DISCLOSURE MATERIALS

HARBOR VILLA CONDOMINIUM HOMES
Kenosha, Wisconsin

Seller:

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

2. THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

3. YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

INDEX

The disclosure materials the Seller is required by law to provide to each prospective condominium purchaser contains the following documents and exhibits:

1. Declaration. The Declaration establishes and describes the Condominium, the units and the common elements. The Declaration begins on page iv

2. By-Laws. The By-laws contain rules which govern the Condominium and affect the rights and responsibilities of unit owners. The By-Laws begin on page v

3. Articles of Incorporation. The operation of the Condominium is governed by the Association, of which each unit owner is a member. Powers, duties, and operation of the Association are specified in the Articles of Incorporation of the Association. The Articles of Incorporation begin on page ix

4. Annual Operating Budget. The Association incurs expenses for the operation of the Condominium which are assessed to the unit owners. The operating budget is an estimate of those charges which are in addition to mortgage and utility payments. The budget begins on page x

5. Floor Plans and Plat of Survey. The Seller has provided floor plans of the units being offered for sale and a plat of survey of the Condominium which shows the location of the unit you are considering and all facilities and common elements which are part of the Condominium. The floor plans and plat of survey begin on page xi

6. MANAGEMENT CONTRACT. There is currently a management contract in effect with respect to non-owner occupied units located in the condominium complex. A copy of this agreement appears at page xii

DECLARATION

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Pages 1-26 Recorded in the Office of the Register of Deeds for Kenosha County, Wisconsin on 9-1-77 in Vol. 997 of Records, Pages 595-620, as Document No. 622213

DECLARATION OF CONDOMINIUM

OF

HARBOR VILLA CONDOMINIUM HOMES

This Declaration is made under the Wisconsin Unit Ownership Act, Chapter 703, Wisconsin Statutes, by Kenosha Savings and Loan Association, a Wisconsin corporation, under the laws of the State of Wisconsin, hereafter referred to as Developer.

THEREFORE, Developer as the fee owner thereof, hereby declares that all of the property described in Exhibit A shall be held, sold and conveyed subject to Chapter 703 of the Wisconsin Statutes.

ARTICLE I

DESCRIPTION OF BUILDINGS AND UNITS

Section 1. There shall be 2 residential buildings containing a total of 21 units and facilities as follows:

(a) The units and Limited Common Area appurtenant thereto are described as follows:

Type A. A two-bedroom apartment consisting of a living room, dining room, kitchen, two bedrooms and two baths, all on one level, together with an enclosed patio on the front.

Type B. A two-bedroom apartment consisting of a living area, dining area, kitchen, two bedrooms and one and one-half baths, situated on two levels.

Type C. A three-bedroom apartment consisting of a living area, dining area, kitchen, three bedrooms and two and one-half baths, situated on two levels.

Type D. None.

Type E. A two-bedroom apartment consisting of a living room, dining room, kitchen, two bedrooms and two baths, all on one level, together with an

enclosed patio on the front and a patio area adjacent thereto on the rear which is enclosed by a railing.

Type F. A two-bedroom apartment consisting of a living room, dining room, kitchen, two bedrooms and two baths, all on one level, together with a patio area on the front which is enclosed by a railing, and a patio area adjacent thereto on the rear.

Type G. A two-bedroom apartment consisting of a living area, dining area, kitchen, two bedrooms and one and one-half baths, situated on two levels, together with a balcony with egress thereto from the living room.

Type H. A three-bedroom apartment consisting of a living area, dining area, kitchen, three bedrooms and two and one-half baths, situated on two levels, together with a balcony with egress thereto from the dining area.

Type J. A two-bedroom apartment consisting of a living room, dining room, kitchen, two bedrooms and two all on one level together with a patio on the front which is enclosed by a railing, a patio on the side which is enclosed by a railing and a patio area adjacent thereto on the rear.

(b) Each unit contains and includes a built-in stove and dishwasher, refrigerator, wash machine and clothes dryer.

(c) Building 1 has three stories and a basement and is constructed principally of concrete block and stucco and contains 2 Type A apartments, 5 Type B apartments, 1 Type C apartment, and 1 Type E apartment; there is a deck running from the front of the building along the southerly end thereof which is connected to a concrete patio area at the rear of the building; there are balconies on the rear of the building on the second and third floors which are connected to the stairtower leading to the ground which is designed for and to be used as a fire escape.

(d) Building 2 has three stories with a crawl space under the first floor, and is constructed principally of concrete block and stucco and contains 3 Type F apartments, 7 Type G apartments, 1 Type H apartment and 1 Type J apartment and a maintenance room on the first floor; there are balconies on the rear of the building on the second and third floors which are connected to the stairtower leading to the ground which is designed for and to be used as a fire escape.

(e) Each building and unit is specifically described by dimension and location on Exhibit B attached hereto and made a part of this Declaration. Building 1 has an underground parking area in the basement.

Section 2. INTERPRETATION OF PLANS. In interpreting the survey of floor plans or any deed or any other instrument affecting a building or unit, the boundaries of the buildings or unit constructed or reconstructed in substantial accordance with the survey and floor plans shall be conclusively presumed to be the actual boundaries rather than the description expressed in the survey or floor plans, regardless of settling or lateral movement of the buildings and regardless of minor variations between boundaries shown on the survey and floor plans and those of the buildings or unit as located and erected.

Section 3. UNITS. The boundaries of each unit are as follows:

(a) "Unit shall mean a part of the property subjected by this Declaration to the Wisconsin Unit Ownership Act, including one or more cubicles of air at one or more levels of space or one or more rooms or enclosed spaces located on one or more floors in a building.

(b) The upper boundary of a one level unit is the horizontal plane of the lower face of the joists supporting the ceiling. The lower boundary is the horizontal plane of the upper face of the concrete floor or joists supporting the floor as the case may be.

(c) The upper boundary of each two level unit is the horizontal plane of the lower face of the joists supporting the ceiling on the upper level. The lower boundary is the horizontal plane of the upper face of the joists supporting the floor.

(d) The side boundaries are the vertical planes, the elevation of which coincide with the face of the studs supporting the drywall. Each door and window shall constitute a part of the unit.

(e) The foregoing boundaries extended to their intersection constitute the unit together with all windows, window frames, doors, door jambs, including all glass in all windows and doors, together with an air conditioning compressor located on the roof of the building (Common Area), which bears the same identification as the unit to which it is appurtenant.

Section 4. COMMON AND LIMITED COMMON AREAS. Every area, structure and facility, which is not a unit is a Common Area. Common Areas which are identified on Exhibit B as Limited Common Areas are appurtenant to the unit designated on Exhibit B and are limited for the exclusive use of the Owner or Owners of such unit, subject to such rules and regulations as to manner of use and decoration of the Limited Common Areas as shall be established by the Association.

Section 5. PERCENTAGE INTEREST IN COMMON AREAS. The ownership of each of the Units includes a 1/21st undivided interest in the Common Area and the same shall be conveyed with each of the Units.

ARTICLE II

PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

Section 1. OWNERS EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Unit.

Section 2. OWNERS RIGHT TO INGRESS AND EGRESS AND SUPPORT. Each Owner shall have the right to ingress and egress over, upon and across the Common Area necessary for access to his Unit, and shall have the right to lateral support for his Unit and such rights shall be appurtenant to and pass with the title to each Unit.

Section 3. USE OF UNITS. Each Unit shall be used exclusively for residential purposes. Lease or rental of a Unit for residential purposes shall not be considered to be a violation of this covenant. Units may be rented or leased, but not for a term of less than one (1) month. No room in any Unit may be rented. No Unit may be subdivided. Notwithstanding anything herein contained

to the contrary, the Developer shall have the absolute right to use three units as and for a sales office and models, until such time as Developer shall in its sole discretion determine that such use of said units shall no longer be required for Developer's purposes.

Section 4. USE OF COMMON AREA. There shall be no obstruction of the Common Area, nor shall anything be kept or stored on any part of the Common Area in violation of the ordinances of the City of Kenosha (with respect to fire escapes) and without the prior written consent of the Association except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Area except upon the prior written consent of the Association. Developer shall have the absolute right to erect signs on the buildings to identify said sales office and models and place one or more signs in the common area designed to direct the general public and prospective purchasers from the public roads through the development to said sales office and models.

Section 5. OBSTRUCTIONS IN THE COMMON AREA; REMOVAL. In the event any Owners(s) shall obstruct any portion of the Common Area, the Board of Directors or its agent shall have the absolute right to remove said obstruction after providing written notice to the effect that the Owner(s) causing, creating or permitting such obstruction to exist, shall have Ten (10) days to remove same. If said obstruction is not removed by said Owner(s), the Board of Directors, or its agent, shall remove same and assess the cost of removal and/or restoration of the Common Areas against the units belonging to the Owner(s) who caused, created or permitted such obstruction to exist. Such assessment shall become a lien in favor of the Association in the same manner as regular monthly assessments.

Section 6. PARKING RIGHTS. Every Owner shall be entitled to the exclusive right and use of one indoor parking space in Building 1 and one outdoor parking space, each of which shall be assigned by the Association. Owners shall have the right to rent additional parking spaces to the extent of those available on a first come first serve basis, upon terms determined by the Association and the rent received therefor shall be used by the Association for its operations in connection with the condominium project. No owner shall utilize any outdoor parking space for the storage of a boat and/or trailer, but such outdoor parking space shall be exclusively used for the parking of motor vehicles.

Section 7. RIPARIAN RIGHTS OF OWNERS; RENTAL AND USE OF DOCKS. The Association shall [illegible] maintain eight (8) floating docks which will provide sixteen (16) boat slips for the use and benefit of owners and the general public as hereinafter provided. The Association shall rent a boat slip(s) to each owner on an annual basis upon terms determined by the Association and the rent received therefor shall be used by the Association for its operations in connection with the condominium project. Each owner desiring to rent a boat slip(s) from the Association shall make a request therefor, in writing each year, in the month of December. The Association shall give preference to owners of units based on the date of receipt of the request. The Association shall not rent more than one boat slip to any owner on a preferential basis but the rental of a second boat slip shall be considered as a rental to the general public as hereinafter provided. If the number of requests for the rental of boat slips by owners does not exceed the number available, the Association may, after January 1 in any calendar year, rent such boat slips to members of the general public upon terms and conditions established by the Association. Each boat slip rental agreement shall expire in the fall of each calendar year when, in the sole discretion of the Association, the docks must be removed from the water in preparation for winter.

Section 8. EASEMENTS FOR DECORATION. Each unit Owner has an easement over and into the interior surfaces of the Common Area abutting his unit for the purpose of decoration, provided that this easement shall not be construed so as to allow the Owner to impair the structural integrity of any portion of the property or to change the boundaries of the unit or to interfere with the rights of any other unit Owner in the Common Area.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. ASSOCIATION. The Association as referred to herein shall be HARBOR VILLA HOMES ASSOCIATION, INC., a corporation organized under and pursuant to Chapter 181 of the Wisconsin Statutes.

Section 2. MEMBERSHIP. Every Owner shall be entitled and required to be a member of the Association. An Owner of more than one unit shall be entitled to one membership for each unit owned by him. Each such membership shall be appurtenant to the unit upon which it is based and shall be transferred automatically by conveyance of that unit. No person or entity other than an Owner or Developer may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to a unit; provided, however, that the rights of voting may be assigned to a Mortgagee as further security for a loan secured by a lien on a unit.

Section 3. NOMINATION OF MEMBERS OF BOARD OF DIRECTORS. Until such time as the Developer shall have sold all 21 of the units, or three (3) years from the date of the recording of this Declaration, whichever shall first occur, Developer shall have the exclusive right to nominate members for the Board of Directors of the Association.

Section 4. VOTING. Members shall be all Owners including the Developer and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. There can be no split vote. Prior to the time of any meeting at which a vote is to be taken, each co-owner shall file the name of the voting co-owner with the Secretary of the Association in order to be entitled to a vote at such meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded.

Section 5. AMPLIFICATION. The provisions of this Article are to be amplified by the Articles of Incorporation of the Association and by the By-Laws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

ARTICLE IV

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. THE COMMON AREA. The Association, subject to the rights of the Owners set forth in this Declaration, shall be soley responsible for the management and control of

the Common Area and all improvements thereon (including the floating docks and any maintenance equipment relating thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Association shall be responsible for the annual installation and removal of the docks from the Kenosha Harbor Bayou and shall be responsible for the maintenance and repair of exterior surfaces of all buildings on the properties, including, without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of all Common Area, including utility lines and all other improvements or material located within or used in connection with the Common Area.

Section 2. SERVICES. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part therof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Properties, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Properties or the enforcement of this Declaration. The Association may arrange with others to furnish common services to each Unit. The Association shall employ a Manager.

Section 3. ACCESS TO UNITS. The Association shall have the right, to be exercised by the Board of Directors, to have access to each Unit during reasonable hours for the maintenance, repair, or replacement of any Common Areas and facilities accessible from such areas, or for making emergency repairs necessary to prevent damage to the Common Areas or facilities, or to another Unit.

Section 4. PERSONAL PROPERTY FOR COMMON USE. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. (The use of the docks for the storing of boats is subject to the provisions relating thereto as herein contained.) Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit

shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

Section 5. RULES AND REGULATIONS. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration.

Section 6. IMPLIED RIGHTS. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. AGREEMENT TO PAY ASSESSMENTS.

(a) BY OWNERS. Each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association for the purposes provided in this Declaration, for special assessments, capital improvements, and any other common expenses as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

(b) BY DEVELOPER. The developer shall not be required to pay any assessments for common expenses fixed or established by the Association by electing not to pay such assessments for units owned by developer. Such election shall be made in January of each year and shall be binding upon the developer for the calendar year in which the election was

made. If developer so elects, developer shall pay the cost of all common expenses in excess of the assessments paid by other unit owners.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the management, improvements and maintenance of the Common Area, and of the exterior of the buildings situated upon the Properties, as well as the aesthetic uniformity and integrity of the Properties and such emergency repairs as the Association may deem necessary, including repairs and maintenance of sewer and water lines, utility cables and pipes and heating and cooling ducts, to individual units, and repair, installation, removal and replacement of docks.

Section 3. MONTHLY ASSESSMENT. Commencing with the month immediately following the conveyance of the first unit by Developer to an Owner and thereafter each year in the month of November a uniform monthly assessment per unit shall be established and fixed by the Association which may thereafter be increased or decreased by the Association. The Association shall give each owner at least 30 days notice prior to the effective date of any change in its monthly assessment. Notice shall be given by posting such change in each building and by delivery of a copy of the resolutions adopting such change either in person or by regular mail.

ARTICLE VI

ENCROACHMENTS

Some of the units in each building may be aesthetically and functionally designed with drains, air conditioning equipment and other structures that encroach or overhang adjoining units. The Owner of each unit hereby takes title subject to a perpetual easement for any such overhang or encroachment and each encroaching or overhanging unit or other structure, drain, or air conditioning equipment may be repaired, rebuilt or replaced in such a fashion as to permit these overhangs and encroachments to be reestablished but not enlarged without consent of the servient Owner and the Association. Such easement as provided herein shall be limited to improvements as originally constructed.

ARTICLE VII

RECONSTRUCTION OR REPAIR

Section 1. RECONSTRUCTION (LESS THAN $500,000 DAMAGE). In the event of any damage to or destruction of the Property as a result of fire or other casualty or otherwise in the amount of $500,000 or less, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction (including any damaged units, and any kitchen or bathroon fixtures initially installed therein by the Declarant, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners in the units), and the Board of Directors or the insurance trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and reconstruction in excess of the appropriate progress payments. Any cost of such repair and reconstruction in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

By acceptance of the deed to his unit, each unit owner shall be deemed to have consented to the foregoing authorization and direction for repair and reconstruction. Such authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to the By-Laws and shall constitute the determination by the Association to repair, reconstruct or rebuild as required by the Wisconsin Unit Ownership Act.

Section 2. DETERMINATION OF WHETHER TO RECONSTRUCT OR REPAIR. In the event the Property is destroyed or damaged in an amount in excess of $500,000, the Association by vote of more than 50% of the authorized votes of all unit owners shall determine within 90 days after such damage or destruction whether to proceed with repair, reconstruction or sale. If the Association determines to repair or reconstruct, the Board of Directors shall arrange for such repair or reconstruction in accordance with the preceding paragraph of this Section. If the Association, within 90 days after such damage or destruction in excess of $500,000, fails to make a determination of whether to repair, reconstruct or sell, the Property shall be deemed to be owned in common by the unit owners in the same percentages as

previously owned by each unit owner in the common areas and be subject to an action for partition at the suit of any unit owner in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective interest in common, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

Section 3. ENCROACHMENT INTO THE COMMON AREA OR LIMITED COMMON AREA. In the event that any unit requires reconstruction and/or repair which when completed causes the unit to be situated on a portion of the Common Area or Limited Common Area, such encroachment shall be permitted to endure. Such encroachment shall be determined and approved at the time the members of the Association determine whether such reconstruction or repair shall be undertaken.

ARTICLE VIII

INSURANCE

The Board of Directors of the Association shall obtain and continue in effect insurance coverage on the buildings and other improvements upon the property in an amount equal to the maximum insurable replacement value, which amount shall be reviewed at least annually by the Board of Directors, affording protection against loss or damage by fire and such hazards covered by a standard extended coverage endorsement and such other risks or hazards as from time to time shall be customarily covered with respect to buildings similar in construction, location and use. Said insurance shall be for the benefit of the Association, and the Owners and their Mortgagees as their interests may appear, and all proceeds payable by reason of said insurance shall be paid to KENOSHA SAVINGS & LOAN ASSOCIATION, as trustee, for the express purpose of reconstruction and repair as provided in Article VII hereof, or, if it is determined in the manner as provided in Article VII hereof that the damaged premises for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be applied as provided in Article VII hereof. In addition to the insurance coverage that the Board of Directors of the Association shall obtain as provided above, the Board of Directors shall obtain public liability insurance in such amounts and with such coverage as it may deem suitable under the circumstances and may obtain such other insurance as it shall determine from time to time to be desirable. All insurance premiums for any insurance coverage obtained by the Board of Directors shall be a common

expense to be paid by assessments levied by the Association. Such insurance policy or policies shall contain a waiver of subrogation in favor of the insurance carrier against any Owner or Owners or members of their immediate family who reside in any unit or units.

ARTICLE IX

GENERAL PROVISIONS

Section 1. ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. No Owner shall have the right to commence suit for partition of the units and/or Common Area which constitute Harbor Villa Condominium Homes but shall be limited to the provisions contained herein for amending this Declaration.

Section 2. SEVERABILITY. Invalidition of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. AMENDMENT. This Declaration may be amended during the first twenty (20) years after this Declaration is recorded by a vote of not less than seventy-five percent (75%) of the Owners and thereafter by a vote of not less than sixty-six and two-thirds percent (66-2/3%) of the Owners. Until such time as the Developer shall have sold all 21 of the units or three (3) years from the date of the recording of this Declaration, no amendment to this Declaration shall become effective without the Developer's express consent. No amendment shall become effective until the certificate setting forth such amendment signed by the officers of the Association and stating that Owners of the Units have adopted the same in accordance with the provisions of this Declaration, is recorded in the Office of the Register of Deeds in and for Kenosha County, Wisconsin.

Section 4. REGISTERED AGENT FOR SERVICE OR PROCESS. The initial registered agent for service of process shall be DONALD PATE, c/o KENOSHA SAVINGS & LOAN ASSOCIATION, 5935 7th Avenue, Kenosha, Wisconsin 53141. Change of agent

for service of process may be accomplished by resolution of the Board of Directors of the Association and upon proper filing of said name with the Register of Deeds of Kenosha County.

ARTICLE X

ADDITIONAL RIGHTS OF MORTGAGE HOLDERS

As to the holder of any mortgage of a unit which has notified the Association of Unit Owners in writing delivered or mailed by certified mail to the place for service of process stated in Article IX of this Declaration:

(a) The Board of Directors of the Association shall give such mortgage holder written notice by mail of the call of any meeting of the membership to be held for that purpose of considering any proposed amendment to this Declaration, or the Articles of Incorporation or By-Laws of the Association simultaneously with the giving of required notice to Unit Owners.

(b) The Board of Directors of the Association shall give such mortgage holder by mail a copy of the notice of default which is given to any unit owner on any failure to comply with or violation of any of the provisions of this condominium simultaneously with the giving of required notice to any unit owner. In addition, the Board of Directors whenever so requested in writing by a mortgagee of a unit shall promptly report any then unpaid common charges or other default by the owner of the mortgaged unit.

(c) The Board of Directors of the Association shall notify such mortgage holder of physical damage to structure, fixtures or equipment of the mortgaged unit in an amount exceeding $1,000 when and as soon as such damage is known to the Board of Directors and shall notify all mortgage holders of units as soon as possible if common areas or facilities of the condominium are damaged in an amount exceeding $10,000.

(d) Each mortgagee of a unit shall be permitted to examine the books of account of the Property and the Association at reasonable times on business days but not more often than once a month, and

shall receive a copy of all periodic final reports of the Property and Association as soon as prepared.

(e) All insurance policies shall provide that the mortgagee of 10 or more units shall receive 10 days prior notice of any modification or termination of insurance coverage.

(f) Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association of Unit Owners shall not:

(i) Change the pro rata interest or obligation of any unit for purposes of levying assessments and charges and determining the shares of the common elements and proceeds of the project;

(ii) Partition or subdivide any unit or the common elements of the project; or

(iii) By act or omission seek to abandon the condominium status of the project except as provided in Article VII of this Declaration in case of substantial loss to the units and common elements of the condominium project.

IN WITNESS WHEREOF, the said KENOSHA SAVINGS AND LOAN ASSOCIATION, has executed this Declaration as of this _____ day of _____, 19___.

KENOSHA SAVINGS AND LOAN ASSOCIATION

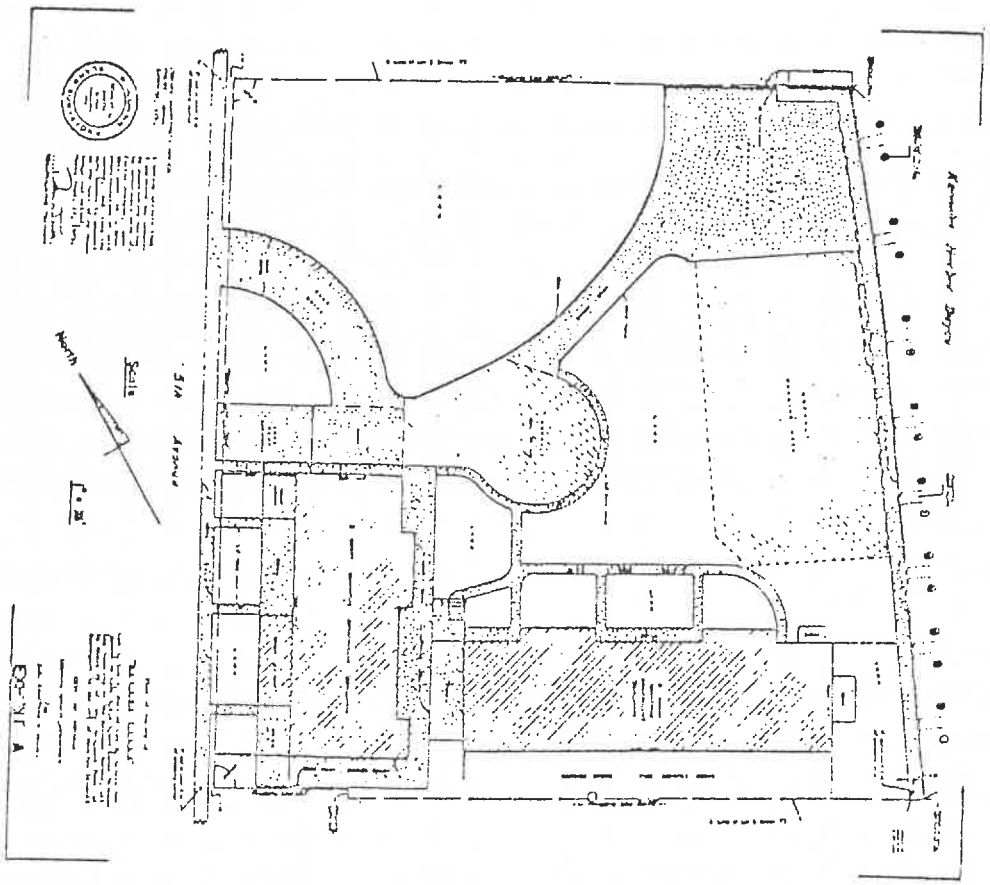
By _____
Donald T. Corr, President

By _____
William Bennett, Secretary

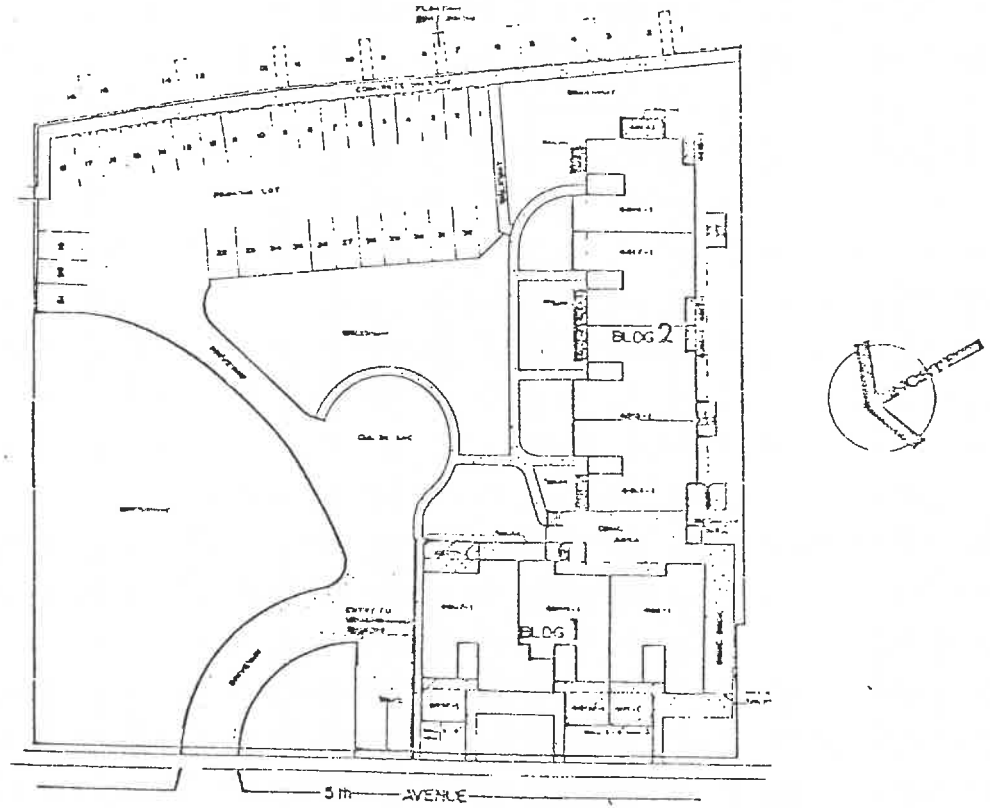
Signatures of DONALD T. CORR, President, and WILLIAM BENNETT, Secretary of KENOSHA SAVINGS & LOAN ASSOCIATION, authenticated this _____ day of _____, 19____.

_____
Title: Member State Bar of Wisconsin or other Party Authorized Under Sec. 706.06 viz. _____

This instrument was drafted by
ROBERT B. PEREGRINE, of
PEREGRINE, MARCUVITZ, CAMERON
& PELTIN, S.C.,
633 West Wisconsin Avenue
Milwaukee, Wisconsin 53203



KENOSHA HARBOR BAYOU



HARBOR VILLA

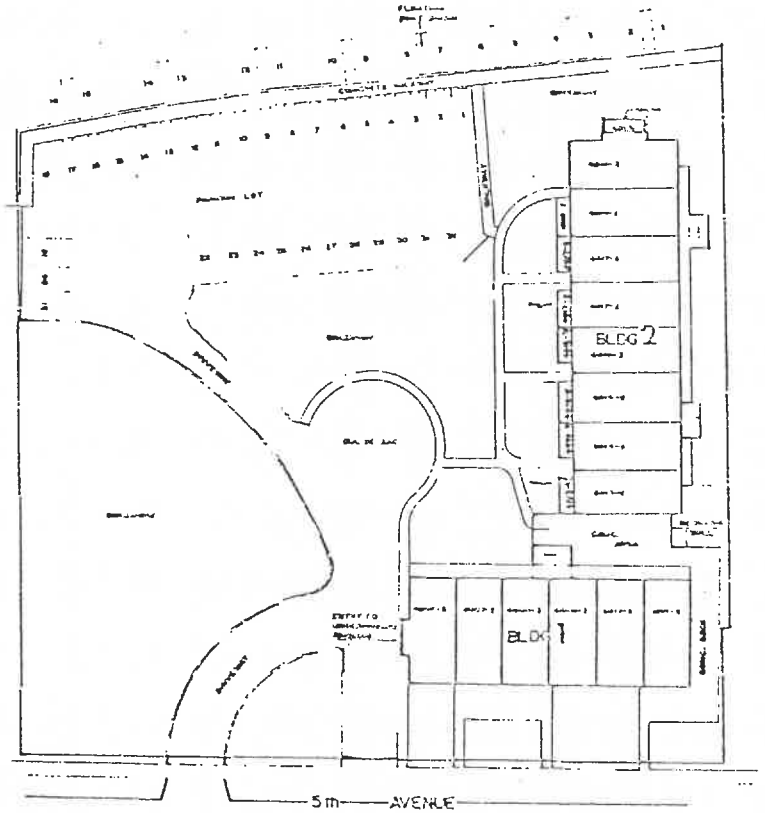
CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

SITE PLAN 01

KENOSHA HARBOR BAYOU



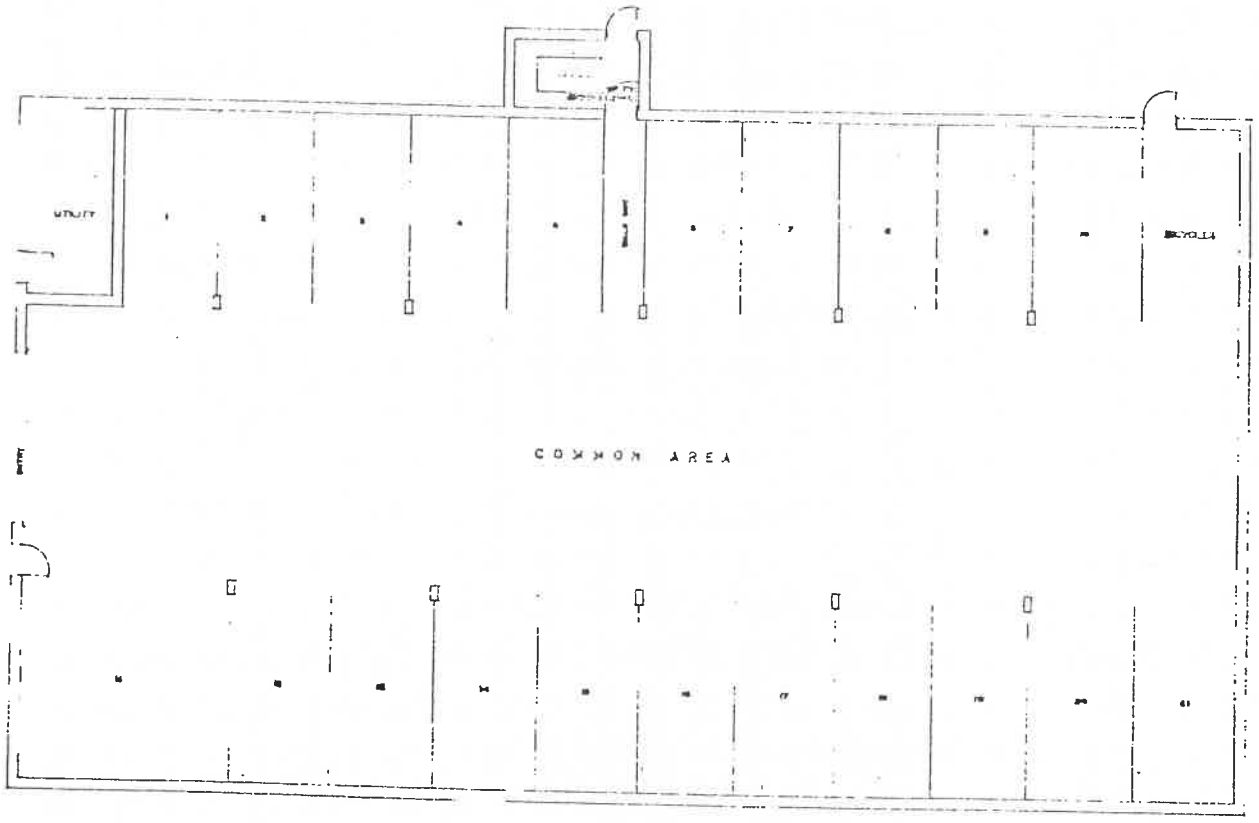
HARBOR VILLA

CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

SITE PLAN 02

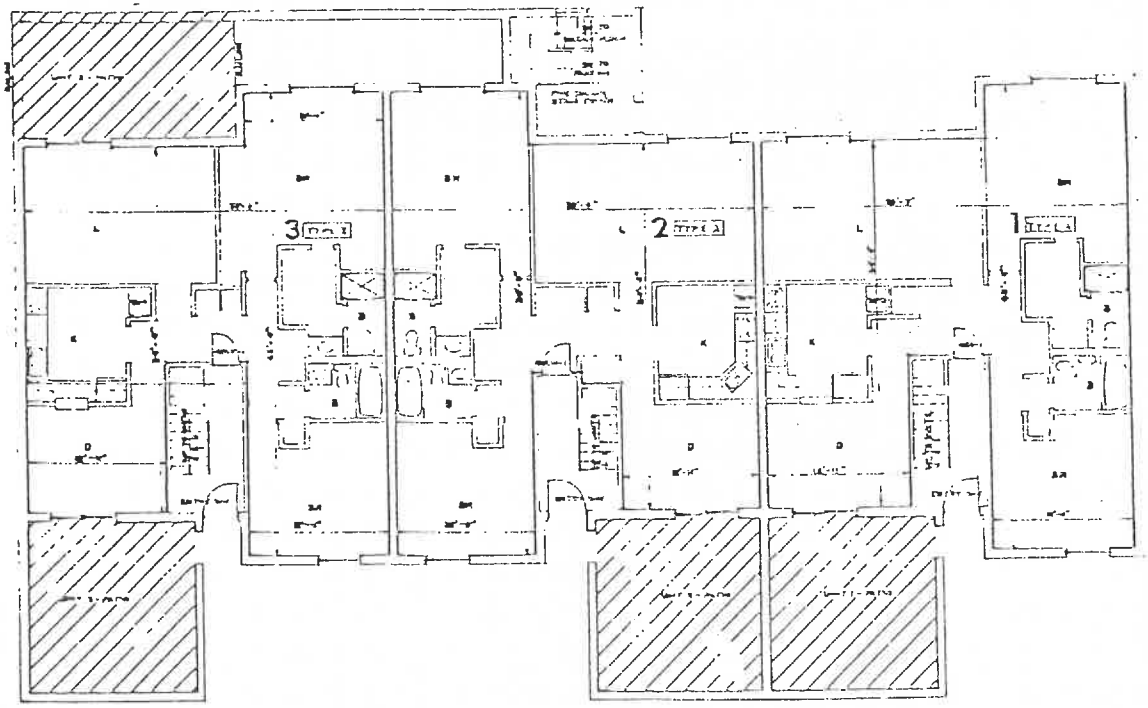


HARBOR VILLA

CERTIFICATION

NOTARIZATION

BLDG 1
BSMT/PARKING PLAN 03



HARBOR VILLA

CERTIFICATION

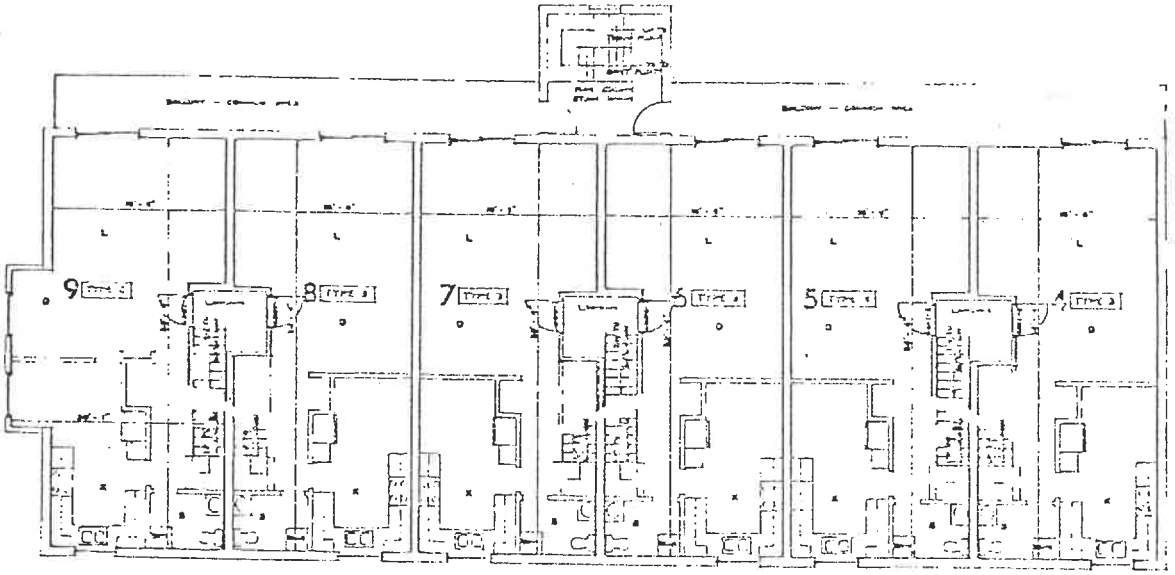
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LIMITED COMMON AREA

BLDG 1
1ST FLOOR PLAN

01

HARBOR VILLA



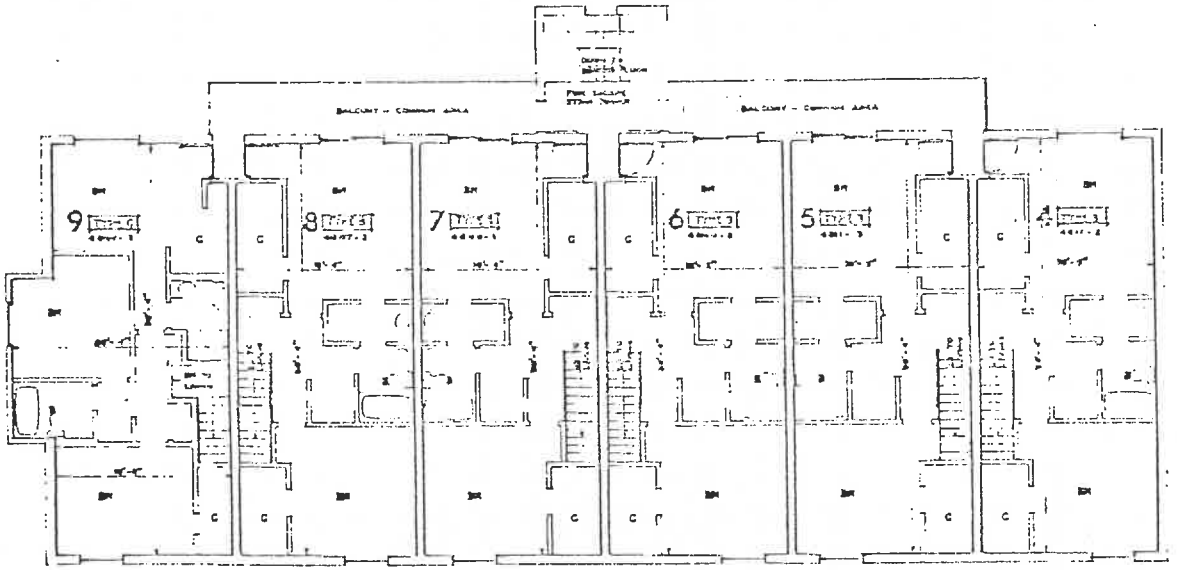
CERTIFICATION

NOTARIZATION

BLDG 1
2ND FLOOR PLAN

06

HARBOR VILLA

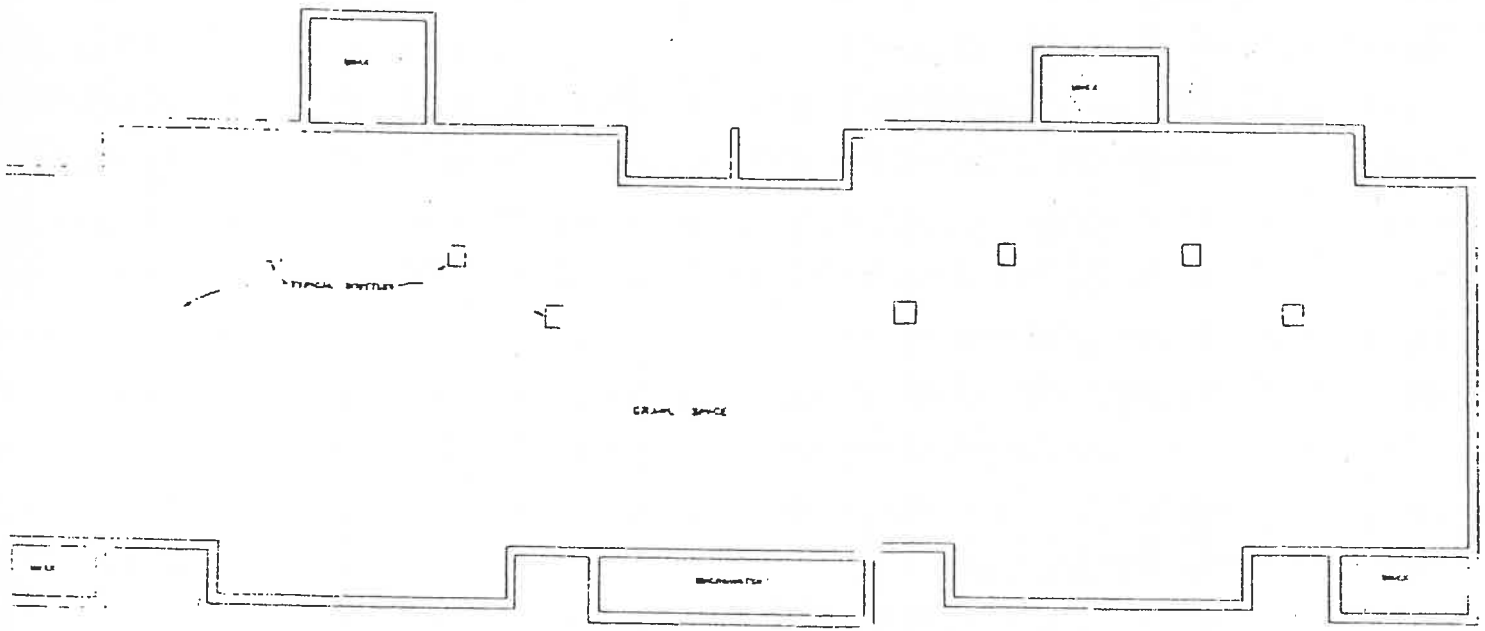


CERTIFICATION

NOTARIZATION

BLDG 1
3RD FLOOR PLAN

06



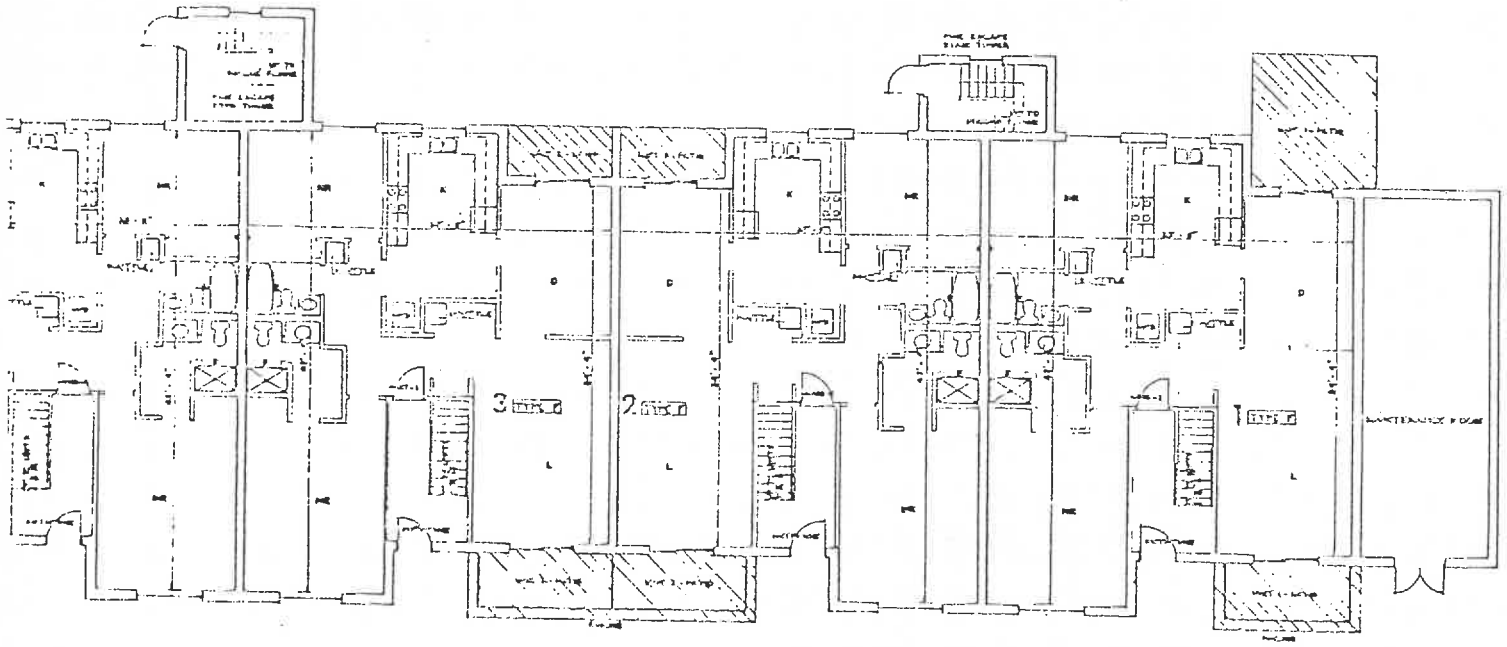
HARBOR VILLA

CERTIFICATION

NOTARIZATION

BLDG 2
CRAWL SPACE PLAN

07



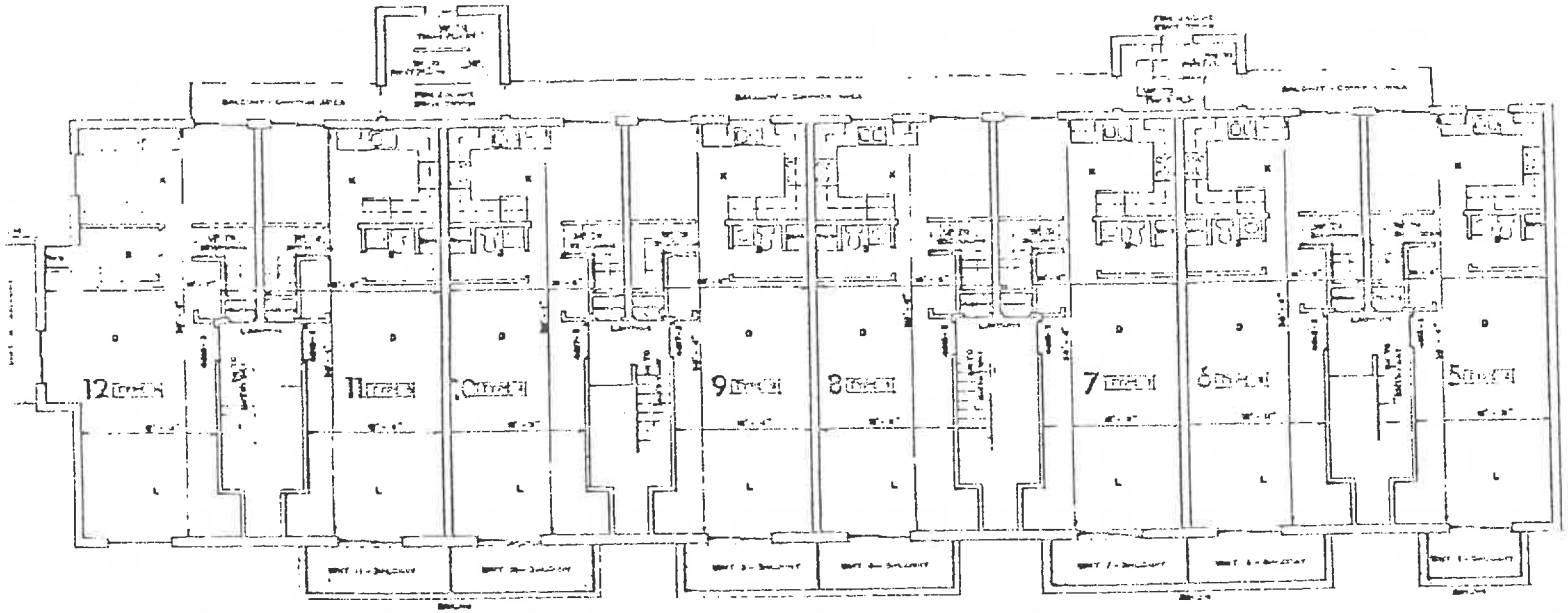
HARBOR VILLA

CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

BLDG 2
1ST FLOOR PLAN 08



HARBOR VILLA

CERTIFICATION

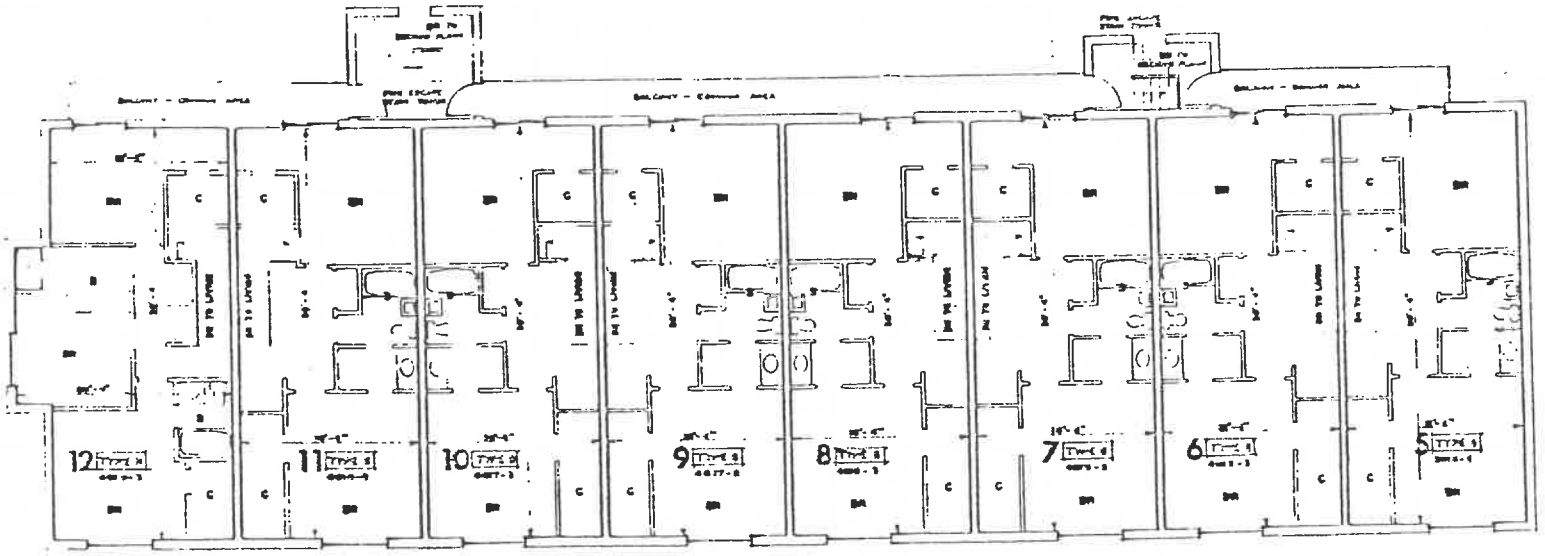
NOTARIZATION

LIMITED COMMON AREA

BLDG 2
2ND FLOOR PLAN

02

HARBOR VILLA



CERTIFICATION

NOTARIZATION

BLDG 2
3RD FLOOR PLAN

10

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BY-LAWS OF

HARBOR VILLA HOMES ASSOCIATION, INC.

ARTICLE I

Plan of Unit Ownership

Section 1. Condominium Unit Ownership

Certain property located in the City of Kenosha, Kenosha County, State of Wisconsin, ("Property") known as Harbor Villa Condominium Homes, has been submitted to the provisions of the Wisconsin Condominium Ownership Act ("Act") by a Declaration of Condominium ("Declaration") recorded in the office of the Register of Deeds for Kenosha County, Wisconsin on September 1, 1977 in Volume 997 of Records on Pages 595 through 620, as Document No. 622213.

Section 2. Adoption of By-Laws / Definitions

These By-laws are adopted as the By-laws of Harbor Villa Homes Association, Inc. ("Association"), a Wisconsin Corporation organized under the Wisconsin Nonstock Corporation Law to serve as an association of unit owners under the Act. The provisions of these By-laws apply to the Property and to the use and occupancy of this Property. The terms used in these By-laws shall, unless the context or the Declaration requires otherwise, have the same meaning as the definitions contained in section 703.02 of the Act.

Section 3. Office and Mailing Address

The office and mailing address of the Association and of the Board of Directors of the Association ("Board of Directors") shall be located at 4405 Harrison Road, Kenosha, Wisconsin, 53142.

ARTICLE II

Board of Directors

Section 1. Number and Qualification

Until election of a new Board of Directors by unit owners, pursuant to Section 1 (c), Article III of these By-laws, the Board of Directors shall consist of those persons named as directors in the Articles of Incorporation, or such other persons as the Declarant shall name to replace them, or those persons elected as provided in Section 1 (b), Article II of these By-laws. Thereafter the Board of Directors shall be composed of four persons, each of whom shall be owners of units, fiduciary owners, members or employees of partnership owners, or officers, stockholders or employees of corporate owners, and one of whom may be the spouse of a unit owner or a mortgagee of a unit, a

fiduciary mortgagee, a member or employee of a partnership mortgagee or an officer, stockholder or employee of a corporate mortgagee.

Section 2. Powers and Duties

The affairs of the Association and of the Property shall be governed by the Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and of the Property, except those powers and duties as by law or by the Declaration or by these By-laws may not be delegated to the Board of Directors by the unit owners or have been specifically reserved by or to the unit owners. The Board of Directors shall have full powers and authority necessary for or desirable for the complete enforcement and administration of the Property and the provisions of the Act, the Declaration, these By-laws, and the rules and regulations.

Section 3. Managing Agent and Manager

The Board of Directors may employ for the Property a managing agent at a compensation established by the Board of Directors to perform the duties and services as the Board of Directors shall authorize.

Section 4. Election and Term of Office

At the first annual meeting of the unit owners, the term of office of one member of the Board of Directors shall be fixed at three years, the term of office of two members of the Board of Directors shall be fixed at two years, and the term of office of one member of the Board of Directors shall be fixed at one year. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of three years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Board Members

At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the authorized votes of all unit owners, and a successor may be elected to fill the vacancy created. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a member by a vote of the unit owners, shall be filled by a vote of a majority of the remaining members

at a special meeting of the Board of Directors held for the purpose promptly after the occurrence of the vacancy even though the members present at the meeting may be less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor is elected at the next annual meeting of the unit owners.

Section 7. Organizational Meeting

The first meeting of the members of the Board of Directors following the first annual meeting of the unit owners shall be held within ten days after the annual meeting, at a time and place fixed by the unit owners at the meeting at which the Board of Directors has been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute the meeting, providing a majority of the whole Board of Directors shall be present at the meeting.

Section 8. Regular Meetings

Regular meetings of the Board of Directors may be held at the time and place as determined from time to time by a majority of the members of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail, at least 72 hours prior to the time of the meeting.

Section 9. Special Meetings

Special meetings of the Board of Directors may be called by the President on 48 hours notice to each member of the Board of Directors, given by mail, and the notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one member of the Board of Directors.

Section 10. Waiver of Notice

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a member of the Board of Directors at any meeting of the Board shall be a waiver of notice of the time and place of the meeting. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 11. Quorum of Board of Directors

At all meetings of the Board of Directors, a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Fidelity Bonds

The Board of Directors shall obtain fidelity bonds for all officers and employees of the Association handling or responsible for funds. The premiums on the bonds shall constitute a common expense.

Section 13. Compensation

No member of the Board of Directors shall receive any compensation from the Association for acting as a Director.

Section 14. Liability of the Board of Directors

The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, failure to adhere to the provisions of the Declaration or these By-laws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any contract shall have been made in bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of the unit owners arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be shared equally by all of the unit owners, and the liability of any single unit owner shall be limited to an equal proportionate share of the total liability. At the option of the Board of Directors, Directors liability insurance may be obtained and shall be paid for as a common expense.

Section 15. Informal Action

Any action which is required to be taken at a meeting of the Board of Directors or which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter. The consent shall have the same force and effect as a unanimous vote.

ARTICLE III

Section 1. Annual Meetings

(a) Until the first annual meeting of the unit owners as described below, until the Declarant designates otherwise, or until the unit owners elect a member of the Board of Directors pursuant to this section prior to the first annual meeting of the unit owners, the initial Board of Directors named in the Articles of Incorporation of the Association shall serve as the Board of Directors.

(b) Prior to the conveyance of 25% of the undivided percentage interest in the common elements, the Declarant shall call a meeting of the unit owners. At such meeting one of the designees of the Declarant on the Board of Directors shall resign, and the unit owners other than the Declarant shall elect a successor by vote of a majority of those unit owners. Prior to the coveyance of 50% of the undivided percentage interest in the common elements, the Declarant shall call a similar meeting, if necessary, to provide for any additional resignations and elections required in order that unit owners other than the Declarant shall have elected one-third of the total directors. Any successor shall serve until the first annual meeting of the unit owners. If the sucessor shall resign prior to the first annual meeting of the unit owners, a successor shall be elected in the same manner.

(c) Thirty days after 75% of the undivided percentage interest in the common elements shall have been sold and coveyed by the Declarant or such earlier time as determined by the Declarant, the Declarant shall call the first annual meeting of the unit owners. At this meeting the designees of the Declarant and any other members of the Board of Directors elected by the unit owners shall resign as members of the Board of Directors, and all the unit owners, including the Declarant, shall elect a new Board of Directors. Thereafter the annual meeting of the unit owners shall be held on the second Monday of January of each succeeding year. At such meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-laws. The unit owners may transact other business at the meetings as may properly come before them.

Section 2. Place of Meetings

Meetings of the unit owners shall be held at the principle office of the Association or at any other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings

It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having 25% of the total authorized votes of all owners. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings

The Secretary shall mail to each unit owner of record or cause to be delivered to each unit owner a notice of each annual or special meeting of the unit owners, at least 10 but not more than 20 days prior to the meeting, stating the purpose of the meeting as well as the time and place where it is to be held.

Section 5. Adjournment of Meetings

Any meeting of unit owners at which a quorum has or has not attended may be adjourned at the option of the unit owners by vote of a majority of the authorized votes of the unit owners who are present, either in person or by proxy, at the meeting.

Section 6. Title to Units

Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, in the name of a corporation or partnership, or in the name of a fiduciary.

Section 7. Voting

Each unit owner shall furnish the Association with the owner's name and current mailing address. No unit owner may vote at meetings of the Association until this information is furnished. The owner or owners of each unit, or some person designated by the owner or owners to act as proxy and who need not be an owner, shall be entitled to cast the vote belonging to the unit at all meetings of unit owners. The designation of any proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any proxy shall be effective only for a maximum period of 180 days following its issuance unless granted to a mortgagee, land contract vendor or lessee of a unit. Each unit owner (including the

Declarant and the Board of Directors, if the Declarant, or the Board of Directors or its designee, shall then hold title to one or more units) shall be entitled to cast at all meetings of the unit owners the vote belonging to each unit owned. Where ownership is in the name of two or more persons, the vote may be cast by any one joint owner; provided, however, that if any joint owner protests promptly the casting of the vote to the person presiding over the meeting or files a written statement with the Secretary stating that thereafter the vote must be cast prorata in accordance with each joint owner's interest in the unit, then the vote shall thereafter be cast prorata by all joint owners in accordance with their interests in the unit. Where a unit is leased the lessor shall be entitled to vote the vote belonging to the unit (where there are two or more lessors, they shall be considered joint owners). Where the unit is sold under a land contract, the land contract vendee shall be entitled to vote the vote for that unit (where there are two or more vendees, they shall be considered joint owners. Notwithstanding the provisions of this section, 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 the meeting, this unit owner may not vote at the meeting.

Section 8. Majority of Unit Owners

As used in these By-laws, the term "majority of unit owners" shall mean those unit owners having more than 50% of the authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 7 of this Article III.

Section 9. Quorum

Except as otherwise provided in these By-laws, the presence in person or by proxy of unit owners having 33-1/3% of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote

The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these By-laws.

Section 11. Action by Unanimous Consent

Any action required to be taken or which may be taken at a meeting of unit owners may be taken without a meeting if a consent in writing setting forth the action taken shall be signed by all unit owners entitled to vote. The signature required in each instance shall be that person who is then entitled to cast the vote for a unit. All such consent action shall have the same force and effect as a unanimous vote.

Section 12. Membership

(a) All unit owners shall be members of the Association. This is not intended to include persons who hold an interest in a unit merely as security for the performance of an obligation. Land contract vendors shall not be members; land contract vendees shall be members. Membership shall belong to and may not be separated from ownership of any unit.

(b) Initial membership in the Association shall be established by the recording of the Declaration in the office of the Register of Deeds for Kenosha County, Wisconsin. Transfer of membership in the Association shall be established by the recording in the office of the Register of Deeds for Kenosha County, Wisconsin of a deed or other instrument establishing a change of record title to a unit or the recording in that office of a land contract. A certified copy of the instrument or land contract shall be delivered to the Association by the transferee or vendee. The transferree designated by the instrument or the vendee shall then become a member of the Association, and the membership of the prior owner or vendor shall then be terminated. Until the delivery the transferee or vendee shall not be entitled to vote as a member of the Association and shall not be entitled to notice of meetings of unit owners. The Association shall maintain a current roster of names and addresses of every unit owner to whom notice of meetings of the Association must be sent.

ARTICLE IV

Officers

Section 1. Designation, Election and Removal

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected annually by the Board of Directors. The Board of Directors may appoint such other officers as in its judgment may be necessary. The President and Vice President must be members of the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and President and Vice President. Any officer may with or without cause, be removed by the Board of Directors, and a successor selected, by majority vote of the members of the Board of Directors, at any regular meeting of the Board of Directors, or at any special meeting called for that purpose.

Section 2. President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties of the President of a stock corporation organized under the Wisconsin Business Corporation Law, including, but not limited to, the power to appoint unit owners to any committee which is established under these By-laws.

Section 3. Vice President

The Vice President shall take the place of, and perform the duties of, the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be requested by the Board of Directors or by the President.

Section 4. Secretary

The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors, have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties of the Secretary of a stock corporation organized under the Wisconsin Business Corporation Law. The Secretary shall count the votes at meetings of the Association.

Section 5. Treasurer

The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all the duties of Treasurer of a stock corporation organized under the Wisconsin Business Corporation Law.

Section 6. Agreements, Contracts, Deeds, Checks

All agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by any two officers or by such other person or persons as may be designated by the Board of Directors.

Section 7. Compensation of Officers

No officer shall receive any compensation from the Association for acting as an officer.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses

The Board of Directors shall, at least annually, prepare a budget for the Property, determine the amount of the common expenses for the forthcoming year and allocate and assess the common expenses against the unit owners according to their respective undivided percentage interests in the common elements as described in the Declaration. The assessment for common expenses for the entire year shall be effective as of January 1 of each year but shall be payable at such time or times as the Board of Directors shall determine. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of this Article V. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation an amount for working capital (which for the initial months of operation shall be equal to two months assessment collected upon the first sale of each unit), for a general operating reserve, for a reserve fund for replacement, and for making up any deficit in the common expenses for any prior year, sewer service, and water consumed or used in or in connection with the Property. The initial contribution to the working capital fund is not refundable to, or assignable by, the unit owner. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is being sold at a foreclosure or other judicial sale. The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by the unit owner, and shall furnish copies to all unit owners of each budget on which the common expenses are based.

Section 2. Insurance

The Board of Directors shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings (including all of the units and the bathroom and kitchen fixtures initially installed by the Declarant, but not including furniture, furnishings or other personal property supplied or installed by unit owners), together with all air-conditioning equipment and other service machinery contained in the units, and all limited common elements. The insurance shall cover the Property and shall name as insureds the Association, and all unit owners and their mortgagees, as their interests may appear, in an amount equal to not less than the replacement value of the buildings, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Association or the insurance trustee as provided in

these By-laws as trustee for all unit owners and their mortgagees or land contract vendors as their interests may appear.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that the policies may not be cancelled or substantially modified without at least ten days prior written notice to all of the insureds. Prior to obtaining any policy of fire insurance or any renewal of the policy, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings including all of the units and all of the common and limited common elements without deduction for depreciation, for the purpose of determining the amount of fire insurance to be purchased.

The Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, and each unit owner and appropriate fidelity bond coverage for any person handling Association funds. The public liability coverage shall also cover cross liability claims of one insured against another. the Board of Directors shall review the insurance limits once each year. Until the first meeting of the Board of Directors following the first annual meeting of the unit owners, the public liability insurance shall be in a single limit of at least $500,000.00 covering all claims for bodily injury or property damage arising out of one occurrance. The Association may obtain and maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

Unit owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, and that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any additional insurance. The insurance obtained by the Association will not cover the contents of units or public liability claims arising out of occurances happening within the boundaries of the units.

Section 3. Repair and Reconstruction After Damage

(a) In the event of any damage to or destruction of the property in the amount of $500,000.00 or less whether or not the insurance proceeds, if any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction (including any damaged units, and any kitchen or bathroom fixtures initially installed by the Declarant, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, interior walls and/or partitions

or equipment installed by unit owners in the units), and the Board of Directors shall disburse any insurance proceeds to the contractors engaged in the repair and reconstruction in appropriate progress payments. Any cost of repair and reconstruction in excess of the insurance proceeds shall be a common expense, and the Board of Directors may assess all the unit owners for the deficit as part of the common expenses.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Section 11, Article III of these By-laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Act. If, notwithstanding the foregoing provisions, a determination to repair and reconstruct is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

(b) In the event the Property is destroyed or damaged in an amount in excess of $500,000.00 and the insurance proceeds, are insufficient to complete repair or reconstruction, the Association by vote of a majority of unit owners shall determine within 90 days after the damage or destruction whether to proceed with repair, reconstruction or sale. If the Association determines to repair or reconstruct, the Board of Directors shall arrange for the repair or reconstruction in accordance with the preceding paragraph of this section. If the Association, within 90 days after such damage or destruction in excess of $500,000.00 fails to make a determination of whether to repair, reconstruct or sell, the Property shall be deemed to be owned in common by the unit owners in the same percentages as previously owned by each unit owner in the common elements and be subject to an action for partition at the suit of any unit owner. In the event of a partition action, the net proceeds of sale, together with the net insurance proceeds, shall be divided by the Board of Directors, or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective interests in common elements, after first paying out of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

(c) In the event the Property is destroyed or damaged in an amount in excess of $500,000.00 and the insurance proceeds are sufficient to complete repair or reconstruction, the Board of Directors is authorized and shall arrange for the repair or reconstruction in accordance with paragraph (a) of Section 3, Article V.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and direction shall be deemed continuous action by the Association by unanimous consent pursuant to Section 11, Article III of these By-laws and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required by the Act. If, notwithstanding the foregoing provisions, a determination is submitted to the vote of the unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

Section 4. Payment of Common Expenses

All owners shall pay the common expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article at such times as the Board of Directors shall determine. A late charge of up to $20.00 may be imposed by the Board of Directors against a unit owner if any balance in common expenses remains unpaid by the 10th day of the month when due.

No unit owner shall be liable for the payment of any part of the common expenses assessed against the unit after a sale, transfer or other conveyance of the unit by the owner (made in accordance with the provisions of Section 1, Article VII of these By-laws). A purchaser of a unit shall be liable for the payment of common expenses assessed against the unit before the acquisition by the purchaser of the unit, except that if the Association or Board of Directors furnishes a statement pursuant to the Act, the liability shall be limited to the amount set forth in the statement.

Each unit owner shall be obligated to pay common expenses under these By-laws notwithstanding the fact that the unit owner may have a pending dispute with the Association or the Board of Directors on any matter.

Section 5. Collection of Assessments

The Board of Directors shall assess common expenses against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any assessment due which remains unpaid by the unit owner for more than 30 days from the due date for its payment.

Section 6. Default in Payment of Common Expenses

In the event of default by any unit owner in paying to the Board of Directors the assessed common expenses, the unit owner shall be obligated to pay interest at the highest rate permitted by law per year on the common expenses from the due date, together with all expenses, including attorney's fees, incurred by the Board of Directors in any proceeding brought to collect the unpaid common expenses. The Board of Directors shall have the right and duty to attempt to recover the common expenses,

together with interest, and the expenses of the proceedings, including attorney's fees, in an action brought against the unit owner, or by foreclosure of the lien on the unit granted by the Act. The Board of Directors shall also have the right to prohibit a unit owner from voting at a meeting of the Association if the Association has recorded a statement of condominium lien on the unit, and the amount necessary to release the lien has not been paid at the time of the meeting.

Section 7. Foreclosure of Liens

In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay reasonable rent for the use of the unit, and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rent. The Board of Directors, acting on behalf of all unit owners, shall have power to purchase the unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes belonging to, convey or otherwise deal with the unit after purchase. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the amount due.

Section 8. Statement of Common Expenses

The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of the unit owner's unpaid common expenses.

Section 9. Abatement and Enjoining of Violations

The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-law, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-laws: (a) to enter the unit in which the violation or breach exists and to abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist in the unit contrary to the intent and meaning of the provisions of this Section. The Board of Directors shall not be deemed guilty in any manner of trespass in so acting; or (b) to enjoin, abate or remedy the thing or condition by appropriate legal proceedings.

Section 10. Grievance Procedure

(a) Any unit owner may file a written complaint with the Secretary of the Association against another unit owner for violation of the Act, the Declaration, these By-laws and the rules and regulations. Upon receipt of a complaint, the Secretary shall furnish a written notice of the alleged violation, the penalties for the violation and the hearing procedure to the unit owner complained of by personal delivery or by

regular mail. The unit owner complained of may within five days of delivery or mailing of the notice file a written answer with the Secretary admitting or denying the allegations in the notice. If, within the time period allowed, the unit owner complained of fails to file an answer or admits the allegations of the notice, a violation will be conclusively deemed to have occurred. If, within the time period allowed, the unit owner complained of denies the allegations of the notice, the Secretary shall schedule a hearing before the Grievance Committee to be held not less than 14 nor more than 30 days after delivery or mailing of a notice of hearing to the parties.

(b) Upon the delivery or mailing of the notice of hearing, the President of the Association shall appoint the Grievance Committee. The Grievance Committee shall consist of three unit owners who are not members of the Board of Directors, relatives of the unit owner complaining or complained of, witnesses at the hearing or persons otherwise interested in the hearing.

(c) The hearing shall be conducted by the Grievance Committee. The Board of Directors shall represent the complaining unit owner. The parties and the Grievance Committee shall be entitled to representation at the hearing by counsel and shall be entitled to examine and cross-examine witnessess. When summoned by the Grievance Committee to do so, it shall by the obligation of each unit owner to appear and testify at the hearing and to produce records and data relevant to the subject matter of the hearing. The hearing shall be informal, and conformity to the legal rules of evidence shall not be required. Within seven days after the conclusion of the hearing, the Grievance Committee shall file a written decision with the Secretary which shall be binding upon the unit owners.

(d) Upon a determination by the Grievance Committee that a violation has occurred, the Board of Directors shall without limiting any other rights set forth in the By-laws, impose a fine against the defaulting unit owner in the amount of $25.00 for the first violation and $50.00 for later violations which if not paid within three days shall bear interest at the highest rate permitted by law per year and shall be a lien against the unit until paid in full.

Section 11. Maintenance and Repair

(a) All maintenance and repairs to any unit (including replacement of window panes and glass doors, if any), structural or nonstructural, ordinary or extraordinary shall be made by the owner of the unit. Each unit owner shall be responsible for all damages to any other unit and to the common and limited common elements resulting from the unit owner's negligence, misuse or misconduct.

(b) All maintenance, repairs and replacements to the common and limited common elements (unless necessitated by the negligence, misuse or misconduct of a unit owner, in which case the expense shall be charged to the unit owner) shall be made by the Board of Directors and be charged to all the unit owners as a common expense.

Section 12. Use of Property

In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the property shall be subject to the following limitations:

(a) The units shall be used for residential purposes only. The garage shall not be used for any purpose other than as a garage.

(b) The common and limited common elements shall be usaed only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of units provided, however, that one or more unit owners may reserve the common elements for a temporary special use with the permission of the Board of Directors.

(c) No nuisances shall be allowed on the Property, nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

(d) No immoral, improper, offensive or unlawful use shall be made of the Property, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property shall be followed. Compliance shall be accomplished at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair the affected portion of the Property.

(e) A unit owner shall not place any furniture, packages or objects in common elements unless permitted by the Board of Directors. A unit owner shall place only those items on the patio, balcony, or parking space assigned to the unit as approved by the rules and regulations adopted by the Board of Directors. The unit owner shall not park or store any vehicle, other than vehicles which may be licensed as automobiles in the State of Wisconsin, or perform any repair work of any sort upon any type of vehicles (except in the case of an emergency) on any part of the common elements or limited common elements, including but not limited to outside parking areas.

(f) No animals, livestock or poultry of any kind used or intended to be used for commercial purposes shall be raised, bred, or kept on the property. Dogs, cats and other household pets may be kept by the unit owners in the living area of their respective units, but no pet shall be allowed which weighs in excess of twenty pounds.

All pets shall be carried or kept on a leash at all times when not in the units. No pets shall be permitted to cause a nuisance or unreasonable disturbance. Any pet which causes such a nuisance or disturbance to a unit owner shall be permanently removed from the unit at the order of the Board of Directors. All unit owners and occupants shall promptly and regularly clean up the excrement of their pets.

(g) No more than six people shall reside permanently in any unit.

(h) No signs, including but not limited to signs advertising sale or rental of units, shall be allowed in the common elements, limited common elements, or units, except as specifically authorized by the Board of Directors.

Section 13. Additions, Alterations or Improvements by the Board of Directors

Whenever in the judgment of the Board of Directors the common and limited common elements require additions, alterations or improvements costing in excess of $10,000.00. and the making of the additions, alterations or improvements have been approved by a majority of unit owners, the Board of Directors shall proceed with the additions, alterations or improvements and shall assess all unit owners for the cost as a common expense. Any additions, alterations or improvements costing $10,000.00 or less may be made by the Board of Directors without approval of the unit owners, and the cost shall constitute a common expense. Notwithstanding the foregoing, the Board of Directors shall make no addition or alteration to the boat docks or waterfront area of the condominium without the prior consent of all unit owners. This requirement shall not extend to normal maintenance of the boat docks and waterfront or replacement of portions of the same due to normal wear and tear which expenses shall be subject to the provisions set forth in the initial sentences of this Section 13.

Section 14. Structural Additions, Alterations or Improvements by Unit Owners

A unit owner may make additions, improvements or alterations within the unit which do not impair the structural integrity or lessen the support of any portion of the Property. No unit owner shall make any change in, nor affix anything to, the exterior of the building containing the unit or of any portion of the Property. The Board of Directors shall not be liable to any contractor, subcontractor or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with the additions, alterations or improvements. The provisions of this section shall not apply to units owned by the Declarant until such units have been conveyed by the Declarant.

Section 15 Rules of Conduct

Rules and regulations concerning the use of the units and the common and limited common elements may be made and amended by the Declarant for periods prior to the first meeting of members, and thereafter by the Board of Directors with the approval of a majority of unit owners. Copies of the rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Section 16. Water and Sewer Charges

Municipal water and sewer service shall be supplied to all of the units and the common elements. The water and sewer charge imposed by the municipality shall be paid by the Board of Directors as a common expense.

Section 17. Electricity/Natural Gas

Electricity and natural gas required to service the units and the common elements is supplied by the public utility companies serving the area. The Board of Directors shall pay the bills for all electricity and/or natural gas consumed or used in or for the common elements as a common expense. Electricity and natural gas is separately metered for each unit. Each unit owner shall pay the bills for electricity and natural gas consumed or used in or for that owner's unit.

Section 18. Right of Access

A unit owner shall grant a right of access to the unit to the manager, the managing agent and any other person authorized by the Board of Directors, the manager or the managing agent to make inspections, to correct any condition originating in the unit and threatening another unit or the common or limited common elements, to install, alter or repair mechanical or electrical services or other common or limited common elements in the unit or elsewhere in the building, and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for entry shall be made in advance, and entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, the right of entry shall be immediate, whether the unit owner is present at the time or not.

ARTICLE VI

Section 1. Mortgage of Units

Each unit may be separately mortgaged.

Section 2. Notice to Board of Directors

A unit owner who mortgages a unit shall notify the Board of Directors of the name and address of the mortgagee.

Section 3. Notice of Unpaid Common Expenses

The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report any unpaid common expenses or other default by the owner of the mortgaged unit.

Section 4. Notice of Default

The Board of Directors, when giving notice to a unit owner of a default in paying common expenses or other default, shall send a copy of the notice to each holder of a mortgage covering the unit whose name and address have previously been furnished to the Board of Directors.

Section 5. Examination of Books

Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

Section 6. Land Contracts

For purposes of these By-laws, land contract vendors and vendees shall have the same rights as mortgagees and mortgagors, respectively.

ARTICLE VII

Sales and Leases of Units

Section 1. Sales and Leases

Unit owners may sell or lease their units or any interest in the units provided the provisions of this Article are followed. A unit owner's sale of the unit shall include the sale of (a) the undivided percentage interest in the common and limited common elements belonging to the unit; (b) the interest of the unit owner in any units previously acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease of those units, if any; and (c) the interest of the unit owner in any other assets of the Association.

Section 2. No Severance of Ownership

No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to a unit without including the interests described in Section 1 of this Article VII, it being the intention to prevent any severance of the combined ownership. Any deed, mortgage or other instrument purporting to affect one or more of these interests, without including all interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described. No part of these interests of any unit may be sold, transferred or otherwise disposed of, except as a part of a

sale, transfer or other disposition of the unit to which the interests belong, or as part of a sale, transfer or other disposition of that part of these interests belonging to all units.

Section 3. Financing of Purchase of Units by Association

Acquisition of units by the Association or its designee, on behalf of all unit owners, may be made from the working capital and assessments for common expenses possessed by the Board of Directors, or if those funds are insufficient, the Association may borrow money to finance the acquisition of the unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit so to be acquired by the Association. Title to any real or personal property acquired by the Association shall be taken in the name of the Association. The Association shall borrow money, and acquire and convey property in the same manner as corporations formed under Chapter 181, Wisconsin Statutes.

Section 4. Waiver of Right of Partition With Respect to Units Acquired by Association

In the event that a unit shall be acquired by the Association or its designee, on behalf of all unit owners as tenants in common, all unit owners shall be deemed to have waived all rights of partition with respect to the unit.

Section 5. Rental

Unit owners may rent their units by written lease, provided that such lease shall be for a term of not less than one (1) month and that the Association is given notice of the name and permanent address of the tenants and of the unit owner and further provided that the lease specifically obligates the tenants to abide by the Declaration, these By-Laws and the rules and regulations.

Section 6. Payment of Assessments

No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease a unit unless and until the unit owner shall have paid in full to the Association all unpaid common expenses previously assessed by the Board of Directors against the unit.

ARTICLE VIII

Condemnation

Section 1. Common Elements

In the event of a taking in condemnation or by eminent domain of part or all of the common elements of the Property, the award made for the taking shall be payable to the Association if the award amounts to $10,000 or less, otherwise it shall be payable to the insurance trustee. The Association shall promptly undertake to restore the common elements. The proceeds of the award shall be disbursed to effect the restoration, and any costs in excess of the award shall be a common expense. The Board of Directors shall effect the restoration in accordance with paragraph (a) of Section 3, Article V of these By-laws.

Section 2. Units

In the event of a taking in condemnation or by eminent domain of any of the units, the Association by vote of a majority of unit owners of the Condominium within 90 days of payment of the award (or other payment if conveyed in lieu of the taking) shall determine whether to proceed with repair or reconstruction. If the Association determines to repair or recontruct, the Board of Directors shall effect the repair or reconstruction in accordance with paragraph (a) of Section 3, Article V of these By-laws. Any cost of repair or recontruction in excess of the award shall be a common expense. If the Association determines not to repair or reconstruct or fails to vote within the 90 day period, the entire net proceeds shall be disbursed to those unit owners whose units have been taken in proportion to the percentage of interest in the common elements belonging to their respective units. If any unit owner is in default in paying common expenses, the amount of the common expenses shall be deducted from that owner's share of the proceeds. Upon receipt of the share of the proceeds, each unit owner shall execute a release, in form satisfactory to the Association, of that owner's undivided percentage interest in the common elements and shall thereafter no longer be considered a unit owner. The interests of the remaining unit owners in the common elements shall be recomputed by the Board of Directors, whoses decision shall be final, to reflect the releases. The unit owner's rights to a share of the proceeds shall be subject to rights of all holders of liens on the unit.

ARTICLE IX

Records

Section 1. Records and Reports

The Board of Directors shall keep detailed records of the actions of the Association and the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records, and books of account of the Association. A written report summarizing all receipts and expenditures of the Association shall

be rendered by the Board of Directors to all unit owners at least semiannually. In addition, an annual report of the receipts and expenditures of the Association, prepared by an independent certified public accountant (which report need not be certified), shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units who have requested it within a reasonable time after the end of each fiscal year.

ARTICLE X

Miscellaneous

Section 1. Notices

All notices to the Board of Directors or the Association shall be sent by registered or certified mail to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time. Except when delivered in person, all notices to any unit owner shall be mailed or hand delivered to the unit or to such other address as may have been designated by the owner from time to time, in writing, to the Board of Directors. All notices to mortgagees of units shall be mailed or hand delivered to their respective addresses, as designated by the unit owners to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Notices to the unit owners or their mortgagees need not be mailed by registered or certified mail.

Section 2. Invalidity

The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-laws.

Section 3. Captions

The captions in these By-laws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws or the intent of any provision of these By-laws.

Section 4. Singular - Plural

The use of the singular in these By-laws shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver

No restriction, condition, obligation or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure of enforcement, regardless of the number of violations or breaches which may occur.

Section 6. Insurance Trustee

The insurance trustee shall be Kenosha Savings and Loan Association, or such other institution as is designated by the Board of Directors. The Board of Directors shall pay the fees and disbursements of any insurance trustee, and the fees and disbursements shall constitute a common expense.

ARTICLE XI

Conflicts

Section 1. Control of Conflicts

These By-laws are set forth to comply with the requirements of the Act. In case any of these By-laws conflict with the provisions of the Act, the provisions of the Act shall control. In case any of these By-laws conflict with the provisions of the Declaration or Articles of Incorporation, the Declaration or Articles of Incorporation, as applicable, shall control.

ARTICLE XII

Fiscal Year

Section 1. Adoption of Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIII

Amendments to By-laws

Section 1. Amendments to By-laws

These By-laws may be modified or amended by affirmative vote of at least 67% of the authorized votes of all unit owners, which vote shall be taken at a meeting of unit owners duly held for that purpose.

Section 2. Rights of Declarant

No amendment of these By-laws shall alter or abrogate the rights of Declarant as contained in these By-laws.

ARTICLES OF INCORPORATION

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FORM 14

742205

United States of America

State of Wisconsin

OFFICE OF THE SECRETARY OF STATE

VOL 1200 PAGE 729

To All to Whom These Presents Shall Come:

The undersigned, as Secretary of State of the State of Wisconsin, certifies that the attached is a duplicate of a document accepted and filed in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at Madison, on the date of filing of said document.

Douglas La Follette

DOUGLAS La FOLLETTE
Secretary of State

Record duplicate in Kenosha County, Wisconsin

VOL 1200 PAGE 730

ARTICLES OF INCORPORATION
OF
HARBOR VILLA HOMES ASSOCIATION, INC.

The undersigned, a natural person over the age of 18 years and acting as incorporator of a non-stock, non-profit corporation under the provisions of the Wisconsin Non-stock Corporation Law, Chapter 181 of the Wisconsin Statutes, hereby adopts the following as the Articles of Incorporation of the Corporation:

ARTICLE I

Name

The name of the corporation shall be Harbor Villa Homes Association, Inc.

ARTICLE II

Period of Existance

The period of existance of the Corporation shall be perpetual.

ARTICLE III

Purposes

The purposes of the Corporation are:

A. To serve as an association of unit owners under the Wisconsin Condominium Ownership Act ("Act") who own certain residential property located in Kenosha County, State of Wisconsin (the "Property") subject to the terms and conditions of the Declaration of Condominium as the Declaration may be amended from time to time (the "Declaration") for Harbor Villa Condominium Homes (the "Condominium") as recorded in the office of the Register of Deeds for Kenosha County, Wisconsin;

B. To serve as a means through which the unit owners may collectively and efficiently manage, maintain, operate, reconstruct and care for the Property in accordance with the Act and the Declaration; and

C. To engage in any lawful activity permitted by the Act and Declaration for which a non-stock, non-profit corporation may be organized under the Wisconsin Non-stock Corporation Law.

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ARTICLE IV

Powers

The Corporation shall have all of the powers enumerated in the Wisconsin Non-stock Corporation Law, to the extent not inconsistant with the Act, the Declaration and the By-laws of the Corporation, including without limitation, the following:

A. To exercise exclusive management and control of the common elements described in the Declaration;

B. To operate, repair, replace, reconstruct, protect and maintain the common elements described in the Declaration;

C. To purchase, lease or otherwise acquire units on behalf of all the unit owners and to sell, lease, mortgage, vote the votes attributed to those units and otherwise deal with the units so acquired on behalf of all the unit owners;

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

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

F. To purchase insurance on the Property and insurance for the benefit of the Corporation and its members;

G. To adopt and amend rules and regulations governing the use and operation of the Property;

H. To enforce by legal means the provisions of the Wisconsin Condominium Ownership Act, the Declaration, the By-Laws of the Corporation and any rules and regulations governing the use and operation of the Property;

I. To establish and maintain one or more bank accounts for deposit and withdrawal of the funds of the Corporation; and

J. To do all things necessary or convenient to effectuate the purposes of the Corporation.

ARTICLE V

Members

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

ARTICLE VI

Principal Office and Registered Agent

The location of the principal office of the Corporation shall be 4405 Harrison Road, Kenosha, Wisconsin, 53142, and the initial registered agent shall be James Pellizzi. The address of the initial registered agent is 4405 Harrison Road, Kenosha, Wisconsin, 53142.

ARTICLE VII

Directors

The number of directors of the Corporation shall be fixed in the By-Laws of the Corporation and in no event shall be less than four. The manner in which directors shall be selected, appointed and removed shall be set forth in the By-Laws of the Corporation.

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

Lee H. Huberty, M.D., 8747-1st Avenue, Kenosha, Wisconsin, 53142
James Pellizzi, 4405 Harrison Road, Kenosha, Wisconsin, 53142
Roger D. Lacock, 1911 S. Wisconsin Avenue, Racine, Wisconsin, 53403
Joseph C. Mrazek, Sr., 6700 Mariner Drive, #201, Racine, Wisconsin, 53406

ARTICLE VIII

Incorporator

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

John U. Schneider
827 College Avenue
Racine, Wisconsin 53403

ARTICLE IX

Dissolution

VOL 1200 PAGE 733

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

Executed in duplicate this 19th day of July, 1985.

Incorporator

STATE OF WISCONSIN)
) ss.
COUNTY OF RACINE)

Personally came before me this 19th day of July, 1985, the above named John U. Schneider, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and he acknowledged that he executed the same for the purposes therein contained.

Mary L. ~~Pederson~~
Notary Public - State of Wisconsin
My commission expires: 2-1-87

This instrument drafted by John U. Schneider

Please return to: John U. Schneider
827 College Avenue
Racine, Wisconsin 53403

REGISTER'S OFFICE)
Kenosha County, Wis.) S:S:
RECORDED AT 10:55 A M

ON SEP 30 1985 IN
RECORDS VOL: 1200 P 729-733

Donna Dietman
REGISTER OF DEEDS

1200

STATE OF [illegible]

SEP 25 1985

[illegible] STATE

ANNUAL OPERATING BUDGET

HARBOR VILLA CONDO ASSOCIATION

ESTIMATED MAINTENANCE FEE

SLIP RENTAL

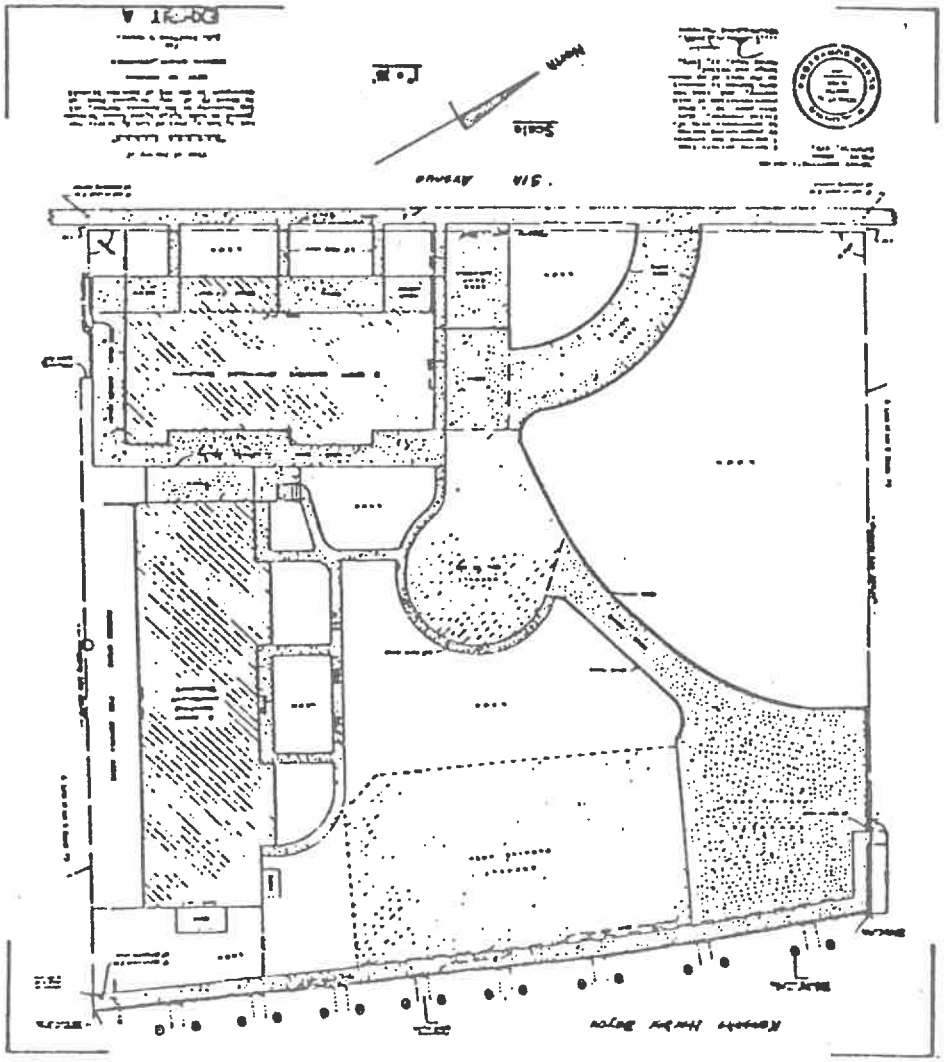
4 Charters @ $2,000.00	$ 8,000.00
11 Regular @ $1,200.00	13,200.00
21 Units @ $50.00 per month	12,600.00
Total Income	$33,800.00

EXPENSES

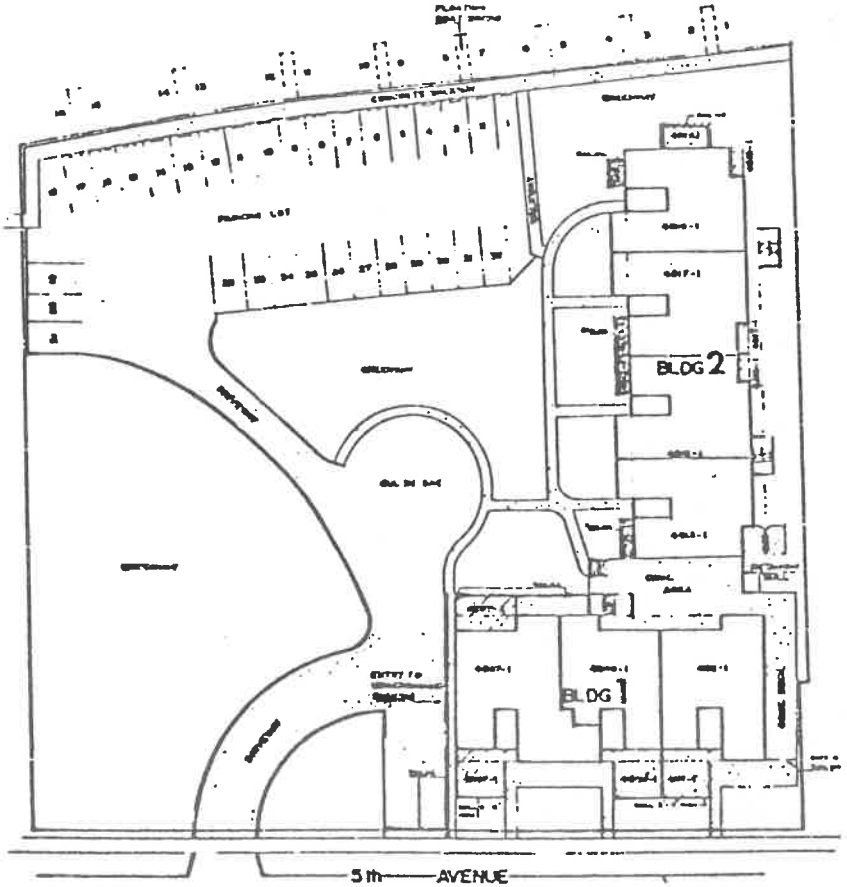
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Utilites	10,000.00	
Snow Removal	1,500.00	
Lawn Care	1,500.00	
Insurance	1,700.00	
Dock Maintenance	1,000.00	
Other Maintenance	6,000.00	
Total Expenses		- 26,700.00
BALANCE FOR CAPITAL IMPROVEMENT		$ 7,100.00

FLOOR PLANS AND PLAT OF SURVEY

DESCRIPTION	PAGE
Site Plan	1
Site Plan	2
Site Plan	3
Basement/Parking Plan	4
Bldg. 1 - First Floor	5
Bldg. 1 - Second Floor	6
Bldg. 1 - Third Floor	7
Bldg. 2 - Crawl Space	8
Bldg. 2 - First Floor	9
Bldg. 2 - Second Floor	10
Bldg. 3 - Third Floor	11



KENOSHA HARBOR BAYOU



HARBOR VILLA

CERTIFICATION

I, [illegible], do hereby certify that I am duly licensed by the State of Wisconsin and that I have prepared the documents appearing hereon to be an accurate representation of the condominium plans as filed with the Building Inspection Department of the City of Kenosha, Wisconsin.

[illegible]
Architect State of Wisconsin

NOTARIZATION

Subscribed & sworn to before me this [illegible] day of [illegible], 19[illegible].

[illegible]
Notary Public State of Wisconsin

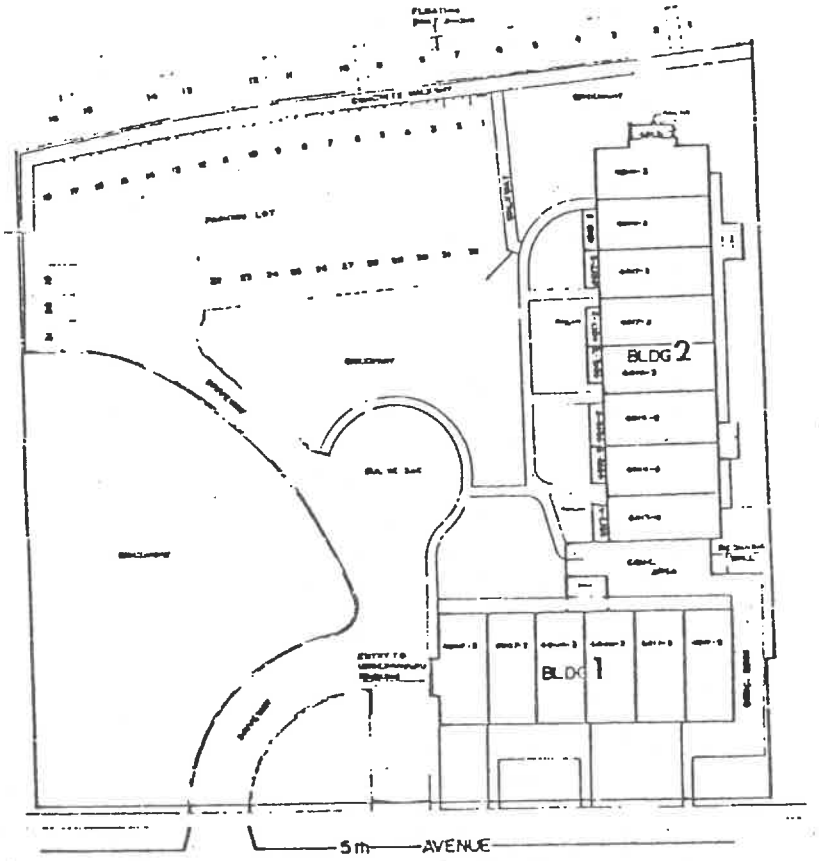
My commission expires [illegible], 19[illegible].

LIMITED COMMON AREA

SITE PLAN 01

Exhibit B

KENOSHA HARBOR BAYOU





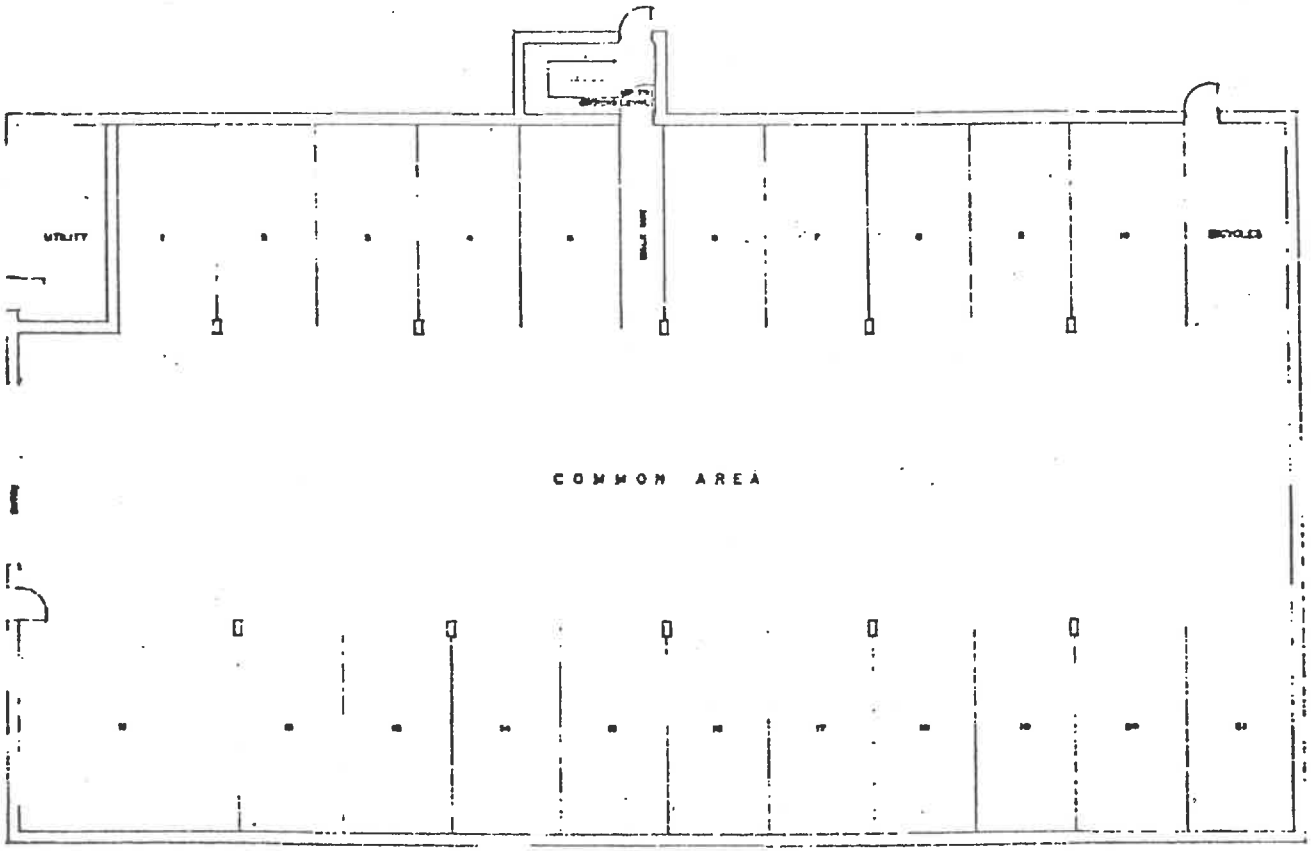
HARBOR VILLA

CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

SITE PLAN 02



HARBOR VILLA

CERTIFICATION

I, JOHN [illegible], AN ARCHITECT DULY LICENSED BY THE STATE OF WISCONSIN DO HEREBY CERTIFY THAT DRAWINGS APPEARING HEREON TO BE AN ACCURATE REPRESENTATION OF THE CONSTRUCTION PLANS AS FILED WITH THE BUILDING INSPECTION DEPARTMENT IN THE CITY OF [illegible], WISCONSIN.

[illegible]
ARCHITECT, STATE OF WISCONSIN

NOTARIZATION

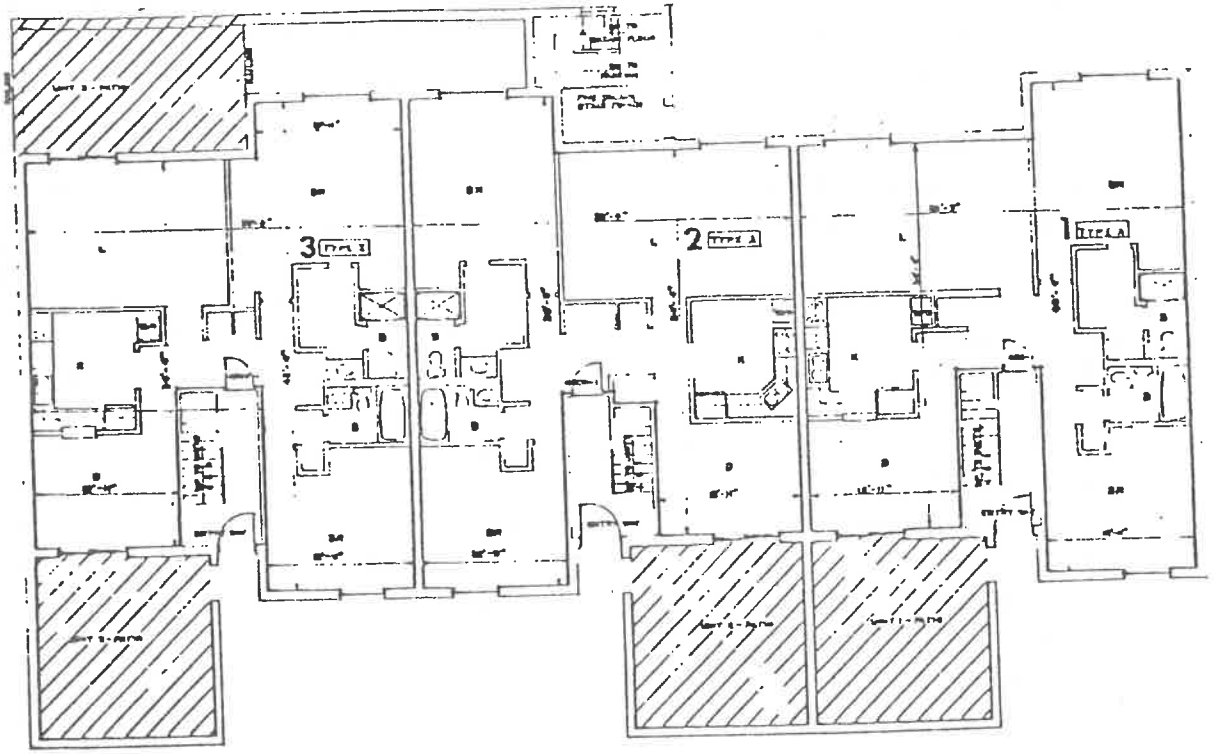
SUBSCRIBED & SWORN TO BEFORE ME THIS [illegible] DAY OF [illegible], 1977

[illegible]
NOTARY PUBLIC, STATE OF WISCONSIN

MY COMMISSION EXPIRES [illegible]

BLDG 1
BSMT/PARKING PLAN 03

EXHIBIT A



HARBOR VILLA

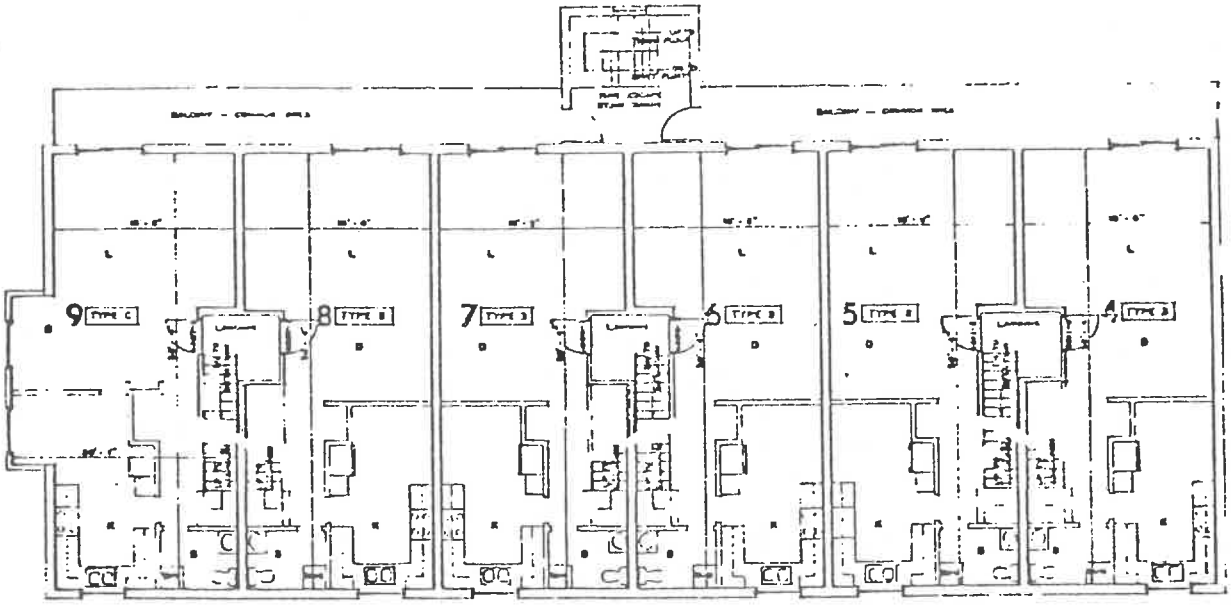
CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

BLDG 1
1ST FLOOR PLAN

HARBOR VILLA



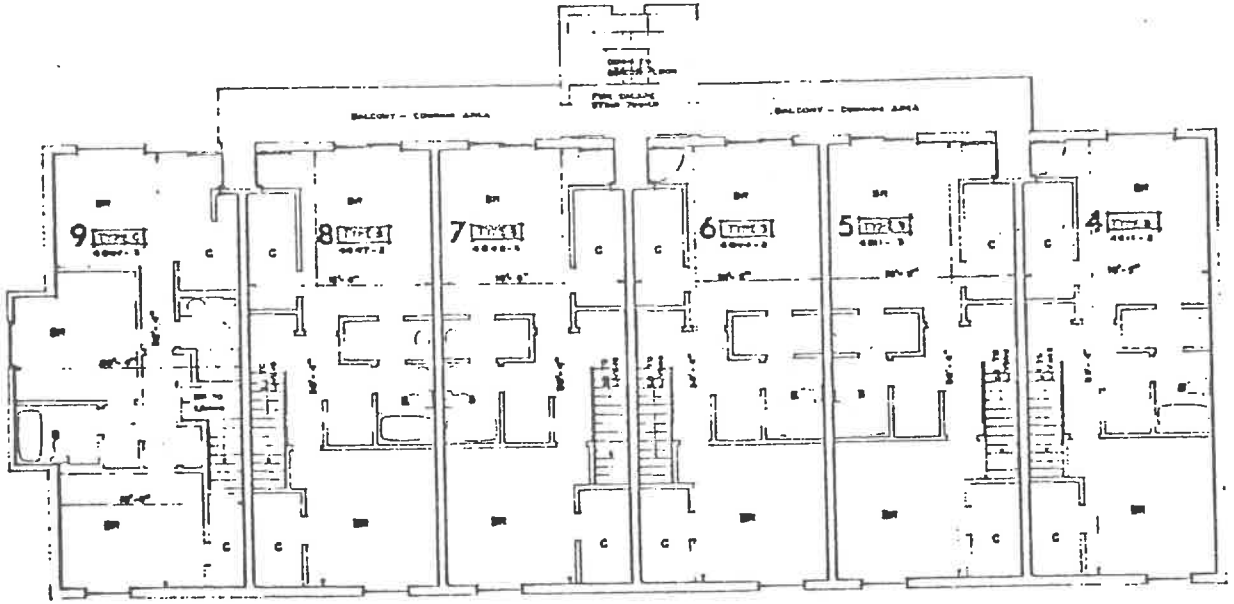
CERTIFICATION

NOTARIZATION

BLDG 1
2ND FLOOR PLAN

06

HARBOR VILLA

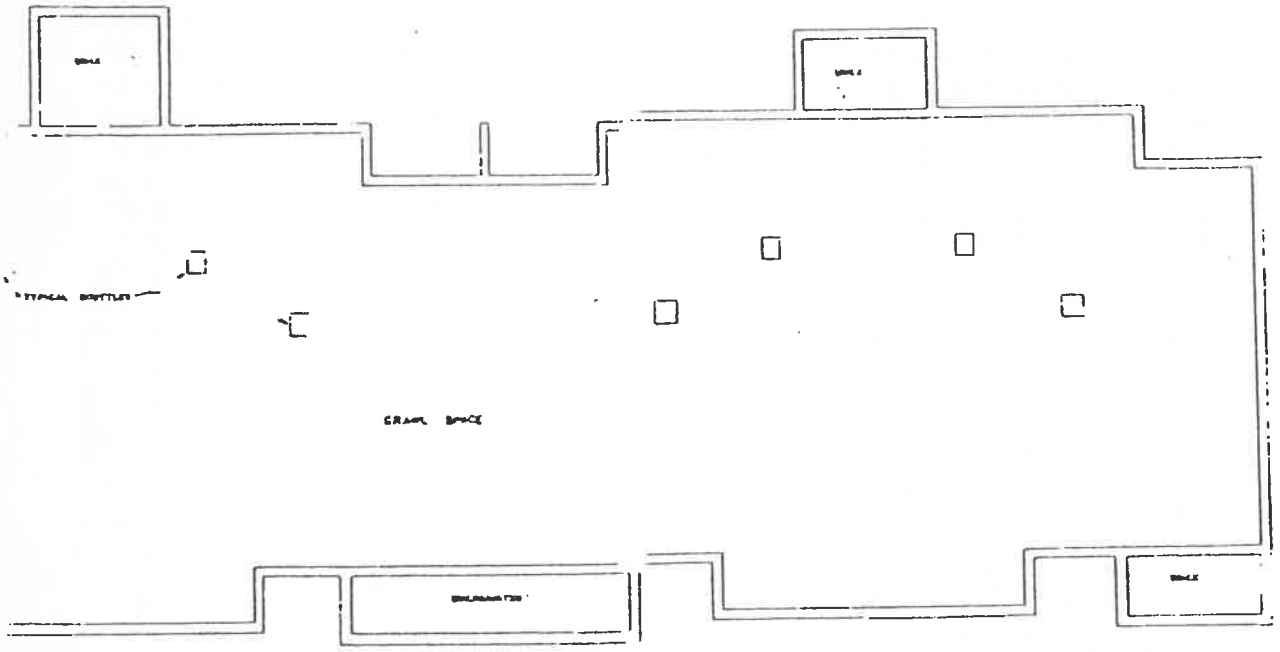


CERTIFICATION

NOTARIZATION

BLDG 1
3RD FLOOR PLAN

06



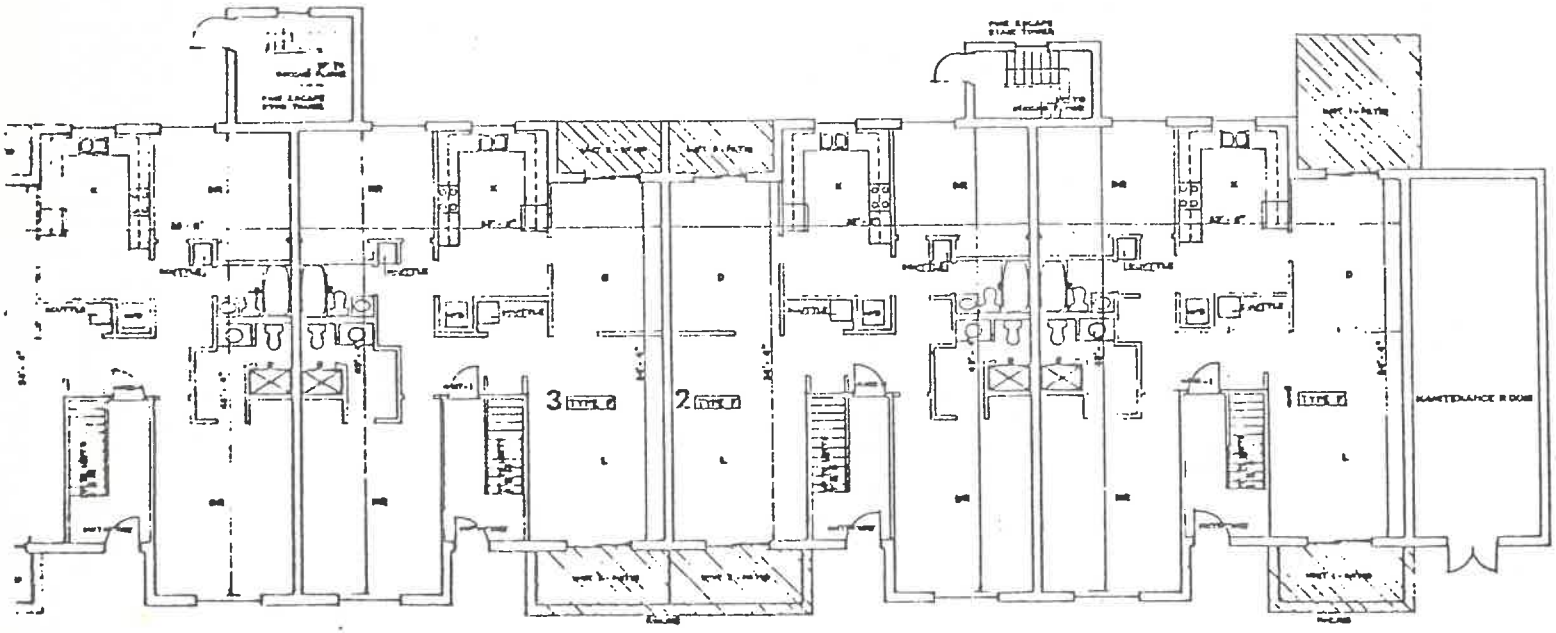
HARBOR VILLA

CERTIFICATION

NOTARIZATION

BLDG 2
CRAWL SPACE PLAN

07



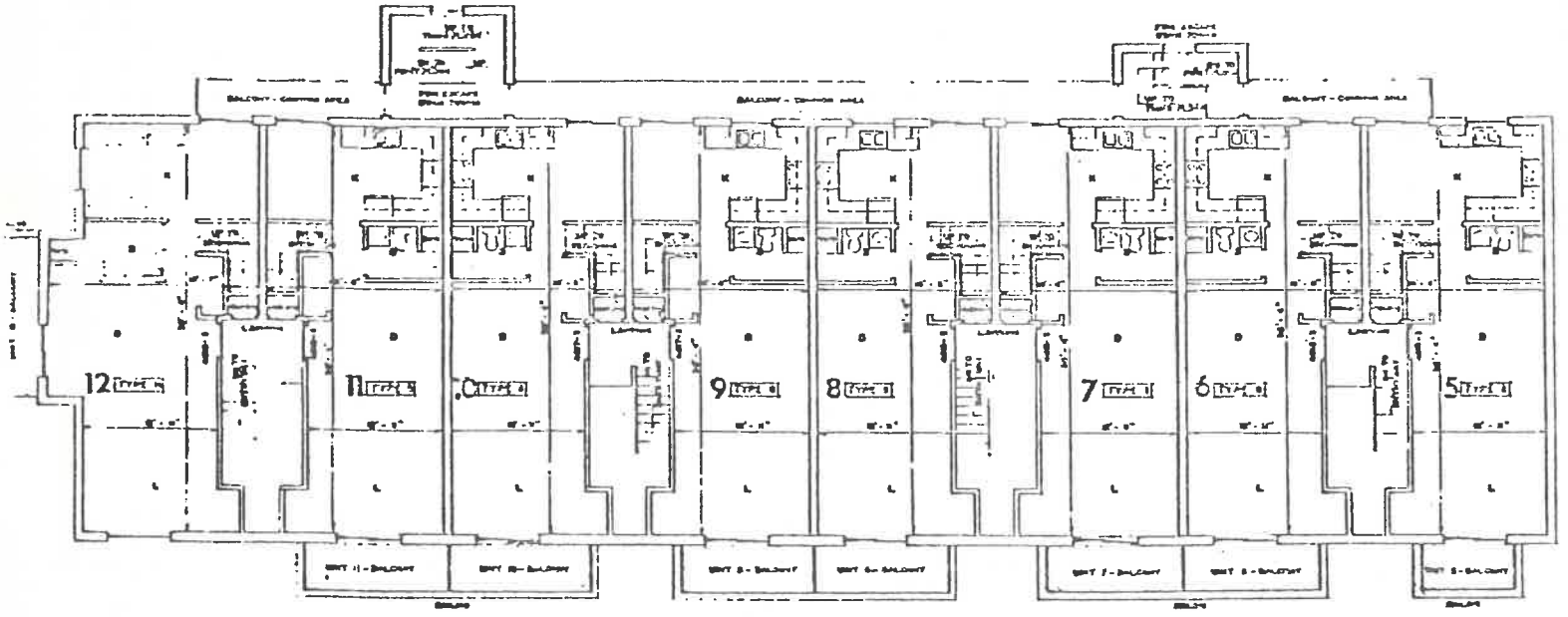
HARBOR VILLA

CERTIFICATION

NOTARIZATION

LIMITED COMMON AREA

BLDG 2
1ST FLOOR PLAN 08



HARBOR VILLA

CERTIFICATION

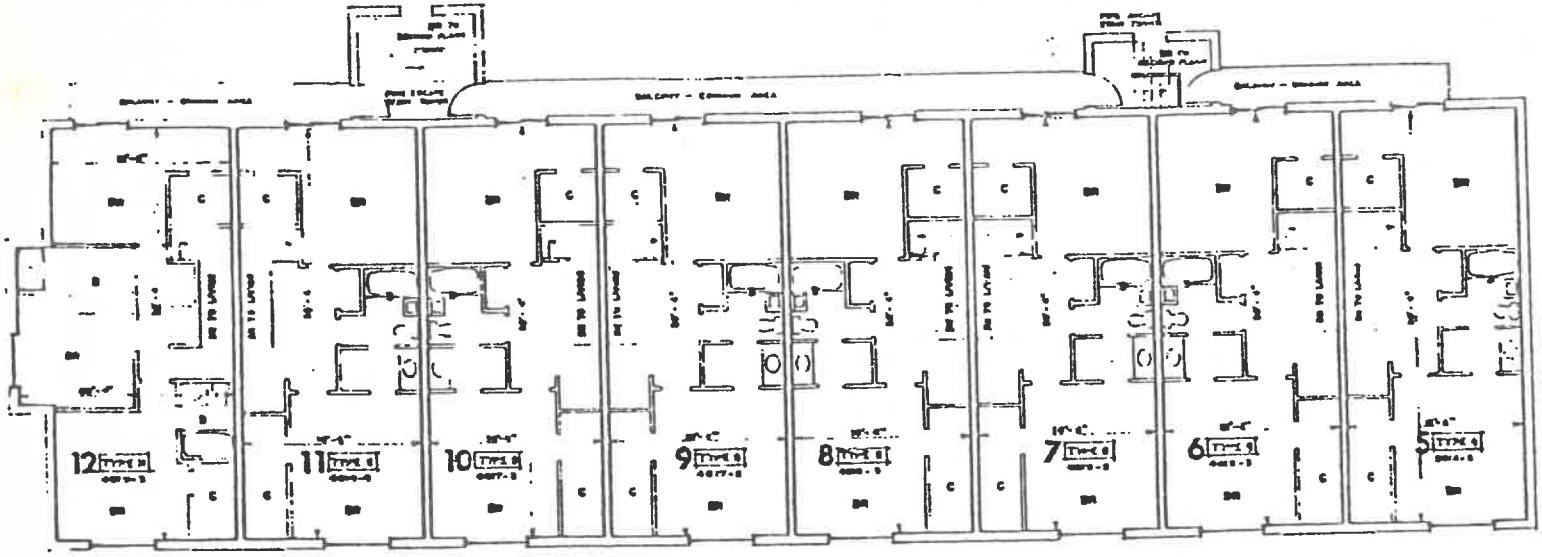
NOTARIZATION

LIMITED COMMON AREA

BLDG 2
2ND FLOOR PLAN

09

HARBOR VILLA



CERTIFICATION

NOTARIZATION

BLDG 2
3RD FLOOR PLAN

10

MANAGEMENT CONTRACT

Realty Management Corp.

~~6923 - 39th Avenue~~ • Kenosha, Wisconsin 53142 • Phone (414) 552-9227 - 652-9228

5205 38th Ave,

MANAGEMENT AGREEMENT

AGREEMENT between Harbor Villa Investments, hereinafter called the "Owner" and REALTY MANAGEMENT CORPORATION, hereinafter called the "Agent."

1. **EMPLOYMENT OF AGENT.** The Owner hereby employs the Agent as the sole and exclusive renting and management agent to the property known as: Harborvilla 5th Ave Kenosha, WI.
2. **LEASING VACANT SPACE.** The agent shall use all reasonable efforts to lease available space in the building to desirable tenants. In order to promote such leasing the Agent may place newspaper advertising, post renting signs, prepare circulars and engage in other forms of advertising. The owner shall refer all inquiries for leases or renewals to the Agent.
3. **AGENT'S AUTHORITY.** The Owner hereby gives to the Agent the following authority and powers and agrees to assume the expenses in connection herewith:
   (a) To collect rents due or to become due and give receipts therefor.
   (b) To terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate.
   (c) To institute and prosecute actions.
   (d) to evict tenants and to recover possession of said premises.
   (e) To sue for and in the name of the Owner recover rents and other sums due.
   (f) To settle, compromise, and release such actions or suits or reinstate such tenancies.
   In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of the Agent.
4. **COLLECTION AND REMISSION OF INCOME.** The Agent shall collect the rents and other income from the Building promptly when such amounts become due and shall deposit all such amounts in a trust account maintained by Realty Management Corporation. The Agent may withdraw from such trust account all disbursements which under this Agreement are to be made at the expense of the Owner, including compensation of the Agent as set forth herein. The Agent shall render to the Owner a quarterly statement of receipts and disbursements, and shall, from time to time, pay to the Owner all amounts in such trust account, except a reasonable balance for working cash.
5. **MAINTENANCE AND OPERATION.** The Agent is authorized and required, at the expense of the Owner, to purchase necessary supplies; to make contracts for electricity, gas, steam, telephone, window cleaning, refuse disposal, vermin extermination, and for any other utilities or services which the Agent shall reasonably consider advisable; and to make ordinary repairs and alterations, provided that expenditures for any one item of repair or alteration shall not exceed the sum set forth at the end of this provision without the written consent of the Owner, unless they are made under circumstances which the Agent shall reasonable consider to constitute an emergency. The Agent shall not pay interest or amortization on mortgages, taxes, assessments, water charges or premiums on insurance without the written authorization of the Owner.
   Any one item of repair or alteration shall not exceed the sum of $250.00.
6. **EMPLOYEES.** The Agent shall employ, discharge, supervise, and pay, on behalf of the Owner, all employees or contractors, including attorneys, if necessary, considered by the Agent as necessary for the efficient management of the Building. All such employees shall be deemed employees of the Owner and not the Agent. The Agent shall not be liable to the Owner or to others for any act or omission on the part of such employees if the Agent has taken reasonable care in their employment.
7. **COMPENSATION OF AGENT.** The Owner shall pay to the Agent the following compensation:
   (a) For management: $550.00 per month
   _____% of all rent and other income from the building.
   (b) For repairs required herein:
   _____% of the total cost of such repairs.
   (c) For any new lease, renewal or extension of a lease:
   _____% of the first month's rent, or _____.
8. **INDEMNIFICATION AND INSURANCE.** The Owner shall save the Agent harmless from all suits for damages in connection with the management of the Building and from liability from injuries suffered by any person which in the Building or on the premises upon which the Building is located. The Owner shall carry, at its own expense, public liability insurance, elevator insurance as required, boiler insurance, and Workmen's Compensation Insurance, with the Agent designated as one of the insureds, in amounts adequate to protect the interest of the Owner and the Agent.
9. **TERM.** This Agreement shall become effective on the day it is executed and shall continue in full force and effect for a period of 12 months.
10. **EARLY TERMINATION.** Notwithstanding other provisions herein, this Agreement may be terminated, and the obligation of the parties hereunder shall thereupon cease, upon the occurrence of any of the following circumstances:
    (a) In the event of a bona fide sale or demolition of the Building, the Owner may terminate this Agreement upon not less than 30 days notice by certified mail to the Agent.
    (b) If a petition in bankruptcy is filed by either the Owner or the Agent, or if either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party can terminate this Agreement by serving written notice by certified mail to the other party.
    (c) If the Owner shall fail to comply with any rule, order, determination, ordinance, or law of any Federal, State, or Municipal authority, the Agent may terminate this Agreement upon 10 days written notice by certified mail to the Owner.
    (d) If the Owner shall fail to pay to Agent any excess disbursements after demand is made or fails to pay the compensation agreed to in paragraph 7 above, the Agent may terminate this Agreement upon 10 days written notice by Certified Mail to the Owner.
    (e.) Both Parties shall be able to cancel this Contract with a 30 day Notice

REALTY MANAGEMENT CORPORATION

Date: 6/27/85 BY: Alice A. Jenks

Owner

Owner

This Instrument was Drafted By: Carl M. Greco, Attorney at Law, 6811 39th Ave., Kenosha, WI 53142, 414-658-3330