner" shall include such Unit Owner's family members, guests, invitees, tenants, agents and employees. Unit Owners are responsible for seeing that family members, guests, invitees, tenants, agents and employees receive and comply with these Rules.

Comments about the contents of these Rules should be directed to the President of the Board in writing. Complaints about violations of these Rules should be directed to the President and the Board.

1. Parking.

(a) The parking garage shall be used solely for the parking of vehicles and for no other purpose, except that one (1) small upright cart and/or one (1) bicycle may be kept in a Parking Unit only if all property and vehicles fits within the designated space. Only one (1) vehicle may be parked in a single Parking Unit. This restriction does not apply to private garages. Additional motorcycles and mopeds may be parked in the designated areas in the parking garage after registration with the Association. Private garages and designated storage areas may be used for the storage of personal property. All vehicles of any type shall be parked in a designated parking stall or enclosed private parking garage such that all vehicles fit within the designated space. No vehicle of any type shall be placed in any driveway, undesignated parking stall or Parking Unit (other than in a private garage) for storage.

(b) All vehicles parked in the Parking Units or in any other parking area shall be reasonably clean, and the Unit Owner shall take all necessary precautions to prevent the leaking of automotive fluids or staining of the parking areas and driveways. No boats, campers, trailers, recreation vehicles or other vehicles of similar nature and design shall be placed, stored or parked in any Parking Unit or any other parking area (other than in a private garage) for a period of longer than twenty-four (24) hours in any one (1) week period unless such items fit

entirely within the boundaries of one (1) parking stall or garage (leaving at least six (6) inches of space between the item stored and the lines delineating the parking stall) and are completely covered or placed in locked, fully-enclosed trailers. No individual shall use or occupy any recreational vehicle or any similar vehicle designed or used for overnight camping while such vehicle is parked on the Property. Parking stalls may not be used for storage of any personal property other than motor vehicles or trailers, as set forth above.

(c) No Unit Owner may use any of the Parking Units or parking areas for the purpose of repairing or restoring any motor vehicle. Racks, shelving, cabinets or other storage devices are prohibited in the Parking Units and parking areas.

(d) Private storage lockers that are part of a Parking Unit are to be used for storing the Parking Unit Owner's personal property.

(e) Parking Units that are private garages are to be used for the storage of the Parking Unit Owner's motor vehicle(s) and personal property.

(f) No live animals, plants, hazardous materials, garbage, waste, highly flammable materials or explosives, or anything that would cause an objectionable odor or nuisance, are allowed in any Parking Units or parking areas.

* (g) No Improvements of any nature may be constructed in the Parking Units by any Unit Owner without the prior written approval of the Board. [NOTE: ALSO CONTAINED IN THE DECLARATION]

2. Occupancy.

* (a) The Building and the Units are intended for and may be used for residential uses only, as further restricted by this Declaration, the Bylaws and the Rules; provided, however, that Declarant may use and occupy any or all Units owned by Declarant as model Units and sales offices until all Units have been sold. [NOTE: ALSO CONTAINED IN THE DECLARATION]

(b) No more than two people may occupy a one bedroom Unit; no more than four people may occupy a two-bedroom Unit; and no more than five people may occupy a three-bedroom Unit. It is the intent of this rule that no more than two people may occupy a bedroom except that, to the extent there is a third bedroom in a Unit, only additional person shall be allowed to occupy that bedroom because of space constraints.

3. Use of Residential Units and Common Elements – Generally.

* (a) A Unit Owner may not in any way obstruct the use of the Common Elements or another Unit. [NOTE: ALSO CONTAINED IN THE DECLARATION]. The Common Elements, include among other things, the elevator lobby shelves and the exterior of Unit doors. The decorating of elevator lobby shelves and the installation of door knockers is

prohibited. Door bells may purchased from and installed by the Association with prior approval of the Board.

* (b) A Unit Owner shall not do or permit any act within the Condominium, including any Unit or the Common Elements, which will cause an increase in the rate of insurance carried by the Association or cancellation of any policy of insurance carried by the Association. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (c) A Unit Owner shall not do or permit any act within the Condominium, including any Unit or the Common Elements, which violates any Applicable Law. [NOTE: ALSO CONTAINED IN THE DECLARATION]

(d) A Unit Owner shall not carry on any obnoxious or offensive activity in any Unit or the Common Elements, and nothing shall be done Unit or the Common Elements which may become an annoyance or nuisance to others.

(e) A Unit Owner shall not commit any form of waste in the Common Elements.

(f) A Unit Owner shall not allow his or her Unit to be used for any improper, immoral, unlawful or objectionable purpose, and no Unit Owner shall do anything to injure the reputation of the Condominium.

(g) Trash shall be deposited in the trash chutes located on each floor. Recyclables shall be deposited in the recyclable closet located on each floor. Maintenance personnel will be responsible for collecting the recyclables and placing them in the trash rooms on the first floor.

(h) A Unit Owner shall not allow the unreasonable or unsightly accumulation of waste, litter or any form of trash in any area.

4. Decks.

* (a) All patio furniture placed on any deck shall be unpainted teakwood treated with teakwood oil. Patio umbrellas are permitted on decks. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (b) Patio umbrellas are permitted on decks. Cushions, pads, and patio umbrellas shall be a dark green that matches the Condominium standard [NOTE: ALSO CONTAINED IN THE DECLARATION]. Condominium standard for purposes of the Declarations and with respect to patio umbrellas, cushions, and pads is defined as solid, patterned, or stripped colors so long as dark green is the dominant color. No logo materials permitted. It is recommended that prior approval of the Board is obtained with respect to cushions, pads, and patio umbrellas.

(c) All barbecue grills and heaters on any portion of a deck shall be natural gas fueled only and shall be UL approved (or a similar designation approved by the Board). No fire pits or similar open flame devices shall be permitted.

(d) No motorcycles, bicycles, baby carriages, children's toys, sporting goods or other similar items shall be stored on any deck.

(e) No deck shall be used for drying laundry, carpets, rugs or clothing, or keeping trash or pet pee pads.

(f) Televisions, radios and outdoor speakers are prohibited on the decks.

(g) Reasonable plants (not exceeding 50 pounds per square foot) are permitted on decks, but no plant may sit on or hang-off any rail surrounding the deck, and no vines may hang over any rail. No deck may contain more than four (4) individual planters at any given time. Any planter on a deck shall primarily consist of teakwood, solid wood, metal, concrete/cement, and/or natural stone of a neutral color, including black, white, gray, brown, and/or beige.

(h) Lighting on the decks is limited, on floors below the top floor, to track lighting that has been installed by Declarant and, on the top floor, to a wall mount unit (and replacements of such lighting). No other lighting may be installed or used on the decks. No holiday lights are permitted on the decks.

(i) Whirlpool tubs are prohibited on the decks.

* 5. Window Coverings. In order to maintain a more uniform appearance to the exterior of the Building, all drapes, shades, blinds and other window coverings that face the exterior of the Building shall be color Ivory Ecru. [NOTE: ALSO CONTAINED IN THE DECLARATION]

6. Signs or Other Items on the Exterior.

(a) No signs, display, posters or advertising material of any kind shall be displayed from any Unit or Common Element without the prior written approval of the Board. Notwithstanding the foregoing, Declarant shall have the right to erect any sign for the purposes of selling, leasing or in any way disposing of any Unit which it owns.

(b) A Unit Owner may not erect any television or radio antennas or any other similar apparatus on any portion of the Condominium.

(c) A Unit Owner shall not store or place any item of personal property, including, without limitation, bicycles, lawn chairs, grills, toys or clothing, in the Common Elements other than furniture and grills to the extent allowed on decks by these Rules or the Declaration.

7. Animals.

* (a) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that a Unit Owner may have no more than one (1) dog not to exceed seventy-five (75) pounds in weight (weight restrictions shall be waived for any certified and trained guide dog regularly used by any disabled occupant) and two (2) domestic cats provided that such animals are not maintained for commercial or breeding purposes. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (b) No pet shall be allowed at large within the Common Elements. All pets shall be always leashed and within the immediate control of the Unit Owner or responsible person when outside of the Unit. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (c) The Unit Owner owning or permitting any pet in the Condominium shall pick-up and dispose of all pet wastes and droppings, shall clean-up messes caused by the pet and shall prevent the pet from causing any damage and be responsible for any damage caused by the pet. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (d) Declarant and the Board may, in their sole discretion, but are not obligated to, prohibit the presence of so-called "attack" dog or dogs they deem to be a danger in the Condominium. [NOTE: ALSO CONTAINED IN THE DECLARATION]

(e) Unit Owners possessing pets shall take reasonable precautions to prevent their pets from being a nuisance, annoyance or danger to any other Unit Owner.

8. Leasing of Units.

* (a) All Persons occupying Units without the concurrent occupancy of the Unit Owner or the spouse or lineal descendant or ascendant of the Unit Owner shall be considered tenants for purposes of this Section. Unit Owners may allow occupancy of their Units by tenants, but only in compliance with the following requirements. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (b) No Unit may be leased without a written lease. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (c) Before a tenant signs a lease, the Unit Owner shall provide the tenant with copies of this Declaration as amended, the Bylaws as amended and the Rules as amended. Every lease shall contain a statement to the effect that the tenant acknowledges receiving copies of those documents and agrees to comply with the Act and those documents. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (d) Any Unit Owner who enters into a lease for his or her Unit shall provide the Secretary of the Association with a copy of such lease within seven (7) days after its execution. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (e) No Unit may be leased for a term of less than six (6) months. No transient or temporary leases are allowed. [NOTE: ALSO CONTAINED IN THE DECLARATION]

* (f) A Unit Owner who leases his or her Unit shall remain liable for the payment of any Assessment and any other amount due under the Condominium Instruments and the performance of the Unit Owner's obligations under the Condominium Instruments and these Rules; however, by entering into a lease with the Unit Owner, the tenant agrees to be jointly and severally liable and responsible for such amounts and such performance. The Association shall have the option to pursue the Unit Owner, the tenant or both of them for the payment of any Assessment or any other payment due to the Association. The Association may evict any tenant who violates any of the requirements of the Condominium Instruments or these Rules. [NOTE: ALSO CONTAINED IN THE DECLARATION]

9. Clubhouse.

(a) The Clubhouse is for the exclusive use of Unit Owners, tenants of Units and the guests of Unit Owners and such tenants. The Board shall from time to time establish an appropriate fee for use of the Clubhouse, and payment of such fee shall be a prerequisite for using the Clubhouse other than for functions sponsored by the Association.

(b) Children under eighteen (18) years of age shall be under the immediate supervision of adults while in the Clubhouse.

10. Fitness Room.

(a) The Fitness Room shall be open twenty-four (24) hours a day, seven days a week, except when closed for maintenance or some other reason. Individuals using the Fitness Room do so at their own risk.

(b) The Fitness Room is reserved for the exclusive use of the Unit Owners, tenants of Units and the guests of Unit Owners and such tenants. No more than two (2) guests may use the Fitness Room without being accompanied by a Unit Owner or tenant, and every Unit Owner shall remain personally liable for the actions of tenants, guests and family while in the Fitness Room.

(c) No person under fourteen (14) years of age, including infants, shall be permitted in the Fitness Room, and no person under eighteen (18) years of age shall be permitted in the Fitness Room without adult supervision.

(d) Fitness Room users shall immediately clean and/or wipe down any equipment immediately after use, and shall obey all posted safety and operational rules. Declarant, any property manager or the Board may promulgate additional rules and regulations for the use of the Fitness Room. Such rules and regulations shall be posted in a conspicuous place.

(e) No personal property may be left in the Fitness Room. Individuals using the Fitness Room may bring down their own equipment, but such equipment shall be removed from the Fitness Room immediately after its use. Outside equipment, which is mechanical in nature, is strictly prohibited in the Fitness Room.

11. Smoking. Smoking is not permitted in any enclosed Common Element area, including without limitation the elevators, the lobby, hallways, the Clubhouse, the Fitness Room, the Parking Units and other parking areas.

BREAKWATER CONDOMINIUM
Summary of Rules[1]

Rule 1(a)	Parking spaces can hold only 1 vehicle plus 1 small upright cart and/or 1 bicycle so long as all items fit within the space. Motorcycles and Mopeds can be registered with the Association and parked in the designated areas. No other items may be stored in exposed parking spaces.
Rule 3(a)	Residents cannot obstruct the use of a Common Element. Common elements include the exterior of Unit doors and elevator lobby shelves. As a result, personal items or decor may not be affixed or left on these items at any point throughout the year. Door bells may be purchased from and installed by the Association.
Rule 4(b)	Patio cushions, pads, and umbrellas must be dark green that matches the Condominium standard. Condominium standard is defined as solid, patterned, or stripped colors so long as dark green is the dominant color. No logo materials permitted. It is recommended that prior approval of the Board is obtained with respect to cushions, pads, and patio umbrellas.
Rule 4(c)	No propane grills
Rule 4(e)	Cannot keep trash or pet pee pads on deck
Rule 4(g)	Decks can only have 4 individual planters at any time. Planters must be made of teakwood, solid wood, metal, concrete/cement, and/or natural stone of a neutral color, including black, white, gray, brown, and/or beige.
Rule 4(h)	No lights, including holiday lights, are permitted on the deck, except for the track lights installed by the developer.
Rule 5	Exterior of any window coverings must be Ivory Ecru in color
Rule 6	No signs can be displayed from Units or decks without Board approval
Rule 7	Animals: Residents are allowed 1 dog not to exceed 75 lbs and 2 domestic cats. Residents are permitted to have a 2nd dog if at the time the resident moves in, the dog is 8 or more years old. [In Declarations §11.5]
Rule 8	Leasing is permitted subject to the rules and other provisions
Rule 10	Fitness room is open 24 hours, 7 days a week, except when closed. No person under the age of 14 is permitted in the fitness room. Individuals between the ages of 14 and 18 must be supervised by an adult. Use of the fitness room and its equipment is at your own risk. Personal items may be used in the personal room, but must be removed when not in use. No outside mechanical equipment can be used in the fitness room.

[1] This document only represents a summary of the BreakWater's Rules and in no way supplants the actual rule.

IMPORTANT INFORMATION **Please keep this information with your governing documents**

Breakwater Condominium Association, Inc.

RULES ENFORCEMENT AND GRIEVANCE PROCEDURE RESOLUTION

WHEREAS the Board of Directors of Breakwater Condominium Association, Inc. "(Association") has the power to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by the Bylaws, Articles of Incorporation or Declarations, pursuant to Article 4, Section 4.4 of the Bylaws;

WHEREAS the Board of Directors shall from time to time promulgate and amend rules and regulations, including rules for the use of common area and facilities, pursuant to Bylaws Article 7, Section 7.4;

WHEREAS there is a need to ensure that the members of the Association obey the Rules of the Association and that the Association provide due process while enforcing the rules contained in its governing documents;

THEREFORE, BE IT RESOLVED that the Association adopt the following Rules Enforcement and Grievance Procedure:

1. The following is a schedule of the fines that will be imposed for non-compliance with the Declaration, By-Laws, Rules, regulations, covenants, conditions or restrictions (herein collectively "Condominium Documents"):

A. FIRST VIOLATION: First Written Warning for a Unit Owner or resident's first violation of the Condominium Documents.

B. SECOND VIOLATION: Second Written Warning for a Unit Owner or resident's second violation of the Condominium Documents. In addition, a member of the Board or the Property Manager may contact the offending party to explain the violation and the need that all residents and Unit owners comply with the Condominium Documents. The second violation does not need to be the same violation as the first violation to be considered a second.

C. THIRD VIOLATION: Fifty Dollar ($50.00) Fine shall be assessed against a Unit Owner or resident for a third violation of the Condominium Documents. The third violation does not need to be the same violation as the second violation in order for the $50 fine to be assessed.

D. FOURTH AND ADDITIONAL VIOLATIONS: One Hundred Dollar ($100.00) Fine shall be assessed against a resident or Unit Owner for each successive violation of the Condominium Documents.

E. ENHANCED PENALTY Notwithstanding paragraphs (A-D) immediately above, FIVE HUNDRED DOLLARS ($500.00) for each violation of the Condominium Documents, when in the sole opinion of the Board of Directors the violation meets one or more of the following criteria:

i. The violation is in direct defiance of a previous mandate from the Board of Directors.
ii. The violation was malicious in its intent.
iii. The violation is evidence of a pattern of the resident's or Unit Owner's non-compliance with the
    a. Condominium Documents.
iv. The violation is of such a nature that the violation cannot be corrected and/or that direct monetary
    a. restitution cannot be determined. *(i.e. if alterations are made that cannot be restored to their original state.)*

2. Each day that a violation exists shall be a new violation subject to fine at the discretion of the Board.

3. Attorney Fees:

a) The Board may also assess a Unit Owner or resident who has violated the Condominium Documents for the actual attorney fees incurred associated with reviewing the facts and Condominium Documents and advising the Board.

b) In the event that the Association retains an attorney to collect any funds due, enforce any rule, bring any claim against a Unit Owner or resident or defend any claim or allegation by a Unit Owner or resident, including any counterclaim, the Association shall, if it is the prevailing party in the claim or defense, be entitled to collect from the unit owner all of its costs and expenses, including reasonable attorney fees.

4. Any Unit Owner or resident who has been accused of violating the Condominium Documents or been fined may demand that the matter be heard by the Board of Directors. Such demand must be in writing and provided to the Board of Directors within 14 calendar days of the notice of the violation or fine. If no demand is made within 14 calendar days, then the finding of a violation and/or fine shall be final and binding. If a demand is timely made, the matter shall be submitted to the Board of Directors within seven (7) days. Thereafter, a hearing will be set and all parties shall be informed by certified mail of the time, place, and date of the hearing before the Board of Directors and of the right to counsel at their own expense.

If the complainant, or their representative, fails to appear at the hearing without a valid excuse acceptable by the Board of Directors, the grievance shall be dismissed without prejudice and reasonable and necessary costs incurred by the responding party assessed against the complaining party.

If the alleged offender fails to appear, the complainant must prove his/her grievance and no presumption shall be made against the alleged offender for non-appearance.

The burden of proof shall be on the complainant to prove the grievance by a preponderance of the evidence.

The decision of the Board of Directors is final and binding. There shall be no appeal of the decision absent evidence that:

i. The award was procured by corruption, fraud or undue means;
ii. There was evident partiality or corruption on the part of the Board of Directors, or any of them;
iii. The member of the Board of Directors were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause show, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced;
iv. The Board of Directors exceeded its powers, or so imperfectly executed them that a mutual, final and definite award upon the subject matter submitted was not made.

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all homeowners at their last known addresses.

The Board of Directors adopted this resolution on March 11, 2014, with the policy to take effect on May 1, 2014.

President /s/ Ronald E. English III_____
Ronald E. English III

Secretary /s/ Carol DeSimone_____
Carol DeSimone

BreakWater Condominium Association Inc

2017 Budget Summary

2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
INCOME / (LOSS)													
OPERATING INCOME													
4012-0000 Association Dues	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	**643,800**
TOTAL RENTAL INCOME	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**53,650**	**643,800**
OTHER RENTAL INCOME													
4411-1000 Clubroom Rental	150	150	150	150	150	150	150	150	150	150	150	150	**1,800**
TOTAL OTHER RENTAL INCOME	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**1,800**
OTHER INCOME													
4600-1165 Transfer Fee	0	500	0	500	0	500	500	500	500	500	500	0	**4,000**
TOTAL OTHER INCOME	**0**	**500**	**0**	**500**	**0**	**500**	**500**	**500**	**500**	**500**	**500**	**0**	**4,000**
INTEREST INCOME													
4710-0000 Interest Income	42	42	42	42	42	42	42	42	42	42	42	42	**504**
4730-0000 Interest Income - Late	0	0	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL INTEREST INCOME	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**504**
TOTAL OPERATING INCOME	**53,842**	**54,342**	**53,842**	**54,342**	**53,842**	**54,342**	**54,342**	**54,342**	**54,342**	**54,342**	**54,342**	**53,842**	**650,104**
EXPENSES													
RESIDENTIAL EXPENSES													
CLEANING EXPENSES													
7100-1010 Carpet Cleaning	0	0	0	0	0	1,200	0	0	0	0	0	0	**1,200**
7100-1015 Janitorial Contract	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	**25,260**
7100-1020 Janitorial Supplies	0	200	0	0	200	0	0	200	0	200	0	200	**1,000**
7100-1023 Mat Rental Service	195	195	195	195	182	182	182	182	182	182	195	195	**2,262**
7100-1026 Pressure Washing	0	0	0	0	3,127	0	0	0	0	2,500	1,830	0	**7,457**
7100-1035 Window Cleaning	170	170	170	170	18,000	170	170	170	170	18,000	170	170	**37,700**
TOTAL CLEANING EXPENSES	**2,470**	**2,670**	**2,470**	**2,470**	**23,614**	**3,657**	**2,457**	**2,657**	**2,457**	**22,987**	**4,300**	**2,670**	**74,879**
COMMON AREA													
7200-1015 Electric	4,120	4,120	4,645	4,172	3,811	4,336	4,841	5,073	5,068	4,697	5,562	4,841	**55,285**
7200-1020 Gas	5,148	4,996	4,120	1,648	1,236	247	30	28	28	31	26	2,675	**20,212**
7200-1025 Elevator Contract	4,400	0	0	4,400	0	0	4,400	0	0	4,400	0	0	**17,600**
7200-1030 Elevator Repairs	200	0	0	1,200	0	0	200	0	1,000	200	0	0	**2,800**
7200-1035 Fire Protection	0	0	600	0	0	600	1,090	1,282	2,100	1,700	0	600	**7,972**
7200-1040 Fitness Center	525	70	70	750	485	70	525	70	70	520	70	70	**3,295**
7200-1060 Painting	90	90	90	90	90	90	90	90	90	90	90	90	**1,080**
7200-1065 Parking Garage/Repairs	550	250	250	550	250	250	550	250	250	550	250	250	**4,200**
7200-1070 Pest Control	79	79	79	79	934	79	79	79	79	934	79	79	**2,658**
7200-1075 Trash Removal	907	907	907	907	907	907	907	907	907	907	907	907	**10,884**
7200-1080 Water/Sewer	5,765	0	0	6,504	0	0	5,997	0	0	8,086	0	0	**26,352**
TOTAL COMMON AREA	**21,784**	**10,512**	**10,761**	**20,300**	**7,713**	**6,580**	**18,709**	**7,779**	**9,591**	**22,114**	**6,984**	**9,512**	**152,337**
REPAIRS/MAINTENANCE													
7300-1045 Electrical Repair/Supplies	0	200	0	680	0	0	200	500	0	0	200	0	**1,780**
7300-1060 Glass/Screens/Doors	0	0	0	1,000	0	0	0	1,000	0	0	1,000	0	**3,000**
7300-1065 HVAC Repairs/Maint	890	890	1,720	2,990	1,000	890	890	890	890	3,100	890	890	**15,930**
7300-1085 Keys/Locks	20	20	20	20	20	20	20	20	20	20	20	20	**240**
7300-1090 Light Bulbs/Fixtures	200	150	150	200	150	150	200	150	150	200	150	150	**2,000**
7300-1095 Maintenance Services	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	**51,600**
7300-1100 Maintenance Supplies	250	250	250	250	250	250	250	250	250	250	250	250	**3,000**
7300-1101 Metal Maintenance	331	331	331	331	331	331	331	331	331	331	331	331	**3,972**

BreakWater Condominium Association Inc

2017 Budget Summary

2017

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
7300-1115	Plumbing Repairs/Supplies	0	500	0	0	500	0	0	500	0	0	500	0	**2,000**
7300-1116	Repairs/Maintenance	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	**24,660**
	TOTAL REPAIRS/MAINTENANCE	**8,046**	**8,696**	**8,826**	**11,826**	**8,606**	**7,996**	**8,246**	**9,996**	**7,996**	**10,256**	**9,696**	**7,996**	**108,182**
UTILITIES														
7400-1010	Cable/Internet	335	335	335	335	335	335	335	335	335	335	335	335	**4,020**
7400-1055	Telephone	150	150	150	150	150	150	150	150	150	150	150	150	**1,800**
	TOTAL UTILITIES	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**485**	**5,820**
EXTERIOR AND GROUNDS														
7500-1030	Grounds	0	0	0	1,103	353	783	353	353	783	353	783	0	**4,864**
7500-1060	Snowplowing/Salting	820	820	820	820	0	0	0	0	0	0	820	820	**4,920**
7500-1075	Structural/Roof Contracts Materials	0	0	0	1,500	0	0	1,500	0	0	0	0	0	**3,000**
7500-1080	Misc Exterior Grounds	0	0	0	1,400	3,010	2,500	375	375	375	885	0	0	**8,920**
	TOTAL EXTERIOR AND GROUNDS	**820**	**820**	**820**	**4,823**	**3,363**	**3,283**	**2,228**	**728**	**1,158**	**1,238**	**1,603**	**820**	**21,704**
SECURITY EXPENSES														
7600-1010	Security Contract Services	3,750	3,750	3,750	3,750	5,100	3,750	3,750	3,750	3,750	5,100	3,750	3,750	**47,700**
	TOTAL SECURITY EXPENSES	**3,750**	**3,750**	**3,750**	**3,750**	**5,100**	**3,750**	**3,750**	**3,750**	**3,750**	**5,100**	**3,750**	**3,750**	**47,700**
TAXES AND INSURANCE														
7800-2010	Insurance	3,750	3,750	3,750	3,750	3,750	3,900	3,900	3,900	3,900	3,900	3,900	3,900	**46,050**
	TOTAL TAXES AND INSURANCE	**3,750**	**3,750**	**3,750**	**3,750**	**3,750**	**3,900**	**3,900**	**3,900**	**3,900**	**3,900**	**3,900**	**3,900**	**46,050**
ADMINISTRATIVE														
7900-1025	Bank Fees	24	24	24	24	24	24	24	24	24	24	24	24	**288**
7900-1055	Office Expenses	0	200	0	0	140	0	0	140	0	0	140	0	**620**
7900-1075	License/Fees/Dues	165	0	0	165	0	0	165	0	1,900	165	0	0	**2,560**
7900-1085	Management Fees	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	**33,000**
7900-1115	Professional Fee	0	0	0	0	3,600	0	0	300	0	0	0	0	**3,900**
7900-1130	Special Events	0	0	0	0	0	0	0	0	0	0	0	2,000	**2,000**
7900-1135	Acctg/Tax Preparation Fee	0	0	0	0	0	3,200	0	0	0	0	0	0	**3,200**
7900-1150	Misc Administrative	400	400	400	400	400	400	400	400	400	400	400	400	**4,800**
	TOTAL ADMINISTRATIVE	**3,339**	**3,374**	**3,174**	**3,339**	**6,914**	**6,374**	**3,339**	**3,614**	**5,074**	**3,339**	**3,314**	**5,174**	**50,368**
	TOTAL RESIDENTIAL EXPENSES	**44,444**	**34,057**	**34,036**	**50,743**	**59,545**	**36,025**	**43,114**	**32,909**	**34,411**	**69,419**	**34,032**	**34,307**	**507,040**
	NET OPERATING INCOME	**9,398**	**20,286**	**19,806**	**3,599**	**(5,703)**	**18,318**	**11,228**	**21,433**	**19,931**	**(15,077)**	**20,310**	**19,535**	**143,064**
OTHER EXPENSES														
DEPRECIATION AND AMORTIZATION														
8300-1015	Depreciation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	**12,000**
	TOTAL DEPRECIATION AND AMORTIZATION	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**12,000**
	TOTAL OTHER EXPENSES	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**12,000**
	NET INCOME / (LOSS)	**8,398**	**19,286**	**18,806**	**2,599**	**(6,703)**	**17,318**	**10,228**	**20,433**	**18,931**	**(16,077)**	**19,310**	**18,535**	**131,064**
22.95%	**Replacement Reserve Funding**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**11,417**	**137,004**

Difference	*(244)*