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DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR COLONIAL WOODS CONDOMINIUM

EXECUTIVE SUMMARY

1. Condominium Identification. The name of the Condominium is "Colonial Woods Condominium."

2. Expansion Plans. The Declarant has reserved the right to expand the Condominium. A description of the Declarant's expansion plan for the Condominium and deadline for implementation and the identity of the Condominium management during the expansion period may be found in Article V of the Declaration.

3. Governance. The name of the Condominium Association is "Colonial Woods Homeowners Association, Inc." Its address is 309 North Water Street, Suite 160, Milwaukee, Wisconsin 53202. The Association will be managed by Colonial Woods Limited Partnership. The name, address and telephone number of the individual(s) who may be contacted regarding the Condominium in general are as follows: Jason Fettig, Sales Manager, 309 North Water Street, Suite 160, Milwaukee, Wisconsin 53202, 414-241-9080.

4. 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 Article VI of the Declaration and, in particular, but without limitation, Section 6.11 of that Article.

5. 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 Article VI of the Declaration and, in particular, but without limitation, Section 6.04 of that Article.

6. Rental of Units. There are no restrictions on Unit Owners' right to rent their Units.

7. Unit Alterations. The rules, restrictions and procedures governing a Unit Owner's authority to alter the Unit or enclose Limited Common Elements may be found in Article VI of the Declaration and, in particular, but without limitation, Sections 6.06 and 6.11 of that Article.

8. Parking. Descriptions of the availability and restrictions of parking may be found in Section 9.01(i) of Article XI of the Declaration. There are no additional costs of parking.

9. Pets. A description of rules relating to Unit Owners' pets may be found in Section 9.01(k) of Article XI of the Declaration.

10. Reserves. Information about reserves for repairs and replacement of Common Elements beyond routine maintenance and whether the Association maintains a statutory reserve account under Section 703.163 of the Wisconsin Statutes may be found in Section 7.02 of the Bylaws.

11. Fees on New Units. The provisions exempting the Declarant and modifying the Declarant's obligation to pay assessments on the Declarant's unsold Units may be found in Sections 8.02 and 8.07 of Article XIII of the Declaration and Sections 7.02 and 7.07 of Article VII of the Bylaws.

12. 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 Section 15.06 of Article XV of the Declaration and Article X of the Bylaws. Additionally, the Association has the right to establish rules and regulations pursuant to Sections 7.06(e) and 7.11 of Article VII of the Declaration.

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BYLAWS OF
COLONIAL WOODS HOMEOWNER'S ASSOCIATION

Dated
August 7, 2007

BYLAWS
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REGISTER'S OFFICE | SS
Milwaukee County, WI|

RECORDED 10/30/2007 10:34AM

JOHN LA FAVE
REGISTER OF DEEDS
AMOUNT: 109.00

Document Number

Name and Return Address

Devon Wichelt
Heartland Development Group
309 N. Water Street
Suite 315
Milwaukee, WI 53202

810-9975-001; 831-9011
Tax Key No.
810-9977-001; 810-9976
Parcel Identification Number (PIN)

DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR COLONIAL WOODS CONDOMINIUM

Recording Area

THIS DECLARATION is made on ~~July~~ September 7, 2007 by Colonial Woods Limited Partnership, a Wisconsin limited partnership (including any assign, "Declarant').

RECITALS

A. Declarant owns in fee simple the real property described on the attached Exhibit A located in the City of Oak Creek, Milwaukee County, Wisconsin (the "Property").

B. Declarant desires and intends by this Declaration to submit and subject the Property and the Improvements, as defined below, and all rights and privileges belonging or in any way pertaining to the Property or the Improvements or both, to the provisions of the Condominium Ownership Act of the State of Wisconsin, Chapter 703 of the Wisconsin Statutes, as amended from time to time (the "Act").

C. Declarant desires to establish certain rights and easements in, over and upon the Property for its benefit and the benefit of all future owners or occupants of all or any part of the Property, including owners and occupants of the Units, as defined below, and to provide for the harmonious, beneficial and proper use and enjoyment of the Property and the Units, together with mutually beneficial restrictions and obligations with respect to the use and maintenance of the Property and the Units.

D. Declarant desires and intends that the Unit Owners (as defined below), mortgagees, occupants and other persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interest subject to, the rights, easements, privileges and restrictions set forth in this Declaration, all of which are declared to promote, enhance and protect the common amenities and the cooperative aspect of ownership of the Property, to facilitate the proper administration of the Property, and to enhance and protect the value, desirability, appearance and aesthetics of the Property.

NOW, THEREFORE, Declarant, as the holder of title to the Property and for the purposes set forth above, DECLARES:

ARTICLE I.
SUBMISSION TO CONDOMINIUM FORM OF OWNERSHIP

1.01 Property: Description. Declarant submits the Property, together with all Improvements, to the provisions of the Act. From and after the date on which this Declaration,

together with the Plat, as defined below, as required by Section 703.11 of the Wisconsin Statutes are recorded in the office of the Register of Deeds of Milwaukee County, Wisconsin, the Property and all of the Improvements shall be owned, held, transferred, sold, conveyed, used, occupied, mortgaged or otherwise encumbered, subject to the terms provisions and restrictions of this Declaration, the Act and the Bylaws of the Association, as defined below. This Condominium is a residential condominium consisting initially of 12 separate buildings containing two, eight or 16 residential units, for a total of 98 Units, together with the Common Elements, as defined below, and amenities described in this Declaration and exhibits to this Declaration This Condominium is expandable as described in Article V. Declarant reserves the right at Declarant's option to construct as part of the Common Elements a storage building or buildings for use by the Association for the storage of equipment and supplies used in the maintenance of the Condominium properties.

1.02 Name. The name of the condominium shall be "Colonial Woods Condominium."

The Property and the Units shall be used for residential purposes only.

The acceptance of a conveyance of a Unit in this condominium shall be deemed to grant to and vest in Declarant the power of attorney on the part of the Unit Owner to amend this Declaration and the Association's Bylaws to correct errors or omissions and/or to comply with any Applicable Laws, as defined below.

ARTICLE II.

DEFINITIONS

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

2.01 "Allocated Interest" means a Unit's undivided interest in the Common Elements, liability for Common Expenses and voting rights.

2.02 "Applicable Laws" means all applicable federal, state, county and local laws, ordinances and regulations.

2.03 "Arbitrator" has the meaning given to in Section 15.09.

2.04 "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.

2.05 "Assessments" means regular and special assessments for Common Expenses, charges, fines and assessments for damages and penalties for violations of this Declaration and the Association's Bylaws and rules.

2.06 "Board" means the governing body of the Association.

2.07 "Building" means the structure or structures constructed on the property containing the Units which are situated on the Property.

2.08 "Common Elements" means all of the Condominium except the Units and including but not limited to:

(a) The land on which the Building is located;

(b) The foundations, columns, girders, beams, supports, main walls, roofs, and entrances and exits of the Building;

(c) The grounds, basements, yards, gardens, Parking Area, storage spaces, play areas, parks and recreational facilities;

(d) Those areas for the storage of property utilized in the maintenance of the Property and for the storage of personal property owned by the Unit Owners;

(e) Central services such as elevators, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating, as applicable;

(f) The tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;

(g) All community and commercial facilities provided for in this Declaration;

(h) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

2.09 "Common Expenses" means:

(a) All sums lawfully assessed against the Unit Owners by the Association; and

(b) Expenses declared common expenses by the Act or by this Declaration or Bylaws.

2.10 "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.

2.11 "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.

2.12 "Drives" means the surfaced portion of the Property set aside for use by travel by foot or vehicle to and from the Building to the public streets or highways.

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

2.14 "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.

2.15 "Majority or Majority of Unit Owners" means the Unit Owners with more than 50% of the votes in accordance with the votes assigned in this Declaration to the Units for voting purposes.

2.16 "Occupant" means the person or persons, other than a Unit Owner in possession.

2.17 "Parking Area" means exterior areas (parking spaces) provided for parking automobiles as shown on the Plat. The Parking Area is a Common Element and not Limited Common Elements.

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

2.19 "Plat" means the Plat of Survey attached to this Declaration as Exhibit B.

2.20 "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.

2.21 "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 3.02 for a specification of Unit boundaries.

2.22 "Unit Number" means the unique building number and unit number combination designating each Unit as set forth in this Declaration. For example, "Unit 111" is Unit 101 in Building 1. See page 1 of Exhibit B for reference. Addresses are set forth on the Plat and Exhibit B for reference purposes only and are subject to change by the municipality.

2.23 "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 III.
PROPERTY AND UNITS: SUBMISSION TO ACT

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

3.02 Units: Description and Ownership. The Condominium shall initially consist of 12 separate buildings containing two, eight or 16 residential units, for a total of 98 Units. The legal description of each Unit shall consist of the Unit Number of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its Unit Number as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as follows:

(a) The upper horizontal boundary of each Unit shall be the lower surface of the unfinished ceiling extended to an intersection with the vertical boundaries;

(b) The Lower horizontal boundary shall be the plan of the upper surface of the unfinished floor extended to an intersection with the vertical boundaries; and

(c) The vertical boundaries of each Unit shall be the plane of the drywall exposed to the interior of the Unit;

together with the garage area connected and providing direct access to such Unit enclosed and bounded by the horizontal and vertical planes as follows:

(d) The upper horizontal boundary of each garage shall be the lower surface of the unfinished ceiling extended to an intersection with the vertical boundaries;

(e) The lower horizontal boundary shall be the plane of the upper surface of the unfinished floor extended to an intersection with the vertical boundaries; and

(f) The vertical boundaries of each garage shall be the plane of the drywall exposed to the interior of the garage.

Notwithstanding the foregoing, all glass and other transparent and/or translucent material or screens covering windows and doors and the material covering other openings in the exterior walls of the Units shall be construed to be within the boundaries or limits and part of the Unit provided it is exclusively served by such windows, doors, and other openings.

Except as otherwise provided by the Act, no Unit Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause the Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

Each Unit in the Condominium shall be located as substantially shown on the plans that show the location of each Building as shown on the Plat, together with the perimeters, approximate dimensions, approximate square footage and location of each Unit, and subject to Section 3.06, shall be constructed as provided on the plans and specifications as approved by Declarant in substantial conformity with the Plat.

3.03 Certain Structures Not Constituting Part of a Unit. No Unit Owner shall own any pipes, wires, conduits, public utility lines or other structural components running through the Unit and serving more than his or her Unit, whether or not such items are located in the floors, ceilings, or perimeter or interior walls of the Unit, except as a tenant-in-common with all other Unit Owners.

3.04 Dimensions. It is expressly stipulated, and each and every purchaser of a Unit, Unit Owner, and their respective heirs, executors, administrators, assigns, successors and grantees acknowledge, that the square footage, size and dimensions of each Building and each Unit as described, set out and shown in the Condominium Documents, are approximate and are shown for descriptive purposes only, and that Declarant does not warrant, represent or guarantee that any Unit actually contains the area, square footage or dimensions shown in the Condominium Documents. Each purchaser of a Unit expressly waives any claim or demand which he may have against Declarant on account of any difference, shortage or discrepancy between the Unit as actually and physically existing and as it is shown on the Condominium Documents.

3.05 Declarant's Right to Change Plans. 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, Parking Area, Units, Common Elements and Limited Common Elements shown on the Plat which are not yet constructed, and any landscaping that has not yet been installed or planted, provided that such changes shall not substantially alter the nature, value and quality of the Building, Parking Area, Units, Common Elements or Limited Common Elements.

ARTICLE IV.
COMMON ELEMENTS: LIMITED COMMON ELEMENTS

4.01 Ownership of Common Elements. Each Unit Owner shall own an undivided interest in the Common Elements as a Tenant-in-common with all other Unit Owners of the Property and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements as permitted in this Declaration. This interest and right shall belong to and run with the Unit. The extent of the ownership by each Unit Owner of the Common Elements shall be expressed as a percentage. The percentage ownership may be changed only upon unanimous written approval of all Unit Owners in the form of a duly recorded amendment to this Declaration. In the event of condemnation by public authority as provided in Article X of this Declaration or of loss as provided in Article XI, the percentage ownership may be changed to conform to the provisions set forth in such Articles. Each Unit's corresponding percentage ownership in the Common Elements shall be a fraction, the numerator of which is one and the denominator of which is 98. The undivided interest in the Common Elements shall not be separated from the Unit to which it belongs and shall be deemed to be leased, conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

4.02 Partition of Common Elements. There shall be no partition of the Common Elements through judicial proceedings or otherwise unless and until this Declaration is terminated and the Property is no longer held in the condominium form of ownership.

ARTICLE V.
EXPANSION

Declarant reserves the right to expand the Condominium by subjecting additional property to this Declaration on the following terms and conditions:

5.01 Expansion Property. The Plat shows each parcel of property that may be added to the Condominium ("Expansion Property"). Expansion Property may be added to this Declaration in phases or all at one time. Any expansion shall be in the sole discretion of Declarant, and no Unit Owner or other person shall have a right to require or prohibit the expansion. Each Unit Owner, by accepting a deed to a Unit, acknowledges that all or any part of the Expansion Property may be developed for uses other than as part of the Condominium.

5.02 Number, Location and Style of Additional Units. Up to 164 Units may be added. Declarant anticipates that the Expansion Property shall contain a mix of Buildings with two Units each, Buildings with eight Units each and Buildings with 16 Units each but reserves the right to change the mix or size of Buildings if required to achieve the best development in the opinion of Declarant. Additional Buildings shall be located on the Expansion Property in locations determined by Declarant and approved by the municipality. Declarant anticipates that the Units shall be approximately the size of the original Units, but Declarant reserves the right

to change the size of the Units in order to meet market requirements The Unit Owner of each Unit added shall have one vote at meetings of the Association.

5.03 Use. All Units constructed on the Expansion Property shall be for residential use.

5.04 Improvements. Before a phase of the Expansion Property may be added, all improvements to such phase will be substantially completed prior to expansion and will be consistent with the initial improvements in structure type and quality of construction.

5.05 Effect on Allocated Interest. Upon any expansion as described in this Article, each Unit Owner's Allocated Interest shall change to the percentage equivalent to a fraction, the numerator of which is one and the denominator of which is the total number of Units in the Condominium after the expansion. Unit Owners in the Expansion Property will share an undivided interest in all Common Elements. Following any expansion, the interest of any mortgagee of any Unit shall attach, by operation of law, to the new Percentage Interests appurtenant to the Unit on which it has a lien.

5.06 Expiration. This right to expand the Condominium shall expire seven years from the date this Declaration is recorded.

5.07 Amendments to Condominium Instruments. To add Expansion Property to the Condominium, Declarant shall (a) record an amendment to this Declaration showing the new Allocated Interests of the Unit Owners and the votes which each Unit Owner may cast in the Condominium as expanded; and (b) record an amendment to the Plat that includes the detail and information concerning the Expansion Property as required in the original Plat.

5.08 Effective Date. Upon recording of the amendment to the Declaration and the Plat, each Unit Owner shall have the Allocated Interests set forth in the amendment to the Declaration, provided that unsold Units owned by Declarant shall be exempt from assessments to the extent provided in this Declaration.

ARTICLE VI.
GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

6.01 Use of Property. The Units and the Common Elements shall be used for residential purposes only, subject to further limitations imposed by applicable law.

6.02 No Severance of Ownership. In order to prevent severance of combined ownership, no Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to the Unit or its Interest without including in such instrument both his or her interest in the Unit and corresponding percentage of ownership in the Common Elements. Whenever a Unit is conveyed, the corresponding percentage of ownership in the Common Elements shall be automatically included in the conveyance regardless of whether that interest is specifically set forth in the documents of conveyance.

6.03 Use of the Common Elements. Subject to the provisions of Sections 6.05 and 6.06, each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners as may be required for ingress and egress to, and use, occupancy and enjoyment of, the respective Unit owned by each Unit Owner, and to the use and enjoyment of Common Elements. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized occupants and visitors of the Unit Owner.

The use of the Common Elements and the rights of the Unit Owners with respect to the Common Elements shall be subject to and governed by the provisions of the Act, this Declaration and the Bylaws and rules and regulations of the Board. The Board shall have the authority to lease or rent or grant licenses to concessions with respect to the storage areas, laundry or other parts of the Common Elements, subject to the provisions of this Declaration and the Bylaws and rules and regulations of the Association.

6.04 Maintenance of Common Elements; Common Expenses. Except as otherwise provided in this Declaration, the Association shall be responsible for the management, repair, alteration and improvement of the Common Elements. Each Unit Owner shall pay his or her proportionate share of the expenses of maintenance, repair, replacement, administration and operation of the Common Elements ("Common Expenses"). Common Expenses shall be allocated and divided equally among all Units regardless of size. Notwithstanding the foregoing, expenses associated with Limited Common Elements shall be levied against the Units to which such Limited Common Element expenses appertain in proportion to each Unit's proportional interest in the Limited Common Elements. If a Unit Owner fails to pay such proportionate share when due, the amount of such share shall constitute a lien on the interest of such Unit Owner, as provided by the Act.

6.05 Easements.

(a) Encroachments. If by reason of the construction, settlement or shifting of any Building, or the design or construction of any Unit, any part of the Common Elements encroaches at any time upon any part of any Unit, or any part of the Unit encroaches at any time upon any part of the Common Elements or any other Unit, or if by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one Unit encroach at any time upon any part of any Unit, valid easements for the maintenance of such encroachment are established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the Building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Person if the encroachment occurs due to the willful conduct of such Person.

(b) Easements for Utilities. All public, semi-public or private utilities serving the Property are granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the Property with utility services, together with the reasonable right of ingress to and egress from the Property for such purpose. Prior to creation of the Board, Declarant may, and thereafter the Board thereafter may, grant other or additional temporary or permanent easements for utility or other purposes over, under, along and on any portion of the Common Elements, and each Unit Owner grants Declarant prior to the creation of the Board and the Board thereafter an irrevocable power of attorney to execute, acknowledge and record or register for and in the name of such Unit Owner, such instruments as Declarant or the Board deems necessary or appropriate to effectuate the foregoing. Easements are also declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, utility lines or structural components running through the walls of a Unit whether or not such walls lie in whole or in part within the Unit boundaries.

(c) Easements for Police and Fire Protection. A perpetual easement is granted for the free and uninterrupted access to the Property for any and all legally designated law enforcement agencies and fire departments for the performance of their duties.

(d) Easements for Post Office. A perpetual easement is granted for the free and uninterrupted access to the Property for any and all legally designated representatives of the United States Postal Service for the performance of their duties.

(e) Access to Condominium by Declarant. During any period of construction of any Building or other improvements by Declarant, and during any period of replacement or repair of any Common Elements or Limited Common Elements, Declarant and its owners and affiliates, and their respective contractors, subcontractors, agents and employees, shall have access to all Common Elements and Limited Common Elements as may be required in connection with such construction, replacement or repair, and shall have easements for the installation, construction, replacement and repair of the Buildings, improvements, utilities, driveways, parking areas, landscaping and other repairing or servicing of all or any part of the Condominium.

(f) Easements to Run with the Land. All easements and rights described in this Declaration are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and bind Declarant, Declarant's successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having any interest in all or any part or portion of the Property. Reference in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

6.06 Limited Common Elements. A balcony or patio located outside of and adjoining a Unit shall be a Limited Common Element for the exclusive use and possession of the Unit Owner who owns that Unit. Unless and until the Board determines to the contrary, each Unit Owner shall be responsible for the repair, maintenance and appearance of any balcony or patio (or both) which is a Limited Common Element attached to his or her Unit, and shall, without limiting the foregoing, be responsible for any breakage, damage, malfunction or ordinary wear and tear of such balcony or patio. A Unit Owner shall not paint or otherwise decorate or adorn or change the appearance of any such balcony and patio, in any manner contrary to any rules and regulations that the Board establishes. If more than one Unit has direct access to a balcony or patio, then all rights and obligations of each of the Unit Owners of such Units for the use, maintenance and repair of such patio or balcony shall be joint, common and indivisible, and shall not be subject to partition through judicial proceedings or otherwise.

6.07 Separate Mortgages of Units. Each Unit Owner shall have the right to mortgage or encumber his or her own respective Unit, together with his or her respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever all or any part or portion of the Property, except his or her own Unit and his or her own respective ownership interest in the Common Elements.

6.08 Separate Real Estate Taxes. As provided in the Act, real estate taxes are to be separately taxed to each Unit Owner for his or her Unit and his or her corresponding percentage of ownership in the Common Elements. However, if for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his or her proportionate share of the taxes in accordance with his or her respective percentage of ownership interest in the Common Elements.

6.09 Utilities. Each Unit Owner shall pay for his or her own natural gas, cable TV, telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Charges for utilities which are not separately metered or billed shall be treated as Common Expenses.

6.10 Insurance; Unit Owners. Each Unit Owner shall be responsible for his or her own insurance on the contents of his or her own Unit, his or her additions and improvements to such Unit, wall and floor treatments and finishes in such Unit, all window treatments and other items considered interior decorating, furnishings and personal property in such Unit, and his or her personal property stored elsewhere on the Property, all to the extent not covered by the fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses as provided below in Section 7.08.

6.11 Maintenance, Repairs and Replacements of Units.

(a) By the Board. The Board, at its expense, shall maintain, repair and replace, as necessary, the Common Elements, the Limited Common Elements and any structural elements of any Building which is located within a Unit. In addition, the Board shall, as necessary, maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities that furnish utility services if and to the extent any of such facilities are located within the Unit boundaries as specified in Sections 3.02 and 3.03. The Board shall have no obligation to maintain, repair or replace any portion of any of such facilities which serves only one Unit or for which any individual Unit Owner is responsible under any other provision of this Declaration.

(b) By the Unit Owner. Each Unit Owner shall maintain, repair and replace the following at his or her expense:

(1) His or her Unit, and the fixtures, equipment and appliances comprising a part of such Unit, located in such Unit or exclusively serving such Unit even if located outside the Unit, and including, without limitation, all doors within the Unit and those which open to the Unit from the outside, interior walls and partitions, windows, and window apparatus and glass, sliding glass and screen doors, heating, and air conditioning equipment within the Unit, the air conditioning compressor located outside of the Unit, and the ducts, pipes, wiring, controls, fixtures and other apparatus serving only that Unit, even if located outside the Unit. Each Unit Owner shall, at his or her own cost, keep his or her Limited Common Elements in a clean and orderly condition and shall repair and maintain such Limited Common Elements as provided in Section 6.06. However, the Board may, by its rules and regulations, perform ordinary maintenance and make minor repairs and replacements to Units as a Common Expense. If the Board or its agents damage any Unit's existing decorating in the process of maintaining, repairing or replacing Common Elements, the Board shall either, at its option, replace or provide an allowance for such damaged decorating, in either instance as part of the Common Expenses. Except as provided in the preceding sentence, nothing in this Declaration shall contractually obligate the Board to maintain, repair or replace all or any part of any Unit; rather, the Board's liability shall be limited to damages resulting from negligence.

(2) All decorating within his or her own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, lamps and other furnishings and interior decorating. Except as otherwise specified in this Declaration, each Unit Owner shall have the exclusive use of such portions of the perimeter walls, floors and ceilings that lie within the boundaries of his or her Unit as shown on the Plat, and such Unit Owner shall, subject to the rules and regulations of the Board, maintain such portions in good

condition at his or her sole expense. The interior surfaces of all windows forming part of a perimeter wall of a Unit shall, subject to the rules and regulations of the Board, be cleaned or washed at the expense of the Unit Owner.

(c) Continuing Requirement. The respective obligations of the Board and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the existence of any maintenance, repair or replacement required to cure a latent or patent defect in material or workmanship in the construction or location of a structure on the Property, or because they may be entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

6.12 Negligence of Unit Owner. If, due to the negligent act or omission of a Unit Owner or his or her family, pet, guest or other authorized occupant or visitor, the Common Elements or a Unit or Units owned by others is damaged, or maintenance, repairs or replacements are required which would otherwise be paid for as a Common Expense, such Unit Owner shall, subject to the rules, regulations and Bylaws of the Board, pay to repair the damage and pay for such maintenance, repairs and replacements as determined by the Board.

6.13 Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, the use of such property by the individual Unit Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as the Board requires to maintain, repair or replace the equipment, facilities and fixtures affecting or serving other Units or the Common Elements.

ARTICLE VII.
ADMINISTRATION

7.01 Association of Unit Owners. Each Unit Owner shall be a member of the Association automatically upon and simultaneously with the delivery of a deed of conveyance of fee title to the Unit from Declarant or any successor in interest. Subject to the rights of Unit Owners as set forth in this Declaration, the Association shall have exclusive responsibility to manage and control of the Common Elements and Improvements (including all equipment constituting a part of the Common Elements or Improvements). The Association shall act through the Board. The Board shall initially consist of three persons designated by Declarant until such time as the Unit Owners are entitled to elect directors as provided in Sections 7.03 through 7.05. Provided that at all times the Association maintains at least three directors, the Association may increase or decrease the number of directors by affirmative vote of 66-2/3% of the Voting Members (as defined below).

7.02 Voting Rights. Only one person with respect to each Unit and its Allocated Interest shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known as a "Voting Member." A Voting Member may be the Unit Owner or one member of the group owning a Unit and its Allocated Interest, or may be some person designated by such Unit Owner to act as proxy on his, her or their behalf. The Voting Member need not be a Unit Owner. The Unit Owner shall make such designation in writing to the Board. The designation shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of the Unit Owner, or by written notice to the Board by the Unit Owner. A proxy shall be valid only for the particular meeting designated on the proxy and must be filed with the Association before the scheduled time of the meeting. Any Unit Owner may be present at any

meeting of the Voting Members. There shall be one vote per Unit with the total vote available being equal to the total number of Units in the Condominium. Declarant or his or her nominee may exercise voting rights with respect to any Unit that Declarant owns.

7.03 Meetings.

(a) Quorum: Procedure. The presence in person or by proxy of Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided in this Declaration, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting. Any Voting Member may waive in writing notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Association without a meeting.

(b) Annual Meeting. The first meeting of the Unit Owners shall be held upon 15 days' prior written notice given by Declarant. The first meeting shall occur prior to the conveyance to Unit Owners other than Declarant of 25% of the interests in the Common Elements. At the first meeting, the Unit Owners other than Declarant shall elect at least one-fourth (but not less than one) of the members of the Board. Prior to conveyance to Unit Owners other than Declarant of 50% of the interests in Common Element, the Association shall hold a meeting at which the Unit Owners other than Declarant shall elect at least one-third of the members of the Board. Not later than 30 days after the expiration of Declarant control (as described below), the Association shall hold a meeting at which the Unit Owners shall elect directors and officers. The directors and officers shall take office after the election. Thereafter, the Association shall hold, on the Property, an Annual Meeting of the Voting Members at 2:00 p.m. on the third Saturday in May of each year, or at such other reasonable place or time (not more than 30 days before or after such date), as the Board may designate by written notice delivered to the Voting Members not less than 15 days prior to the date fixed for the meeting. Declarant control shall cease on the earlier of the seventh anniversary of the recording of this Declaration or the date 30 days after the conveyance of 75% of the Common Elements to Unit Owners other than Declarant. For purposes of this Section, the interests in Common Elements shall be calculated as if the Condominium has been fully expanded under Article V.

(c) Special Meetings. A majority of the Board or Voting members having one-third of the total votes may call a special meeting of the Voting Members at any time to consider matters which, by the terms of this Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose. The parties calling the meeting shall provide written notice to the Voting Members not less than 15 days prior to the date fixed for the meeting. The notice shall specify the date, time, and place of the meeting and the matters to be considered.

7.04 Notices of Meetings. Notices of meetings required to be given in this Declaration may be delivered either personally or by mail to the persons entitled to vote, addressed to each such person at the address given by him/her to the Board for the purpose of service of such notice, or to the Unit of the Unit Owner with respect to which such voting right pertains if no address has been given to the Board.

7.05 Board; Election; Meetings.

(a) At each Annual Meeting of Unit Owners, the Voting Members shall, by a majority of the total votes present at such meeting, elect sufficient Board members ("directors")

for the forthcoming year to provide for a Board consisting of three directors, all of whom must be a Unit Owner; provided, however, that during the period of Declarant control, any person named by Declarant as a director shall be deemed to be a "Unit Owner" for purposes of this requirement only and provided further, that in the case of a Unit that is owned by an entity rather than an individual, any person who is an officer, member, partner, director, employee or designee of such entity shall be deemed to be a "Unit Owner" for purposes of this requirement only. Two directors shall constitute a quorum. Directors shall serve, without compensation, for a term of three years or until their successors are elected and qualify; provided, however, that the terms of at lease one-third of the directors shall expire annually. If a director ceases to qualify to serve as a director, as set forth in this Declaration, such director shall immediately cease to be a director and his or her place on the Board shall be deemed vacant. Vacancies in the Board may be filled by unanimous vote of the remaining directors. Except as otherwise provided in this Declaration, the Property shall be managed by the Board, and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

(b) The Board shall elect, from among the directors, a President who shall preside over its meetings and those of the Association, a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the office of secretary, including counting votes at any meeting, and a Treasurer to keep the financial records and books of account.

(c) Voting Members having at least two-thirds of the total votes may remove any director from office at any Special Meeting called for that purpose. The Voting Members may by majority vote elect a successor to fill the unexpired term of a Board member removed at the same meeting or any subsequent meeting called for that purpose.

(d) The Board shall hold an Annual Meeting immediately following the Annual Meeting of the Unit Owners at the same place as the Annual Meeting of the Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight hours' written notice to each director, delivered personally or by mail or telegram. Any director may in writing waive notice of consent to any action of the Board without a meeting.

(e) Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Unit Owners.

7.06 General Powers of the Board. Without limiting other general powers which Applicable Laws and this Declaration provide, the Board shall have the following general powers and duties:

(a) To elect the officers of the Association as provided by this Declaration;

(b) To administer the affairs of the Association and the Property;

(c) To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve (subject to Section 6.10(b));

(d) To formulate policies for the administration, management and operation of the Property and the Common Elements;

(e) To purchase, take, receive, rent or otherwise acquire and hold any interest in real or personal property, including any Unit of the Condominium;

(f) To sell, convey, mortgage, encumber, lease, exchange, transfer or otherwise dispose of any interest in real or personal property, including any Unit of the Condominium;

(g) To borrow funds or incur indebtedness, provided that after Declarant control the Board may not incur any loan or obligation which would cause the total total loans and obligations outstanding to be in excess of $50,000 without the prior consent of the Unit Owners, by two-thirds of the votes cast or 51% of the Unit Owners, whichever is less, and the prior consent of Declarant if Declarant owns any Unit

(h) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(i) To provide for the maintenance, repair and replacement of the Common Elements and payments therefore, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(j) To provide for the designation, hiring and removal of employees, and other personnel, including accountants and other independent contractors, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager, the managing agent and any employees or agents of the managing agent;

(k) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as provided below;

(l) To comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any Annual or Special Meeting of the Unit Owners; and

(m) To exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Act and all powers and duties of a Board referred to in this Declaration or these Bylaws.

7.07 Specified Powers of the Board. The Board, for the benefit of the Board, the Association and all Unit Owners, shall provide and pay for out of the maintenance fund described below, the following:

(a) Utility Service for Common Elements. Water, sewer, waste removal, electricity, gas and telephone, heat, power and other necessary utility service for the Common Elements (and, if not separately metered or charged, for the Units).

(b) Insurance. Casualty, liability, workmen's compensation and other insurance as described in Article XI.

(c) Wages and Fees for Services. The services of any person or firm employed by the Board, including, without limitation, the services of a person or firm to act as manager or as managing agent for the Property, the services or any person or persons required for maintenance or operation of the Property, and legal and/or accounting services necessary or proper in the operation of the Property or the enforcement of this Declaration and for the organization, operation and enforcement of the rights of the Association.

(d) Care of Common Elements. Landscaping, gardening, snow removal, painting, cleaning, tuck pointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units, which the Unit Owner shall paint, clean, decorate, maintain and repair, not including any portion of the Common Elements which are the responsibility of any Unit Owner) and such furnishings and equipment for the Common Elements as the Board determines are necessary and proper, and the Board shall have the exclusive right and duty to acquire or provide such services for the Common Elements.

(e) Additional Expenses. Any other materials, supplies furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or by Applicable Law or which in the Board's opinion is necessary or proper for the maintenance and operation of the Property as a first class development or for the enforcement of this Declaration.

(f) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against all or any part of the Property which may, in the opinion of the Board, constitute a lien against the Property or the Common Elements, rather than merely against the interest of a particular Unit Owner; however, the foregoing authority shall not limit any applicable statutory provisions. Where one or more Unit Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it, and the Board shall specially assess any costs incurred by the Board by reason of the lien to those Unit Owners.

(g) Certain Maintenance of Units. Maintenance and repair of any Unit as provided in this Declaration, and maintenance and repair of any Unit if such maintenance or repair is necessary in the discretion of the Board to protect the Common Elements, or any portion of the Building, provided the Unit Owner has failed or refused to perform the maintenance or repair within a reasonable time after the Board delivers written to the Unit Owner requiring the Unit Owner to perform the maintenance or repair. The Board shall levy a special Assessment against the Unit Owner for the cost of the maintenance or repair. The Board or its agents may enter any Unit when necessary in connection with any maintenance or construction for which the Board or Association is responsible. They may likewise enter any balcony or patio for maintenance, repairs, construction or painting, if not performed by the Unit Owner pursuant to Section 6.06. They shall enter with as little inconvenience to the Unit Owners as practicable in their reasonable determination. If the Board or its agent causes any damage by such entry, the Board shall, at its option, either have such damaged repaired or reimburse the Unit Owner for such repair, in either instance at the expense of the maintenance fund unless the damage occurs as a result of the Unit Owner's violation of the provisions of this Declaration related to keys. If any emergency originates in, or threatens, any Unit, or if the Unit Owner's absence from the Unit at a time when required alterations or repairs are scheduled, the management agent or his or her representative or any other person designated by the

Board may enter the Unit immediately, whether the Unit Owner is present or not. The Board reserves the right to retain a pass key to each Unit, and no Unit Owner or anyone acting under authority of a Unit Owner shall place any locks or other devices on the doors to the Units to obstruct entry through the use of such pass key.

7.08 Capital Additions and Improvements. Notwithstanding any contrary provision of this Declaration, the Board shall have no authority to acquire or provide or pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Elements subject to all the provisions of this Declaration) having a total cost in excess of $5,000 in the aggregate, nor shall the Board authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of $5,000 in the aggregate, without in each case the prior approval of the Voting Members holding two-thirds of the total votes.

7.09 Certain Utility Services to Units. The Board may pay from the maintenance fund for water and sewer taxes, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Unit Owners. However, the Board may discontinue such payments at any time, in which case each Unit Owner shall be responsible for direct payment of his or her share of such expenses as determined by the Board. The Board reserves the right to levy additional Assessments against any Unit Owner to reimburse it for excessive use by such Unit Owner of any utility service, the expense of which is charged to the maintenance fund.

7.10 Vouchers. The Board shall cause vouchers for payment of expenditures to be signed by one or more officers or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. If no such resolution exists, the Treasurer shall sign and the President shall countersign such vouchers.

7.11 Rules and Regulations.

(a) The Board may adopt such reasonable rules and regulations as it deems advisable from time to time for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Unit Owners and occupants, and the Property shall at all times be maintained subject to such rules and regulations. The rules and regulations shall apply equally to all Unit Owners and their tenants and guests. The rules and regulations shall be consistent with this Declaration and the Bylaws of the Association. As provided in the Act, rules and regulations may provide for charges, fines and Assessments for violation of this Declaration, the Association's Bylaws, the rules and regulations or the Act. The Association shall provide notice in the manner described in the Act at the time it assesses any such charge, fine or Assessment.

(b) Management. Notwithstanding any contrary provision of this Declaration, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

(c) Not for Profit. Notwithstanding any contrary provision of this Declaration, the Board shall have no authority to conduct an active business for profit on behalf of all or any of the Unit Owners.

7.12 Provisions to be Included in Bylaws. The provisions of this Article VII and Articles VIII below shall be included in the initial Bylaws of the Association.

ARTICLE VIII.

BUDGET ASSESSMENTS-MAINTENANCE FUND

8.01 Preparation of Estimated Budget. Each year on or about December 1, or as soon after such date as reasonably practical, the Board shall estimate the total amount necessary to pay for the following calendar year all costs of wages, payroll taxes, materials, insurance, services, management fees, supplies, maintenance, repair, landscaping, fuel, power and other common utilities and Common Expenses, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. As used in this Declaration, the estimate is known as the "Annual Budget." The Board shall, on or about December 15, or as soon thereafter as reasonably practical, notify each Unit Owner of constructed Units 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 pro rata to the Unit Owners owning constructed and completed Units. On or before the date of the Annual Meeting of each calendar year, 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. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's payment obligations to the next monthly installments due from Unit Owners under the current year's estimate, 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.

8.02 Reserves for Contingencies and Replacements. The Board shall build up and maintain a reasonable reserve for contingencies and replacements; however, no "Statutory Reserve Account," as defined in Chapter 703 of the Wisconsin Statutes, shall be maintained. The Board shall first change against such reserve all extraordinary expenditures not originally included in the annual estimate which may become necessary during the year. If the Annual Budget proves inadequate for any reason, including because one or more Unit Owners fail to pay their Assessments, the Board may, at any time, levy a further Assessment, which shall be assessed to the Unit Owners in the same proportion as other general Assessments. The Board shall serve notice of such further Assessment on the Unit Owners as provided in the Bylaws and such further Assessment shall become effective as provided in the Bylaws. All such Unit Owners shall be obligated to pay the adjusted amount. At the time each constructed Unit is first occupied, the Unit Owner, other than Declarant, shall pay (in addition to the first monthly Assessment) to the manager or managing agent or as otherwise directed by the Board, an amount equal to not less than two months' general Assessments (the "Initial Assessment Contribution"). The Initial Assessment Contribution shall be used and applied as an operating reserve for Common Expenses in the manner provided in this Declaration.

8.03 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. Assessments shall be levied against all Unit Owners other than Declarant except that, as provided in Wisconsin Statutes Section 703.16(2)(b), the total amount assessed against sold Units may not exceed the amount that equals sold Units' budgeted share of Common Expenses as anticipated in the Annual Budget, and Declarant shall be liable for the balance of the actual Common Expenses.

8.04 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 or release in any manner of any Unit Owner's obligation to pay the maintenance costs and necessary reserves, as provided in this Declaration, whenever they are determined. In the absence of the Annual Budget or any adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due 10 or more days after the Annual Budget or adjusted estimate is mailed or delivered. The Unit Owner shall pay the monthly maintenance payment as provided in the Bylaws.

8.05 Books and Records. The Board shall keep 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 or a representative of a Unit Owner duly authorized in writing 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, 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.

8.06 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.

8.07 Payment of Assessments. The Unit Owners shall pay annual general Assessments in 12 equal monthly installments, in advance, on the first day of each month. Special Assessments for expenses incurred by the Association for any reason stated in this Declaration shall be due on the 15th day after a Unit Owner receives a statement, or at such other time as may be established by the Board, and shall immediately be a personal liability of the Unit Owner and also a lien, until paid, against the Unit to which charged. Except for Declarant with regard to the Initial Assessment Contribution as provided in Section 8.02, no Unit Owner of a constructed Unit may exempt himself or herself from liability for his or her Assessment by waiver of the use of enjoyment of any of the Common Elements and facilities or by abandonment of his or her Unit.

8.08 Remedies for Failure to Pay Assessments. If any Unit Owner defaults in the payment of any charge or Assessment imposed by the Board, the Board shall have the authority for and on behalf of itself and the Association and as the representative of all Unit Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, the Bylaws, this Declaration or otherwise available at law or in equity, for the collection of all such unpaid charges or Assessments.

8.09 Rental 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.

ARTICLE IX.
COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

9.01 Units and Common Elements. The Units and Common Elements shall be occupied and used as follows:

(a) Purpose. No part of the Property shall be used or occupied for any purpose other than as a residential dwelling and related common purposes for which the Property was designed. Each Unit Owner shall use and occupy the Property in compliance with all Applicable Laws. Each Unit or any two or more adjoining Units used together shall be used as a residence for a single family or for such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units used together may be altered to allow ingress and egress to and from the adjoining Units in the manner and upon conditions determined by the Board in writing.

(b) Obstruction of Common Elements. There shall be no obstruction of the Common Elements, and nothing shall be stored in the Common Elements, without the prior written consent of the Board or except as expressly provided below. Each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit.

(c) Hazardous Uses and Waste. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property, or its contents, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Property, or its contents, or which would violate any law. No waste shall be committed in the Common Elements.

(d) Exterior Exposure of Building. Unit Owners shall neither cause nor permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part of the walls or roof, without the prior consent of the Board. Unit Owners shall neither cause nor permit any sign, poster or other display to be located inside of or adjacent to any door or window in such manner or fashion as to be visible to the exterior of the Building, including "For Sale", "For Rent" or any other type of sign.

(e) Impairment or Structural Integrity of Building. Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of any Building (including any structural change to any Building), that would lessen the support of any portion of the Building or that would create a nuisance substantially affecting the use and enjoyment of other Units or the Common Elements except as otherwise provided in this Declaration. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

(f) Recreational Area. The Property includes present and possible future recreational areas and facilities. Unit Owners, members of their immediate families, guests and invitees may use these Common Elements designated for recreational areas and facilities for their intended purposes, including as allowed by the Board and under rules established by the Board, for playing, as a location to place benches or chairs, and for other reasonable uses provided these uses do not interfere with the use and enjoyment of the Common Elements by the other Unit Owners.

(g) Signs; Sales. Declarant exclusively reserves the right, for its and its agents, to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and to place

such other signs on the Property as Declarant requires to facilitate the sale of unsold Units, or the management and/or construction of the condominium. The Association and its agents shall have the right to enter a Unit to remove any signs located in the Unit contrary to the provisions of this Declaration or the Bylaws. Any Unit Owner who violates this provision shall be assessed $100 per day which shall be due on the 15th day after notice by the Association. Any sum that remains unpaid after the 15th day may be placed of record as a lien against the Unit as provided by law.

(h) Alterations of Common Elements. Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Board.

(i) Parking. Only Unit Owners and their guests and invitees may park in the Parking Area.

(j) Display of Model Units by Declarant. Declarant reserves the right, at Declarant's option, to occupy or grant permission to any person or entity to occupy, with or without rental, as determined by Declarant, one or more Units for business, construction management, general management or promotional purposes, including clerical activities, sales offices, model Units for display and the like; provided that the activities in the Units so occupied do not materially interfere with the quiet enjoyment of any other Unit Owner or occupant.

(k) Animals. No more than two pets shall be allowed in a Unit, and no such animal shall exceed 60 pounds. The Association shall have the right to adopt such additional restrictions on pets as the Board deems reasonable in its sole discretion. No pets shall be allowed to roam at large within the Common Elements. Pets shall at all times be leashed and within the immediate control of a person when outside of a Unit. The person attending the pet shall pick-up all solid waste from the pet and dispose of such waste in the manner required by the Association.

(l) Nuisances. Without the prior written consent of the Association, no noxious or offensive activity shall be carried on in any Unit or in the Common Elements or Limited Common Elements, and nothing shall be done in any Unit, the Common Elements or the Limited Common Elements which is or may become a nuisance or annoyance to others or which will cause the cancellation of insurance or increase the rate of insurance on any Unit, the Common Elements or the Limited Common Elements. No Unit Owner or a Unit Owner's tenants or guests shall perform or carry on any illegal, annoying or offensive activity. All occupants of Units shall comply with all applicable governmental regulations in their use of their Unit, the Common Elements and the Limited Common Elements.

(m) Exterior Lighting. No exterior lighting may be installed other than as provided by Declarant, without the express written consent of the Board and in compliance with the restrictions of record.

(n) Trees; Shrubs. No trees or shrubs may be planted or removed on the Common Elements without the prior approval of the Board.

9.02 Bylaws. Except as otherwise provided in this Declaration, the Bylaws shall govern the management and operation of the Condominium including any restrictions on or requirement respecting the use and maintenance of the Units and the Common Elements.

ARTICLE X.

CONDEMNATION AND UNPAID ASSESSMENTS

10.01 Condemnation. In the event of condemnation under Applicable Laws of a portion of the Property including the Building, if a comparable building cannot be reasonably constructed on the remaining Property, the proceeds of the condemnation and rights of action arising in connection with the condemnation shall be distributed as follows.

(a) To the Unit Owners of the individual Units condemned, that portion of the condemnation award attributable to each Unit Owner's Unit and the right of action, if any, arising under such condemnation and attributable to such Unit, together with the Unit Owner's interest in the condemnation award for the Common Elements condemned plus a sum equal to the Unit Owner's interest in the remaining Common Elements to be paid by the remaining Unit Owners.

(b) To the Unit Owners of the individual Units not condemned, as their interests may appear. The Board shall determine whether to bring legal action on any right of action arising under the condemnation. Any award obtained by legal action shall be disbursed to the Unit Owners as their common interests may appear, including the Unit Owners of those Units condemned as though they were Voting Members.

(c) The condemnation of a Unit Owner's Unit without replacement with a similar Unit shall terminate the Unit Owner's membership. The remaining members shall constitute the Unit Owners of all Common Elements, and the Board shall recompute their interests in the Common Elements according to the ratio their Unit bears to the total of the remaining Units.

10.02 Responsibility of Transferees for Unpaid Assessments. In a voluntary transfer of a Unit, the transferee and transferor shall be jointly and severally liable for all unpaid Assessments against the transferor through the time of transfer, without prejudice to the transferee's right to recover from the transferor the amount paid by the transferee. However, a transferee shall be entitled to a statement from the Board, the President or the managing agent of the Association that sets forth the amount of the unpaid Assessments against the transferor that are due to the Association. The transferee shall have no liability for, and no Unit shall be conveyed subject to a lien for, any unpaid Assessments made by the Association against the transferor in excess of the amount set forth in the statement. If the Association or the Board does not provide a statement setting forth any sums due within five business days after a transferee requests the statement, the Association or the Board shall be barred from claiming a lien against the Unit.

ARTICLE XI.

INSURANCE; DAMAGE OR DESTRUCTION AND RESTORATION OF THE BUILDING

11.01 Insurance.

(a) Property Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain insurance for the Units and the Common Elements against loss or damage by fire and other hazards, including extended coverage, vandalism, and malicious mischief, together with an "all risk" endorsement in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction. The policy may contain a reasonable deductible as determined by the Board. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under shall be adjusted by, and the proceeds of such insurance shall be payable to, the Board as Trustee for each of the Unit Owners in their respective percentages of ownership interest in the Common Elements as established in Exhibit C. The Board may engage the services of any bank or trust company authorized to do trust business in the State of Wisconsin to act as trustee, agent or depositary on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of $10,000 in the aggregate, the Board shall engage a corporate trustee, or in the event of any loss resulting in the destruction of the major portion of one or more the Units, the Board shall engage a corporate trustee upon the written demand of the mortgagee or Unit Owner of the Unit so destroyed.

(b) Liability Insurance. Comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring each Unit Owner, the Association, its officers, directors, Declarant, the manager and managing agent of the Building, if any, and their respective employees and agents, from liability in connection with the Common Elements and the streets, sidewalks and areas adjoining the Property and insuring the officers of the Association and directors from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be Common Expenses.

(c) Worker's Compensation. Worker's compensation insurance to the extent necessary to comply with any Applicable Laws.

(d) Damage or Destruction. The Board, or the corporate trustee on behalf of the Board, shall apply the proceeds of such insurance to the reconstruction of the Improvements damaged or destroyed or shall otherwise dispose of the proceeds in accordance with the provisions of this Declaration and the Act; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall be, notwithstanding anything to the contrary contained in such policy or endorsement, subject at all times to the provisions in the Act with respect to the application of insurance proceeds to repair or reconstruction. Payment by an insurance company to the Board or a corporate trustee of the proceeds of any policy, and the receipt of release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall have no obligation to inquire into the terms of any trust under which such proceeds are held, or to take notice of any standard mortgage clause endorsement

inconsistent with the provisions of this Declaration, or to see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee. The following provisions shall apply to repair or restoration of damaged Improvements:

(i) Units: Reconstruction. If one or more of the Units is destroyed and the Unit may be reconstructed under Applicable Laws, the Unit Owner may request the Board to authorize the reconstruction of the Unit [1] if the cost of reconstruction is equal to or less than the insurance proceeds applicable to the Unit or [2] if the insurance proceeds are less than the cost of reconstruction, the Unit Owner shall tender to the Board a sum equal to the costs of reconstruction less the sum available from the insurance proceeds. The Board, upon receipt of the sum, may authorize and direct the reconstruction of the Unit. Any Unit reconstructed under this provision or under the provisions of Article X shall be constructed in a manner complying with Applicable Laws and in a manner compatible to the remaining Units.

(ii) Units: No Reconstruction. If one or more of the Units is destroyed and the Board determines that the Units may not be reconstructed under Applicable Laws, or if the Board determines that the cost of reconstruction would exceed the insurance proceeds and the applicable Unit Owner is unable or unwilling to pay the difference between the insurance proceeds and the cost of reconstruction, the Board may direct that the insurance proceeds applicable to each destroyed Unit be paid to the Unit Owner together with a sum equal to the Unit Owner's interest in the Common Elements, exclusive of the individual Units, as determined by three appraisers, one selected by the Board, one selected by the Unit Owner and the third select by the two other appraisers. This added sum shall be a Common Expense of the remaining Units and assessed accordingly. Upon payment of this sum to the Unit Owner of the destroyed Unit, the Unit Owner shall cease to be an owner and the percentage interest of the remaining Unit Owners shall be adjusted pursuant to the formula set forth in this Declaration.

(iii) Common Elements and Other Improvements: Reconstruction. Except as described in the following paragraph, if any Improvements forming a part of the Common Elements are damaged or destroyed from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason of such loss or damage, shall be sufficient to pay the cost of repair, restoration or reconstruction, and the Board determines that the Improvements may be reconstructed under Applicable Laws, the Association shall undertake such repair, restoration or reconstruction, and the Board or any trustee of the insurance proceeds shall apply the insurance proceeds to such repair, restoration or reconstruction.

(iv) Common Elements and Other Improvements: No Reconstruction. If the Common Elements have been damaged or destroyed to the extent of more than 75% of their value, the Unit Owners may elect not to undertake the repair, restoration or reconstruction and to withdraw the Property from the Act as provided in Article XII provided they make such election on or before the 60th day after the date the damage or destruction occurs. Additionally, if the Improvements so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the difference between the cost of repair, restoration, or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Improvements on or before the date 90 days after the date the damage or destruction occurs, or if the Improvements may not be reconstructed under Applicable Laws, then the applicable provisions of the Act shall apply.

(e) Unit Owner's Insurance. Each Unit Owner may, at his or her option and personal expense, carry additional insurance on his or her Unit including coverage for any substantial improvements made in or to the Unit. Each Unit Owner shall obtain liability insurance for his or her own Unit and Limited Common Elements and casualty insurance for his or her personal property, including all contents of the Unit and personal property located on any of the Common Elements. The Board shall have no obligation to obtain insurance on any additions, alterations, or improvements made by any Unit Owner to his or her Unit or to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Policies for insurance carried by the Unit Owner may provide that the insurer may pay proceeds related to such insurance directly to the Unit Owner.

11.02 Substantial Restoration. Repair, restoration or reconstruction of the Improvements, as used in this Article, means restoring the Improvements to substantially the same condition in which they existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

ARTICLE XII.
SALE OF THE PROPERTY; REMOVAL FROM CONDOMINIUM OWNERSHIP

12.01 Voluntary Sale of the Property. The Unit Owners by affirmative vote of 75% of the total vote, at a meeting of Unit Owners called for such purpose, may elect to sell the Property as a whole. Such action shall bind all Unit Owners, and every Unit Owner shall, after such action, execute and deliver such instruments, and perform all acts, in the manner and form required to effectuate such sale; provided, however, that any Unit Owner who did not vote in favor of such action and who has filed a written objection to such action with the Board within 20 days after the date of the meeting at which the sale was approved shall be entitled to receive from the proceeds of such sale an amount equal to the value of his or her interest, as determined by a fair appraisal, less the amount of any unpaid Assessments or charges due and owing from such Unit Owner. In the absence of agreement on an appraiser, such Unit Owner and the Board may each select an appraiser, and the two so selected shall select a third, and the fair market value as determined by a majority of the three appraisers so selected shall control. If either party fails to select an appraiser, the appraiser selected by the other party shall determine the appraised value.

12.02 Removal Procedure. All of the Unit Owners may remove the Property from the provisions of this Declaration by executing and recording an instrument to that effect. All holders of liens affecting any of the Units must consent in writing, with their consent being duly recorded, to the transfer of their lien to the percentage of undivided interest of the Unit Owner in the Property.

In the event of the removal of the Property from the provisions of this Declaration, the Unit Owners shall own the property as tenants in common, each holding an undivided interest in the property in the same percentage in which he or she held an ownership interest in the Common Elements.

ARTICLE XIII.
REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

13.01 Abatement and Enjoyment. The violation of any rule, restriction, condition or regulation adopted by the Board, or the breach or default of any covenant, By-Law or provision contained of this Declaration or contained in the Act, shall give the Board the right, in addition to the rights set forth in Section 13.02:

(a) To enter upon the Property upon which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist contrary to the intent and meaning of the provisions of this Declaration, and Declarant, or his or her successors or assigns, or the Board, or its agents, shall not be deemed guilty in any manner of trespass for such action;

(b) To prohibit the use of all or some of the amenities of the condominium and the Common Elements, except for the right of ingress and egress over the Drives and the use by the defaulting Unit Owner of his or her individual Unit;

(c) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; and

(d) To seek damages by appropriate legal proceedings.

In any action or proceeding brought on behalf of the Association with respect to any matters referenced in this Section 13.01 in which the Association is the prevailing party, the Association shall be entitled to recover from the Unit Owner its costs and expenses (including reasonable attorneys' fees) incurred during or in preparation for the action or proceeding.

13.02 Involuntary Sale. If any Unit Owner (either by his or her own conduct or by the conduct of any other occupant of his or her Unit) shall violate or breach any covenants, Bylaws, restrictions or provisions of this Declaration or of the Act, or the regulations adopted by the Board, and such violation continues for 30 days after written notice from the Board, or shall occur or shall reoccur more than once thereafter, then the Board shall have the power to issue the defaulting Unit Owner a thirty day notice in writing to terminate the rights of the defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his or her Unit. The Board may, after expiration of the notice period, file an action in equity against the defaulting Unit Owner to enjoin the Unit Owner or occupant or to terminate the defaulting Unit Owner's right to occupy, use or control his or her Unit on account of the breach of covenant, and ordering that his or her right, title and interest in the Property be sold at a judicial sale upon such notice and terms as the Court shall establish, in which case the Court shall enjoin and restrain the defaulting Unit Owner from re-acquiring his or her interest at the judicial sale. The proceeds of any judicial sale shall first be paid to discharge the lien of any then existing mortgage, court costs, court reporter charges, reasonably attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid Assessments under this Declaration or any liens, shall be paid to the Unit Owner. Upon confirmation of the sale, the purchaser shall be entitled to a deed to the Unit and its Allocated Interest and to immediate possession of the Unit and may apply to the Court for a

writ of assistance for the purpose of acquiring possession. The purchaser shall take the interest in the Unit and the Allocated Interest subject to this Declaration, and the purchaser shall become a member of the Association in the place of the defaulting Unit Owner.

ARTICLE XIV.

FORMATION OF ASSOCIATION

Declarant, prior to conveyance of the first Unit, shall establish the Association to govern the condominium. Declarant shall organize the Association either as a nonprofit, nonstock corporation or as an unincorporated association. The Association shall be known as Colonial Woods Homeowners Association, Inc. if incorporated or as Colonial Woods Homeowners Association if unincorporated. Upon the formation of the Association, every Unit Owner shall be a member. A Unit Owner's membership shall terminate upon the sale or other disposition by such member of his or her Unit and Allocated Interest, at which time the successor Unit Owner shall automatically become a member. Each Unit Owner shall be bound by and observe (and shall cause his or her tenants and guests to observe) the terms and provisions of this Declaration, the Association's Articles of Incorporation or Charter and Bylaws, and the rules and regulations promulgated from time to time by the Association and its Board and officers.

ARTICLE XV.

GENERAL PROVISIONS

15.01 Notices to Mortgage Lenders. After written request to the Board, the Board shall give to the holder of a duly recorded mortgage or trust deed against any Unit or its Allocated Interest or both a copy of each notice permitted or required by this Declaration to be given to the Unit Owner whose interest is subject to the mortgage or trust deed.

15.02 Service of Notices on Devisees and Personal Representatives. Each notice required or desired to be given to any devisee or personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or her address appearing in the records of the Court in which the estate of such deceased Unit Owner is being administered.

15.03 Covenants to Run With Land. 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, accepts any document of conveyance subject to all terms and conditions of this Declaration and all obligations imposed by this Declaration. All such terms, conditions and obligations shall run with the land, and shall bind any person having at any time an interest or estate in the land, and shall inure to the benefit of each transferee as if the provisions of this Declaration were recited and stipulated in full in each and every document of conveyance.

15.04 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.

15.05 Waiver of Damages. Declarant and Declarant's representatives and designees shall have no liability for any claim arising out of or by reason of any action performed under authority of this Declaration, or in Declarant's capacity as developer, contractor, Unit Owner, manager or seller of the Property, whether or not such claim (a) is asserted by a Unit Owner,

an occupant, the Board or the Association, or by any person or entity claiming through any of them; (b) is a personal injury or property claim, regardless of where the injury or property is located or how it is caused; or (c) except for intentionally wrongful acts, has its basis in a breach of any provision of this Declaration or any duty allegedly arising under this Declaration. Without limiting the generality of the foregoing, Declarant and Declarant's representatives and designees shall have no liability for any claim that all or any part of the Property is at any time out of repair or contains any patent or latent defects; for any act or omission by any Unit Owner, occupant, the Board, the Association or their respective agents, employees, guests and invitees; if any neighboring property or personal property located on or about the Property; or if any utility service (heat, air conditioning, electricity, gas, water, sewerage, etc.) fails to function properly. In the event of any dispute, Declarant, or Declarant's successors or assigns, shall have the option to settle same in full by repurchasing the Unit from Unit Owner for a sum equal to Unit Owner's original purchase price.

15.06 Amendments to Declaration.

(a) Amendment. Except as otherwise required by the Act or as provided for in this Declaration, and except as allowed by this Declaration for the Expansion Property, the Association may amend this Declaration with the approval of Unit Owners having at least 66-2/3% of the Voting Members in the manner provided by Section 703.09(2) or Section 703.093 of the Wisconsin Statutes. Any Unit Owner whose Unit is subject to a mortgage shall first obtain his or her mortgagee's written consent to the Unit Owner's vote in favor of or against any amendment on a form satisfactory to the Board. A Unit Owner or mortgagee who fails to respond to any notice of a proposed amendment on or before the date 30 days after the notice is delivered to such Unit Owner or mortgagee shall be deemed to have consented to the amendment, provided the notice was delivered by certified or registered mail with return receipt requested. The President and the Secretary shall certify copies of amendments in a form suitable for recording. The Association shall record each amendment in the Office of the Register of Deeds of Milwaukee County. An amendment shall be effective at the time it is recorded. A copy of the amendment shall be mailed or personally delivered to each Unit Owner at his or her address as stated on the membership roster. So long as Declarant owns one or more Units, the Association shall not amend this Declaration without Declarant's consent in any manner which would change the rights of Declarant described in this Declaration or which would prevent or unreasonably interfere with the sale, lease or other disposition of Units by Declarant.

(b) Special Amendments. Declarant, for as long as Declarant shall have ownership in the Property or Condominium, and when Declarant no longer has an interest in the Property or Condominium 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 (i) to comply with requirements of the FNMA, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities or any institutional lender issuing a commitment to make mortgage loans covering 20% or more of the Units, (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee mortgages secured by any Unit, (iii) to conform this Declaration with the requirements of the Act, or (iv) to correct clerical or typographical errors in this Declaration or in any Exhibit, supplement or amendment to this Declaration. In furtherance of the foregoing, Declarant reserves a power coupled with an interest 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 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.

15.07 Severability; Interpretation. The provisions of this Declaration shall be construed as independent and severable. The invalidity or unenforceability of all or any part of a provision 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. The Act shall govern any conflict between any provision of any Condominium Document and the Act, or any questions regarding the interpretation of any Condominium Documents. If a conflict exists among any provisions of this Declaration, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association, or between or among any of them, this Declaration shall be considered the controlling document, followed in order by the Articles, the Bylaws and any rules and regulations of the Association. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first class condominium residential development.

15.08 Indemnification of Directors. The directors and officers of the Board or of the Association shall not be liable to the Unit Owners for any mistake or judgment or any acts or omissions made in good faith as directors or officers. The Unit Owners shall indemnify and hold harmless each director and officer against all contractual liability to others arising out of contracts made by them on behalf of the Unit Owners of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. The directors and officers shall have no personal liability for any contract made by them on behalf of the Unit Owners. A Unit Owner's liability for any contract made by the directors or officers or under the foregoing indemnity shall not exceed the amount equal to the total liability multiplied by the fraction equal to the Unit Owner's interest in the Common Elements. Each agreement made by the directors or officers or by the managing agent on behalf of the Unit Owners or the Association shall be executed by the directors or officers or the managing agent, as the case may be, as agents for the Unit Owners, the Board or the Association.

15.09 Disputes; Construction Defects; Arbitration.

(a) 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.

(b) 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 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.

(c) Construction Defects and Warranty Claims.

(i) 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.

(ii) 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.

(iii) For a period of three months following termination of Declarant control, Declarant warrants to the Association that [1] 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; [2] all of the construction by Declarant and its contractors shall be of good quality, free from material faults and material defects and consistent with the standards in the industry; and [3] the Common Elements shall substantially conform to the plans and specifications. 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.

(iv) On or before the first day of the fourth month after the month in which Declarant control is terminated, 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 D. 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.

(d) Arbitration.

(i) Any controversy or claim arising out of or relating to this Declaration, including without limitation all controversies and claims related to construction defects and warranty claims, shall be settled by arbitration.

(ii) The arbitrator or arbitrators (in either instance, the "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).

(iii) 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 five 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.

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

15.11 Registered Agent. The initial registered agent for service of process shall be Robert A. Patch whose address is Heartland Development Group, Ltd., 309 N. Water Street, Suite 430, Milwaukee, Wisconsin 53202. The Board may designate another person or entity as registered agent upon proper filing of the name with the Register of Deeds for Milwaukee County, Wisconsin, and in the appropriate filing office for the State of Wisconsin.

[The remainder of this page is blank. Signature page follows.]

Dated as of the date first set forth above.

DECLARANT:

COLONIAL WOODS LIMITED PARTNERSHIP, a Wisconsin limited partnership

By: COLONIAL WOODS (GP), INC., General Partner

By: _____
Robert A. Patch, President

STATE OF WISCONSIN)
) ss
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me on 10 · 7, 2007 by Robert A. Patch, President of Colonial Woods (GP), Inc., a Wisconsin corporation, the general partner of Colonial Woods Limited Partnership, a Wisconsin limited partnership.

NOTARY PUBLIC DEVON M. WICHELT STATE OF WISCONSIN

_____
Name: Devon M. Wichelt
Notary Public, State of Wisconsin
My commission expires: 2 · 14 · 2010

MORTGAGEE'S CONSENT

Pursuant to Wisconsin Statutes Section 703.09, Anchor Bank, fsb, mortgagee of the Property described in the foregoing Declaration, consents to the execution and recording of this Declaration.

Dated September 10, 2007.

Anchor Bank, fsb

Jack V. West

By: _____

Name: Jack V. West

Title: First Vice President

ACKNOWLEDGMENT

STATE OF WISCONSIN)
) ss
COUNTY OF Milwaukee)

This instrument was acknowledged before me on September 10, 2007 by Jack V. West, First Vice President of Anchor Bank, fsb.

NOTARY PUBLIC
DEVON M. WICHELT
STATE OF WISCONSIN

Devon M. Wichelt

Name: Devon M. Wichelt
Notary Public, State of Wisconsin
My commission exp. 2-14-2010

THIS INSTRUMENT WAS DRAFTED BY:

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

Tab I – Legal Description

Exhibit A

Address:
Located at the Northeast Corner of South 27th Street & Forest Hill Avenue described as follows:

LEGAL DESCRIPTION PHASE 1:

Being a part of Lot 1 and a part of Lot 3 of CSM #7769, located in the SE ¼ and the SW ¼ of the NW ¼ of Section 18, Township 5 North, Range 22 East, City of Oak Creek, Milwaukee County, Wisconsin, more fully described as follows:

Commencing at the West ¼ corner of said Section 18; thence North 89°15'13" East, along the South line of the Northwest ¼ of said Section, 80.01 feet to the Easterly 80 foot right-of-way of 27th Street; thence North 00°01'54" West, along said easterly right-of-way of 27th Street, 47.49 feet to the point of beginning of the hereinafter described lands;

Thence North 00°01'54" West, along said easterly said right-of-way, 346.40 feet; thence North 88°38'30" East, 1599.18 feet; thence South 61°26'03" East, 142.50 feet; thence South 13°32'49" West 134.63 feet; thence South 86°52'55" West, 227.22 feet; thence South 39°10'23" West, 262.49 feet; thence South 89°15'13" West, along the South line of the Northwest ¼ of Section 18, 1069.56 feet to a point on the right-of-way of Forest Hill Avenue; thence North 00°03'20" West, along said right-of-way, 12.49 feet; thence North 89°15'31" West, along said right-of-way, 3.51 feet; thence 27.33 feet along said right-of-way and the arc of a curve to the right having a radius of 32.00 feet whose chord bears North 66°16' 36.5" Wet, 26.51 feet; thence 59.79 feet along said right-of-way and the arc of a curve to the left having a radius of 70.00 feet whose chord bears North 66°16'36.5" West, 57.99 feet; thence South 89°15'13" West, along said right-of-way, 149.14 feet to the point of beginning. Said lands contain 608,641 square feet (13.97 acres).

LEGAL DESCRIPTION OF EXPANSION REAL ESTATE:

Being a part of Lot 1 and a part of Lot 3 of CSM #7769, located in the Southeast ¼ and the Southwest ¼ of the Northwest ¼ of Section 18, Town 5 North, Range 22 East, City of Oak Creek, Milwaukee County, Wisconsin, more fully described as follows:

All of Lot 1 and Lot 3 of CSM #7769 excepting Phase 1.

Tab II – Condominium Plat

Exhibit B

CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

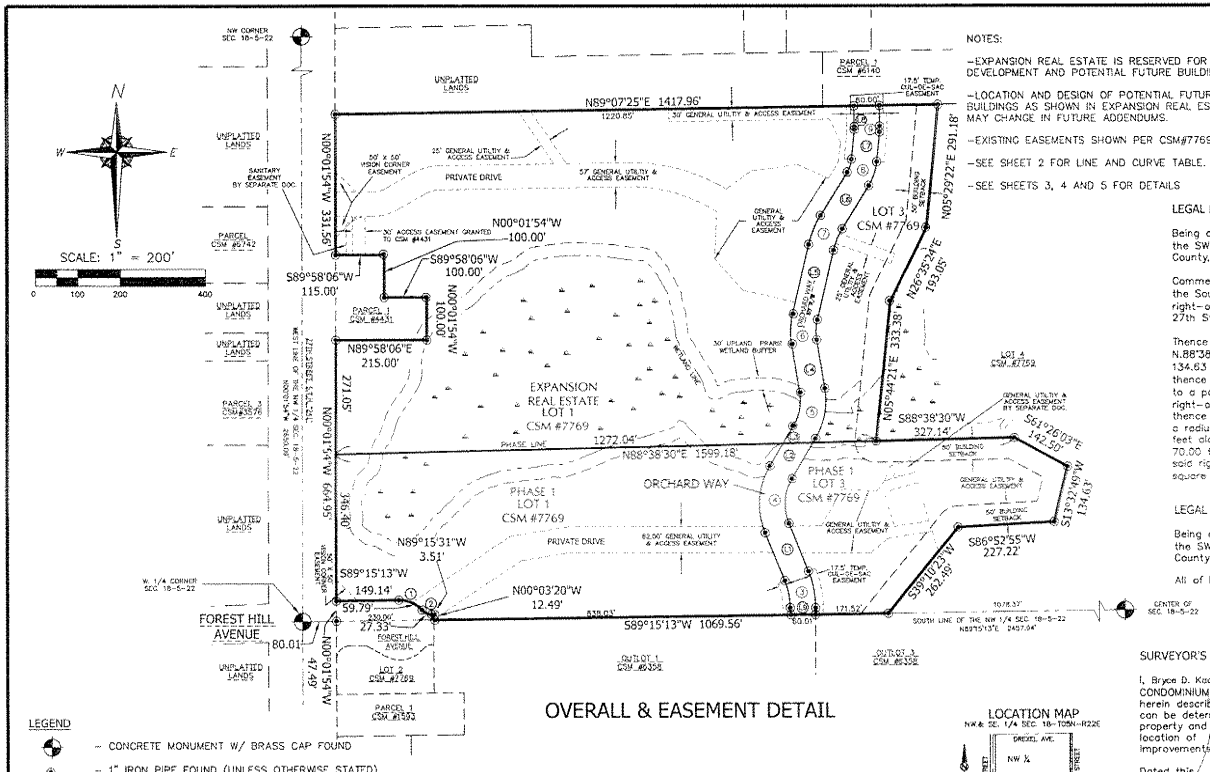
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

SURVEYOR:
BRYCE D. KACZOR, RLS S-2803
YAGGY COLBY ASSOCIATES
PO BOX 180500
DELAFIELD, WI 53018
(262) 646-6855

SURVEY FOR:
COLONIAL WOODS LIMITED PARTNERSHIP
309 N. WATER STREET, SUITE 160
MILWAUKEE, WI 53202
414-298-9100

NOTES:

- EXPANSION REAL ESTATE IS RESERVED FOR FUTURE DEVELOPMENT AND POTENTIAL FUTURE BUILDINGS.
- LOCATION AND DESIGN OF POTENTIAL FUTURE BUILDINGS AS SHOWN IN EXPANSION REAL ESTATE MAY CHANGE IN FUTURE ADDENDUMS.
- EXISTING EASEMENTS SHOWN PER CSM#7769
- SEE SHEET 2 FOR LINE AND CURVE TABLE.
- SEE SHEETS 3, 4 AND 5 FOR DETAILS



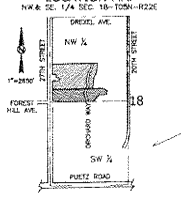
OVERALL & EASEMENT DETAIL

LEGEND

- CONCRETE MONUMENT W/ BRASS CAP FOUND
- 1" IRON PIPE FOUND (UNLESS OTHERWISE STATED)
- WETLANDS (DELINEATED BY JD KNOWLES APRIL 2005)
- LINE TABLE NUMBER
- CURVE TABLE NUMBER
- DENOTES LIMITED COMMON ELEMENT (L.C.E.)

The limited common elements consist of the outside deck, patio or porches, if any, immediately adjacent and appurtenant to each unit to which it has access by a door from the unit and the driveway immediately adjacent and appurtenant to the garage door to each unit.

LOCATION MAP
NW & SE. 1/4 SEC. 18-T05N-R22E



LEGAL DESCRIPTION PHASE 1:

Being a part of Lot 1 and a part of Lot 3 of CSM #7769, located in the SE 1/4 and the SW 1/4 of the NW 1/4 of Section 18, T.5N., R.22E., City of Oak Creek, Milwaukee County, Wisconsin, more fully described as follows:

Commencing at the West 1/4 corner of said Section 18; thence N.89°15'13"E., along the South line of the NW 1/4 of said Section, 80.01 feet to the Easterly 80 foot right-of-way of 27th Street; thence N.00°01'54"W., along said easterly right-of way of 27th Street, 47.49 feet to the point of beginning of the hereinafter described lands;

Thence N.00°01'54"W., along said easterly said right-of way, 346.40 feet; thence N.88°38'30"E., 1599.18 feet; thence S.61°26'03"E., 142.50 feet; thence S.13°32'49"W, 134.63 feet; thence S.86°52'55"W., 227.22 feet; thence S.39°10'23"W., 262.49 feet; thence S.89°15'13"W., along the South line of the NW 1/4 of Section 18, 1069.56 feet to a point on the right-of-way of Forest Hill Avenue; thence N.00°03'20"W., along said right-of-way, 12.49 feet;thence N.89°15'31"W., along said right-of-way, 3.51 feet; thence 27.33 feet along said right-of-way and the arc of a curve to the right having a radius of 32.00 feet whose chord bears N.66°16'36.5"W., 26.51 feet; thence 59.79 feet along said right-of-way and the arc of a curve to the left having a radius of 70.00 feet whose chord bears N.66°16'36.5"W., 57.99 feet; thence S.89°15'13"W., along said right-of-way, 149.14 feet to the point of beginning. Said lands contain 608,641 square feet (13.97 acres).

LEGAL DESCRIPTION EXPANSION REAL ESTATE:

Being a part of Lot 1 and a part of Lot 3 of CSM #7769, located in the SE 1/4 and the SW 1/4 of the NW 1/4 of Section 18, T.5N., R.22E., City of Oak Creek, Milwaukee County, Wisconsin, more fully described as follows:

All of Lot 1 and Lot 3 of CSM #7769 excepting phase 1.

SURVEYOR'S CERTIFICATE:

I, Bryce D. Kaczor, do hereby certify that the Condominium Plat of COLONIAL WOODS CONDOMINIUM, consisting of ten (10) sheets, is a correct representation of the condominium herein described and the identification and location of each unit and the common elements can be determined from the plat. I further certify that I have surveyed the above described property and that the above map is a true representation thereof and shows the size and location of the property, its exterior boundaries, and the location of all visible improvements.

Dated this 22nd day of August 2002

Bryce D. Kaczor, R.L.S. # S-2803

WISCONSIN BRYCE D. KACZOR 2803 WAUKESHA WI LAND SURVEYOR

PROJECT# 14523

THIS INSTRUMENT DRAFTED BY PETER TUFTEE

SHEET 1 OF 10

12/26/2007 14:17 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 046/077

CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

CURVE TABLE

CURVE	LOT	RADIUS	DELTA	ARC DIST	CHORD DIST	CHORD BEARING	TAN. BEARING 1	TAN. BEARING 2
1	-	70.00'	48°56'21"	59.79'	57.99'	N66°16'36.5"W	N89°15'13"E	S41°48'26"E
2	-	32.00'	48°56'21"	27.33'	26.51'	N66°16'36.5"W	S41°48'26"E	N89°15'13"E
3	3	230.00'	22°03'05"	88.52'	87.97'	N10°56'11.5"W	N00°05'21"E	N21°57'44"W
3	1	170.00'	22°03'05"	65.43'	65.02'	N10°56'11.5"W	N00°05'21"E	N21°57'44"W
4	3	120.00'	52°11'20"	109.30'	105.56'	N04°07'56"E	N21°57'44"W	N30°13'36"E
4	1	180.00'	52°11'20"	163.95'	158.35'	N04°07'56"E	N21°57'44"W	N30°13'36"E
5	3	180.00'	39°34'46"	124.34'	121.88'	N10°26'13"E	N30°13'36"E	N09°21'10"W
5	1	120.00'	39°34'46"	82.90'	81.26'	N10°26'13"E	N30°13'36"E	N09°21'10"W
6	3	120.00'	22°33'18"	47.24'	46.93'	N01°55'29"W	N09°21'10"W	N13°12'08"E
6	1	180.00'	22°33'18"	70.86'	70.40'	N01°55'29"W	N09°21'10"W	N13°12'08"E
7	3	170.00'	18°23'34"	54.57'	54.34'	N22°23'55"E	N13°12'08"E	N31°35'42"E
7	1	230.00'	18°23'34"	73.83'	73.52'	N22°23'55"E	N13°12'08"E	N31°35'42"E
8	3	130.00'	26°06'20"	59.23'	58.72'	N18°32'32"E	N31°35'42"E	N05°29'22"E
8	1	70.00'	26°06'20"	31.89'	31.62'	N18°32'32"E	N31°35'42"E	N05°29'22"E
9	3	130.00'	06°21'57"	14.44'	14.44'	N02°18'23.5"E	N05°29'22"E	N00°52'35"W
9	1	70.00'	06°21'57"	7.78'	7.77'	N02°18'23.5"E	N05°29'22"E	N00°52'35"W

LINE TABLE

LINE	LOT	BEARING	DISTANCE
L1	1	N21°57'44"W	122.56'
L1	3	N21°57'44"W	122.56'
L2	1	N30°13'36"E	61.10'
L2	3	N30°13'36"E	97.99'
L3	1	N30°13'36"E	48.69'
L3	3	N30°13'36"E	11.80'
L4	1	N09°21'10"W	115.95'
L4	3	N09°21'10"W	115.95'
L5	1	N13°12'08"E	167.58'
L5	3	N13°12'08"E	167.58'
L6	1	N31°35'42"E	119.60'
L6	3	N31°35'42"E	119.60'
L7	1	N05°29'22"E	70.58'
L7	3	N05°29'22"E	70.58'
L8	1	N00°52'35"W	48.59'
L8	3	N00°52'35"W	48.59'
L9	1	S00°05'21"W	16.70'
L9	3	S00°05'21"W	15.82'

WISCONSIN
BRYCE D. KAOZOR
S-2801
WAUKESHA, WI
LAND SURVEYOR

8-22-07

PROJECT# 14523

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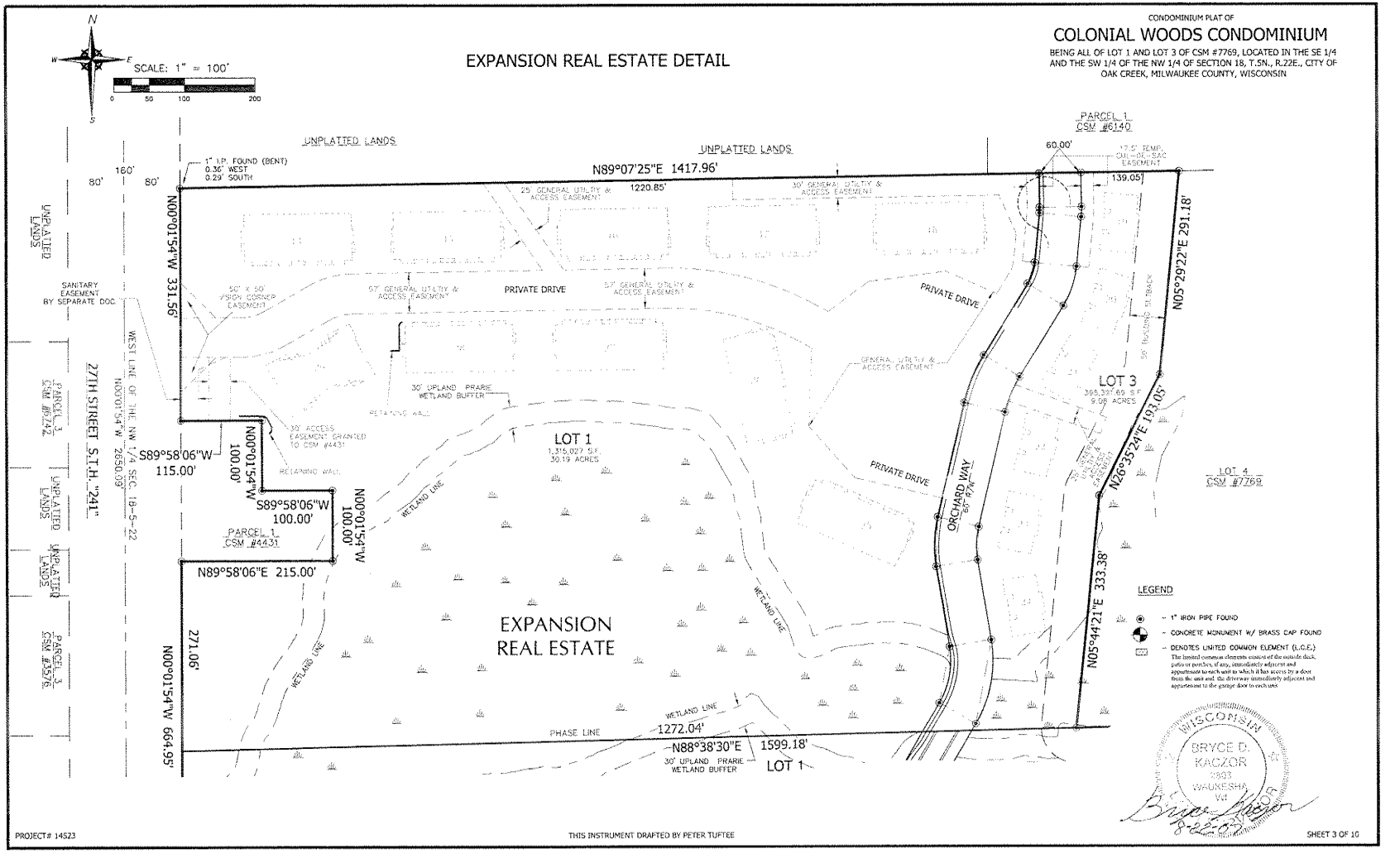
12/26/2007 14:17 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 047/077

CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

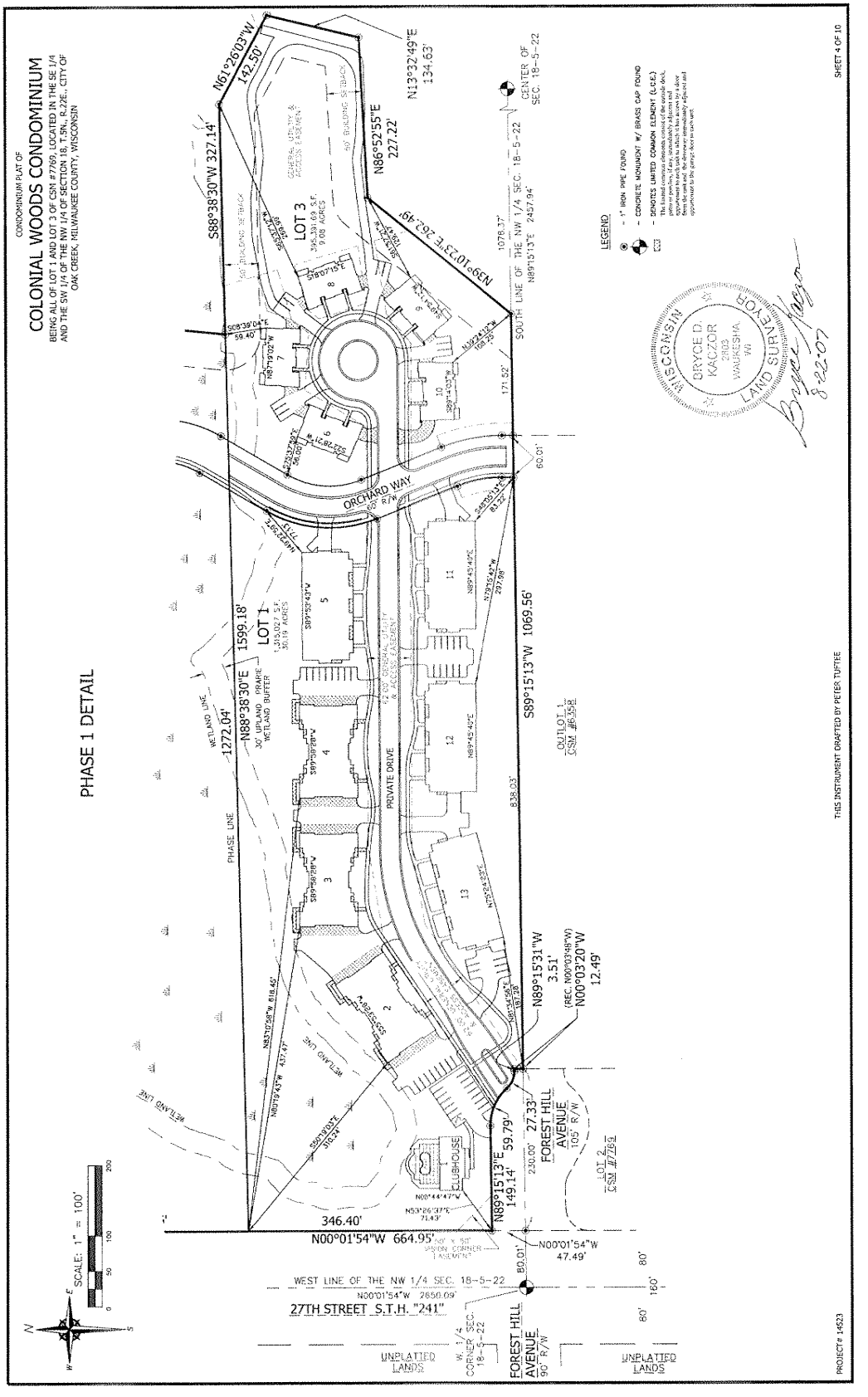
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

EXPANSION REAL ESTATE DETAIL



PROJECT# 14523

THIS INSTRUMENT DRAFTED BY PETER TUFTEE


CONDOMINIUM PLAT OF
COLONIAL WOODS CONDOMINIUM
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN
PHASE 1 DETAIL
LOT 3
395,391 69 S.F.
9.08 ACRES
LOT 1
1,315,027 S.F.
30.19 ACRES
ORCHARD WAY
60' R/W
PRIVATE DRIVE
PHASE LINE
WETLAND LINE
30' UPLAND PRAIRIE WETLAND BUFFER
CLUBHOUSE
OUTLOT 1 CSM #6358
LOT 2 CSM #7769
FOREST HILL AVENUE
105' R/W
FOREST HILL AVENUE
90' R/W
27TH STREET S.T.H. "241"
WEST LINE OF THE NW 1/4 SEC. 18-5-22
SOUTH LINE OF THE NW 1/4 SEC. 18-5-22
CENTER OF SEC. 18-5-22
W. 1/4 CORNER SEC. 18-5-22
UNPLATTED LANDS
UNPLATTED LANDS
N61°26'03"W 142.50'
S88°38'30"W 327.14'
N13°32'49"E 134.63'
N86°52'55"E 227.22'
N39°10'23"E 262.49'
S89°15'13"W 1069.56'
N89°38'30"E 1599.18'
1272.04'
N89°15'31"W 3.51'
(REC. N00°03'48"W)
N00°03'20"W 12.49'
N89°15'13"E 59.79'
149.14'
346.40'
N00°01'54"W 664.95'
N00°01'54"W 47.49'
80.01'
1078.37'
171.52'
838.03'
230.00'
27.33'
60.01'
80'
160'
80'
SCALE: 1" = 100'
LEGEND
- 1" IRON PIPE FOUND
- CONCRETE MONUMENT W/ BRASS CAP FOUND
- DENOTES LIMITED COMMON ELEMENT (L.C.E.)
The limited common elements consist of the private deck, patio or porches, if any, immediately adjacent and appurtenant to each unit as shown on the floor plans and as may from time to time be constructed immediately adjacent and appurtenant to the garage door in each unit.
BRYCE D. KACZOR 2103 WAUKESHA, WI
WISCONSIN
LAND SURVEYOR
8-22-07
THIS INSTRUMENT DRAFTED BY PETER TUFTEE
PROJECT # 14623
SHEET 4 OF 10

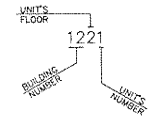
12/26/2007 14:17 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 049/077

CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

UNIT LEGEND



UNIT DETAIL
NOT TO SCALE

WISCONSIN
BRYCE D. KACZOR
S-2011
WAUKESHA, WI
LAND SURVEYOR

8-22-07

PROJECT# 14523

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SHEET 5 OF 10

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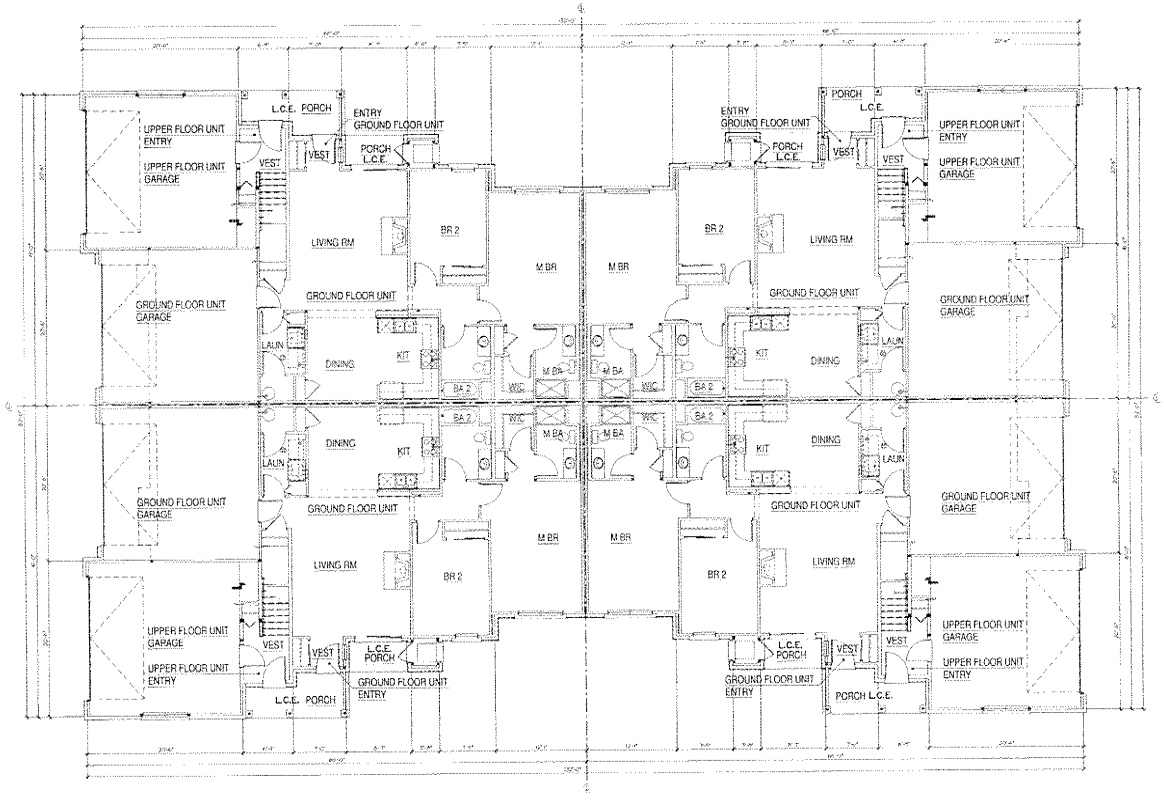
CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

GROUND FLOOR ASSEMBLY PLAN
BUILDINGS 2, 3 & 4

NOTE:
-NOT TO SCALE
-FLOOR PLANS BY OTHERS
-L.C.E.(LIMITED COMMON ELEMENT)
-THE LIMITED COMMON ELEMENTS CONSIST OF THE OUTSIDE DECK, PATIO OR PORCHES, IF ANY, IMMEDIATELY ADJACENT AND APPURTENANT TO EACH UNIT TO WHICH IT HAS ACCESS BY A DOOR FROM THE UNIT.
-FLOORPLANS CAN BE INTERCHANGED AND NEW AND/OR REVISED FLOOR PLANS MAY BE ADDED BY FUTURE AMENDED CONDOMINIUM PLAT



GROUND FLOOR ASSEMBLY PLAN

PROJECT# 14523

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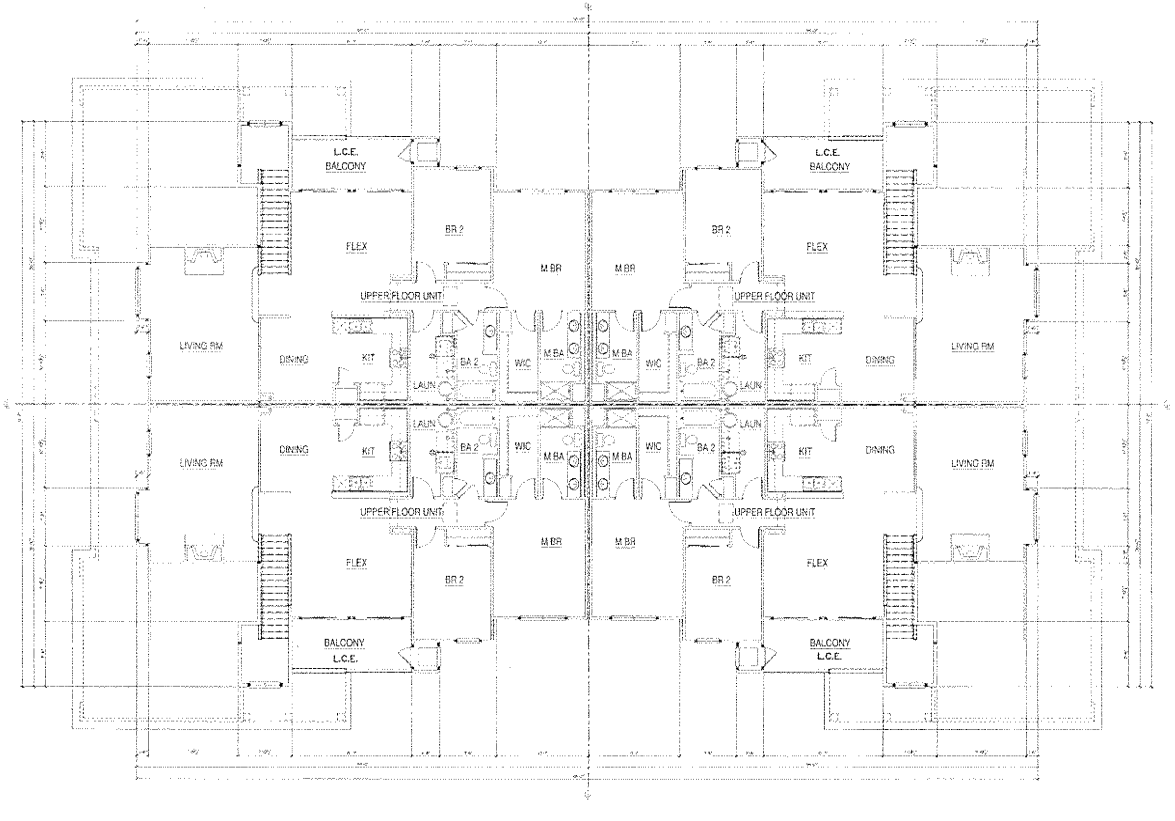
SHEET 6 OF 10

12/26/2007 14:18 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 051/077

CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

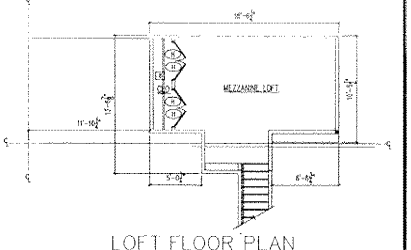
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN



UPPER FLOOR ASSEMBLY PLAN

UPPER FLOOR ASSEMBLY PLAN
& LOFT FLOOR PLAN
BUILDINGS 2, 3 & 4

NOTE:
- NOT TO SCALE
- FLOOR PLANS BY OTHERS
- L.C.E.(LIMITED COMMON ELEMENT)
- THE LIMITED COMMON ELEMENTS CONSIST OF THE OUTSIDE DECK, PATIO OR PORCHES, IF ANY, IMMEDIATELY ADJACENT AND APPURTENANT TO EACH UNIT TO WHICH IT HAS ACCESS BY A DOOR FROM THE UNIT.
- FLOORPLANS CAN BE INTERCHANGED AND NEW AND/OR REVISED FLOOR PLANS MAY BE ADDED BY FUTURE AMENDED CONDOMINIUM PLAT



LOFT FLOOR PLAN

PROJECT# 14523

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12/26/2007 14:18 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 052/077

CONDOMINIUM PLAT OF

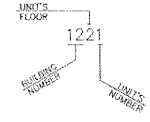
COLONIAL WOODS CONDOMINIUM

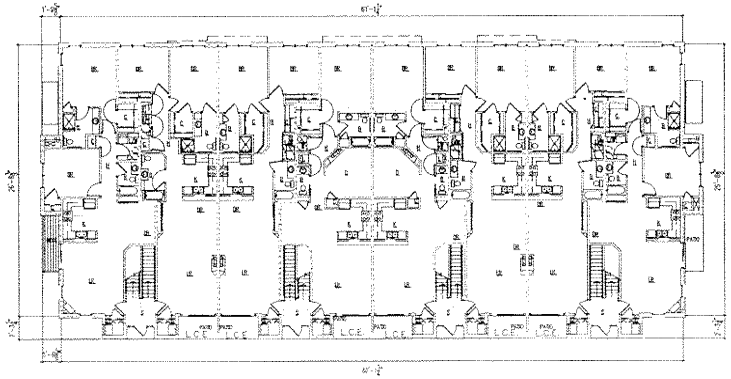
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

GARAGE LEVEL PLAN
FIRST FLOOR PLAN
SECOND FLOOR PLAN
THIRD FLOOR LOFT PLAN
BUILDINGS 5, 11,12 & 13

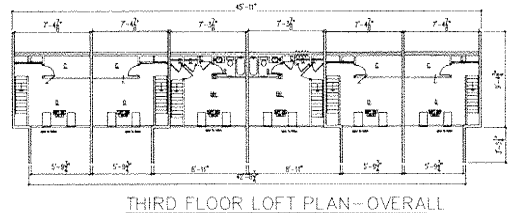
NOTE:
-NOT TO SCALE
-FLOOR PLANS BY OTHERS
-L.C.E.(LIMITED COMMON ELEMENT)
-THE LIMITED COMMON ELEMENTS CONSIST OF THE OUTSIDE DECK, PATIO OR PORCHES, IF ANY, IMMEDIATELY ADJACENT AND APPURTENANT TO EACH UNIT TO WHICH IT HAS ACCESS BY A DOOR FROM THE UNIT.
-COMMON ELEMENTS CONSIST OF THE STAIRWAYS.
-FLOORPLANS CAN BE INTERCHANGED AND NEW AND/OR REVISED FLOOR PLANS MAY BE ADDED BY FUTURE AMENDED CONDOMINIUM PLAT

UNIT LEGEND

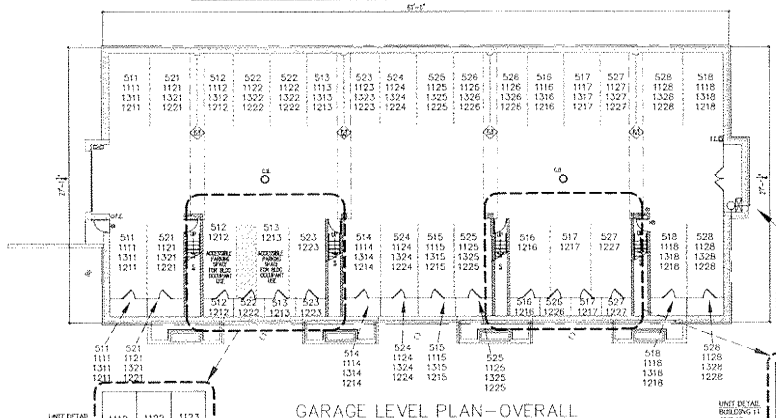




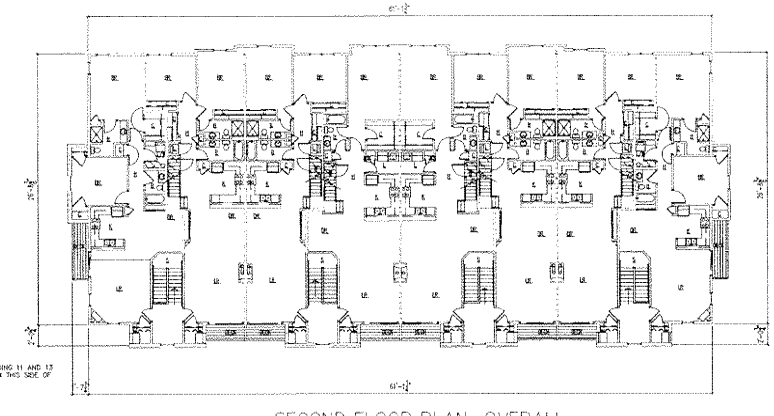
FIRST FLOOR PLAN–OVERALL



THIRD FLOOR LOFT PLAN–OVERALL



GARAGE LEVEL PLAN–OVERALL



SECOND FLOOR PLAN–OVERALL

PROJECT# 14523

THIS INSTRUMENT DRAFTED BY PETER TUFTEE

SHEET 8 OF 10

12/26/2007 14:18 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 053/077

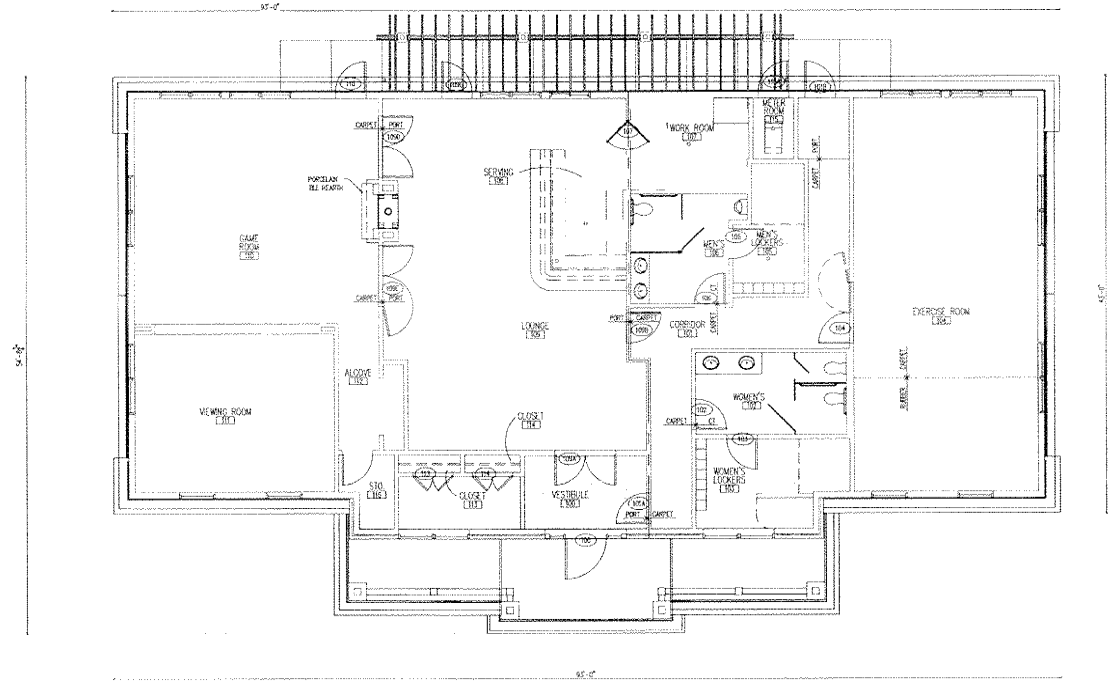
CONDOMINIUM PLAT OF

COLONIAL WOODS CONDOMINIUM

BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

FIRST FLOOR PLAN
BUILDING 1 CLUBHOUSE

NOTE:
-NOT TO SCALE
-FLOOR PLANS BY OTHERS
-L.C.E.(LIMITED COMMON ELEMENT)
-THE LIMITED COMMON ELEMENTS CONSIST OF THE OUTSIDE DECK, PATIO OR PORCHES, IF ANY, IMMEDIATELY ADJACENT AND APPURTENANT TO EACH UNIT TO WHICH IT HAS ACCESS BY A DOOR FROM THE UNIT.
-FLOORPLANS CAN BE INTERCHANGED AND NEW AND/OR REVISED FLOOR PLANS MAY BE ADDED BY FUTURE AMENDED CONDOMINIUM PLAT



FIRST FLOOR PLAN
CLUB HOUSE

PROJECT# 14523

THIS INSTRUMENT DRAFTED BY PETER TUFTEE

12/26/2007 14:18 FTP HEARTLAND DEVLOPMENT GR → HDGLTD FTP 054/077

CONDOMINIUM PLAT OF

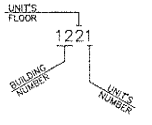
COLONIAL WOODS CONDOMINIUM

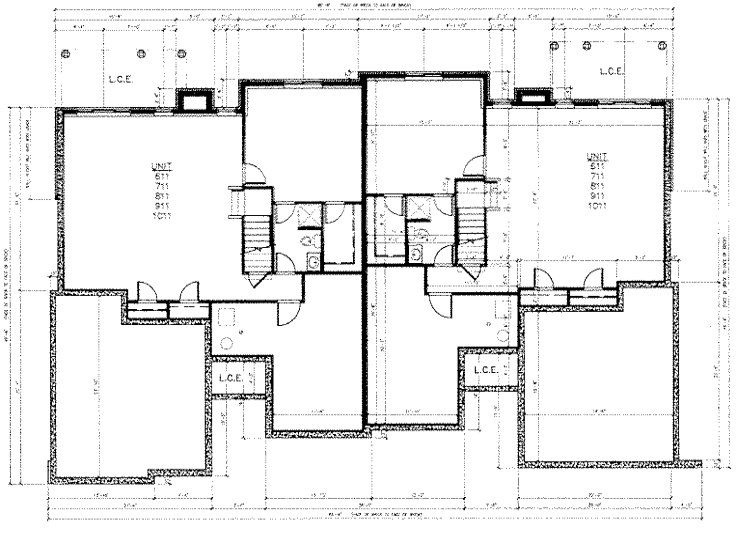
BEING ALL OF LOT 1 AND LOT 3 OF CSM #7769, LOCATED IN THE SE 1/4 AND THE SW 1/4 OF THE NW 1/4 OF SECTION 18, T.5N., R.22E., CITY OF OAK CREEK, MILWAUKEE COUNTY, WISCONSIN

LOWER LEVEL PLAN
MAIN LEVEL PLAN
BUILDINGS 6, 7, 8, 9 & 10

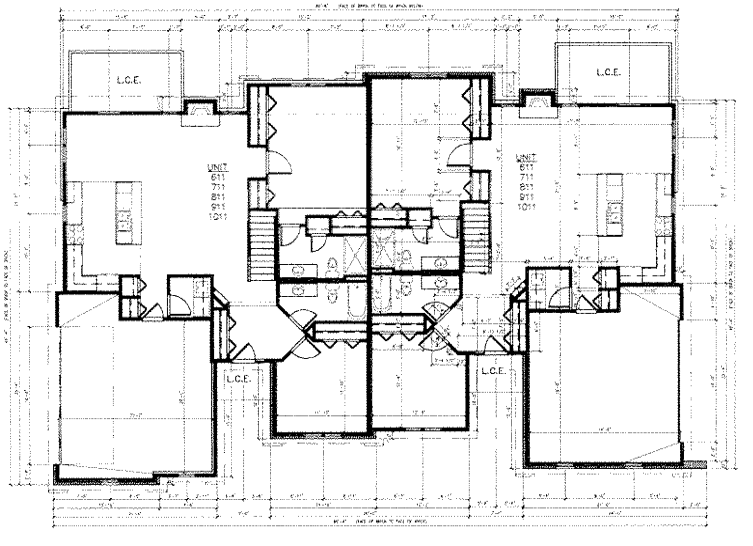
NOTE:
-NOT TO SCALE
-FLOOR PLANS BY OTHERS
-L.C.E.(LIMITED COMMON ELEMENT)
-THE LIMITED COMMON ELEMENTS CONSIST OF THE OUTSIDE DECK, PATIO OR PORCHES, IF ANY, IMMEDIATELY ADJACENT AND APPURTENANT TO EACH UNIT TO WHICH IT HAS ACCESS BY A DOOR FROM THE UNIT.
-FLOORPLANS CAN BE INTERCHANGED AND NEW AND/OR REVISED FLOOR PLANS MAY BE ADDED BY FUTURE AMENDED CONDOMINIUM PLAT

UNIT LEGEND





LOWER LEVEL PLAN



MAIN LEVEL PLAN

PROJECT# 14523

THIS INSTRUMENT DRAFTED BY PETER TUFTEE

SHEET 10 OF 10

Tab III – Interests

Exhibit C

INTERESTS

Unit	Interest
211	0.010204
212	0.010204
213	0.010204
214	0.010204
221	0.010204
222	0.010204
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224	0.010204
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324	0.010204
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712	0.010204
811	0.010204
812	0.010204

911	0.010204
912	0.010204
1011	0.010204
1012	0.010204
1111	0.010204
1112	0.010204
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1324	0.010204
1325	0.010204
1326	0.010204
1327	0.010204
1328	0.010204

Tab IV – Final Punchlist Agreement

Exhibit D

FINAL PUNCH LIST AGREEMENT

This Agreement, dated as of _____, is made between COLONIAL WOODS, LP, a Wisconsin limited partnership ("Developer"), and COLONIAL WOODS HOMEOWNERS ASSOCIATION, INC. a Wisconsin non-stock, non-profit corporation ("Association").

RECITALS

A. Association is an association of the owners of the units in Colonial Woods Condominiums (the "Condominium") in Milwaukee County, Wisconsin.

B. Developer developed the Property and constructed the improvements to the Property. Developer has corrected numerous construction defects and warranty items described on numerous lists delivered by Association and its members to Developer.

C. Association desires to have Developer perform additional work at the Property. Developer desires to correct the attached 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 the 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 as Exhibit A 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 within ninety (90) days of execution of this document; provided, however, if the Final Punch List Work is delayed due to conditions outside the 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 property and construction of improvements of the Property. Association shall indemnify Developer from all damages, including costs of defense, if Association or any of its members make a

claim against Developer based on anything other that 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 tenth 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 tenth business day, Association shall be deemed to have accepted the Final Punch List Work and Developer shall no further obligations to Association.

(c.) If Association properly and timely disputed any of the Final Punch List Work, Developer shall have thirty (30) 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 by arbitration. Association may only bring an action for arbitration of any disputed Final Punch List Work. The arbitration shall be chosen by agreement of the parties if they are able to do so. Any party may, no sooner than ten business days after the date of demand for arbitration, petition the Milwaukee County Circuit Court for the appointment of an arbitrator pursuant to Wisconsin Statutes Section 788.04(1). 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 five 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.

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.

COLONIAL WOODS, LP

By: _____
Michael J. Petersen
Member

Must be signed by two officers

COLONIAL WOODS HOMEOWNERS ASSOCIATION, INC.

By: _____
Name:_____
Title:_____

By: _____
Name:_____
Title:_____

By: _____
Name:_____
Title:_____

Exhibit E

DEPT OF FINANCIAL INSTITUTIONS STATE OF WISCONSIN
2006 OCT -5 AM 9:12

ARTICLES OF INCORPORATION
OF
COLONIAL WOODS HOMEOWNERS ASSOCIATION, INC.
(a non-stock corporation)

STATE OF WISCONSIN
FILED
OCT 12 2006
DEPARTMENT OF
FINANCIAL INSTITUTIONS

ARTICLE 1.
Name

The name of the corporation shall be Colonial Woods Homeowners Association, Inc.

ARTICLE 2.
Organization

This corporation is organized under the Wisconsin Corporation Law, Chapter 181 of the Wisconsin Statutes.

ARTICLE 3.
Registered Agent

The registered agent of the corporation is Robert A. Patch.

ARTICLE 4.
Registered Office

The registered office of the corporation is 309 North Water Street, Suite 160, Milwaukee, Wisconsin 53202.

ARTICLE 5.
Initial Principal Office

The mailing address of the initial principal office is 309 North Water Street, Suite 160, Milwaukee, Wisconsin 53202.

ARTICLE 6.
Members

The corporation will have members.

WI - DFI CORP
FILE ID/#

C0607013

ARTICLE 7.
Incorporator

The name and address of the Incorporator is:

Peter W. McCombs, Esq.
MURN & MARTIN, S.C.
W229 N1792 Amber Lane
Waukesha, WI 53186-1184

Executed this 4th day of October, 2005.

Peter W. McCombs, Incorporator

This instrument was drafted by Peter W. McCombs, Esq., MURN & MARTIN, S.C., W229-N1792 Amber Lane, Waukesha, Wisconsin, 53186-1184; Telephone: (262) 524-8500; Facsimile: (262) 524-9200.

BYLAWS
of
COLONIAL WOODS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
Name and Address

1.01 Name; Purpose. The name of the corporation shall be Colonial Woods Homeowners Association, Inc. (the "Association"). The Association is incorporated as a nonstock, nonprofit corporation under the provisions of the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes. The Association is formed to govern the administration of COLONIAL WOODS CONDOMINIUM, which is located in the City of Oak Creek, Milwaukee County, Wisconsin, as required by Section 703.10 of the Wisconsin Statutes, a provision of the Wisconsin Condominium Ownership Act (the "Act").

1.02 Office. The initial principal office of the Association shall be located at 309 North Water Street, Suite 430, Milwaukee, Wisconsin 53202. This office shall also be the mailing address of the Association. The office and mailing address may be changed by written notice from the Board to the members.

1.03 Capitalized Terms. Capitalized terms not defined in these Bylaws shall have the meanings given to them in the Declaration of Condominium for Colonial Woods Condominium executed by COLONIAL WOODS LIMITED PARTNERSHIP, a Wisconsin limited partnership ("Declarant") and recorded in the office of the Milwaukee County Register of Deeds (the "Declaration").

ARTICLE II
Membership and Board of Directors Generally

The Provisions in This Article II Are Copied From the Declaration
And May Not Be Amended Without Simultaneous Amendment of the Declaration

Each Unit Owner shall be a member of the Association automatically upon and simultaneously with the delivery of a deed of conveyance of fee title to the Unit from Declarant or any successor in interest. Subject to the rights of Unit Owners as set forth in the Declaration, the Association shall have exclusive responsibility to manage and control of the Common Elements and Improvements (including all equipment constituting a part of the Common Elements or Improvements). The Association shall act through the Board. The Board shall initially consist of three persons designated by Declarant until such time as the Unit Owners are entitled to elect directors as provided in Section 4.02. Provided that at all times the Association maintains at least three directors, the Association may increase or decrease the number of directors by affirmative vote of 66-2/3% of the Voting Members (as defined below).

ARTICLE III
Membership List

The Association shall maintain a current membership list listing all Unit Owners of each Unit, the current mailing address for each Unit Owner to which notice of meetings of the Association shall be sent, all Mortgagees of the Unit, if any, and, in the case of multiple owners of a Unit, the Unit Owner, if any, designated to cast any or all of the votes pertaining to such Unit in accordance with the Declaration. Each Unit Owner shall promptly provide written notice to the Association of any transfer of its Unit and of any change in such Unit Owner's name or current mailing address. No Unit Owner may vote at meetings of the Association until the name and current mailing address of such Unit Owner has been provided to and received by the Secretary. Any Unit Owner that mortgages its Unit or any interest in its Unit or enters into a land contract with respect to its Unit shall notify the Secretary of the name and mailing address of its Mortgagee and shall also notify the Secretary when such mortgage has been released or such land contract has been fulfilled, and the Secretary shall make appropriate changes to the membership list effective as of the date of the mortgage, release, land contract, or fulfillment, as the case may be.

ARTICLE IV
Unit Owners' Voting Rights and Meetings

The Provisions in This Article IV Are Copied From the Declaration
And May Not Be Amended Without Simultaneous Amendment of the Declaration

4.01 Voting Rights. Only one person with respect to each Unit and its Allocated Interest shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known as a "Voting Member." A Voting Member may be the Unit Owner or one member of the group owning a Unit and its Allocated Interest, or may be some person designated by such Unit Owner to act as proxy on his, her or their behalf. The Voting Member need not be a Unit Owner. The Unit Owner shall make such designation in writing to the Board. The designation shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of the Unit Owner, or by written notice to the Board by the Unit Owner. A proxy shall be valid only for the particular meeting designated on the proxy and must be filed with the Association before the scheduled time of the meeting. Any Unit Owner may be present at any meeting of the Voting Members. There shall be one vote per Unit with the total vote available being equal to the total number of Units in the Condominium. Declarant or his or her nominee may exercise voting rights with respect to any Unit that Declarant owns.

4.02 Meetings.

(a) Quorum: Procedure. The presence in person or by proxy of Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting. Any Voting Member may waive in writing notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Association without a meeting.

(b) Annual Meeting. The first meeting of the Unit Owners shall be held upon 15 days' prior written notice given by Declarant. The first meeting shall occur prior to the conveyance to Unit Owners other than Declarant of 25% of the interests in the Common Elements. At the first meeting, the Unit Owners other than Declarant shall elect at least one-fourth (but not less than one) of the members of the Board. Prior to conveyance to Unit Owners other than Declarant of 50% of the interests in Common Element, the Association shall hold a meeting at which the Unit Owners other than Declarant shall elect at least one-third of the members of the Board. Not later than 30 days after the expiration of Declarant control (as described below), the Association shall hold a meeting at which the Unit Owners shall elect directors and officers. The directors and officers shall take office after the election. Thereafter, the Association shall hold, on the Property, an Annual Meeting of the Voting Members at 2:00 p.m. on the third Saturday in May of each year, or at such other reasonable place or time (not more than 30 days before or after such date), as the Board may designate by written notice delivered to the Voting Members not less than 15 days prior to the date fixed for the meeting. Declarant control shall cease on the earlier of the seventh anniversary of the recording of the Declaration or the date 30 days after the conveyance of 75% of the Common Elements to Unit Owners other than Declarant. For purposes of this Section, the interests in Common Elements shall be calculated as if the Condominium has been fully expanded under Article V of the Declaration.

(c) Special Meetings. A majority of the Board or Voting members having one-third of the total votes may call a special meeting of the Voting Members at any time to consider matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose. The parties calling the meeting shall provide written notice to the Voting Members not less than 15 days prior to the date fixed for the meeting. The notice shall specify the date, time, and place of the meeting and the matters to be considered.

4.03 Notices of Meetings. Notices of meetings required to be given in these Bylaws may be delivered either personally or by mail to the persons entitled to vote, addressed to each such person at the address given by him/her to the Board for the purpose of service of such notice, or to the Unit of the Unit Owner with respect to which such voting right pertains if no address has been given to the Board.

ARTICLE V
Additional Voting Rights

5.01 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.

5.02 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.

5.03 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 VI
Board Election, Meetings and Powers

The Provisions in This Article VI Are Copied From the Declaration
And May Not Be Amended Without Simultaneous Amendment of the Declaration

6.01 Board; Election; Meetings.

(a) At each Annual Meeting of Unit Owners, the Voting Members shall, by a majority of the total votes present at such meeting, elect sufficient

Board members ("directors") for the forthcoming year to provide for a Board consisting of three directors, all of whom must be a Unit Owner; provided, however, that during the period of Declarant control, any person named by Declarant as a director shall be deemed to be a "Unit Owner" for purposes of this requirement only and provided further, that in the case of a Unit that is owned by an entity rather than an individual, any person who is an officer, member, partner, director, employee or designee of such entity shall be deemed to be a "Unit Owner" for purposes of this requirement only. Two directors shall constitute a quorum. Directors shall serve, without compensation, for a term of three years or until their successors are elected and qualify; provided, however, that the terms of at lease one-third of the directors shall expire annually. If a director ceases to qualify to serve as a director, as set forth in these Bylaws, such director shall immediately cease to be a director and his or her place on the Board shall be deemed vacant. Vacancies in the Board may be filled by unanimous vote of the remaining directors. Except as otherwise provided in the Declaration, the Property shall be managed by the Board, and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

(b) The Board shall elect, from among the directors, a President who shall preside over its meetings and those of the Association, a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the office of Secretary, including counting votes at any meeting, and a Treasurer to keep the financial records and books of account.

(c) Voting Members having at least two-thirds of the total votes may remove any director from office at any Special Meeting called for that purpose. The Voting Members may by majority vote elect a successor to fill the unexpired term of a Board member removed at the same meeting or any subsequent meeting called for that purpose.

(d) The Board shall hold an Annual Meeting immediately following the Annual Meeting of the Unit Owners at the same place as the Annual Meeting of the Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight hours' written notice to each director, delivered personally or by mail or telegram. Any director may in writing waive notice of consent to any action of the Board without a meeting.

(e) Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Unit Owners.

6.02 General Powers of the Board. Without limiting other general powers which Applicable Laws, these Bylaws and the Declaration provide, the Board shall have the following general powers and duties:

(a) To elect the officers of the Association as provided by these Bylaws;

(b) To administer the affairs of the Association and the Property;

(c) To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve (subject to the provisions of the Declaration and these Bylaws;

(d) To formulate policies for the administration, management and operation of the Property and the Common Elements;

(e) To purchase, take, receive, rent or otherwise acquire and hold any interest in real or personal property, including any Unit of the Condominium;

(f) To sell, convey, mortgage, encumber, lease, exchange, transfer or otherwise dispose of any interest in real or personal property, including any Unit of the Condominium;

(g) To borrow funds or incur indebtedness, provided that after Declarant control the Board may not incur any loan or obligation which would cause the total total loans and obligations outstanding to be in excess of $50,000 without the prior consent of the Unit Owners, by two-thirds of the votes cast or 51% of the Unit Owners, whichever is less, and the prior consent of Declarant if Declarant owns any Unit;

(h) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(i) To provide for the maintenance, repair and replacement of the Common Elements and payments therefore, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(j) To provide for the designation, hiring and removal of employees, and other personnel, including accountants and other independent contractors, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager, the managing agent and any employees or agents of the managing agent;

(k) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as provided below;

(l) To comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any Annual or Special Meeting of the Unit Owners; and

(m) To exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Act and all powers and duties of a Board referred to in the Declaration or these Bylaws.

6.03 Specified Powers of the Board. The Board, for the benefit of the Board, the Association and all Unit Owners, shall provide and pay for out of the maintenance fund described below, the following:

(a) Utility Service for Common Elements. Water, sewer, waste removal, electricity, gas and telephone, heat, power and other necessary utility service for the Common Elements (and, if not separately metered or charged, for the Units).

(b) Insurance. Casualty, liability, workmen's compensation and other insurance as described in Article XI of the Declaration.

(c) Wages and Fees for Services. The services of any person or firm employed by the Board, including, without limitation, the services of a person or firm to act as manager or as managing agent for the Property, the services or any person or persons required for maintenance or operation of the Property, and legal and/or accounting services necessary or proper in the operation of the Property or the enforcement of the Declaration and for the organization, operation and enforcement of the rights of the Association.

(d) Care of Common Elements. Landscaping, gardening, snow removal, painting, cleaning, tuck pointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units, which the Unit Owner shall paint, clean, decorate, maintain and repair, not including any portion of the Common Elements which are the responsibility of any Unit Owner) and such furnishings and equipment for the Common Elements as the Board determines are necessary and proper, and the Board shall have the exclusive right and duty to acquire or provide such services for the Common Elements.

(e) Additional Expenses. Any other materials, supplies furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Board is required to secure or pay for pursuant to the terms of the Declaration or by Applicable Law or which in the Board's opinion is necessary or proper for the maintenance and operation of the Property as a first class development or for the enforcement of the Declaration.

(f) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against all or any part of the Property which may, in the opinion of the Board, constitute a lien against the Property or

the Common Elements, rather than merely against the interest of a particular Unit Owner; however, the foregoing authority shall not limit any applicable statutory provisions. Where one or more Unit Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it, and the Board shall specially assess any costs incurred by the Board by reason of the lien to those Unit Owners.

(g) Certain Maintenance of Units. Maintenance and repair of any Unit as provided in the Declaration, and maintenance and repair of any Unit if such maintenance or repair is necessary in the discretion of the Board to protect the Common Elements, or any portion of the Building, provided the Unit Owner has failed or refused to perform the maintenance or repair within a reasonable time after the Board delivers written to the Unit Owner requiring the Unit Owner to perform the maintenance or repair. The Board shall levy a special Assessment against the Unit Owner for the cost of the maintenance or repair. The Board or its agents may enter any Unit when necessary in connection with any maintenance or construction for which the Board or Association is responsible. They may likewise enter any balcony or patio for maintenance, repairs, construction or painting, if not performed by the Unit Owner pursuant to Section 6.06 of the Declaration. They shall enter with as little inconvenience to the Unit Owners as practicable in their reasonable determination. If the Board or its agent causes any damage by such entry, the Board shall, at its option, either have such damaged repaired or reimburse the Unit Owner for such repair, in either instance at the expense of the maintenance fund unless the damage occurs as a result of the Unit Owner's violation of the provisions of the Declaration related to keys. If any emergency originates in, or threatens, any Unit, or if the Unit Owner's absence from the Unit at a time when required alterations or repairs are scheduled, the management agent or his or her representative or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not. The Board reserves the right to retain a pass key to each Unit, and no Unit Owner or anyone acting under authority of a Unit Owner shall place any locks or other devices on the doors to the Units to obstruct entry through the use of such pass key.

6.04 Capital Additions and Improvements. Notwithstanding any contrary provision of the Declaration, the Board shall have no authority to acquire or provide or pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Elements subject to all the provisions of the Declaration) having a total cost in excess of $5,000 in the aggregate, nor shall the Board authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of $5,000 in the aggregate, without in each case the prior approval of the Voting Members holding two-thirds of the total votes.

6.05 Certain Utility Services to Units. The Board may pay from the maintenance fund for water and sewer taxes, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Unit Owners. However, the Board may discontinue such payments at any time, in which case each

Unit Owner shall be responsible for direct payment of his or her share of such expenses as determined by the Board. The Board reserves the right to levy additional Assessments against any Unit Owner to reimburse it for excessive use by such Unit Owner of any utility service, the expense of which is charged to the maintenance fund.

6.06 Vouchers. The Board shall cause vouchers for payment of expenditures to be signed by one or more officers or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. If no such resolution exists, the Treasurer shall sign and the President shall countersign such vouchers.

6.07 Rules and Regulations.

(a) The Board. The Board may adopt such reasonable rules and regulations as it deems advisable from time to time for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Unit Owners and occupants, and the Property shall at all times be maintained subject to such rules and regulations. The rules and regulations shall apply equally to all Unit Owners and their tenants and guests. The rules and regulations shall be consistent with the Declaration and these Bylaws. As provided in the Act, rules and regulations may provide for charges, fines and Assessments for violation of the Declaration, these Bylaws, the rules and regulations or the Act. The Association shall provide notice in the manner described in the Act at the time it assesses any such charge, fine or Assessment.

(b) Management. Notwithstanding any contrary provision of the Declaration, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

6.08 Not for Profit. Notwithstanding any contrary provision of these Bylaws, the Board shall have no authority to conduct an active business for profit on behalf of all or any of the Unit Owners.

ARTICLE VII
Participation of Directors by Means Other than in Person

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.

ARTICLE VIII
Budget Assessments-Maintenance Fund

The provisions in this Article VIII are copied from the Declaration and may not be amended without simultaneous amendment of the Declaration

8.01 Preparation of Estimated Budget. Each year on or about December 1, or as soon after such date as reasonably practical, the Board shall estimate the total amount necessary to pay for the following calendar year all costs of wages, payroll taxes, materials, insurance, services, management fees, supplies, maintenance, repair, landscaping, fuel, power and other common utilities and Common Expenses, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. As used in these Bylaws, the estimate is known as the "Annual Budget." The Board shall, on or about December 15, or as soon thereafter as reasonably practical, notify each Unit Owner of constructed Units 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 pro rata to the Unit Owners owning constructed and completed Units. On or before the date of the Annual Meeting of each calendar year, 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. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's payment obligations to the next monthly installments due from Unit Owners under the current year's estimate, 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 these Bylaws.

8.02 Reserves for Contingencies and Replacements. The Board shall build up and maintain a reasonable reserve for contingencies and replacements; however, no "Statutory Reserve Account," as defined in Chapter 703 of the Wisconsin Statutes, shall be maintained. The Board shall first change against such reserve all extraordinary expenditures not originally included in the annual estimate which may become necessary during the year. If the Annual Budget proves inadequate for any reason, including because one or more Unit Owners fail to pay their Assessments, the Board may, at any time, levy a further Assessment, which shall be assessed to the Unit Owners in the same proportion as other general Assessments. The Board shall serve notice of such further Assessment on the Unit Owners as provided in these Bylaws and such further Assessment shall become effective as provided in these Bylaws. All such Unit Owners shall be obligated to pay the adjusted amount. At the time each constructed Unit is first occupied, the Unit Owner, other than Declarant, shall pay (in addition to the first monthly Assessment) to the manager or managing agent or as otherwise directed by the Board, an amount equal to not less than two months' general Assessments (the "Initial Assessment Contribution"). The Initial Assessment

Contribution shall be used and applied as an operating reserve for Common Expenses in the manner provided in the Declaration.

8.03 Budget for First Year. When the first Board elected under these Bylaws 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. Assessments shall be levied against all Unit Owners other than Declarant except that, as provided in Wisconsin Statutes Section 703.16(2)(b), the total amount assessed against sold Units may not exceed the amount that equals sold Units' budgeted share of Common Expenses as anticipated in the Annual Budget, and Declarant shall be liable for the balance of the actual Common Expenses.

8.04 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 the maintenance costs and necessary reserves, as provided in the Declaration, whenever they are determined. In the absence of the Annual Budget or any adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due 10 or more days after the Annual Budget or adjusted estimate is mailed or delivered. The Unit Owner shall pay the monthly maintenance payment as provided in these Bylaws.

8.05 Books and Records. The Board shall keep 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 or a representative of a Unit Owner duly authorized in writing 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, 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.

8.06 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 these Bylaws.

8.07 Payment of Assessments. The Unit Owners shall pay annual general Assessments in 12 equal monthly installments, in advance, on the first day of each month. Special Assessments for expenses incurred by the Association for any reason stated in the Declaration shall be due on the 15th day after a Unit Owner receives a statement, or at such other time as may be established by the Board, and shall

immediately be a personal liability of the Unit Owner and also a lien, until paid, against the Unit to which charged. Except for Declarant with regard to the Initial Assessment Contribution as provided in Section 8.02, no Unit Owner of a constructed Unit may exempt himself or herself from liability for his or her Assessment by waiver of the use of enjoyment of any of the Common Elements and facilities or by abandonment of his or her Unit.

8.08 Remedies for Failure to Pay Assessments. If any Unit Owner defaults in the payment of any charge or Assessment imposed by the Board, the Board shall have the authority for and on behalf of itself and the Association and as the representative of all Unit Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, these Bylaws, the Declaration or otherwise available at law or in equity, for the collection of all such unpaid charges or Assessments.

8.09 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.

ARTICLE IX
Officers

9.01 Appointment and Terms. As described in Section 6.01(b), 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 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.

9.02 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) 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.

(c) 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.

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

9.04 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 X
Indemnification of Directors and Officers

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

ARTICLE XI
Amendments

These Bylaws may be amended by the affirmative vote of 66-2/3% of the Unit Owners. Any amendment made while Declarant owns any Unit shall require Declarant's consent. To the extent any amendment of these Bylaws would result in a conflict with any provision of the Declaration, such provision must be also amended pursuant to the amendment provisions of the Declaration. Any mortgage holder with a first priority mortgage encumbering any Unit or its insurer or guarantor shall, upon

written request to the Association, be entitled to advance written notice of any proposed amendment to these Bylaws.

ARTICLE XII
Rules of Construction

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

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

12.3 Conflicts. If there is any conflict between any provisions of these Bylaws and any provisions of the Rules, the provisions of these Bylaws shall control. If there is any conflict between any provisions of any of the Declaration and any provisions of these Bylaws, the provisions of the Declaration control. If there is any conflict between any provisions of any of these Bylaws or the Rules and any provisions of the Act, the provisions of the Act shall control.