DISCLOSURE MATERIALS

EDGEWATER TERRACE, a condominium

1707 North Prospect Avenue

Milwaukee, Wisconsin

Quorum = 25% on 19 units
Majority = more than 50% of the Quorum

The Developer (Declarant) is Milwaukee New Town, Inc. Its business address is 1707 North Prospect Avenue, Milwaukee, Wisconsin 53202.

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

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.

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.

In compliance with the Disclosure Requirements of Section 703.33, Wisconsin Statutes, copies of the following are herewith supplied:

1. DECLARATION OF CONDOMINIUM OWNERSHIP. The Declaraton establishes and describes the condominium, the units and the common areas. The Declaration begins on page 1.

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 XXXVII.

3. ARTICLES OF INCORPORATION. The operation of the condominium is governed by the Association, of which each unit is a member. Powers, duties, and operation of an association are specified in its Articles of Incorporation. The Articles of Incorporation begin on page XLIX.

4. MANAGEMENT AND EMPLOYMENT CONTRACTS. Certain services may be provided to the condominium through contracts with individuals or private firms. An explanation of such contracts is found on page LVI.

5. ANNUAL OPERATING BUDGET. The Association will incur 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. At this point the Association supplies a Projected Operating Budget. A more detail and more accurate budget will be supplied as time progresses. The budget begins on page LIV.

6. LEASES. Units in some condominiums are sold subject to one or more leases of property or facilities which are not a part of the condominium. There are no such leases to date.

7. EXPANSION PLANS. Declarant has not reserved the right to expand the condominium in the future.

8. FLOOR PLANS AND MAPS. Declarant has provided a floor plan of the units being offered for sale and a map of the condominium showing the location of a unit which you may be considering, and all facilities and common areas which are part of the condominium. The floor plan and map begin on page XVII.

9. CERTIFICATE OF INSPECTION. Declarant has provided a Certificate of Inspection of Heating and Air Conditioning Equipment. The Certificate is found on page LV.

DECLARATION OF CONDOMINIUM OWNERSHIP

EDGEWATER TERRACE, a condominium

1707 North Prospect Avenue

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REGISTER'S OFFICE } ss
Milwaukee County, WI }
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REGISTER OF DEEDS

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DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS, COVENANTS AND CONDITIONS FOR EDGEWATER TERRACE, a condominium 1707 North Prospect Avenue

THIS DECLARATION, made this 11th day of JUNE, 1979, by Milwaukee New Town, Inc. (hereinafter referred to as the "DEVELOPER"),

WITNESSETH:

WHEREAS the DEVELOPER is the owner in fee simple of certain real estate hereinafter described, in the City of Milwaukee, Milwaukee County, Wisconsin; and

WHEREAS, the DEVELOPER intends to, and does hereby submit and subject such real estate, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto, to the provisions of the Wisconsin Condominium Ownership Act, Chapter 703, Wisconsin Statutes; and

WHEREAS, the DEVELOPER desires to establish certain rights, conditions, restrictions, covenants and easements in, over and upon said real estate for the benefit of DEVELOPER and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial, and proper use and conduct of the property and all units; and

WHEREAS, the DEVELOPER desires and intends that the several unit owners, mortgagees, occupants, and other persons hereafter acquiring any interest in the property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, conditions, restrictions, covenants and easements hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property.

NOW, THEREFORE, the DEVELOPER, as the title holder of the real estate hereinabove referred to and described at greater length hereinafter, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I

DEFINITIONS AND LEGAL DESCRIPTION OF LAND

Section 1. LEGAL DESCRIPTION OF LAND: The real estate which is hereby submitted and subjected to the provisions of the Condominium Ownership Act, Chapter 703, Wisconsin Statutes, is legally described as follows:

> Lots 8, 9, and 10 in Block 239, Cambridge Subdivision in the East 1/2 of Section 21, Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin

Said real estate and all improvements thereon and appurtenances thereto shall be known as EDGEWATER TERRACE.

For the purpose of brevity and clarity, certain words and terms used in this declaration are defined as follows:

Section 2. "Association" shall mean and refer to EDGEWATER TERRACE CONDOMINIUM ASSOCIATION, INC., a corporation formed under the nonstock corporation statute, chapter 181, Wisconsin Statutes, its successors and assigns.

Section 3. "Owner" shall mean and refer to the record owner, whether one of more persons or entities, of a fee simple title to any unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Unit" shall mean and refer to a part of the property subject to the Declaration, consisting of a portion of a residential building having a separate front, rear and/or side entrance, enclosed rooms or areas occupying said building and bounded along the outer boundaries of the building as such boundaries are shown on the building and floor plans attached hereto as Exhibit A, together with all facilities and improvements therein contained, excluding the land underneath same.

Section 5. "Unit Number" shall mean the number, letter, or combination thereof, identifying a unit.

Section 6. "Common Elements" shall mean and refer, unless otherwise provided in this Declaration or amendments hereto, to the common areas and facilities consisting of the land and the entire premises described in Section 1 above, excepting the units and excepting and subject to any structures built or improvements installed by or for public utilities.

Section 7. "Limited Common Elements" shall mean those common elements identified herein as reserved for the exclusive use of one or more but less than all of the unit owners.

Section 8. "Developer" shall mean and refer to the person named above and his heirs and assigns. The Developer may also be referred to as the Declarant.

Section 9. "Mortgage" shall mean any Mortgage or other security instrument by which a Unit or any part thereof is encumbered.

Section 10. "Mortgagee" shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any land contract vendor of any unit, or any successor to the interest of such person under such Mortgage or such land contract.

Section 11. "Majority" shall mean the condominium unit owners with more than 50% of the votes assigned to the units in this Declaration.

Section 12. "Person" shall mean an individual, corporation, partnership, association, trust or other legal entity.

ARTICLE II

PROPERTY AND UNITS: SUBMISSION TO ACT

Section 1. SUBMISSION OF PROPERTY TO THE ACT: The DEVELOPER hereby submits the real estate described in Article I and all buildings and improvements constructed or to be constructed thereon to the provisions of said Condominium Ownership Act (the "act").

Section 2. CODE IDENTIFICATION: Each Unit shall be specifically designated by its unit number as set forth in Exhibit A attached hereto and hereby made a part of this Declaration.

Every deed, lease, mortgage, or other instrument may legally describe a unit by its identifying number and every such description shall be deemed good and sufficient for all purposes, as provided in the act.

Section 3. DESCRIPTION OF RESIDENTIAL BUILDING: The residential building on the real estate described in this Declaration contains Seventy-five (75) Living Units and Sixty-eight (68) Parking Units which are fully described in the exhibits attached hereto and made a part of this Declaration. The building is

located as indicated in Exhibit B attached hereto and made a part of the Declaration, consisting of:

(a) 15 three bedroom units (designated as type A), having approximately 1255 square feet of living area and containing a kitchen, living room, dining area and two bathrooms. Dishwasher

(b) 15 two bedroom units (designated as type B), having approximately 998 square feet of living area and containing a kitchen, living room, dining area and two bathrooms. Dishwasher

(c) 15 one bedroom units (designated as type C), having approximately 650 square feet of living area and containing a kitchen, bathroom, living room and dining area. Dishwasher

(d) 15 one bedroom units (designated as type D), having approximately 498 square feet of living area and containing a kitchen and one bathroom.

(e) 15 two bedroom units (designated as type E), having approximately 926 square feet of living area and containing a kitchen, living room, dining area, and two bathrooms. Dishwasher

(f) 27 full size outdoor parking units (designated as type F).

(g) 37 full size indoor parking units (designated as type G).

(h) 4 compact size indoor parking units (designated as type H).

(i) Each of the units is furnished with a garbage disposal, refrigerator and range. Unit types A, B, C and E have a dishwasher.

The building is constructed principally of brick and stone.

The location, the designation of each Unit, and the immediate common area and limited common area to which each Unit has access are shown in Exhibit B-1 through B-20.

The boundaries of each Living Unit shall be the center line of interior walls bounding a Unit, the interior of the outside walls bounding a Unit, the lower boundary of a Unit shall be the plane of the upper surfaces of the floor of the unit, and the upper boundary shall be the plane of the under surface of the ceiling of the unit.

Ownership of parking units shall be appurtenant to ownership of a living unit. No person, other than an owner of a living unit, shall acquire any interest, including a leasehold interest, in a parking unit.

ARTICLE III

COMMON AREAS AND LIMITED COMMON AREAS

Section 1. OWNERSHIP OF COMMON AREAS: Each Unit Owner shall be entitled to and own an undivided interest in the common areas as a tenant-in-common with all other Unit Owners of the property, and, except as otherwise limited in this Declaration, shall have the right to use the common elements for all purposes incident to the use and occupancy of such owner's unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with such Unit. Each Unit's percentage of ownership

ownership in the common Area shall be as set forth in Exhibit A.

Each Unit's percentage of ownership in the common areas shall be subject to such easements as have been granted or may hereafter be grant to the City of Milwaukee or to public utilities.

Section 2. DESCRIPTION OF COMMON AREAS AND FACILITIES: The common areas and facilities shall consist of:

(a) the land on which the building is located;

(b) the foundations, columns, girders, beams, supports, main walls and roofs of the building;

(c) Areas set aside for storage of maintenance equipment;

(d) Installations for providing central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;

(e) Tanks, pumps, controls, fans, compressors, ducts and in general, all apparatus and installations intended for common use;

(f) Such community and commercial facilities as may be provided for in supplements to this Declaration, if any;

(g) Elevators, mail room, lobby, managers' office, laundry room, service room, vestibule, equipment room, washrooms (other than those located in units), terraces, solarium deck and roof top lounge;

(h) The manager's apartment and indoor compact parking space;

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

Section 3. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES: The limited common areas and facilities are the storage lockers located on the plaza level of the building. One such storage locker shall be assigned to each unit and the right to use same limited to occupants of that unit.

Section 4. NO PARTITION OF COMMON AREAS: There shall be no partition of common areas through judicial proceedings or otherwise until this Declaration is terminated and the property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership; provided, however, that if any Unit shall be owned by two or more co-owners as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit Ownership between such co-owners.

ARTICLE IV

OTHER PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

Section 1. OWNER'S RIGHT TO INGRESS AND EGRESS AND SUPPORT: Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit and such rights shall be appurtenant to and pass with the title to each Unit.

Section 2. USE OF UNITS: Each Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Unit for residential purposes shall not be considered to be a violation of this covenant.

Section 3. USE OF COMMON AREAS: There shall be no obstruction of the Common Areas, nor shall anything be kept or stored on any part of the Common Areas without the prior written consent of the Association except as specifically provided herein. Nothing shall be altered on, constructed, or removed from the Common Areas except upon the prior written consent of the Association. No garbage or rubbish containers shall be placed or kept in any Common Area or Limited Common Area.

Section 4. PROHIBITION OF DAMAGE AND CERTAIN ACTIVITIES: Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would increase the rate of insurance on the premises or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof, which would be in violation of any Statute, rule, ordiance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnity and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitee, to the Association or other Owners. No noxious, destructive, or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof. Nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any other person at any time lawfully residing in the Unit.

Section 5. ANIMALS: No animals or birds shall be permitted within the units except that a single pet, either a domestic pet, dog, cat or caged bird of a maximum dimension in height of less than 14" and a maximum weight of less than 10 pounds may be kept in the units. No domestic pet, dog, cat or caged bird may be kept, bred or maintained for commercial purposes. A permitted pet shall not be allowed at large and shall be under control of a person when outside the unit of its owner, shall not enter and exit the building through the main entrance, shall be walked only in designated open areas and all droppings must be picked up and disposed of by the person in control of such pet.

Section 6. DRAPES: All windows shall be covered by white backed drapes, which when closed shall cover the full window.

Section 7. RULES AND REGULATIONS: No Owner shall violate the rules and regulations for the use of the Units and of the Common Areas as adopted from time to time by the Association

Section 8. DELEGATION OF USE: Any Owner may delegate, in accordance with the By-Laws, or this Declaration, his right of enjoyment of the Common Areas and facilities to the members of his family, to the tenants of his Unit or contract purchasers of his Unit who reside on the property and only to said individuals.

Section 9. SEPARATE MORTGAGES OF UNITS: Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Areas. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the property or any part thereof, except his own Unit and his own respective ownership interest in the Common Areas.

Section 10. SEPARATE REAL ESTATE TAXES: It is intended and understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Areas, as provided in the Wisconsin Condominium Ownership Act. In the event that, for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the property as a whole, then each Unit Owner shall pay his proportionate share thereof, the allocation in respect to Common Areas to be in accordance with his respective percentage of ownership interest in the Common Areas.

Section 11. MAINTENANCE, REPAIRS, AND REPLACEMENTS OF UNITS:

(a) All maintenance, repairs and replacements to the common areas and facilities, and the limited common areas and facilities, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Directors and charged to the Unit Owners as a common expense.

(b) Each Unit Owner shall furnish, at his own expense, and be responsible for all maintenance, repairs and replacement of interior surfaces of each unit, together with utility lines, mechanical equipment and fixtures which serve only one unit, electrical fixtures and equipment which serve only one unit, and such fixtures and equipment which are located within one unit; and glass surfaces, screens, doors, windows, door and window hardware appurtenant to each unit. The expense of such maintenance, repairs and replacement shall be borne solely by each such Owner.

(c) No Unit Owner, except as otherwise provided herein or in the By-Laws, may do any alteration which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament.

(d) In the event that the need for maintenance, repairs or replacement is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, repairs or replacement shall be added to and become a part of the assessment to which such Unit is subject.

Section 12. COMMON SURPLUSES: All common surpluses shall be credited to Unit Owners' assessments for common expense in proportion to their obligation for assessment. The Condominium Owners Association may from time to time provide for other common use of such surpluses.

ARTICLE V

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP: Every Owner shall be entitled and required to be a member of the Association. If title to a Unit is held by more than one person, each of such persons shall be members. 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 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 mortgage on a unit.

Section 2. VOTING: The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of 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.

(b) Class B. The Class B shall be the Developer who shall be entitled to one vote for each Unit owned; provided, however, that notwithstanding the foregoing provisions for voting the Developer shall have at least fourty (40) votes until the Units are sold; provided, further, that Developer's control shall cease three (3) years after the first Unit is conveyed to a purchaser other than the Developer, or thirty (30) days after the conveyance of seventy-five percent (75%) of the Units, whichever time is earlier.

Section 3. UNIT VALUE FOR VOTING: The fractional interest for each Unit shall be as set forth in Exhibit A, and shall serve as a basis in determining the voting interest of each Unit on matters for determination by Unit Owners and as to other matters described in the Wisconsin Unit Ownership Act.

Section 4. AMPLIFICATION: The provisions of this Article are to be amplified by the Articles of Incorporation and 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 VI

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. THE COMMON AREAS: The Association, subject to the rights of the Owners set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 2. SERVICES: The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, 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 Common Areas, 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 service necessary or desirable in connection with the operation of the Common Areas or the enforcement of this Declaration. The Association may arrange with others to furnish water, trash collection, and other common services to each Unit.

Section 3. 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 owned by the Owners in the same proportion as their respective interests in the Common Areas. 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. 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 4. 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 5. 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 or reasonably necessary to effectuate any such right or privelege.

ARTICLE VII

COVENANT FOR ASSESSMENTS

Section 1. AGREEMENT TO PAY ASSESSMENT: Developer for each Unit owned by it hereby covenants, and 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, annual assessments, special assessments for capital improvements, and assessments for any other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

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 and for the improvement and maintenance of the Common Areas, and such emergency repairs as the Association may deem necessary.

Section 3. ANNUAL ASSESSMENT:

(a) Until January 1, 1980, the annual assessment for each Unit shall not exceed a sum equal to $120.00 per month (for the highest type assessment), plus the premium for insurance allocable to such Unit.

(b) Subject to the foregoing limitation, the Board of Directors of the Association shall from time to time, and at least annually, prepare a budget for the property and fix the annual assessment.

(c) The annual assessments shall be made up of the following assessments:

(1) Water, Heat and Air Conditioning Assessment for the purpose of furnishing water, heat, air conditioning and common area electric and operation, repair and maintenance of the systems for furnishing such water, heat and air conditioning.

(2) Parking Assessment for the purpose of snow removal, repairs and maintenance of parking surfaces and repair and maintenance of the automatic garage door.

(3) Insurance Assessment for the purpose of obtaining all insurance required by the Association.

(4) Basic Assessment for all other purposes for which assessments can be levied under the Article.

Section 4. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capitol improvement upon the common Areas including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each Class of voting members who are voting in person or by proxy at a meeting duly called for this purpose. The cost of the initial Common Area improvements is excluded

from the special assessments authorized in this section, such cost to be borne by Developer.

Section 5. NOTICE OF MEETINGS: Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members and any mortgagee who shall request such notice in writing not less than 10 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast twenty-five percent (25%) of all the votes shall constitute a quorum.

Section 6. RATE OF ASSESSMENT: Each unit shall be assessed a portion of the total assessment as set forth in Exhibit A.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the first Unit by the Developer. The first annual assessment shall be adjusted according to the number of months then remaining in that calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

Section 8. LIEN FOR ASSESSMENTS: All sums assessed to any Unit pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for:

(a) Liens of general and special taxes; and

(b) A lien for all sums unpaid on a first mortgage, or on any mortgage to the Developer, duly recorded in the Milwaukee County, Wisconsin real estate records, prior to the making of such assessment, including all unpaid obligatory advances to be made pursuant to such mortgage and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; and

(c) Construction liens filed prior to the making of such assessment; and

(d) All sums unpaid on any mortgage loan made pursuant to Section 45.80, Wisconsin Statutes.

All other lienors acquiring liens on any Unit after this Declaration has been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Association and may be recorded in the office of the Clerk of the Circuit Court or Register of Deeds of Milwaukee County, Wisconsin. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Wisconsin. In any such foreclosure, the Owner shall be required to pay the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Unit which shall

become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Unit as the Owner thereof.

A release of notice of lien, shall be executed by the Association in such form as to be recordable in the Milwaukee County, Wisconsin real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall upon written request report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

Section 9. EFFECT OF NONPAYMENT OF ASSESSMENTS. REMEDIES OF THE ASSOCIATION: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 10 percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit. A suit to recover a money judgment for unpaid expenses hereunder shall be maintainable without foreclosing or waiving the lien securing the same.

Section 10. SUBORDINATION OF THE LIEN TO MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the liens described in Section 8 (a), (b), (c) and (d) above. Sale or transfer of any Unit shall not affect the assessment lien. The sale or transfer of any Unit pursuant to such mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer and such unpaid assessments shall be deemed to be common expenses collectible from all of the Owners excluding the acquirer, his successors and assigns. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

ARCHITECTURAL CONTROL

Sectional 1. ARCHITECTURAL CONTROL COMMITTEE AUTHORITY: No exterior additions or alterations to the building, additional fences, or changes in existing fences, hedges, walls, walkways and other structures shall be commenced, erected or maintained except such as are installed or approved by the Developer in connection with the initial preparation of the building for conversion, until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to the building by an Architectural Control Committee composed of the Board of Directors of the Association, or by a representative or representatives designated by the Board of Directors. In the event said committee, or its designated representatives, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, and if no suit to enjoin the making of such additions, alterations or changes has been commenced within sixty (60) days of application, such approval shall be deemed to have been given. If no application has been made to the Architectural Control Committee or their representatives, suit to enjoin or remove such additions, alterations or changes may be instituted at any time. Neither the members of the Architectural Control Committee nor its designated representatives shall be entitled to compensation to themselves for

services performed pursuant to this paragraph, but compensation may be allowed to independent professional advisors retained by the Architectural Control Committee. Exterior antenna shall not be placed on the building without the approval of the Architectural Control Committee or its designated representatives. During the time which the Association has Class B members, the Architectural Control Committee must have the written approval of the Developer.

ARTICLE IX

PARTY WALLS

Section 1. GENERAL RULES OF LAW TO APPLY: Each wall which is built as a part of the original construction of the building and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. SHARING OF REPAIR AND MAINTENANCE: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. RIGHT TO CONTRIBUTION RUNS WITH LAND: The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 4. ENCROACHMENTS: Some of the Units 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.

ARTICLE X

HAZARD INSURANCE FOR UNITS

Section 1. OBLIGATION OF ASSOCIATION: The Association, for the benefit of all Unit Owners, shall insure the Units against loss or damage by fire and such other hazards as the Association may deem desirable, for the full insurable replacement cost of the Units, without prejudice to the right of each Unit Owner to also insure his own Unit for his own benefit. The premiums for such insurance on the Units shall be deemed common expenses; provided, however, that in charging the same to the Unit Owners, consideration may be given to the higher premium rates on some Units than on others. Such insurance coverage shall be written in the name of, losses under shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association as trustee for the Unit Owners or Unit Owner. The Association may engage the services of any bank or trust company authorized to do trust business in Wisconsin to act as trustee, agent, or depositary on behalf of the Association for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the association shall determine consistent with the provisions of this Declaration. The fees of such corporate trustee shall be common expenses. In the event of any loss in excess of $50,000.00 in the aggregate, the Association shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Units, the Association shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or owner of any Unit so destroyed.

Section 2. INSURANCE PROCEEDS: The proceeds of such insurance shall be applied by the Association or by the trustee on behalf of the Association for the repair or reconstruction of the common elements and Unit or Units; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsment to such

policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions herein with respect to the application of insurance proceeds to reconstruction of the Unit or Units. Payment by an insurance company to the Association or to such trustee of the proceeds of any policy, and the receipt of release from the Association of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which such proceeds may be held pursuant thereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or to see to the application of any payments of the proceeds of any policy by the Association or the corporate trustee.

Section 3. DESTRUCTION AND RECONSTRUCTION: In the event of a partial or total destruction of one or more Units, they shall be rebuilt and repaired as soon as practicable and substantially to the same design, plan and specifications as originally built, unless within thirty (30) days after such partial or total destruction, all of the Owners of Units subject to this Declaration agree not to repair or rebuild. On reconstruction the design, plan and specifications of any building or Unit may vary from that of the original upon approval of the Association; provided, however, that the number of square feet of any Unit may not vary by more than 5% from the number of square feet for such Unit as originally constructed, and the location of the Unit shall be substantially the same as prior to the damage or destruction.

Section 4. PARTITION: The Association shall have the right to levy assessments against the Units involved in the event that the proceeds of any insurance collected are insufficient to pay the estimated or actual costs of repair or reconstruction; provided, however, that in the event of damage to an extent more than the available insurance, this Condominium shall be subject to an action for partition upon obtaining the written consent of the Unit Owners having no less than 75% of the votes. In the event of partition, the net proceeds of sale, together with any net proceeds of insurance shall be considered as one fund and shall be divided among all Unit Owners as set forth in Exhibit B, and shall be distributed in accordance with the priority interests in each Unit.

ARTICLE XI

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, and reservations, now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restrictin herein contained shall in no event be deemed a waive of the right to do so thereafter.

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

Section 3. TERMINATION: This Declaration may only be terminated by the unanimous consent of all of the Owners of all Units and all of the parties holding mortgages, liens or other encumbrances against any of said Units, in which event the termination of the Declaration shall be by such plan as may be then adopted by said Owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this declaration shall be executed in writing by all of the aforementioned parties, and such instrument or instruments shall be recorded in Milwaukee County, Wisconsin

Notwithstanding the foregoing provisions, no termination of this Declaration shall be effective without the approval of the City of Milwaukee.

Section 4. AMENDMENTS: Except as hereinafter limited and provided, this Declaration may be amended by an instrument signed by the Developer alone at any time prior to the sale of twenty (20) Units and thereafter signed by not less than seventy-five prcent (75%) of the Unit Owners; provided, however, that such amendment shall not substantially alter any of the rights or obligations of the

Owners and/or members.

There shall be no amendment to the use restrictions provided in Section 2 of Article IV, without the approval of the City of Milwaukee, Wisconsin.

No amendment to this Declaration shall be adopted which would operate to affect the validity or priority of any mortgage or which would alter, amend or modify, in any manner whatsoever the rights, powers and privileges granted and reserved herein in favor of any mortgage or in favor of the Developer without the consent of all such mortgagees or the Developer, as the case may be.

Any amendment must be recorded in Milwaukee County, Wisconsin.

Section 5. REGISTERED AGENT FOR SERVICE OF PROCESS: The initial registered agent for service of process shall be John Gilligan, 1707 North Prospect Avenue, Milwaukee, Wisconsin. 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 for Milwaukee County, Wisconsin, and with the Secretary of State of the State of Wisconsin

IN WITNESS WHEREOF, the Developer has caused this instrument to be duly executed by John Gilligan, its president, and caused its corporate seal to be thereto affixed this 11th day of June, 1979.

MILWAUKEE NEW TOWN, INC.

By: John Gilligan
John Gilligan, President

Attest: Martin J. Gregorcich
Martin J. Gregorcich,
Secretary

Signatures authenticated this 11th day of JUNE, 1979.

ELI C. FRANK
Member State Bar of Wisconsin

This instrument was drafted by Eli C. Frank