DECLARATION
OF
ARBOR RIDGE, A CONDOMINIUM

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DECLARATION
OF
ARBOR RIDGE, A CONDOMINIUM

This Declaration is made effective as of the 5th day of June, 2007 by FRED-Arbor Ridge Apartments, LLC, a Wisconsin limited liability company (hereinafter referred to as the "Declarant")

Declarant hereby declares that it is the sole owner of the real property located in the City of Milwaukee, Milwaukee County, Wisconsin, more particularly described in Exhibit A, together with all rights appurtenant thereto and with any and all improvements now or subsequently placed thereon and any and all rights appurtenant to such improvements Declarant hereby submits the Property to the Condominium form of ownership as provided in the Wisconsin Condominium Ownership Act (Chapter 703 of the Wisconsin Statutes, as now existing and hereafter amended from time to time) All provisions hereof shall be deemed to run with the land and shall constitute benefits and burdens to Declarant, its successors and assigns, and to all parties hereafter having any interest in the Property

The name of the Condominium shall be Arbor Ridge, a Condominium

ARTICLE I. DEFINITIONS

Section 1.01 Defined Terms. The following terms shall be defined as follows

"Act" means Chapter 703 of the Wisconsin Statutes and known as the Condominium Ownership Act, as amended from time to time

"Additional Property" means the area shown on the Plat as reserved for future expansion of the Condominium

"Allocated Interest" means the undivided percentage interest from time to time of each Unit, determined as provided in ARTICLE IV below, in the Common Elements and the liability for Common Expenses

"Architectural Control Committee" means the committee which the Board of Directors shall establish for the purpose of reviewing and approving any and all exterior alterations, improvements or modifications to the Condominium

"Assessments" refers to both General Assessments and Special Assessments and means the amount determined by the Association to be due with respect to a Unit for Common Expenses, or fines and penalties as provided in §703 165 of the Act

"Association" means the Association of Arbor Ridge, a Condominium, Inc

"Board of Directors" means the governing body of the Association

"Building(s)" means any structure containing one or more Units which is situated on the Property

"Building Plans" means sheets two through six of the Plat

"Bylaws" means the Bylaws of the Association as amended from time to time

"Common Expenses" means all of the expenses of the Association

"Common Elements" refers to both the "General Common Elements" and the "Limited Common Elements," and means all of the Condominium other than the Units

"Condominium" means Arbor Ridge, a Condominium

"Condominium Documents" consist of the Articles of Incorporation, Bylaws, Rules and Regulations, Floor Plans, Specifications, Surveys, Plat Maps, Management Agreement, Annual Operating Budget, Leases, Expansion Plans, if any, and this Declaration

"Clubhouse" means the indoor and outdoor recreational facilities including the swimming pool that is located at 7960 North 107th Street

"Declarant" means FRED-Arbor Ridge Apartments, LLC, its successors or assigns

"Declarant Control" means the period of time that begins on the date that the first condominium is conveyed by Declarant to any person other than Declarant. This period of time may not exceed ten years from the recording of the Declaration or thirty days after the conveyance of 75% of the common element interest to purchasers

"Declaration" means this Declaration of Arbor Ridge, a Condominium

"Director" means a Member of the Board of Directors of the Association

"Fixture(s)" means an item of property, which may or may not be a common element of the Condominium, which is physically attached to or so closely associated with land or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items specifically adapted to the Property, and items customarily treated as fixtures including, but not limited to, all screen and storm doors and windows, electric lighting fixtures, window shades; curtain and traverse rods; blinds and shutters, central heating and cooling units and attached equipment; water heaters and softeners, sump pumps, attached or fitted floor coverings, awnings; built-in appliances, and ceiling fans This list is for example only and does not mean that the listed items are included in any Unit or Common Element of this Condominium

"FNMA" means the Federal National Mortgage Association

"General Assessments" means the amount determined by the Association to be due with respect to a Unit for Common Expenses.

"General Common Elements" means all Common Elements except for any Limited Common Elements

"Limited Common Elements" means those portions of the Common Elements reserved for the exclusive use of one or more but less than all of the Units

"Owners Managing Agent" means any individual or entity employed by the Association to perform duties and services for the Condominium in accordance with the Act or the Condominium Documents

"Majority" means more than 50% of the votes assigned to the Units by the Declaration

"Mortgage" means any recorded mortgage or land contract encumbering a Unit

"Mortgagee" means the holder of any recorded Mortgage or the vendor of any recorded land contract encumbering one or more Units.

"Member" means every Unit Owner, who by his status as a Unit Owner is also a Member of the Association

"Membership Roster" means the list of all Unit Owners entitled to vote at all general and special meetings

"Plat" means the Condominium Plat, attached hereto as Exhibit A, of the Condominium being recorded pursuant to the Act simultaneously with this Declaration and constituting a part of this Declaration, as the same may be amended from time to time

"Property" means the real property as described on the Plat, and any amendment thereto

"Register of Deeds" means the Office of the Register of Deeds of Milwaukee County, Wisconsin

"Rules and Regulations" means the Rules and Regulations for the Condominium adopted by the Declarant, and as amended from time to time by the Declarant or the Board of Directors

"Special Amendment" means an amendment to this Declaration which does not require the consent of any Unit Owner other than the Declarant

"Special Assessment" means any assessment made against a Unit Owner and his Unit which is not a General Assessment and is assessed against a Unit Owner and his Unit for expenses incurred by the Association

"Storm Water Control Improvements" means the improvements to the Common Elements to provide for the drainage of storm waters from the Condominium, including, without limitation, ponds, storm sewer lines, natural and constructed drainage patterns, and swales and ditches installed on the Common Elements

"Unit" means a part of the Condominium intended for private use by the Unit Owner.

"Unit Owner" means any natural person, corporation, partnership, association, trust or other entity capable of holding title to real property, or any combination thereof, which holds legal title to a Unit or has equitable ownership to a Unit as a land contract vendee, but does not include any Mortgagee before such Mortgagee takes title to a Unit by foreclosure or process in lieu thereof, or any land contract vendor of a Unit

ARTICLE II. ASSOCIATION OF UNIT OWNERS

Section 2.01 Membership, Duties and Obligations. Each Unit Owner shall be a Member of the Association of Unit Owners to be known as the Association of Arbor Ridge, a Condominium, Inc , which shall be responsible for carrying out the purposes of this Declaration, including the exclusive management and control of the Common Elements The Association shall be incorporated as a nonstock, nonprofit corporation under the laws of the State of Wisconsin Each Unit Owner, its family, guests, invitees, and lessees, and all occupants of all Units shall abide by and be subject to all of the duties and obligations under the Act, this Declaration, and the Condominium Documents

Section 2.02 Voting Rights. There shall be one class of voting membership All Unit Owners shall have one vote for each Unit owned and shall be entitled to cast the vote appurtenant to each Unit owned at all meetings of the Association If title to a Unit is held by more than one person, then the co-owners of the Unit shall provide the Secretary of the Association with a written Certification of Member Voting Right identifying which individual is entitled to cast the vote on behalf of all co-owners.

Section 2.03 Declarant's Right to Vote. The Declarant shall be entitled to cast the votes pertaining to any Unit owned by Declarant, whether or not constructed. For purposes of this Section 2 03, and notwithstanding any other provision in this Declaration, the Bylaws or any other Condominium Document, and except as provided in §703 15(2)(d) of the Act, the Declarant is entitled to vote all the votes of any Units it owns

Section 2.04 Architectural Control Committee. The purpose of the Architectural Control Committee is to maintain harmony in the appearance of the Condominium The Architectural Control Committee shall have the right to approve or disapprove any plan for any improvement, alteration or modification to the exterior portions of the Units and any plan for any improvement, alteration or modification to the Common Elements The Architectural Control Committee shall not approve any plan of any Unit Owner which negatively affects any other Unit in a material manner, and the Architectural Control Committee shall not approve any plan which would add a material amount of additional living space to any Unit or which would also materially increase the size of the Common Elements The Architectural Control Committee shall consist of three (3) individuals The Architectural Control Committee shall be appointed by Declarant until all Units are sold or until Declarant surrenders such right and so notifies the Board of Directors Thereafter, the Architectural Control Committee shall be appointed by the Board of Directors The length of the term of service of the members of the Architectural Control Committee shall be determined by the Board of Directors except for members appointed by Declarant, who serve at the Declarant's sole discretion

Section 2.05 Management. The Association may employ a professional management agent or company, including a party related to a member of the Declarant, for the Condominium with such experience and qualifications and on such terms and conditions as are acceptable to the Board Any such agreement must be terminable with or without cause upon ninety (90) days notice without payment of any penalty

ARTICLE III. DESCRIPTION

Section 3.01 Description of Buildings. The approximate location and dimensions of the Buildings in which the Units are located are shown on the Plat

Section 3.02 Description of Units. The Condominium shall consist of four (4) buildings, with a maximum of twelve (12) units in each building, for a total of forty-two (42) units in the first phase of the Condominium Each Unit shall be identified with a number as indicated on the Plat Declarant expressly reserves the right to expand the Condominium to include an additional fifteen Buildings, with each of the fifteen Buildings containing either six , twelve or sixteen Units for a total of 154 total additional Units. This reservation for expansion may take place in one or more phases Upon completion of all phases, the total number of Units in the Condominium will not exceed 196

The following shall be the boundaries of the Units

A. Vertical Boundaries. The vertical boundaries of a Unit shall be the vertical planes of the interior surfaces of the wall or studs which support the drywall, wood, or plaster perimeter walls bounding any such Unit

B. Horizontal Boundaries. The horizontal boundaries of the Unit shall be

(i) **Upper Boundary** The upper boundary of any portion of a Unit which is under another Unit is the horizontal plane of the bottom surface of the floor joist above the highest floor of such Unit The upper boundary of any portion of a Unit which is not below another Unit is the horizontal plane of the bottom surface of the attic floor joists, if any, above such Unit, or if there are no such attic floor joists, then the bottom surface of the rafters supporting the roof of the Building

(ii) **Lower Boundary** The lower boundary of a Unit which is above another Unit is the horizontal plane of the top surface of the floor joists below the lowest floor of such Unit The lower boundary of a Unit which is not above another Unit is the top surface of the concrete floor slab, or if there is no concrete slab, the horizontal plane of the top surface of the floor joists, below the lowest floor of such Unit

C. Additional Items. Each Unit shall include the following, if any

(i) the air conditioning, heating and hot water systems and equipment, any interior chutes, flues, exhaust fans, ducts, conduits, wires, cables, electrical, security, telephone, television and other communication systems, water, sewer and gas mains and laterals, and all other utility lines and distribution systems, medicine cabinets, built-in shelving which lies partially within and partially outside of the designated boundaries of a Unit, and any portions thereof exclusively serving that Unit shall be deemed a part of that Unit, while any portions thereof, serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements, all interior ceilings, floors, walls and partitions, floor and wall coverings, including those within a screened or enclosed porch, patio or deck, and all fixtures and improvements, including, without limitation, sinks, bathtubs and other plumbing facilities within the Unit

(ii) all exterior doors (including, but not limited to, doors to any patio, deck, and

common hall, foyer or stair case serving the Unit), and any and all hardware, including without limitation, door locks and hinges, if any, associated with such doors, all windows, screens and sky lights

Section 3.03 Limited Common Elements. The Limited Common Elements include

A. all footings, foundations, beams, exterior walls, roofs, floors (excluding those described in Section 3 02) and structural supports of Buildings,

B. all decks, patios and porches,

C. all parking and driveway areas, sidewalks, pathways, access steps, landings, walkways and landscaped areas serving a Unit or a number of specific Units,

D. any exterior light, chimney, dormer or vent or similar appurtenance that is located completely outside a Unit but exclusively serving the Unit or Units, and mechanical rooms located within each Building, which rooms house equipment servicing more than one of the Units within each Building

Section 3.04 General Common Elements. The General Common Elements consist of the entire Condominium, except the Units and the Limited Common Elements, and includes, without limitation, the following·

A. all entrances to the Property, parking areas, roadways, sidewalks, common walkways, pathways, and private streets, access steps, landings, landscaped area, and open space, and

B. all exterior ducts, lines, poles, posts, pipes, wires, cables, conduits, well water lines, drainage, electrical, telephone, cable television, master television, fire and communication systems, gas, sewer, heating, air conditioning and plumbing systems

Section 3.05 Relocation of Unit Boundaries. Boundaries between Units may be reallocated as provided in Section 703 13(6) of the Act and evidenced by an amendment to the Declaration If a Unit involved in a proposed boundary reallocation is subject to a Mortgage, then the Mortgagee must also consent to such action The Owners involved in such reallocation shall pay all costs associated with such reallocation, including the costs of physically adjusting the Common Elements between such Units and the expenses of legal and architectural review of the plans and documents to carry out the adjustment The Association may require that an estimate of such costs be paid as a condition to execution of the amendment, with a final payment made upon completion of any work by the Association

Section 3.06 Merger of Units. Merger of condominium units is expressly permitted under the following conditions

A. If the Unit Owners of two (2) or more adjacent Units desire to merge the Units, such Unit Owners may merge the Units in accordance with Section 703.13(8) of the Act and evidenced by an amendment to this Declaration.

B. After merger of the Units as above, all of the undivided Interest in the Common Elements and the rights to use the Common Elements, the votes in the Association formerly appertaining to the separate Units and the liability for Common Expenses and rights to common surpluses formerly appertaining to the separate Units shall be allocated to the merged Unit

The Unit Owner or Owners of the merged Unit shall pay all costs associated with such merger, including the costs of physically adjusting Common Elements for the resulting merged Unit

ARTICLE IV. ALLOCATED INTERESTS

Section 4.01 Initial Allocated Interests. Every Unit Owner shall own an undivided interest in the Common Elements as a tenant-in-common with all other Unit Owners and every Unit Owner shall have the right to use and occupy the Common Elements for all purposes which do not violate the Act, this Declaration or the Condominium Documents, which rights shall be appurtenant to and run with his Unit The initial Allocated Interest in Common Elements shall be 2 381%, (1/42) per Unit

Section 4.02 Allocated Interests upon Expansion. Declarant has reserved the right to expand the Condominium by a maximum of 154 additional Units, so that when fully expanded the Condominium will include a total of 196 Units Expansion may occur in one or more phases As the Condominium is expanded, the Allocated Interest for all Units shall be adjusted according to the number of Units added The final Allocated Interest if the Condominium is fully expanded to the maximum number of Units reserved for expansion will be 0 510% (1/196 Units)

ARTICLE V. MAINTENANCE, ALTERATION AND IMPROVEMENT OF CONDOMINIUM

Section 5.01 Responsibility of Unit Owners.

A. Each Unit Owner, at his sole expense, shall be responsible for keeping his Unit in good order, condition and repair and in a clean and sanitary condition. This includes, without limitation, the items identified in Section 3 02C(i) and all of the equipment, fixtures and appurtenances located in or upon the Unit, but excludes items which are visible from the Common Elements Without in any way limiting the foregoing, each Unit Owner shall be responsible for the maintenance, repair or replacement of any lighting fixtures, refrigerators, ranges, plumbing fixtures, dishwashers, disposals, laundry equipment such as washers and dryers within the Unit and exclusively serving the Unit

B. Notwithstanding Section 5 01A for purposes of uniformity, the Association shall replace, repair, paint, maintain and adorn external features such as the items identified in Section 3.02C(ii) and other similar items which are visible from the Common Elements and portions of any conduits, wires, cables, water, sewer and gas mains and laterals and all other utility lines and distribution systems lying above or under any Common Element, provided, however, the individual Unit Owner who owns the Unit of which the items identified in Section 3 02C(ii) and other similar external items are a part and/or service and the Unit Owner's Unit to which such portions of any conduits, wires, cables, water, sewer, and gas mains and laterals and all other utility lines and distribution systems appertain shall pay the cost incurred by the Association in replacing, repairing, painting, maintaining and adorning such items

C. The Unit Owner shall at all times maintain the temperature of his Unit at or above 50° Fahrenheit

D. The Unit Owner shall be solely responsible for the cost of repair of any damage to the Condominium caused by the Unit Owner's failure to discharge his obligation pursuant to this Section 5 01 If a Unit Owner fails to discharge his obligations pursuant to this Section 5.01, then the Association shall have the right, but not the obligation, to discharge such obligations on behalf of the Unit Owner, and, if any of the costs so incurred by the Association are not promptly reimbursed to the Association by the Unit Owner, then the Board of Directors shall levy a Special Assessment against the Unit for such expense

Section 5.02 Responsibility of Association. The Association shall be responsible for the management and control of the Common Elements and shall cause the same to be maintained, repaired and kept in good condition, order and repair. Without in any way limiting the foregoing, the Association shall be responsible, at the expense of the Association (unless necessitated by the negligence or misuse of a Unit Owner, in which case such expense shall be charged to such Unit Owner), for the following.

A. such actions as may be necessary to maintain the open space in accordance with the Rules and Regulations and in compliance with all applicable laws, codes and ordinances,

B. all painting, repairing, restoration, general maintenance and decorating of Building exteriors, walls, doors, windows, roofs, and Common Element doors,

C. lawn care, including landscaping, fertilizing, watering, weed control, tree pruning, grass cutting, edging and trimming, including the landscape street terraces within the Condominium, as required,

D. snow and ice removal from paved sidewalks, including public sidewalks within or abutting the Condominium, driveways and parking areas of the Property,

E. maintenance, repair or restoration of sidewalks, walkways, driveways and parking areas of the Property,

F. maintenance, repair and replacement of electrical wiring, lighting, heating and air conditioning and pipes and ducts in Common Elements,

G. purchase, maintenance, repair, replacement and storage of equipment and materials required to accomplish the foregoing, and

H. maintenance and repair of the floor joists and/or the unimproved concrete floor of the lowest floor of each Unit, provided, however, the Unit Owner shall be responsible for the maintenance and repair of any floor covering material which covers the floor joists or the concrete floor

Section 5.03 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

Section 5.04 Alterations to Unit. A Unit Owner may make any alterations he deems desirable to the Unit, including the movement or modification of any interior walls, provided the Unit Owner complies with all provisions of the Condominium Documents and all state and local building or similar codes A Unit Owner is prohibited from making any alteration, installation,

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

Section 5.05 Exterior Alterations. Except as permitted by the Rules and Regulations or as permitted by the Architectural Control Committee, a Unit Owner is prohibited from making any alteration, installation, removal, reconstruction or repair to the exterior of the Building in which his Unit is located or to any Common Elements contained within such Building

Section 5.06 Damage to Units and to Common Elements. In the event the Association, or any individual or entity acting on behalf of the Association, damages any portion of a Unit or Common Element while making any repair or renovation to any portion of a Common Element, then the Association shall be responsible for promptly repairing and restoring any portion of any such Unit or Common Element to the condition in which it existed prior to the Association's actions In the event that any Unit Owner, or any individual or entity acting on behalf of any Unit Owner, damages any portion of a Common Element while making a repair or renovation to his Unit, then the Association shall be responsible for promptly repairing and restoring the portion of the Common Element which was damaged to the condition in which it existed prior to such event, and the Unit Owner shall be responsible for paying the cost incurred by the Association in repairing and restoring the Common Element

ARTICLE VI. COMMON EXPENSES, ASSESSMENTS AND TAXES

Section 6.01 Common Expenses.

A. The cost of administration of the Association, utilities, insurance, repair, maintenance and other expenses for the Common Elements, except as otherwise specified in the Condominium Documents, shall be considered Common Expenses and paid by the Association The Association shall make Assessments against the Unit Owners, as well as the Units themselves, for such Common Expenses in accordance with the Allocated Interests in the manner provided in the Bylaws

B. The Assessment obligation appurtenant to a Unit shall commence at the time the Unit is made part of the Condominium The percentage of the Common Expenses payable by the individual Units shall be the Allocated Interest of the Unit No Unit Owner may exempt itself or its Unit from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by the abandonment of his Unit No conveyance shall relieve the Unit Owner or his Unit of such liability, and they shall be jointly, severally and personally liable along with their grantee in any conveyance for the Common Expenses incurred up to the date of sale until all such expenses charged to his Unit have been paid A Unit for the purposes of this Section, shall exist and be made part of the

Condominium upon the recording of the Declaration with the Register of Deeds Anything herein to the contrary not withstanding, during the period of Declarant Control, no General Assessments shall be assessed against any Unit owned by Declarant During the period of Declarant Control, however, 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 as budgeted Declarant shall not, however, have any liability whatsoever for contributions to the Reserve Operating Fund as established and defined in Article VII of the Association's Bylaws Payment of any reserve fund assessments into the Reserve Replacement Fund against any Unit owned by Declarant may be deferred until the earlier to occur of (i) the first sale of such Unit, or (ii) five years from the date the Declaration is recorded

C. During the period of Declarant Control, Declarant may pay for certain common expenses which the Association may not afford until all Units are sold and the Association is collecting full Assessments Such advances on behalf of the Association shall be treated as loans from the Declarant to the Association on the books of the Association Prior to transferring control of the Association to a Board of Directors elected solely by Unit Owners other than Declarant, Declarant may, in its sole discretion, reimburse itself for some or all of these advances and write off the balance, if any In conjunction with the turnover of the Association, Declarant will advise the new Board of Directors of the amount, if any, of such reimbursement and/or write-off

Section 6.02 Payment of Assessments. All Assessments, when due, together with any interest thereon and actual costs of collection, shall immediately become a personal liability of the Unit Owner and also a lien, until paid, against the Unit to which charged, if a statement of lien is filed within two years after the date the Assessment becomes due. The lien is effective against a Unit at the time the Assessment becomes due regardless of when within the two-year period the lien is filed The personal liability for the Assessment shall not pass to a successor in title to the Unit unless the successor agrees to assume the obligation Any statement of lien shall be filed in the land records of the Clerk of Court of Milwaukee County, stating the description of the Unit, the name of the record owners, the amount due, and the period for which the Assessment was due The statement of condominium lien shall be signed and verified by an Officer of the Association as specified in the Bylaws and then shall be filed On full payment of the Assessment for which the lien is claimed, the Unit Owner shall be entitled to a recordable satisfaction of the lien

Section 6.03 Assessment for Common Expenses. Assessments shall be made against the Unit Owners and the Units at the beginning of each fiscal year of the Association to meet estimated Common Expenses of the Association for the ensuing year and shall be payable in twelve (12) monthly installments, in advance, on the first day of each month Special Assessments for expenses incurred by the Association which relate to a Unit, Limited Common Elements, or for any reason stated herein shall be made against the Unit Owners and the Units at any time the Board of Directors deems advisable The Association shall have the authority to modify Assessments during any fiscal year In the event of delinquency in payment, the Association may, as provided for in the Bylaws, assess penalties and interest, and may accelerate Assessments remaining unpaid with respect to such delinquent Unit for purposes of collection or foreclosure action by the Association Unit Owners shall be liable for the Association's actual

costs, including legal fees, incurred in pursing collection of that Unit Owner's Assessments, which costs may be added to the Assessments for purposes of the Association's lien rights under §703 165 of the Act

Section 6.04 Purchaser of Unit. Any purchaser of a Unit is entitled to a statement from the Board of Directors setting forth the amount of unpaid Assessments against the seller of the Unit The statement shall be supplied to the purchaser within ten (10) business days after such a request The purchaser shall not be personally liable for, however the Unit conveyed shall be subject to, any unpaid Assessment of the Seller in the amount set forth in the statement

Section 6.05 Enforcement of Lien. The Association shall have the right to enforce any lien for unpaid Assessments, shall have all of the rights and remedies provided for in Section 703 165(2) of the Act, and shall exercise those rights and remedies as the Board of Directors deems appropriate. The amount of any lien claim shall include interest on the unpaid portion of an Assessment and actual attorneys' fees and any other costs related to enforcement

Section 6.06 Real Estate Taxes. Real estate taxes shall be taxed separately to each Unit Owner for his Unit The Declarant shall be responsible for paying all real estate taxes assessed against any Unit which it owns In the event the Association is assessed for real estate taxes on any Unit, then the Unit Owner who owns the Unit for which the Association is assessed shall pay the real estate taxes, and the Association will have a lien on the assessed Unit until such taxes are paid

ARTICLE VII. USE OF CONDOMINIUM

Section 7.01 Use of Common Elements Other Than Limited Common Elements. Each Unit Owner shall have the right to use the Common Elements, except the Limited Common Elements, as may be beneficial for any purpose, including, but not limited to, ingress and egress to and from, and the use, occupancy and enjoyment of, his Unit Such rights shall extend to the Unit Owner, his family members, agents, invitees, lessees or guests The use of the Common Elements and the rights of Unit Owners with respect thereto shall be subject to and governed by the provisions of the Act and the Condominium Documents

Section 7.02 Use of Limited Common Elements. The portions of the Common Elements designated as Limited Common Elements are reserved for the exclusive use of the Unit or Units which they serve The rights of use herein reserved shall extend to each Unit Owner whose Unit is benefited, and his family members, agents, guests, lessees, and invitees

ARTICLE VIII. RESTRICTIONS ON USE, OCCUPANCY AND TRANSFER

Section 8.01 Limitations. Each Unit Owner, his agents, representatives, guests, lessees and invitees, shall be subject to the restrictions set forth in this Declaration and the Condominium Documents, as amended from time to time, including without limitation, that the Buildings and Units are intended for and restricted exclusively to residential uses (which may include home offices provided the same comply with the terms and conditions of the Condominium

Documents), provided, however, that the Declarant reserves the right to use one or more unsold Units as a sample, model, sales office, and/or management office for the Condominium

Section 8.02 Declarant's Right to Transfer. The Declarant shall have the right to transfer the Units by deed, land contract or such other means of conveyance as it may choose, and in the event Declarant shall be required to foreclose or otherwise recover possession of any Unit, Declarant shall be free to dispose of any such Unit by any means the Declarant chooses This Section may not be amended or repealed by the Association

Section 8.03 Unit Owner's Restrictions on Leasing. The Declarant may lease a Unit on such terms and conditions as it desires in its sole discretion A Unit Owner other than the Declarant may lease his Unit if he complies with the restrictions on leasing as found in the Rules and Regulations In order to comply with mortgage underwriting guidelines, at least 80% of the Units must be owner-occupied or second homes. Accordingly, no more than 20% of the Units may be leased at any particular time You should contact the Association's President to determine if you may lease your Unit within this restriction

A Unit Owner who leases his Unit shall remain personally liable for the payment of any Assessment or any other amount due under any Condominium Document and the Association shall have the option to pursue either the Unit Owner who leases his Unit and/or the lessee under any lease (who shall also be personally liable) for the payment of any Assessment or any other payment due the Association No election hereunder shall limit the Association from pursuing all remedies it may have under the Act against either the Unit Owner or his lessee In all cases, the Association's right to place a lien on the Unit for unpaid Assessments shall not be affected by the leasing of the Unit

The rights of any lessee of any Unit shall be subject to all of the covenants, conditions and restrictions set forth in the Condominium Documents Both the tenant and the Unit Owner shall be liable to the Association for tenant violations of the Condominium Documents and/or damage to Common Areas caused by the tenant or the tenant's invitees, whether or not the Unit Owner has actual knowledge of the conduct

Section 8.04 Unit Owner's Use of Unit as an Office. A Unit Owner may operate an office out of his Unit if he does not (a) erect or maintain any type of a sign, billboard or any form of advertising material which will be visible from any of the Common Elements, (b) conduct a retail business out of his Unit by which a sale is actually consummated in the Unit, (c) conduct any type of business which will unreasonably burden any of the utility facilities which service the Condominium, (d) conduct any type of business which would cause any insurance policy carried by or paid for by the Association or any other Unit Owner to be canceled or any premiums under such policies to be increased, (e) conduct any type of business which is prohibited by any federal, state, county or local law, ordinance or regulation, (f) conduct a business that will unreasonably cause traffic congestion or parking scarcity within the Condominium, and (g) conduct any type of activity which would be reasonably considered offensive or obnoxious to any other Unit Owner

Section 8.05 Unlawful Use of Condominium or Unit. No unlawful use may be made of the Condominium or any part thereof, and each Unit Owner shall strictly comply with all valid laws, orders, rules and regulations of all governmental agencies having jurisdiction Compliance with any legal requirements shall be accomplished by and shall be at the sole expense of the Unit

Owner or the Board of Directors, as the case may be, whichever shall have the obligation under this Declaration to maintain and repair the portion of the Condominium affected by any such legal requirement Each Unit Owner shall give prompt notice to the Board of Directors of any written notice he receives of the violation of any legal requirements affecting his Unit or the Condominium Notwithstanding the foregoing provisions, any Unit Owner may, at his expense, defer compliance with and contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any legal requirement affecting any portion of the Condominium which such Unit Owner is obligated to maintain and repair, and the Board of Directors shall cooperate with such Unit Owner in such proceedings, provided that

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

B. such Unit Owner shall keep the Board of Directors advised as to the status of such proceedings,

C. such noncompliance shall not create a dangerous condition or constitute a crime or an offense punishable by fine or imprisonment,

D. no part of any Building of which the Unit involved is a part of shall be subject to being condemned or vacated by reason of noncompliance or otherwise by reason of such contest, and

E. such Unit Owner shall, if required by the Association, post a bond to ensure compliance with his obligations hereunder

The Association may also contest in its name any legal requirements, and the costs and expenses thereof shall be a Common Expense

Section 8.06 Unit Owners Restrictions on Use of Unit, Limited Common Elements and General Common Elements. Except as may otherwise be expressly provided in this ARTICLE VIII

A. No Unit Owner shall occupy or use his Unit or the Limited Common Elements appurtenant thereto, or permit the same or any part thereof to be occupied or used, for any purpose other than as a private residence (which may include a home office as described above) for his and his family or his temporary guest(s)

B. No Unit Owner, nor any of his family members, agents, invitees, lessees or guests may in any way obstruct the use of another Unit, the Limited Common Elements or, the General Common Elements,

C. No Unit Owner, nor any of his family members, agents, invitees, lessees or guests shall carry on any obnoxious or offensive activity in any Unit, the Limited Common Elements or the General Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to others,

D. No Common Elements shall be used for storage of personal property including, but not

limited to, motorcycles, bicycles, baby carriages, children's toys, sporting goods or similar items, and,

E. No Unit Owner, nor any of his family members, agents, invitees, lessees or guests shall make any change to or modification of the Storm Water Control Improvements or any part thereof

Section 8.07 Animal Restrictions. Pets are allowed to be kept only if done in compliance with the Rules & Regulations

Section 8.08 Unit Owners Restriction on Limited Common and General Common Area Parking.

A. To facilitate required maintenance and snow plowing of driveways and parking areas, all vehicles shall be parked inside the Unit Owner's garage during snow storms Vehicles may be parked in a Unit Owner's driveway as long as it does not impede the ability of others to access their garages The Board of Directors must approve any guest parking exceeding two (2) nights Such approval of guest parking shall not exceed periods of two (2) weeks in duration No vehicle of any type shall be stored in any driveway or parking pad

B. No personal property, including but not limited to, boats, campers, trailers, recreation vehicles or other vehicles of similar nature and design shall be stored or parked in the outdoor parking areas for a period of longer than twenty-four (24) hours in any one (1) week period No individuals shall be allowed to use or occupy any recreational vehicle or any similar vehicle designed or used for overnight camping while such vehicle is parked on the Property

C. No one may use any of the Common Elements or Limited Common Elements for the purpose of repairing or restoring any motor vehicle

D. Any personal property which is stored, parked, located in, or on, any parking area in violation of the Condominium Documents may be towed, removed and stored at the owner's expense If the owner of any such property is also a Unit Owner, the expense of such towing, removal and storage shall be assessed to such Unit Owner and will become a lien on such Unit Owner's Unit until the Association is repaid in full The Association may give the personal property owner notice that the Association intends to dispose of the property if it is not repossessed within 30 days The notice shall be in writing and delivered to the property owner's last known address either personally or by ordinary mail If the owner fails to repossess the personal property within 30 days after the date of personal service or the date of the mailing of the notice, the Association may dispose of the property

ARTICLE IX. REPAIR OR RECONSTRUCTION

Section 9.01 Repair or Reconstruction of Condominium. In the event the Condominium is destroyed or damaged to such an extent that the insurance proceeds, if any, constitute less than one hundred percent (100%) of the cost of completing repair or reconstruction, action by the Association by vote of eighty percent (80%) or more of all Unit Owners taken within ninety (90) days after such damage or destruction shall be necessary to determine not to repair or reconstruct the Condominium as more fully described in Section 10 01 of the Bylaws Damage or destruction for which insurance proceeds are equal to or greater than one hundred percent

(100%) of the cost of completing repair or reconstruction, shall be repaired or reconstructed Any such repair or reconstruction shall be pursuant to arrangement of the Board of Directors of the Association with funds held in trust as provided in Section 12 02 below

Section 9.02 Eminent Domain. In the event of the taking of all or part of the Property under the power of eminent domain, any damages shall be awarded as provided in Section 703 19(3) of the Wisconsin Statutes, as the same is amended from time to time

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

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

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

Section 9.03 Association as Designated Agent. The Association shall act as the designated agent and/or attorney-in-fact for each Unit Owner and his Mortgagee(s) for the purpose of representing, negotiating and settling any proceeds or awards to be made to the Association or any Unit Owner on account of any casualty or damage to the Condominium or eminent domain proceeding which involves the Condominium

ARTICLE X. EASEMENTS AND ENCROACHMENTS

Section 10.01 Utility Easements. Easements are hereby declared and granted for the benefit of the Declarant, Unit Owners and the Association and reserved for the Declarant, its successors

and assigns, and the Association for utility purposes, including without limitation, the right to install, lay, maintain, repair and replace water, sewer and gas mains and laterals, telephone wires and equipment, television cable, security and communication system and equipment, and electrical conduits and wires and equipment, over, under and along any part of the Common Elements or a Unit Notwithstanding the foregoing provisions of this Section 10 01, unless otherwise approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use, occupancy or value of the Unit

Section 10.02 Construction Easement. Notwithstanding anything to the contrary in this Declaration or any of the Condominium Documents, until Declarant shall have completed all remodeling and improvements to the Common Elements and satisfied all of its obligations under any of the Condominium Documents, Declarant reserves an easement for itself and its duly authorized agents, representatives, and employees, over the Common Elements and all other Units for construction or renovation or related purposes on the Property including, but not necessarily limited to storing tools, machinery, equipment, building materials, appliances, supplies and fixtures, maintaining and correcting drainage of surface, roof or storm water, cutting any trees, bushes, or shrubbery, grading the soil, or taking any other action it deems reasonably necessary In the event the Declarant exercises its rights under this Section, the Declarant shall, upon completion of the construction, promptly restore the affected property as closely as possible to the condition it was in prior to the construction Each Unit Owner hereby acknowledges that the activities of the Declarant may temporarily impair the view and cause inconveniences to the Unit Owners, and the Unit Owners shall not have any right to compensation for such impairment or inconvenience

Section 10.03 Easement to Facilitate Sales. The Declarant reserves the right to use any Common Elements and Units owned or leased by the Declarant as sample models, management offices, sales offices (for this and other projects) or customer service offices The Declarant reserves the right to relocate the same from time to time within the Property, upon relocation, the furnishings thereof may be removed The Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant The Declarant shall have the right to restrict the use of certain Common Element parking spaces for sales purposes Further, the Declarant shall have the right to erect, maintain, relocate and remove temporary offices on the Property This easement shall continue until the Declarant has sold all the Units it owns.

Section 10.04 Support Easement. Each Unit shall have an easement for structural support over every other Unit in the Building in which it is located and in the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building in which it is located and the Common Elements

Section 10.05 Common Elements Easement. The Common Elements are hereby made subject to the following easements in favor of the Units benefited

A. for the installation, repair, maintenance, use, removal and/or replacement of air

conditioning, heating and hot water systems and equipment, any chutes, flues, exhaust fans, ducts, conduits, wires, cables, electrical, security, telephone, television and other communication systems, water, sewer and gas mains and laterals, and all other utility lines and distribution systems, to the extent any such system, or that portion of a system, serves a particular Unit or is necessary for service to a Unit,

B. for the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit, provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building, or impair or structurally weaken the Building, or

C. for the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, shelving, wall safes, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Element

Section 10.06 Unit Owner's Grant of Easement. By acceptance of a deed of conveyance, each Unit Owner thereby grants a right of access to his Unit, including without limitation the right of access provided by §703 32(4) of the Wisconsin Statutes, to the Board of Directors or the Managing Agent, their respective agents and employees, for the purpose of exercising their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in a Unit or elsewhere in the condominium, or to correct any condition which violates the provisions of this Declaration and any of the Condominium Documents, provided, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner Notwithstanding the foregoing, in case of an emergency, such right of entry shall be immediate and without notice, whether the Unit Owner is present at the time. Any exercise of the rights herein conferred to the extent practicable shall be in a manner so as not to interfere unreasonably with the use of a Unit.

Section 10.07 Access Easements. The Declarant, its successors, assigns, employees and agents and for any person or entity at any time owning or occupying any portion of the Property and their family members, agents, invitees, lessees or guests, hereby reserves a perpetual and non-exclusive easement on, over and through any and all common walkways and pathways, and private roadways or drives at any time a part of the Condominium for pedestrian and vehicular ingress and egress into and from any and all portions of the Condominium, and for purposes of constructing walkways, pathways, roadways, drives, or any other similar form of ingress or egress, and on, over and through any portion of the Condominium, except portions occupied by structural improvements In the exercise of any rights hereunder, there shall be no unreasonable interference with the use of any Unit or the Common Elements or the Additional Property for the purposes for which each is reasonably intended

Section 10.08 Clubhouse Easement. Declarant hereby grants a perpetual, nonexclusive easement to all Unit Owners, their family members, lessees, invitees and guests over, upon and across the walks, paths and private roads so that all Unit Owners may access and use the

Clubhouse to the same extent, and according to the same rules and regulations, as tenants of Arbor Ridge Apartments

Section 10.09 Binding Effect. All easements and rights described herein are granted and reserved to, and shall inure to the benefit of and be binding on, the undersigned, its successors and assigns, and on all Unit Owners, purchasers and Mortgagees and their heirs, executors, administrators, successors and assigns The Association and the Declarant shall have the authority to execute all documents necessary to carry out the intent of this ARTICLE X

Section 10.10 Encroachments. In the event, by reason of construction, reconstruction, settlement or shifting of any Building, or the design or construction of any Unit, any part of the Common Elements shall at any time encroach upon any part of any Unit, or any part of any Unit shall at any time encroach upon any part of the Common Elements or any Unit shall at any time encroach upon part of any other Unit, an easement for the continuation and maintenance of such encroachment is hereby established and shall exist for the benefit of such encroaching Unit or Common Element so long as all or any part of the Building containing such Unit, or Common Element shall remain standing, provided, however, that in no event shall an easement for any encroachment be created in favor of the owner of any Unit if such encroachment occurred due to willful and knowing conduct of such owner

Section 10.11 Title Exceptions. To the best of Declarant's knowledge, information, and belief, there are no exceptions to title other than standard exceptions contained in the presently used ALTA form of title commitment

ARTICLE XI. MORTGAGES

Section 11.01 Separate Mortgages of Units. No Unit Owner shall have the right or authority to Mortgage or otherwise encumber the Property or any part thereof, provided, however, that each Unit Owner shall have the right to Mortgage or encumber his own Unit

Section 11.02 Mortgagees. When a Mortgage is delivered by a Unit Owner to the Mortgagee, the Unit Owner shall simultaneously notify, in writing, the Secretary of the Association of the name and address of such Mortgagee. Upon receipt of such notice, the Secretary of the Association shall notify the insurer of the Mortgagee's name and address

Section 11.03 Roster of Mortgagees. The Board of Directors shall maintain a roster of Mortgagees from information received by the Unit Owners. The roster shall state the name and address of each Mortgagee Upon written request of the Board of Directors, each Mortgagee shall advise the Association as to the priority of its lien on the Unit

Section 11.04 Liens. The liens for Assessments created under the Act or pursuant to the Declaration or the Bylaws upon the Unit shall be subject and subordinate to and shall not affect liens for general and special taxes, all unpaid sums on a first Mortgage recorded prior to the making of the Assessment, mechanic's liens filed prior to the making of the Assessment, and all unpaid sums on any loan made by the Veterans Administration under §45 79 of the Wisconsin Statutes, as the same is amended from time to time

Section 11.05 Mortgagee in Possession. A Mortgagee of any Unit who comes into possession of the Unit pursuant to the remedies provided in the Mortgage shall take the Unit free of any

claims for unpaid Assessments or charges against the Unit which accrued prior to the time such Mortgagee comes into possession of the Unit

Section 11.06 Rights of Mortgagees. Each Mortgagee, its agent or representative, upon written request to the Board of Directors, shall be entitled thereafter to the following:

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

B. copies of budgets, notice of any Assessments, or any other notices or statements provided under this Declaration by the Board of Directors to the Unit Owner,

C. copies of any financial statements of the Association which are distributed to the Unit Owners,

D. copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative,

E. notice of damage in excess of $10,000 to, or the destruction of, any Unit subject to the Mortgage, or any damage to the Common Elements in excess of $30,000,

F. notice of any pending or threatened condemnation or eminent domain proceedings with respect to any part of the Property,

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

H. notice of any decision by the Board of Directors to terminate any management of the Property,

I. notice of any proposed action which would require the consent of Mortgagees pursuant to the Act or the Condominium Documents,

J. the right to examine the books and records of the Association at any reasonable time and to audit the same at its sole cost,

K. notice of any Assessment or any other charges levied by the Association against the Unit in which the Mortgagee has an interest which is more than sixty (60) days past due,

L. notice of any judgment which is rendered against the Association, and

M. the right to cure a default in the payment of any Assessment

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

Section 11.07 Restrictions on Actions of Association. The Association may not take any of the following actions

A. encumber the Common Elements, or

B. assign the future income of the Association, including its right to receive any Assessments

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

Section 11.08 Application and Effect. The provisions of this ARTICLE XI shall supersede any inconsistent provision or provisions of this Declaration, the Bylaws or the Rules and Regulations, provided, however, that such provisions shall not be deemed to limit or expand the following

A. the right granted to the Declarant to subdivide or relocate the boundaries of Units,

B. the rights of any Unit Owner and his Mortgagee with respect to matters solely affecting such Unit and/or Mortgage, and/or

C. the exercise or termination of the right of the Declarant to expand the Condominium pursuant to this Declaration, which exercise or termination shall not require the consent of any Unit Owner or Mortgagee

Section 11.09 Amendment to Declaration. No amendment to this Declaration shall affect the rights of a Mortgagee whose interest was recorded prior to the recording of any such amendment, unless Mortgagee consents in writing to the amendment

Section 11.10 Priority of First Mortgagees. Except as otherwise provided by the Act, no provision of this Declaration or the Condominium Document, shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of holders of first Mortgages pursuant to their first Mortgages in case of the distribution to Unit Owners of insurance proceeds or condemnation awards for losses to, or a taking of, Units and/or the Common Elements or any portions thereof

ARTICLE XII. INSURANCE

Section 12.01 Insurance. The Association shall maintain fire and broad form extended coverage insurance on the Buildings and the Common Elements, including, but not limited to, any fixtures owned by the Association and the Unit Owners (but excluding the personal property of the Unit Owners), in an amount not less than the replacement value of the Buildings and the Common Elements from time to time, including endorsements for automatic changes in insurance coverage as fluctuating values may warrant, contingency endorsements covering nonconforming use, and a Special Condominium Endorsement To the extent reasonably possible, the insurance shall provide (i) that the insurer waives its rights of subrogation as to any claim against the Unit Owners, the Association, the Board of Directors and their respective servants and agents, and (ii) that the insurance cannot be canceled, invalidated or suspended on account of the conduct of any

one or more of the Unit Owners, or the Association, or their servants, agents and guests, without sixty (60) days prior written notice to the Association, which notice gives the Association an opportunity to cure the defect within that time. All required insurance shall be issued by an insurance company with a minimum of an A general policyholder's rating and of a class III financial size category in the Best's Key Rating Guide The amount of protection and the types of hazards to be covered shall be reviewed by the Association at least annually and the amount of coverage may be increased or decreased at any time it is deemed necessary by the Association to conform to the requirements of replacement value insurance Any Mortgagee may receive an insurance certificate upon ten (10) days prior written notice The insurance shall be obtained in the name of the Association as trustee for each of the Unit Owners and their respective Mortgagees

Section 12.02 Proceeds of Insurance. In the event of partial or total destruction of the Buildings and/or common Elements and the Association determines to repair or reconstruct the Buildings and/or Common Elements according to ARTICLE IX hereof and Section 10 01 of the Bylaws, the proceeds of such insurance shall be paid to the Association as trustee to be applied to the cost of repairing and reconstructing the particular Building(s) and/or Common Element(s) which have been damaged If it is determined (according to Section 9 01 of ARTICLE IX hereof and Section 10 01 of the Bylaws) not to reconstruct or repair any particular Building and/or Common Element, then the proceeds shall be distributed according to Section 9 01 of ARTICLE IX hereof and Section 10 01 of the Bylaws

Section 12.03 Public Liability Insurance. The Association shall provide public liability insurance covering the Common Elements in such amounts as may be determined at the discretion of the Board of Directors from time to time, provided, however, the amount of coverage shall not be less than One Million Dollars ($1,000,000) per single occurrence The insurance coverage shall preclude the insurer's denial of a Unit Owner's claim because of the negligent acts of the Association or any Unit Owner The Association may also provide worker's compensation insurance and/or directors' and officers' liability insurance, in such amounts as are determined by the Board of Directors to be reasonably necessary from time to time

Section 12.04 Fidelity Bonds. The Association shall provide a blanket fidelity bond pursuant to the Bylaws for anyone who either handles or is responsible for funds held or administered by the Association Notwithstanding anything to the contrary in this Section 12 04, so long as Fiduciary Real Estate Development, Inc , its subsidiaries or assigns ("Fiduciary"), manages the Condominium, the fidelity bond requirement shall be satisfied by the addition of the Association as a named insured under Fiduciary's general liability insurance policy (or its equivalent), as long as such policy contains coverage for employee dishonesty

Section 12.05 Separate Insurance. Each Unit Owner shall be responsible for obtaining liability insurance for his own Unit and casualty insurance for his personal property

ARTICLE XIII. PROHIBITION ON PARTITION OF COMMON ELEMENTS

The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains No Unit Owner shall execute any deed, mortgage, or other

instrument affecting title to such Unit ownership without including therein both his interest in the Unit and his corresponding Allocated Interest in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership

ARTICLE XIV. DISCLAIMER OF LIABILITY OF ASSOCIATION

Section 14.01 Disclaimer. Notwithstanding anything contained herein or in the Condominium Documents, the Association shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Unit Owner, occupant or user of any portion of the Property including, invitees, lessees, agents, servants, contractors or subcontractors or for any property of any such persons Without limiting the generality of the foregoing, each Unit Owner and each other person having an interest in or lien upon, or making a use of, any portion of the Property shall be bound by this Section 14 01 and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this Section

Section 14.02 Assumption of Risk. Each Unit Owner, by purchasing a Unit in the Condominium, acknowledges and accepts responsibility for injuries arising out of those activities that involve risks in one or more of the Common Elements Each Unit Owner further acknowledges the existence of and need for certain rules concerning the use of the equipment, facilities, as well as procedures related specifically to the Clubhouse, and shall abide by those rules, shall make every individual effort to assure that the equipment and facilities are kept in a safe and usable condition and shall notify the Association of unsafe conditions pursuant to the Rules and Regulations

Section 14.03 Parking Areas. Each Unit Owner shall be responsible for his personal property located in the parking areas or Limited Common Elements Notwithstanding anything to the contrary contained in this Declaration, neither the Board of Directors, the Association, any Unit Owner nor the Declarant shall be (a) considered a bailee of any personal property of a Unit Owner stored in the Common Elements (including without limitation, property located in vehicles parked in the parking areas), whether exclusive possession of any particular area shall be given to any Unit Owner for parking purposes, or, (b) responsible for the security of such personal property or for any loss or damage thereto

ARTICLE XV. AMENDMENT TO DECLARATION

Section 15.01 Amendment. Except as otherwise provided by the Act, or in this Declaration, or except as necessary to reflect an exercise or termination of the Declarant's right to expand the Condominium (in which event the Declaration may be amended solely by the Declarant without the consent of any other party), this Declaration may be amended only by the agreement of Unit Owners having at least seventy-five percent (75%) of the votes in the Association and in the manner provided by Section 703 09 or Section 703 093 of the Act Each Unit Owner whose Unit is subject to a Mortgage shall first obtain his Mortgagee's written consent to the Unit Owner's vote in favor of or against any amendment on a form satisfactory to the Board of Directors The failure of any Unit Owner or Mortgagee to respond to any notice of a proposed amendment,

within thirty (30) days after the notice is delivered to it, shall be deemed implied consent by the Unit Owner or the Mortgagee to any such amendment, provided the notice was delivered by certified or registered mail with return receipt requested. Copies of adopted amendments shall be certified by the President and Secretary of the Association in a form suitable for recording A copy of the amendment shall be recorded in the Office of the Register of Deeds, and such amendment shall be effective at the time it is recorded A copy of the amendment shall be mailed or personally delivered to each Unit Owner at his address as stated on the Membership Roster So long as the Declarant owns one or more Units, this Declaration shall not be amended in any manner which would prevent or unreasonably interfere with the sale, lease or other disposition of such Unit

Section 15.02 Special Amendments. Declarant, for as long as the Declarant shall have ownership in the Property or Condominium, or, when the Declarant no longer has an interest in the Property or Condominium, the Board of Directors, shall have the right and power to record Special Amendments to this Declaration at any time and from time to time which amend this Declaration (a) to comply with requirements of the FNMA, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or an other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities or any institutional lender issuing a commitment to make Mortgage loans covering twenty percent (20%) or more of the Units, (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, (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant, or to the Board of Directors, as the case may be, to make or consent to a Special Amendment on behalf of each Unit Owner Each deed, Mortgage or other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and consent to the reservation of, the power reserved to Declarant, or to the Board of Directors, as the case may be, to make, execute and record Special Amendments The rights reserved to the Declarant under this Section 15 02 shall terminate at such time as the Declarant no longer holds or controls title to any part of the Property or ten (10) years from the date this Declaration is recorded, whichever first occurs.

Section 15.03 Expansion. For a period not exceeding ten (10) years from the recording of this Declaration, Declarant expressly reserves the right to expand the Condominium to add a maximum of fifteen buildings, each building containing either six, twelve or sixteen Units, for a total of 154 additional Units, which proposed buildings are identified for future expansion on the Plat Fourteen of the buildings so identified are existing multi-family structures The fifteenth building identified for future expansion is labeled "Future 16-Unit 2 Story Frame Building" on the Plat and may or may not be constructed in the future. If the Condominium is not expanded to include the "Future 16-Unit 2 Story Frame Building", Declarant may seek to divide the land on which the proposed 16-Unit building is shown and use this parcel for a purpose other than multi-family residential, including, but not limited to, retail or office use or any other use permitted by the City of Milwaukee Zoning Code Any Condominium expansion shall comply with Section 703 26 of the Act The percentage interest in each Unit and a Unit's liabilities for Common

Expenses, and rights to Common Surpluses, shall be equal to one over the total number of Units within the Condominium at any particular time Throughout the existence of the Condominium, all Units in the Condominium shall have one vote in the Association

ARTICLE XVI. TERMINATION OF CONDOMINIUM

The Condominium may be terminated upon the approval of a termination agreement by a unanimous vote of the Unit Owners holding one hundred percent (100%) of the votes in the Association A Unit Owner whose Unit is subject to a Mortgage shall first obtain his Mortgagee's written consent to the vote The termination agreement, which shall be executed by those who voted in favor of termination, shall include provisions relating to the use and maintenance of Common Elements after termination The termination agreement shall also provide for the allocation and transfer of title to the Common Elements such that title to the Common Elements, other than the Limited Common Elements, shall be vested in the successors to the Unit Owners as tenants-in-common in proportion to their predecessor Unit Owner's Allocated Interests, and title to Limited Common Elements shall be vested in the former Unit or Units to which they appertain, individually or as tenants-in-common, as the case may be The termination agreement shall be recorded with the Register of Deeds

ARTICLE XVII. ADDITIONAL PROVISIONS

Section 17.01 Rights of Action. In the event any Unit Owner fails to comply with any provision of this Declaration or any Condominium Document, the Declarant or the Association, in addition to any other rights or remedies it may have hereunder or at law or in equity, shall be entitled to recover its actual attorneys' fees expended in enforcing compliance with this Declaration or the Condominium Documents by the Unit Owner. An award of such attorneys' fees may be added to any assessment against the Unit Owner and Unit to which it pertains and a lien for the amount of such fees shall attach to the Unit to secure the payment of such fees to the Association

Section 17.02 Waiver. The failure of the Association to enforce any provision of this Declaration or any provision in the Condominium Documents, to exercise any right or option, or to serve any notice or to institute any action, shall not be construed as a waiver by the Association

Section 17.03 Severability. The provisions contained herein shall be construed as independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not be deemed to impair or affect the validity or enforceability of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect Any conflict between any provision of any Condominium Document and the Act, or any question regarding the interpretation of any Condominium Documents, shall be governed by the Act.

Section 17.04 Captions. The captions and headings of various Sections and Paragraphs of this Declaration are for convenience only and are not to be construed as defining or limiting the scope or intent of the provisions hereof

Section 17.05 No Obligations. Nothing contained in the Condominium Documents shall be deemed to impose upon the Declarant or its successors or assigns any obligations of any nature to build, renovate or provide any improvements except to the extent required by the Act

Section 17.06 Number and Gender. Whenever used herein, the singular number shall include the plural, the plural the singular, and use of any gender shall include all genders

Section 17.07 Registered Agent. The registered agent for service of process shall be Bruce A McIlnay, c/o McIlnay Schmitt & Button, Ltd , 1150 Washington Street, Grafton, WI 53024 or such other person or entity as may be designated by the Board of Directors and upon proper filing of such name with the Wisconsin Department of Financial Institutions

[SIGNATURE OF DECLARANT FOLLOWS]

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

FRED-Arbor Ridge Apartments, LLC
A Wisconsin limited liability company

By Fiduciary Real Estate Development, Inc
Its Sole Member

By _____
Brett K Miller, Vice-President

STATE OF WISCONSIN)
) SS
MILWAUKEE COUNTY)

Personally came before me this 5 day of June, 2007, the above-named Brett K Miller, the Vice-President of the above-named corporation and acknowledged that he executed the foregoing instrument as such officer as the deed of such corporation by its authority

_____
Greg Thelen
*_____
(type or print name here)
Notary Public, State of Wisconsin
My Commission (is)(expires) 04/05/09

[SIGNATURE OF FINANCIAL INSTITUTION FOLLOWS]

GREG M. THELEN
NOTARY
PUBLIC
STATE OF WISCONSIN

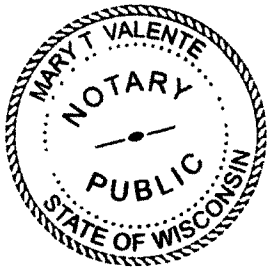
CONSENT OF MORTGAGEE

M&I Marshall & Ilsley Bank,
A Wisconsin Banking Corporation

By _____
Austin J Mautz
Its Vice President

STATE OF WISCONSIN)
) SS
MILWAUKEE COUNTY)

Personally came before me this 6th day of June, 2007, the above-named Austin J Mautz, the Vice President of the above-named corporation and acknowledged that he executed the foregoing instrument as such officer as the deed of such corporation by its authority



* _____
(type or print name here) Mary T. Valente
Notary Public, State of Wisconsin
My Commission (is)(expires) 2/24/08

This instrument was drafted by, and
after recording should be returned to

Bruce A McIlnay
McIlnay & Button, Ltd.
1150 Washington Street
Grafton, WI 53024
(262) 376-1287