

HUMBIRD

PLACE

CONDOMINIUMS

# HUMBIRD PLACE CONDOMINIUMS, INC.

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# HUMBIRD PLACE CONDOMINIUMS

## Bylaws

Humbird Place Condominiums, Inc.

A Non-Profit Corporation under the laws of the State of Wisconsin

### ARTICLE I

#### Identity

These are the Bylaws of the Humbird Place Condominiums, Inc., 714 Third Street, Hudson, Wisconsin 54016, a Wisconsin non-profit corporation, hereinafter referred to as the "Association," the Articles of Incorporation of which were filed in the office of the Wisconsin Department of Financial Institutions on December 7, 2005, and are subject to the Declaration filed with the St. Croix County Register of Deeds, establishing Humbird Place Condominiums. The Association has been organized for the purpose of administering the Condominium under Chapter 703 of the Wisconsin Statutes, known as the Condominium Ownership Act of the State of Wisconsin. These Bylaws are both the Bylaws of the Association under the Wisconsin corporation law and the Bylaws of the Condominium.

For purposes of these Bylaws, terms specifically defined in the Declaration, or Wisconsin Statutes, shall have the meanings ascribed to them therein.

### ARTICLE II

#### Qualifications and Responsibilities of Members

The qualifications and responsibility of members and manner of their admission into the Association shall be as follows:

1. **Unit Owner/Member.** A unit owner of a unit in the Condominium shall by virtue of such ownership interest be a member of this Association. The Declarant, or its successors in interest or assigns, shall be entitled to membership in the Association only so long as the same is the owner of one or more units in the Condominium. A person shall cease to be a member at such time as that person is no longer a unit owner. No person shall be a member solely by virtue of holding an interest as security for an obligation in a unit.

2. **More Than One Unit Owner.** When one (1) or more persons hold an ownership interest in a unit in the Condominium, all such persons shall be members of the Association.

3. **Registration of Owners and Occupants.** It shall be the duty of each unit owner to promptly register with the Secretary of the Association, in writing, the following:

(a) The name, address and phone number of such unit owner,

(b) The name, address and phone number of any lessee of the unit,

(c) The nature of such unit owner's interest or estate in each unit owned,

(9) The address at which such unit owner desires to receive notice of any duly called meeting of the members,

(10) The name, address and phone number of the first mortgagee, if any, of the unit, and

(11) The name of the unit owner, if there is more than one unit owner of a unit, who shall be authorized to cast the vote with respect to such unit. If there is more than one unit owner of a unit, each must execute the registration form as provided in this section. If the unit owners of a unit fail to register as provided herein, the Board of Directors or a committee appointed by it shall determine who may cast the vote attributable to the unit.

4. Prohibition of Assignment, Etc. of Member's Share in Funds of Association. The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered, alienated or transferred in any manner, except as an appurtenance to the unit in the Condominium.

5. Transfer of Membership. Each membership is appurtenant to the unit on which it is based and shall transfer automatically by voluntary or involuntary conveyance of the ownership of that unit. It shall be the responsibility of each owner, upon becoming entitled to membership, to notify the Association in writing, and until notified, the Association may continue to carry the name of the former owner as a member, in its sole discretion. In the event the owner of any unit should fail or refuse to transfer the membership to the transferee of title of such unit, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the transferee, and thereupon the old membership outstanding in the name of the transferor shall be null and void as if the same had been surrendered.

### ARTICLE III Members' Meetings and Voting

1. Place. All meetings of the members of the Association shall be held in one of the units of the Condominium, or at such other place in St. Croix County, Wisconsin convenient to the members, as may be designated by the Board of Directors in any notice of a meeting of the members.

2. Annual Meetings. The first annual meeting of the members shall be held on a date and time set by the Board of Directors. Thereafter, regular annual meetings of the members shall be held in the same calendar month in each succeeding year. At the annual meeting, the members shall (a) conduct an election of successor directors for those directors whose terms have expired, (b) receive and consider a report on the activities and financial condition of the Association during the past year and (c) consider and take action on any other matters included in the written notice of the meeting.

3. **Special Meetings.** Special meetings of the members may be called at any time by the President and shall be called by the President or Secretary upon the written petition of a majority of the Board or by a voting member entitled to cast at least twenty-five percent (25%) of the votes in the Association. If the meeting is called by written notice, the purpose of the meeting shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice unless all of the members with voting rights waive notice of the meeting.

4. **Telephone Conference, Etc. Meeting.** A conference between the members, by any means of communication through which the participants may simultaneously hear each other during the conference, constitutes a meeting of the members if the same notice is given of the conference as would be required for a meeting, and if all of the members participate in the conference. Participation in a meeting by that means constitutes personal presence at the meeting. In addition, a member may participate in a meeting of the membership, by any means of communication through which he, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes personal presence at the meeting.

5. **Notices.** The Secretary shall give written notice of all meetings of the members in a manner best calculated to assure that actual notice is received by the owners of all units, stating the date, time, place, purpose and complete agenda thereof, and, if proxies are permitted, the procedures for appointing proxies. Such notice shall be in writing to each member at the address of his unit and such address as it appears on the books of the Association and shall be mailed by U.S. Mail, postage prepaid, or hand-delivered, not less than five (5) days and no more than thirty (30) days in advance of any annual or regularly scheduled meeting and at least seven (7) days and no more than thirty (30) days in advance of any other meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of a meeting may be waived before, during or after such meeting.

6. **Attendance of Holder of a Security Interest at Meetings.** The holder of a security interest may attend and participate in any general or special meeting but shall have no vote unless granted by written proxy.

7. **Voting Power.** "Voting power" shall mean the percentage allocated to each unit for voting purposes as set forth in the Declaration; provided, however, that in the event the Association owns a unit, it shall not be entitled to the vote allocated to such unit during the period when it is the owner thereof. During any period when the assessments against a unit are unpaid for more than sixty (60) days after due and payable, that unit's voting rights shall be deemed suspended.

8. **Quorum.** The presence of three (3) of the four (4) voting members in person (e.g., physically at a meeting or not physically at a meeting but participating in a meeting or conference via telephone or video phone or by mailed ballot or other reasonable means or by proxy shall be necessary to constitute a quorum at all meetings of the members for the transaction of any business except that of adjourning the meeting to reconvene at a subsequent

time. In the event a quorum shall not be present at any meeting of the members, the meeting may be adjourned from time to time without notice other than announcement at the meeting of adjournment until a quorum shall be present at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting, shall continue to exist for the meeting notwithstanding the departure of any member previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any unit of which the Association is the unit owner.

9. **Indication of Unit Owner Entitled to Vote and Registration Form; Voting Member.** The vote allocated to a unit shall not be split or otherwise cast separately by the several unit owners of a unit. The vote for a unit which has several unit owners shall be cast by the person named in the registration form described in Section 3 of Article II signed by all of the unit owners of the unit and filed with the Secretary of the Association. The owner entitled to cast the unit's vote shall sometimes be referred to herein as the "voting member." Until revoked by a subsequent certificate, signed by all of the owners of the unit, the person indicated in the registration form shall be acknowledged as the voting member representing the unit. Any dispute between or among several unit owners of a unit regarding the execution of said certificate or who is the voting member shall be decided by the Board of Directors.

10. **Manner of Casting Votes.** Votes may be cast in person or by proxy. Voting members may vote by voice or ballot or mail or other reasonable means. If the vote is to be by mail, notice shall be given. The entire vote on any single issue may be by mailed ballots if so stated in the notice. Such a vote shall have all the effect of a vote taken at a regular or special meeting, provided that the members properly complete the ballot.

11. **Voting by Proxy.** A voting member may cast the vote to which he or she is entitled and be counted as present at any meeting of the members by written proxy naming another person or other persons entitled to act on that member's behalf and delivered to the Secretary before commencement of any such meeting. All proxies granted by a voting member shall be revocable by that member by written notice or by personally attending the meeting and voting at a meeting of the members and shall in any case be invalid eleven (11) months after the date of appointment. The appointment of a proxy terminates all prior appointments when the appointment has been filed with the Secretary of the Association. When a voting member appoints two (2) or more persons to act as proxies, a majority of his proxies present at the meeting have the entire authority conferred by the instrument. When such proxies are equally divided upon the manner of voting in a particular case, they share the votes equally. If only one proxy is present, that person has the entire authority conferred by the instrument of appointment. Authority of a proxy is not terminated by the death or incapacity of the maker unless written notice of the fact of death or incapacity is given to the Association before the vote has been cast or the authority otherwise exercised.

12. **Action by Members Without Meeting.** Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken

without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the voting members.

13. **Adjournment when Quorum Lacking.** If any meeting cannot be organized because a quorum has not attended, the meeting shall be adjourned from time to time until a quorum is present.

14. **Manner of Acting.** When a quorum is present at any meeting, any question brought before the meeting shall be decided by a majority vote of the voting members present in person or by proxy.

15. **Statement of Members Entitled to Vote.** At the beginning of each meeting, the Secretary shall present a list of which of the members is entitled to vote at such meeting and the person entitled to cast each such member's vote by virtue of a certificate or proxy then in effect.

16. **Prohibition of Cumulative Voting.** There shall be no cumulative voting.

17. **Order of Business at Annual and Other Meetings.** The order of business at the annual meetings of the members and so far as is applicable and practical at all other meetings of the members shall be:

- (a) Certification of all members entitled to vote and the name of the person entitled to cast each member's vote;
- (b) Calling of the roll;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposition of any unapproved minutes from previous meetings;
- (e) Reports of officers;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

#### **ARTICLE IV Directors**

**1. Initial Organization Meeting of Members after 50% of Units Have Sold; Enlarged First Board of Directors.** The three (3) person first Board of Directors shall serve until the initial



organization meeting of the members which shall occur no later than sixty (60) days after conveyance of fifty percent (50%) of the units in the Condominium to owners other than Declarant, or any affiliate of Declarant. At this initial organization meeting, the first Board of Directors shall be enlarged from three (3) directors to four (4), and the members other than Declarant shall elect two (2) directors to serve on the enlarged first Board of Directors. The first Board of Directors or this enlarged first Board of Directors shall continue in existence until the second Board of Directors is duly elected at the second organization meeting described in Section 3 below.

2. Number and Qualifications of Directors after First Board of Directors. The second Board of Directors and all successive Boards shall be elected by the voting power of the Association, and such Boards shall consist of four (4) natural persons each of whom shall be an owner of a unit and represent one (1) of the four (4) units in the Condominium; provided, however, that in the event an owner is a limited liability company, corporation, partnership, trust or other legal entity, or beneficiary of such trust, then any designated agent of such entity or trust, or beneficiary of such trust, shall be eligible to serve as a member of the Board so long as he or she shall be an officer of a corporate or limited liability company unit owner, a general partner or officer or designated agent of a corporate general partner of a general or limited partnership unit owner, or a trustee of the trust or a beneficiary of such trust if residing on the premises of the unit.

3. Second Organization Meeting; Election of Second Board of Directors; Organization Meeting of Directors. Upon the occurrence of the earliest of (a) the expiration of three (3) years after the first conveyance of a unit to a unit owner other than Declarant, or an affiliate of Declarant, or (b) the voluntary surrender of control of the Association by Declarant, or (c) within sixty (60) days after conveyance of seventy-five percent (75%) of the units in the Condominium to unit owners other than Declarant, or an affiliate of Declarant, Declarant shall schedule a second organization meeting of the members at which Declarant's two (2) remaining appointees shall resign and the membership shall elect two (2) directors to serve along with the two (2) directors elected previously at the initial organization meeting of the enlarged first Board of Directors. At each annual meeting of the members thereafter, the members of the second Board of Directors and successive Boards of Directors shall be elected. Immediately after the meeting, the directors so elected shall conduct their organization meeting at which officers shall be selected.

4. Terms. At the second organization meeting of the members (which shall follow the end of the Declarant control period), and at each annual meeting of the members thereafter, each of the directors elected at such meeting shall hold office until the next annual meeting of the members or until his or her successor has been elected and attends his or her first meeting.

5. Vacancy. Any vacancy in the first Board of Directors (and in its appointed portion of the enlarged first Board of Directors) shall be filled by appointment made by Declarant. A vacancy in the second and successive Boards of Directors, other than one precipitated by the removal of such director by a vote of the members, shall be filled by a majority vote of the remaining directors even though they may constitute less than a quorum, and each director so elected to

fill such vacancy shall serve for the unexpired term of his predecessor in office and until a successor has been elected and has qualified.

6. **Removal.** A director on the second or any successive Boards of Directors may be removed by a majority of the voting power of the Association, with or without cause, at a regular or special meeting duly called, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard.

7. **Organization Meeting of Board.** The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which they were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the directors are present.

8. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by at least three (3) of the four (4) directors. Notice of regular meetings shall be given personally or by mail, telephone, telegraph or email, at least three (3) days prior to the day designated for such meeting unless such notice is waived.

9. **Special Meetings.** Special meetings of the Board of Directors may be called by any of the directors. Not less than three (3) days' notice of such special meeting shall be given personally or by mail, telephone, telegraph or email, which notice shall state the time, place and purpose of such meeting.

10. **Telephone Conference, Etc. Meeting.** A conference involving the directors, by any means of communication through which the participants may simultaneously hear each other during the conference, constitutes a meeting of the Board, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting by that means constitutes personal presence at the meeting. A director may participate in a meeting of the Board by any means of communication through which he, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes personal presence at the meeting.

11. **Waiver of Notice.** Any director may waive notice of a meeting, either regular or special, before, during or after such meeting, and such waiver shall be deemed equivalent to the giving of notice.

12. **Quorum.** The presence of three (3) of the four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board.

13. **Adjournment When Quorum Lacking.** If a quorum is lacking, a director who is present may adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by

signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

14. **Manner of Acting.** Each director shall be entitled to a vote, and the act of a majority of the directors present at a meeting shall constitute the act of the Board of Directors.

15. **Board Action Without Meeting.** Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors.

16. **Presiding Officer.** The presiding officer at meetings of the Board of Directors shall be the President and, in his absence, the Vice President.

17. **No Compensation of Directors.** Directors shall receive no compensation for their services but shall be entitled to reimbursement for their expenses incurred in performing duties on behalf of the Association.

18. **Powers and Duties of Board of Directors.** All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation, and the Declaration. Such powers and duties shall include, but shall not be limited to, the following:

(a) To elect annually the officers of the Association;

(b) To prepare and mail to the members on or before December 1 of each year, beginning with the year in which the organization meeting of the members has taken place, a proposed budget for the fiscal year beginning the next following January 1, showing anticipated income and operating expenses, including reasonable reserves;

(c) To prepare and mail to the members at least thirty (30) days prior to each annual meeting an annual report containing the following documents;

(1) a statement of any capital expenditures in excess of two percent (2%) of the current budget of the Association, or Five Thousand Dollars (\$5,000.00), whichever is the greater, anticipated by the Association for the current fiscal year or succeeding two (2) fiscal years,

(2) a statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board,

(3) a statement of the revenues and expenses of the Association for the last fiscal year and a balance sheet as of the end of said fiscal year,

- (4) a statement of the status of any pending litigation or judgments in which the Association has been or is a party,
  - (5) a detailed description of the insurance coverage provided by the Association,
  - (6) a statement of any unpaid assessments due and payable to the Association, identifying the unit number and the amount of unpaid assessment, current as of no more than sixty (60) days prior to the date of the meeting, and
  - (7) a statement of the business transacted during the preceding year and a report as to the general financial condition of the Association;
- (d) To determine, establish and collect assessments against members to pay or provide for the common expenses of the Condominium;
  - (e) To use the proceeds of assessments in the exercise of its powers and duties;
  - (f) To maintain, repair, replace and operate the common elements;
  - (g) To restore improvements after damage except as provided for in the Declaration;
  - (h) To establish and amend Rules respecting the use of the common elements and the Condominium as a whole;
  - (i) To enforce by legal means the provisions of the Declaration, the Articles of Incorporation, these Bylaws, Wisconsin statutes, and the Rules from time to time established by the Board of Directors;
  - (j) To carry insurance for the protection of the unit owners and the Association against casualty and liability as provided in the Declaration;
  - (k) To contract for management of the Condominium and to delegate to such manager all powers and duties of the Association except such as are specifically required by the Declaration, these Bylaws, and the provisions of the statutes to have approval of the Board of Directors or the membership of the Association, provided, however, that no such contract shall be entered into for a period exceeding two (2) years;
  - (l) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association and for proper care and maintenance of the common elements, provided, however, that no such employment contract shall be entered into for a period exceeding two (2) years;
  - (m) To pay all common expenses of the Condominium;

- (n) To contract for such services for the Condominium as the Board deems necessary or desirable;
- (o) To coordinate with the Board of Directors of other condominium associations, if the Board deems it advisable;
- (p) To borrow money for the repair, replacement, maintenance, reconstruction and improvement of the common elements of the Condominium, and to pledge and pay assessments and any and all other revenue and income for such purpose;
- (q) To institute, defend or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association or the unit owners on matters affecting the Condominium;
- (r) To regulate the use, maintenance, repair, replacement and modification of the common elements;
- (s) To cause improvements to be made as part of the common elements;
- (t) To grant leases, licenses and concessions not exceeding one (1) year and utility easements through or over the common elements provided that the membership, by written resolution adopted at a meeting thereof, approves the granting thereof;
- (u) To impose and receive payments, fees or charges for the use, rental or operation of the common elements other than the limited common;
- (v) To impose reasonable charges, including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of amendments to the Declaration, resale certificates, or statements of unpaid assessments;
- (w) To provide for the indemnification of its officers and directors and to maintain directors' and officers' liability insurance;
- (x) To impose charges for late payment of assessments and after notice and an opportunity to be heard, to levy reasonable fines for violations of the Declaration, these Bylaws and the Rules of the Association; and
- (y) To perform such other acts as may be delegated to the Board of Directors by the Declaration, these Bylaws, or the Wisconsin statutes, and to perform such other acts as may be incidental to or necessary in the performance of the foregoing.

**ARTICLE V**  
**Officers**

1. **Designation of Officers.** Each of the officers of the Association shall be a member of the Board of Directors. The officers shall be a President, a Vice President, a Secretary and a Treasurer.
2. **Election of Officers.** Each officer of the Association shall be elected annually by the Board.
3. **Term.** Each officer shall serve until the next organization meeting after the organization meeting at which he was elected and until his successor has been elected and has qualified.
4. **Vacancy.** Any vacancy of an office shall be filled at a special meeting of the board called for such purpose. An officer so elected to fill such vacancy shall serve for the unexpired term of his predecessor in office and until his successor has been elected and has qualified.
5. **Powers and Duties of Officers.**

(a) **President.** The President shall be the chief executive officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the duty to preside at all meetings of the Board of Directors and of the members at which he is present, and the general supervision over other officers in the management of the business and affairs of the Association. The President shall see that all actions and resolutions of the Board of Directors are carried into effect, shall execute all contracts, agreements and obligations of the Association except as such authority may be otherwise delegated by action of the Board of Directors.

(b) **Vice President.** The Vice President shall have such powers and shall perform such duties as may be specified in these Bylaws or prescribed by the Board of Directors. In the event of absence or disability of the President, the Vice President shall succeed to the power and duties of the President.

(c) **Secretary.** The Secretary shall keep the minutes of all proceedings of the directors and the members. He or she shall attend to the giving and serving of all notices to the members and directors and all other notices required by law. The Secretary shall keep the records of the Association and shall perform all other duties incident to the office of a secretary of a corporation and as may be required by the Board of Directors or the President.

(d) **Treasurer.** The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness and shall give bond in such sum and with such sureties as the directors may require. He or she shall keep the books of the Association in accordance with good accounting practices and principles and shall submit them together with all his vouchers, receipts, records and other papers to the directors for their examination and approval as often as they may require. The Treasurer shall deposit all monies and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated from time

to time by the Board of Directors and shall disburse the funds of the Association as ordered by the Board of Directors and shall perform all other duties incident to the office of a treasurer of a corporation. If a managing agent or manager be employed, the Board of Directors may designate some or all of the foregoing functions to be entrusted to him or it subject to bonding and subject to overseeing control by the Treasurer.

6. Execution of Agreements, Etc. All agreements, contracts, deeds, mortgages, or other instruments shall be executed by the President and Secretary or by such other person(s) as may be designated from time to time by the Board of Directors.

7. No Compensation of Officers. No officer of the Association shall receive compensation for services in such capacity but officers shall be entitled to reimbursement for their expenses incurred in performing duties on behalf of the Association.

8. Additional Officers. The Board of Directors may from time to time select such other officers and designate their powers and duties as it, in its discretion, shall find to be required to manage the affairs of the Association. Such additional officers need not be directors but must be members of the Association.

9. Resales of Units. Upon being notified by a unit owner of the resale of his, her or its unit, the officer(s) from time to time designated by the Board of Directors to perform the following duties, shall furnish to said unit owner within seven (7) days of written request the following documentation or information for said unit owner to provide to a purchaser:

(a) Condominium Documents. Copies of the Declaration, Bylaws, and Rules of the Association, if any, and any amendments thereto, and

(9) Certificate. A certificate containing the following:

(1) a statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the Declaration, Bylaws, Rules and Regulations, or any amendment thereof;

(9) a statement setting forth the amount of periodic installments of common expense assessments and special assessments and any unpaid common expense or special assessment currently payable;

(3) a statement of any other fees payable by unit owners;

(4) a statement of any capital expenditures approved by the Association for the current and next succeeding two (2) fiscal years;

(5) a statement that a copy of the Plat and any amendments thereof are available in the office of the Association for inspection;

- (9) a statement of the amount of any reserves for capital expenditures and of any portion of those reserves designated by the Association for any specified projects;
- (7) the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (8) the current budget of the Association;
- (9) a statement of any judgments against the Association and the status of any pending suits to which the Association is a party;
- (10) a statement prescribing any insurance coverage provided for the benefit of unit owners.

The appropriate officer(s) shall provide the foregoing documentation and information not only upon the request made by a unit owner but also by any authorized agent, including any real estate agent retained by the unit owner to sell his unit.

#### ARTICLE VI Directors' and Officers' Indemnity

The Association shall, to the extent such liability is not covered by insurance, indemnify every director and officer, his or her heirs, executors and administrators, against all loss, cost and expense, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he or she may be made a party by reason of his being or having been a director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by legal counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any member who is or has been a director or officer of the Association with respect to any duties or obligations assumed or damages or liability incurred by him solely in his capacity as a unit owner. The intent hereof is to provide for the fullest indemnification of officers and directors of the Association possible.

#### ARTICLE VII Fiscal Management



1. **Acquired Funds and Titles to Properties.** All funds and the titles to all properties acquired by the Association, and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same and in disposing of the same, shall be held for the benefit of the members for the purposes stated in the Declaration and herein.

2. **Depository.** The depository of the Association shall be such bank or banks as from time to time shall be designated by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by the Treasurer or any other officer or combination of officers as may from time to time be authorized by the Board of Directors.

3. **Records of Association.** The Board of Directors shall cause to be kept at the registered office of the Association, and at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the members of the Association, names of the unit owners and the holders of security interests in the units, and detailed and accurate records, in chronological order, of the receipts and expenditures of the Association. Such records of receipts and expenditures and any vouchers authorized in payment shall be available for examination by the members of the Association (i.e., the unit owners) and the holders of security interests including particularly first mortgagees upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each unit setting forth the amount of the assessments against the unit, the date when due, the amount paid thereon, and the balance remaining unpaid.

4. **Audit of Accounts.** An audit of the accounts of the Association shall be made annually by an independent public accountant and a copy of the report shall be furnished to each member not later than ninety (90) days from the end of the fiscal year for which the report is made, unless the Board dispenses with this requirement.

5. **Fidelity Bonds.** Fidelity bonds may be required by the Board of Directors or by the members from each officer, employee, and agent of the Association and from any manager or contractor handling or responsible for handling Association funds. The amount of such bond shall be determined either by the Board of Directors or the members, whichever required such bonds. The premiums on such bonds shall be paid by the Association.

6. **Payment Vouchers.** Payment vouchers shall be approved by the Board of Directors unless such authority to approve the same has been delegated to any officer(s) or manager by the Board of Directors.

7. **Fiscal Year.** The fiscal year of the corporation shall be the calendar year; provided, however, that the Board of Directors from time to time, by resolution, may change the fiscal year to some other designated period.

## ARTICLE VIII Amendment

1. Notice. Written notice of the regular, special or annual meeting at which a proposed amendment or amendments to these Bylaws shall be considered, shall contain a statement of the substance of such amendments) and shall be given at least seven (7) days prior to such meeting.

2. Manner of Adoption. An amendment to these Bylaws shall be adopted upon its receiving an affirmative vote of seventy-five percent (75%) of the total voting power of the Association at any regular, special or annual meeting of the Association, subject to the rights of first mortgagees as set forth in the Declaration.

3. Recordation of Amendment. Any amendment to these Bylaws shall be made in recordable form and shall have attached thereto a certificate signed by the Secretary of the Association certifying that the amendment was duly adopted in the aforesaid manner. Said amendment shall be effective when such certificate and a copy of such amendment are duly filed in the office of the County Recorder in and for Ramsey County, Minnesota.

#### ARTICLE IX General Provisions

1. Rules. The Board of Directors of the Association may promulgate such Rules as it deems reasonable and necessary from time to time governing the administration, management, operation and use of the common elements so as to promote the common use and enjoyment thereof by members, their guests and invitees, and for the protection and preservation thereof, and may in addition adopt such reasonable Rules as it may deem necessary with respect to units to provide for the common good and enjoyment of all members of the Association. Copies of all such Rules and any amendments thereto shall be furnished to the members and a copy shall be posted or otherwise made available to members at the office of the Association.

2. Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, or any statutes of the State of Wisconsin.

3. Compliance with the Acts; Severability. These Bylaws are established in compliance with the Wisconsin statutes. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of these statutes, the provisions of the statutes shall control. If any such term, provision, limitation, paragraph or clause of these Bylaws is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws.

4. Corporate Seal. The Association shall have no corporate seal.

5. Prohibition of Certain Acts or Omissions by Association. The Association shall not, by act or omission, partition or subdivide any unit in the Condominium or seek to abandon, partition, subdivide, encumber, sell or transfer any of the common elements thereof, provided, however,

that its granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements shall not be prohibited.

6. **Conflicts.** In the event of any conflict among the provisions of the Condominium Ownership Act and the Wisconsin nonstock, nonprofit corporation statute, the Declaration, these Bylaws or any Rules approved by the Association, the Condominium Ownership Act shall take precedence over the Wisconsin nonstock, nonprofit corporation statute unless the matter concerns corporate procedure in which case the Wisconsin nonstock, nonprofit corporation statute will prevail. In the event of a conflict among the Declaration, these Bylaws and the Rules, the Declaration shall control. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the event of a conflict between the Rules and these Bylaws, these Bylaws shall control.

7. **Interpretation of Bylaws.** Whenever appropriate, the singular number may be read as the plural, and the plural may be read as the singular.

8. **Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce it, irrespective of the number of violations or breaches thereof which may have occurred.

9. **Notices.** Unless specifically provided otherwise in the Declaration, all notices required to be given to the Association or the Board of Directors shall be sent by certified mail to the Board of Directors at the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice given in the manner hereinafter prescribed. All notices to any unit owner or to any other persons entitled to notice shall be sent by U.S. Mail to his unit address or to such other address as may be designated, in writing, by him or other persons entitled to such notice, or shall be personally delivered to or served upon him or a person of suitable age and discretion residing in his unit (confirmed by an affidavit of service). All notices shall be deemed to have been given when deposited in the U.S. Mail, postage prepaid, or upon delivery or personal service (as confirmed by an affidavit of service), except notices of change of address which shall be deemed to have been given when received.

10. **Deadlock or Dispute.** In the event of deadlock on any vote, decision, matter or issue between or among the members or directors of this Association the outcome shall be promptly decided by a coin toss.

Adopted December 19, 2005. C. W. Malick, Incorporator.





2005 DEC -2 11 9: 04

### ARTICLES OF INCORPORATION – NONSTOCK CORPORATION

(NOTE: Do not use *this form* for organizing a for-profit business corporation. Use Form 2)

Executed by the undersigned for the purpose of forming a Wisconsin nonstock corporation under Ch. 181 of the Wisconsin Statutes, repealed and recreated by 1997 Wisconsin Act 79:

Article 1. Name of the corporation: Humbird Place Condominiums, Inc.  
(Must include "Inc." or similar word. See Instructions)

Article 2. The corporation is organized under Ch. 181 of the Wisconsin Statutes.

Article 3. Name of the initial registered agent: C. W. Malick

Article 4. Street address of the initial registered office: (The complete address, including street and number, if assigned, and ZIP code. P O Box address may be included as part of the address, but is insufficient alone.)

413 Brookwood Drive

Hudson, WI 54016

Article 5. Mailing address of the initial principal office: 413 Brookwood Drive, Hudson, WI 54016

Article 6. (Select and mark (X) one of the statements below)

The corporation will have members. OR  The corporation will not have members.

(OPTIONAL) Article 7. Name and address of the initial directors (minimum of three):

**FILING FEE - \$35.00** See instructions, suggestions, and procedures on following pages.  
DFI/CORP/102(R02/10/03) Use of this form is voluntary.

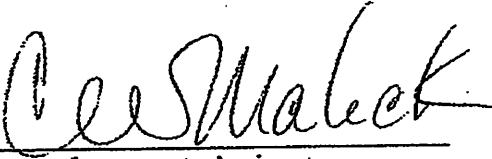
WI - DFI CORP  
FILE ID# ➔

H041000

(OPTIONAL) Article 8. The purpose or purposes for which the corporation is organized:

Article 9. Name and complete address of each incorporator:

C. W. Malick, 413 Brookwood Drive,



\_\_\_\_\_  
Incorporator's signature

\_\_\_\_\_  
Incorporator's signature

This document was drafted by C. W. Malick  
(Name the individual who drafted the document)

OPTIONAL – Second choice corporate name if first choice is not available: \_\_\_\_\_

**INSTRUCTIONS** (Ref. sec. 181.0202 Wis. Stats. for document content)

Submit one original and one exact copy to Department of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with the appropriate **FILING FEE** of \$35. Filing fee is non-refundable. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3<sup>rd</sup> Floor, Madison WI, 53703). Sign the document manually or otherwise as allowed under sec. 181.0120(2), Wis. Stats.

**NOTICE:** This form may be used to accomplish a filing required or permitted by statute to be made with the department. Information requested may be used for secondary purposes. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TTY. This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

Article 1. The name must contain "corporation", "incorporated", "company", or "limited" or the abbreviation "corp.", "inc.", "co." or "ltd." or comparable words or abbreviations in another language. If you wish to provide a second choice name that you would accept if your first choice is not available, enter it in the "Optional" area on page 2.

Article 2. This statement is required by sec. 181.0202(1)(a).

Articles 3 & 4. The corporation must have a registered agent located at a registered office in Wisconsin. The address of the registered office is to describe the physical location where the registered agent maintains their business office. Set forth the street number and name, city and ZIP code in Wisconsin.

ARTICLES OF INCORPORATION  
Nonstock Corporation

Malick Law Office  
413 Brookwood Drive  
Hudson, WI 54016

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◆ Your name, return address and phone number during the day: (715) 386-7010

INSTRUCTIONS (Continued)

Articles 3 & 4. (Cont'd) P O Box addresses may be included as part of the address, but are insufficient alone. The corporation may not name itself as its own registered agent.

Article 5. The articles of incorporation must set forth the address of the corporation's principal office. "Principal office" means the office, whether in or outside Wisconsin, in which are located its principal executive offices.

Article 6. Select and check the appropriate box in article 5 to indicate if the corporation will or will not have members. A "member" means a person who has membership rights in a corporation in accordance with its articles of incorporation or bylaws.

Articles 7 & 8. These articles (or others you may wish to add) are provided for optional information that you may elect to include, such as the name and address of the initial directors, a purposes clause, tax-exempt provisions, etc. Do not include by-laws, as the department does not accept by-laws for record. Extensive additional provisions may make use of this pre-printed form impractical. If you elect to draft your own articles of incorporation, do not also submit the pre-printed form. (NOTE: Corporations expecting to apply to Internal Revenue Service for federal TAX-EXEMPT STATUS are advised to obtain and read IRS Publication 557 "Tax-Exempt Status for Your Organization" before preparing these articles of incorporation, as the articles must contain particular language and provisions to meet federal tax code requirements.)

Article 9. Enter the name and complete address of each incorporator. There may be one or more incorporators. At least one incorporator is required to sign the document, although all incorporators may sign.

No certificate of incorporation will be issued. The "FILED" endorsement applied to this document by the Department of Financial Institutions is evidence that the articles of incorporation have been accepted. One or more "Received" endorsements may appear on the document, but do not indicate its acceptance for filing.

If the document is executed in Wisconsin, sec. 182.01(3) provides that it shall not be filed unless the name of the person (individual) who drafted it is printed, typewritten or stamped thereon in a legible manner. If the document is not executed in Wisconsin, enter that remark.

# **HUMBIRD PLACE CONDOMINIUMS**

## **TABLE OF HEADINGS OF DECLARATION**

### **ARTICLE I Definitions**

1. Association.
2. Bylaws.
3. Condominium Documents.
4. Common Elements.
5. Common Expenses.
6. First Mortgagee.
7. Limited Common Element.
8. Occupant.
9. Person.
10. Security Interest.
11. Unit.

### **ARTICLE II Submission of Condominium to Act**

1. Name and Address and Association; Statement as to Incorporation of Association.
2. Submission.
3. Description of Each Unit.
4. Name and address of resident agent
5. Plat.
6. Allocation of Common Element Interests, Votes, and Common Expense; Liabilities to Units; Description of Unit Identifiers
7. Maximum Number of Units Which May be Created by Subdivision or Conversion of Units Owned by Declarant
8. Allocation of Limited Common Elements.
9. Restrictions on Use, Occupancy and Alienation of Units.
10. Holding and Expenditures of Collected Funds.
11. Period of Declarant Control.
12. Completion of improvements Indicated on Plat and/or in this Declaration.
13. Construction of improvements.
14. Maintenance of Sales Offices, Models, Etc.
15. Statement as to Permissibility of Time Shares

### **ARTICLE III Easements**

1. Easements for Benefit of Declarant et al.
2. Easements for Benefit of the Association to Enter Units.
3. Easements for Encroachments
4. Easement for Use, Enjoyment and Support of Common Elements and Limited Common Elements.
5. Easements for Certain Utilities.
6. Easements Through Walls; Within Walls.
7. Easements to Run With Land.

**ARTICLE IV Restrictions, Conditions and Covenants**

1. Membership in Association.
2. Compliance with Provisions of Condominium Documents.
3. Administration of Condominium.
4. Prohibition of Exemption from Liability for Contribution Towards Common Expenses.
5. Purposes for Which Units are Restricted as to Use; Restrictions on Ownership and Conveyancing.
6. Nuisances.
7. Hazardous Use and Waste; Conservation of Energy.
8. Obstructions of Common Elements.
9. Exterior Exposure of Buildings.
10. Restrictions on Alienation of Units.
11. Impairment of Structural or Mechanical Integrity of Unit or Building.
12. Alterations of Units or Common Elements.
13. Reasonable Requirements of Association; Indemnification for Unit or Common Element Alterations.
14. Relocation of Boundaries Between Adjoining Units.
15. Pets.
16. Home Occupations; Other Permitted and Prohibited Activities; and Signs.
17. Laundry and Rubbish in Common Elements
18. Lounging or Placement of Things in Common Elements.
19. Rules.
20. Leasing of Units
21. Restrictions, Conditions and Covenants to Run With Land.
22. Non-Waiver of Covenants.
23. One Vehicle per Unit in Parking Area.

**ARTICLE V Management, Maintenance, Repairs, Alterations and improvements**

1. Common Elements.
2. Units.
3. Easement for Foregoing Purposes.
4. Waiver of Claim.

**ARTICLE VI Assessments, Charges, Liens for Assessments and Taxes; Required Funds and Reserves**

1. Obligations of Unit Owners to Pay Assessments.
2. Assessments for Common Expenses and Expenses Benefiting less Than All Units.
3. Preparation of Proposed Budget and Levying of Assessment
4. Payment of Assessments in Installments and When Due
5. Special Assessments.
6. Failure to Prepare Annual Budget and Levy Annual Assessment.
7. Fees, Charges, Late Charges, Fines and Interest
8. Lien for Assessments
9. Liability in a Voluntary or Involuntary Conveyance of a Unit; Statement; Binding Effect of Statement.
10. Real Estate Taxes and Assessments.



11. Prohibition of Delinquent Owner from Using Amenities and Voting.
12. Advance Contribution for Start Up Costs.
13. Reasonable Reserve for Contingencies and Replacements.

#### ARTICLE VII Compliance and Default

1. Compliance.
2. Default and Remedies; Acceleration Clause.
3. Hearing in Certain Cases.
4. Notice of Default and Failure to Cure
5. Remedy of Abatement in Addition to Other Remedies.
6. Monetary Liability of Defaulting Member.
7. Recovery of Attorneys' Fees and Costs.
8. Recovery of Interest
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#### ARTICLE VIII Insurance

1. Master Policy of Insurance Carried by Association.
2. Comprehensive public liability insurance
3. Fidelity coverage
4. Workers' Compensation insurance
5. Such other insurance
6. First Mortgagee May Insure.
7. Insurance Premiums Assessed as Common Expenses
8. Insured to be Association or Insurance Trustee
9. Waivers of Subrogation.
10. Requirements for Policies of Insurance.
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#### ARTICLE IX Reconstruction, Repair or Replacement After Casualty Damage and Condemnation and Eminent Domain

1. Procedures for Repair, Reconstruction or Disposition Following Damage or Destruction.
2. Procedures in Case of Taking of Part or All of Condominium by Condemnation or Eminent Domain.
3. Notice to First Mortgagees.

#### ARTICLE X Amendment

#### ARTICLE XI Mortgagee Requirements

- 1 Purpose.
2. Effect of Succeeding Sections.
3. Time of Written Notice for Certain Occurrences.
4. No Restrictions on Mortgaging Units.
5. No Limitations on Unit Owner's Ability to Sell.
6. Availability of Condominium Documents
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8. Material Amendments to Declaration and Bylaws or Material Changes; Limitations on Actions of Association.
9. Approval of Termination of Condominium by Unit Owners and Mortgagees.
10. Association Responsible for Maintaining Common Elements
11. Representation by Association.
12. Adequate Reserve Fund.
13. Association's Right of Reasonable Entry.
14. Leasing and Rental of Units; Exception.
15. Unit Owner's Unrestricted Right of Ingress/Egress to Unit.
16. Unit Owner's Rights and Restrictions.
17. Summary Abatement.
18. Rights of Action.
19. Insurance and Fidelity Bonds.
20. Adequate Remedies for Unit Owners' Failure to Pay Assessments.
21. Exemption from Liability for Unpaid Assessments.
22. Subordination of Fees, late Charges, Fines or Interest.
23. Professional Management Contracts.
24. Priority.
25. Notification of Change in Use Restrictions.
26. Designation of Representative.

**ARTICLE XII General Provisions**

1. Severability.
2. Interpretation of Declaration.
3. Conflicts.

820745

**Humbird Place Condominiums  
Declaration**

**KATHLEEN H. WALSH  
REGISTER OF DEEDS  
ST. CROIX CO., WI**

**RECEIVED FOR RECORD**

**03/15/2006 11:30AM**

**COVENANTS  
EXEMPT #**

**REC FEE: 67.00  
TRANS FEE:  
COPY FEE:  
CC FEE:  
PAGES: 29**

This declaration is made on March 15, 2006 at St. Croix County, Wisconsin by the Declarant, Cornerstone Contracting, Inc., a Wisconsin corporation, pursuant to Chapter 703 of the Wisconsin Statutes, the Wisconsin Condominium Ownership Act (the "Act").

WHEREAS, Declarant is the fee owner of certain real estate situated at 714 Third Street, Hudson, Wisconsin 54016, legally described as:

Lot 8, Block 1, and the South 9-1/4 feet of Lot 9, Block 1, Andrews addition to Buena Vista, now forming part of the City of Hudson, St. Croix County, Wisconsin, hereinafter called the "Parcel", and

Malick Law Office  
413 Brookwood  
Hudson WI 54016  
(mailbox)

WHEREAS, Declarant is about to sell, dispose of and convey interests or rights and privileges belonging to or in anywise appertaining thereto (the "Property"), and to accomplish this purpose desires to submit the Property to the requirements of the Act, and

PIN 236-0073-00-000

WHEREAS, Declarant desires and intends that the owners, holders of security interests, 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, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the unit ownership of the Property and are established for the purposes of enhancing and perfecting the value, desirability and attractiveness of the same.

NOW, THEREFORE, Declarant hereby declares as follows:

**ARTICLE I  
Definitions**

Terms used in this Declaration shall have the meanings given in the Act except as modified or supplemented herein.

1. Association. The unit owners association organized under the Act in general and in particular the Humbird Place Condominiums, Inc., a non-profit corporation organized under Chapter 181 Wisconsin Statutes, of which each unit owner shall by virtue of an ownership interest be a member, and which has been established for the purposes of administering, managing, maintaining, operating, repairing, altering and improving the common elements of the Condominium for the collective benefit of the members.

2. Bylaws. The Bylaws which govern the operation of the Association.

**3. Condominium Documents.** This Declaration and the Articles of Incorporation, Bylaws and Rules adopted by the Association, as amended.

**4. Common Elements.** All portions of the Property shown on the Plat other than the units including, but not limited to: The residential building, the wood sub-flooring under each unit; the ceiling joists, the studs and plates of perimeter walls around the perimeters of the units; exterior masonry walls and framing on the residential building; interior and exterior windows, components thereof (including glass), and the frames thereof, exterior surfaces of all doors providing direct access to) units in the case of additions and alterations and the doors themselves in the case of replacement, reconstruction or restoration thereof; land, grounds, driveway, parking area, patios, fountains, courtyards, balconies, decks, fence screening, shrubbery, plants, trees, sidewalks, stoops, ramps and gardens; exterior stairways and walkways; the basement; footings, concrete slabs, foundations, main walls and bearing walls; pipes, vents, flues, chutes, chimneys, wires, conduits and other utility installations (which may lie partially within and partially without the designated boundaries of a unit but which serve more than one unit or any portion of the common elements) to the outlets thereof in each unit, but excluding individual connections and valves at such outlets; roofs, flashing, roofing materials and parapets; and any other area, facility, fixture or element which is designed or intended for common use.

**5. Common Expenses.** Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves including, but not limited to: taxes and special assessments against the Property until the units are separately assessed; premiums for any and all insurance maintained by the Association including any deductible or coinsurance amount not covered by insurance; water and sewer charges; common element gas and electrical charges (if any); legal and accounting fees; the unpaid portion of any assessment against a unit that is acquired pursuant to a mortgage foreclosure, or a deed in lieu of foreclosure, and not required to be paid by such acquirer; deficits remaining from any prior assessment period; the cost of all fidelity bonds required by the Board of Directors or the members; costs for the maintenance, operation, alteration, improvement and replacement of the common elements; and any other expenses for the administration, operation and management of the Association and the Condominium determined and assessed by the Board of Directors.

**6. First Mortgagee.** A person owning a security interest in any unit by virtue of a mortgage filed thereagainst, which mortgage is first in priority upon foreclosure to all other mortgages which may affect such unit, or a lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

**7. Limited Common Element.** A portion of the common elements allocated by the Declaration and shown on the Plat for the exclusive use of one or more but fewer than all of the units.

**8. Occupant.** Any person other than a unit owner in possession of or residing in a unit.

**9. Person.** A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

**10. Security Interest.** A perfected interest in real estate or personal property, created by a contract or a conveyance, which secures payment or performance of an obligation. The term includes a

mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, a lender's interest in a cooperative share loan, a pledgee's interest in the pledge of an ownership interest, or any interest intended as security for an obligation under a written agreement.

11. Unit. A real estate parcel with boundaries described in the Declaration.

## ARTICLE II

### Submission of Condominium to Act

1. Name and Address and Association; Statement as to Incorporation of Association. The Property shall hereafter be known as Humbird Place Condominiums. Its address is 714 Third Street, Hudson, WI 54016. The association set up to administer and manage the Condominium is Humbird Place Condominiums, Inc. The Association has been established under Chapter 181, Wisconsin Statutes.

2. Submission. Declarant hereby subjects the Property, the legal description of which appears above, to this Declaration and the Wisconsin Condominium Ownership Act as a "small condominium," to which parts of 703.365, Wis. Stats., shall be applied consistent with this Declaration.

3. Description of Each Unit. Each unit is one of four (4) separately designated and legally described estates in fee simple absolute, each consisting of a unit and that unit's undivided interest in the common elements as twenty-five percent (25%) for each unit specified in the Plat. Each unit is bounded by its ceiling, floor and walls and the treads and risers of any interior staircases.

4. The name and address of the resident agent is Shane A. Benoy, 714 Third Street, Hudson, WI 54016

5. Plat. The survey under s. 703.11 (2) (b) is an as-built survey of the property described in the declaration, building, and other improvements on the land that are part of the small condominium. The floor plans under s. 703.11 (2) (c) show the location and designation of each unit in the building and the limited common elements appurtenant to each unit of a small condominium. The Plat meeting these requirements, was prepared by ty R. Dodge, a Registered Wisconsin Land Surveyor, Wisconsin License No. S-2484. It is incorporated herein by reference. The Plat was contemporaneously filed in the office of the St. Croix County Register of Deeds with this Declaration.

6. Allocation of Common Element Interests, Votes, and Common Expense; Liabilities to Units; Description of Unit Identifiers. The percentage of the undivided interest in the common elements, common expense liabilities, and votes in the Association allocated to each unit is twenty-five percent (25%). The basis for the allocation with respect to the percentage of undivided interest in the common elements, the percentage of common expense liabilities and the percentage of vote in the affairs of the Association is equality. All action taken under the Act that requires a vote of units or unit owners must be approved by an affirmative vote or written consent of at least seventy-five percent (75%) of the unit votes.

7. **Maximum Number of Units Which May be Created by Subdivision or Conversion of Units Owned by Declarant.** No additional units may be created by the subdivision or conversion of any units owned by Declarant in the Condominium.

8. **Allocation of Limited Common Elements.** All of the limited common elements are designated and shown on the Plat. There are none. An allocation of any limited common element may be changed in the manner specified in the Act.

9. **Restrictions on Use, Occupancy and Alienation of Units.** Restrictions on the use, occupancy and alienation of units in the Condominium are as set forth in Article IV hereof. All of the units are restricted to residential use.

10. **Holding and Expenditures of Collected Funds.** All funds collected by the Board of Directors of the Association shall be held and expended for the purposes designated in the Condominium Documents and shall be deemed to be held for the benefit, use and account of all owners in equal parts (except for any adjustments to reflect any delinquent, prepaid or special assessments) and shall be administered in accordance with the provisions of this Declaration.

11. **Period of Declarant Control.**

a. The direction and administration of the Condominium, and the Association shall be vested in the Board of Directors of the Association. The first Board shall consist of three (3) directors appointed by Declarant. Declarant shall control the Board for a period of time not exceeding the expiration of three (3) years after the first conveyance of a unit to a unit owner other than Declarant, or an affiliate of Declarant, or its voluntary surrender of control, or no later than thirty (30) days after conveyance of seventy-five percent (75%) of the units in the Condominium to unit owners other than Declarant, or an affiliate of Declarant, whichever occurs earliest. Thereafter, the owners (i.e., members of the Association) shall elect the members of the second and all successive Boards of Directors which shall be four (4) directors in size unless the membership of the Association decides at a duly called meeting of the members to increase or reduce the size. Persons elected shall take office upon election.

b. Notwithstanding anything hereinabove to the contrary, during the period of Declarant control, Declarant shall have the right to appoint or remove the three (3) directors comprising the first Board of Directors of the Association, and to designate their successors as may be required from time to time, or to exercise the powers of the Board as provided in the Act. If at any time during the period of Declarant control, fifty percent (50%) of the units in the Condominium have been conveyed to owners other than Declarant, then, within sixty (60) days, an election shall be held to elect two (2) additional directors, other than Declarant's appointees, to serve on the Board. For the remainder of the period of Declarant control, direction and administration of the Condominium and the Association shall be vested in an enlarged first Board of Directors comprised of four (4) directors, two (2) appointed by Declarant and two (2) elected by the unit owners other than Declarant. Upon termination of the period of Declarant control (as provided hereinabove in this subsection), the second and all successive Boards of Directors shall consist of four (4) directors (unless changed by the membership of the Association) each of whom shall be an owner of a unit; provided, however, that in the event an owner is a limited liability company, corporation, partnership, trust or other legal

entity, or beneficiary of such trust, then any designated agent of such entity or trust, or beneficiary of such trust, shall be eligible to serve as a member of the Board so long as he shall be an officer of a corporate or limited liability company unit owner, a general partner or officer or designated agent of a corporate general partner of a general or limited partnership unit owner, or a trustee of the trust, or a beneficiary of such trust if residing on the premises of the unit.

c. **Non-Interference with Declarant's Rights.** No unit owner or occupant may interfere with Declarant's rights under this subsection by amendment of this Declaration, or the Articles and Bylaws of the Association or otherwise. In particular, so long as Declarant owns at least one unit in the Condominium, which Unit is held for sale, the Association shall take no action which adversely affects Declarant's ability to sell the unit without the prior written consent of Declarant.

12. **Completion of improvements Indicated on Plat and/or in this Declaration.** Declarant shall have the right to complete improvements indicated on the Plat and/or allowed by this Declaration as amended from time to time.

13. **Construction of improvements.** Declarant shall have and use easements for itself, its successors and assigns, and its employees, contractors, subcontractors, suppliers, vendors, agents through the common elements of the Condominium for all purposes in connection with the construction of improvements or rehabilitation of existing improvements on the Property.

14. **Maintenance of Sales Offices, Models, Etc..** Declarant shall have the right to maintain models, sales offices, management offices and advertising signs within or adjacent to the Condominium. Furthermore, it reserves the right in its sole discretion to determine, from time to time, the desired number, size and location of such sales offices, management offices and models. With regard to signs, Declarant shall be entitled to maintain signs on or in the common elements advertising the Condominium and promoting the sale of units within the Condominium to the general public.

15. **Statement as to Permissibility of Time Shares.** Time shares are not permitted.

### **ARTICLE III Easements**

1. **Easements for Benefit of Declarant, et al.** Easements are hereby declared and granted for the benefit of Declarant, its employees, servants and agents, for ingress and egress over, across and upon the common elements (including limited common elements) for the purpose of adding, subdividing, or converting Declarant's units; provided, however, that the easements herein described shall terminate no later than 60 days after the final completion by Declarant of the addition, subdivision or conversion of Declarant's units within the Condominium.

2. **Easements for Benefit of the Association to Enter Units.** The Association shall have the right, exercised by the Board of Directors or a designee of the Board, to enter each unit from time to time during reasonable hours as may be necessary for the administration and operation of the

Condominium or for making emergency repairs therein or therefrom necessary to prevent damage to any unit or common element.

3. **Easements for Encroachments.** In the event that, by reason of the construction, reconstruction, rehabilitation, alteration, improvement, settlement or shifting of the buildings any part of the common elements encroach or shall hereafter encroach upon any part of any unit, or any part of any unit encroaches or shall hereafter encroach upon any part of the common elements or upon any other part of another unit, or if by reason of the design or construction of utility systems and ventilation systems, any main, pipe, duct or conduit serving more than one unit encroaches or shall hereafter encroach upon any part of any unit, valid easements for the maintenance of such encroachments and for such use of the common elements are hereby established and shall exist for the benefit of such units, and the unit owners, and the common elements, as the case may be, so long as all or any part of the buildings shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the common elements be created in favor of any unit owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Condominium or any portion thereof by the other unit owners and if it occurred due to the willful misconduct of any unit owner.

4. **Easement for Use, Enjoyment and Support of Common Elements and Limited Common Elements.** Each unit and its respective owner(s) shall be subject to and shall have appurtenant thereto a permanent, non-exclusive easement in the common elements for ingress to and egress from it, utility services for it, support for it, maintenance and repair of it and the common elements and for similar purposes. Each owner shall have the non-exclusive right to use the common elements (but not the limited common elements) in common with all other owners, as may be required for the purposes of access, ingress to and egress from, use, occupancy and enjoyment of each respective unit. Such right shall extend to each owner, his agents, servants, tenants, family members, invitees and licensees; provided, however, that the Association may prohibit an owner, his agents, servants, tenants, family members, invitees and licensees from using the amenities located on the common elements if such owner fails to pay assessments for common expenses when due. Each owner shall have the right to the exclusive use and possession of the limited common elements contiguous to or otherwise assigned to his or her unit unless such limited common element is intended to serve more than one unit in which case the owner shall have a non-exclusive easement for the use of such limited common element. Such rights to use and possess the common elements, including the limited common elements, shall be subject to and governed by the Condominium Documents and the Act.

5. **Easements for Certain Utilities.** The Board of Directors of the Association may hereafter grant easements for utility purposes for the benefit of the Condominium including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires over, under, across, along and on any portion of the common elements, and each unit owner hereby grants said Board of Directors an irrevocable power of attorney to execute, acknowledge, and record, for and in the name of each such unit owner, such instruments as may be necessary to effectuate the foregoing.

6. **Easements Through Walls; Within Walls.** Easements are hereby declared and granted to install, lay, maintain, repair and replace any wires, pipes, ducts, conduits, public utility lines or



structural components running through the walls of the units, whether or not such walls lie in whole or in part within the unit boundaries.

7. Easements to Run With Land. All easement rights and obligations created in this Article are affirmative and negative easements, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, his or her heirs, personal representatives, successors and assigns, and any unit owner, purchaser, mortgagee and any other person having a security or other interest in the Condominium or any part or portion thereof.

#### ARTICLE IV Restrictions, Conditions and Covenants

1. Membership in Association. A unit owner shall by virtue of such interest be a member of the Association and shall remain a member of said Association until such time as the interest in the Condominium ceases for any reason, at which time the membership in said Association shall automatically cease. When one or more persons hold an interest in a unit, all such persons shall be members.

2. Compliance with Provisions of Condominium Documents. Each unit owner and occupant of a unit shall comply with all of the provisions of the Condominium Documents and failure to comply with any such provisions shall be grounds for an action to recover damages or for injunctive relief.

3. Administration of Condominium. The administration of the Condominium shall be in accordance with the provisions of this Declaration and the Bylaws of the Association.

4. Prohibition of Exemption from Liability for Contribution Towards Common Expenses. No unit owner may exempt himself, herself or itself from liability for the contribution of the proportionate share of the common expenses of the Condominium as assessed by the Association, by waiver of the use or enjoyment of any of the common elements or by the abandonment of the unit.

5. Purposes for Which Units are Restricted as to Use; Restrictions on Ownership and Conveyancing. All of the units in the Condominium shall be used and occupied exclusively for private residential purposes by the owners thereof and their families, tenants and social guests and for no other purposes; provided, however, that they may, in addition, be used and occupied for the purposes, businesses, occupations and activities described in more detail in Section 16 of this Article IV.

6. Nuisances. No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or a nuisance to other unit owners or occupants.

7. Hazardous Use and Waste; Conservation of Energy. Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance, electricity, heating fuel or any other energy or utility charges of the Condominium without the prior written consent of the Board of Directors. No unit owner or occupant shall permit anything to be done or kept in the

unit or in the common elements which will result in the cancellation of insurance on the Condominium, or the contents thereof, or which would be in violation of any law. No waste shall be committed to the common elements. Water, heat, air conditioning, electricity or other forms of energy or utilities shall not be wasted but instead shall be conserved.

8. **Obstructions of Common Elements.** There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board of Directors except as herein expressly provided.

9. **Exterior Exposure of Buildings.** No unit owner or occupant shall cause or permit anything to be hung, displayed, or placed in windows (with the exception of draperies, blinds, shades and natural plants), on the outside of exterior doors, or on the outside walls of the building, and no sign shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Board of Directors. The Board of Directors may promulgate regulations concerning uniform and harmonious window treatments which shall be binding upon all unit owners in the Condominium.

10. **Restrictions on Alienation of Units.** There are no restrictions on the alienation of units by reason of age, race, sex, marital status or religion.

11. **Impairment of Structural or Mechanical Integrity of Unit or Building.** Nothing shall be done, placed, installed or erected in any unit or in, upon or to the common elements, which would impair the structural or mechanical integrity of the building or which would structurally change the building except as is otherwise provided herein.

12. **Alterations of Units or Common Elements.** An owner of a unit may make any improvements or alterations to the unit, not otherwise prohibited by the Condominium Documents, so long as it does not impair or reduce the structural integrity, the mechanical systems, the sound insulation quality or the support of any portion of the Condominium. After acquiring an adjoining unit, an owner, with the consent of the Board of Directors and the first mortgagees of the affected units, may remove or alter any intervening partition, or create appurtenances thereto, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity, the mechanical systems or the sound insulation quality or lessen the support of any portion of the Condominium. The adjoining owner shall have the exclusive license to use the space occupied by the common elements, but such use shall not create an easement or a vested right. Removal of partitions or creation of apertures under this Section is not an alteration of boundaries.

13. **Reasonable Requirements of Association; Indemnification for Unit or Common Element Alterations.** With respect to the removal of partitions or creation of apertures described in the last three sentences of the previous paragraph, the Board of Directors may reasonably require the owners of the affected units to replace or restore any such partition or aperture, and prior to consenting to such alteration, the Board shall require plans and specifications therefor which plans and specifications shall not be modified after approval by the Board unless the Board has also approved such modifications. The Board shall further require that the owner(s) requesting its approval furnish adequate assurances that the Association and other owners will be indemnified and held harmless from mechanics' liens or other claims arising from structural

alterations or modifications of the units or common elements. The Board of Directors of the Association shall be entitled to require that the owner(s) requesting its approval provide a deposit or other assurance that any removed or altered common element will be repaired or restored as required.

14. **Relocation of Boundaries Between Adjoining Units.** The boundaries between adjoining units may be relocated in accordance with the Act provided, however, that no unit may be so modified by relocation of the boundaries that it no longer remains practicably usable for the purposes intended as described in Section 5 of this Article IV. Such relocation may be accomplished by amendment to this Declaration upon application to the Association by the owner(s) of the adjoining units. The owner(s) of the adjoining units shall specify in the application the proposed reallocation between the units of the units' common element interest, votes in the Association, and common expense liabilities. Unless the Board determines within 60 days after receipt of the application by the Association that the proposed application is not in the best interests of the Condominium, the owner(s) may prepare and file an amendment executed by the owner(s) and by any holder(s) of security interests in the units whose boundaries are being reallocated, which shall identify the units involved, contain words of conveyance between the owners (if more than one) and contain a written consent of the Association. Upon filing the amendment in the office of the St. Croix County Register of Deeds, the amendment shall be indexed. The amendment shall include an amended Condominium Plat, showing the altered boundaries between the adjoining units and their dimensions and identifying numbers. If the holders of a security interest or security interests in the adjoining units joins in the amendment, the extent of its/their security interests shall be deemed modified as provided in the amendment. The Association shall incur no liability to any party by reason of performing those acts enumerated in this Section. Notwithstanding anything herein to the contrary, the Association may require the owner(s) of the affected units to build a boundary wall and other common elements between the units. After the amendment has been filed, the applicants shall deliver a certified copy of the amendment to the Association.

15. **Pets.** The policy of the Condominium with respect to pets shall be as established in the initial Rules promulgated by the first Board of Directors of the Association and as those pet regulations may from time to time be amended by the Board of Directors at any meeting thereof provided notice of such meeting is accompanied by the proposed pet regulations set out verbatim. A copy of such pet regulations shall be provided to a buyer of the unit being resold.

16. **Home Occupations; Other Permitted and Prohibited Activities; and Signs.**

a. Notwithstanding anything in Section 5 of this Article IV to the contrary, a unit owner or occupant may engage within the boundaries of the unit in a home occupation, that is, a use which is incidental and secondary to the principal use of the unit for residential purposes and does not change the character thereof including, but not limited to, office and studio uses, weaving, dressmaking, and such other uses which by custom are considered accessory to a dwelling; provided, however, that no sign advertising such occupation shall be displayed and further provided, however, that in the event all of the other members of the Association, at a special meeting called for such purpose, vote to require the termination of such occupation because of its objectionable effect on the Condominium, such unit owner or occupant shall forthwith cease and terminate such occupation.

b. Other than such home occupation, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Condominium. Except as approved in writing by the other unit owners, no "For Sale" or "For Rent" signs or other window displays or advertising shall be placed, maintained or permitted by any unit owner or occupant on any part of the Condominium or in any unit therein.

17. **Laundry and Rubbish in Common Elements.** Except in areas specifically designed and intended for such purposes, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed in any part of the common elements. In addition, the common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

18. **Lounging or Placement of Things in Common Elements.** Except in areas specifically designed and intended for such purposes, if any, there shall be no playing, lounging, or placement or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches, chairs or any other type of personal property on any part of the common elements, except as herein otherwise expressly provided.

19. **Rules.** In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable Rules, not in conflict therewith and supplementary thereto, may be promulgated and amended from time to time by the Board of Directors. Copies of the Rules and amendments thereto shall be furnished by the Association to each unit owner.

20. **Leasing of Units.** Subject to the previous Section hereof and the limitations, restrictions, terms and conditions which may, from time to time, be promulgated by the Board of Directors and included in the Condominium Documents or in the Rules, each unit owner shall have the right to rent his unit provided that:

(a) **Rented in Their Entireties.** Units must only be rented in their respective entireties.

(b) **Necessity of Lease or Rental Agreement.** The rental arrangement shall be evidenced by a written rental agreement or lease (the "Lease") in which the tenant agrees to be bound by the Condominium Documents including particularly, but without limitation, the next succeeding subsections hereof.

(c) **Board's Role as Intervenor in the Event of Tenant's Violation; Copy of Lease to be Filed with Association Secretary; Continuing Obligation to Update Lease Information and Documentation.** The unit owner and the tenant shall agree in the Lease that if the tenant is in violation of any of the terms of the Condominium Documents and such violation shall continue after 30 days' written notice to the unit owner, the Board of Directors of the Association shall have the right to terminate the Lease and to bring a legal action to remove the tenant from the rented unit. To enable the Association to fulfill this role as intervenor, the unit owner must provide the Association, at the outset of the rental arrangement (in order for the Lease to be valid), with a copy of the Lease which shall contain, among other things, the name(s) of the tenant(s) of the rented unit and all

occupants thereof and the length of the term of the Lease. Delivery of the copy of the Lease shall be made to the Secretary of the Association. This duty shall continue for so long as the unit is rented, and, thus, the unit owner shall be obligated to furnish the Association with the requisite documentation and information each time the unit is sublet or leased to a new subtenant or new tenant or whenever the term of the Lease is extended or renewed with an existing tenant.

(d) **Minimum Term of Lease; No Transient or Hotel Arrangements or Services.** The Lease shall be for a term of not less than six (6) months and shall specifically exclude customary hotel services such as food and beverages service, maid service, and laundry, linen, and bellboy services.

(e) **Unit Owner's Duty to Furnish Pertinent Documentation and Information to Tenant.** Each unit owner shall have the following duties in every lease or rental arrangement: (i) To furnish the tenant with copies of those provisions of the Condominium Documents which pertain to the leasing and rental of units, and (ii) to see that the tenant complies with all of the pertinent provisions of the Condominium Documents.

(f) None of the foregoing limitations shall apply to Declarant, which shall not be subject to any lease or tenancy restrictions imposed by this Declaration or any Rules promulgated by the Board of Directors.

21. **Restrictions, Conditions and Covenants to Run With Land.** Each grantee of Declarant, by the acceptance of a deed of conveyance, and each unit owner who acquires such interest hereafter, accepts such deed or such interest, as the case may be, subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration and in prior instruments, and all rights, benefits and privileges of every character granted, created, reserved or declared in this Declaration, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of the unit owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

22. **Non-Waiver of Covenants.** No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

23. **One Vehicle per Unit in Parking Area.** Each unit in the Condominium shall have one (1) garage stall and one (1) parking space on the parking area of the Condominium. The garage stall is shown on the Plat. The parking space shall be specified in writing from time to time by the Board of Directors.

## ARTICLE V

### Management, Maintenance, Repairs, Alterations and improvements

#### 1. Common Elements.

(a) Association. The Association shall be responsible for the maintenance, repair, alteration, improvement and replacement of the common elements (including maintenance and repair of limited common elements). Nothing herein shall be construed to preclude the Association from delegating to such persons of its choice such duties as may be imposed upon it by the terms of this Article.

(b) Unit Owner. To the extent that the expense of maintenance and repair is not covered by the proceeds of insurance carried by the Association, if applicable, each unit owner shall maintain and keep in repair and replace, as needed, all portions of the common elements which may have become damaged or destroyed by reason of his, her or its own negligent acts or omissions, or those of any occupant of the unit, or those of any invitee, licensee or guest within thirty (30) days after such damage occurred or any extension of such thirty (30) day period granted in writing by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

If the unit owner fails to do the required remedial work, the Association may do it or have it done and send a statement for all costs incurred including administrative charges. The amount shown on such statement shall be considered a common expense which has been assessed by the Association (i.e., an assessment) and, accordingly, all of the provisions in this Declaration and the Bylaws relating to assessments shall apply thereto including specifically, but not limited to, Sections 7 and 8 of Article VI and all of the Sections in Article VII hereof. In doing the remedial work, the unit owner shall perform the responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or other units in the Condominium. Each unit owner shall promptly report to the Association any defect or need for repairs to the common elements and shall not impair any easements without the prior written consent of the other unit owners.

## 2. Units.

(a) Unit Owner. Each unit owner is responsible for the maintenance, repair, alteration, improvement and replacement of his, her or its unit. This responsibility includes all internal installations within the unit which serve exclusively just the unit such as appliances, heating, plumbing, electrical and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the boundaries of the unit and serving just the unit. The unit owner shall perform his, her or its responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or any other unit in the Condominium.

The unit owner shall repair and replace, at his, her or its expense, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, if applicable, any portion of any unit and/or the limited common elements appurtenant to it which has been damaged or destroyed by reason of his, her or its negligent acts or omissions, or the acts or omissions of any occupant of the unit, or the acts or omissions of any invitee, licensee or guest or occupant within thirty (30) days after such damage has occurred or any extension of such thirty (30) day period granted in writing by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

If the unit owner fails to do the required remedial work, the Association may do it or have it done and send a statement for all costs incurred including administrative charges. The amount shown on such statement shall be considered a common expense which has been assessed by the Association (i.e., an assessment) and, accordingly, all of the provisions in this Declaration and the Bylaws relating to assessments shall apply thereto including specifically, but not limited to, Sections 7 and 8 of Article VI hereof and all of the Sections in Article VII hereof. In doing the remedial work the unit owner shall perform his, her or its responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or any other unit in the Condominium.

(b) Association. The Association shall repair and replace at its expense, to the extent that such expense is not covered by the proceeds of insurance carried by the unit owner or the Association, if applicable, any portion of a unit which has become damaged or destroyed by reason of the negligent acts or omissions of the Association within thirty (30) days after such damage has occurred or any extension of such thirty (30) day period granted in writing by the unit owner whose unit has been damaged. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

3. Easement for Foregoing Purposes. Each unit owner shall afford to the Association and the other unit owners, and to their agents or employees, access through his, her or its unit reasonably necessary to accomplish the foregoing purposes.

4. Waiver of Claim. The Association agrees that it shall make no claim against any unit owner or occupant, and each unit owner and occupant agrees that he, she or it shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against the manager or its officers, employees or agents, or other unit owners or occupants, for any loss or damage to the Condominium, or to a unit or personal property, even if caused by the act or neglect of any one or more of such persons, due to a peril insured against by casualty insurance purchased by the Association, or any unit owner, to the extent of the insurance proceeds recovered under all such policies of insurance, and all such claims, to the extent of such recovery, are hereby waived and released; provided, however, that this waiver shall not apply to vandalism or malicious mischief and shall apply only during such time as the applicable policy or policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policy or policies, or prejudice the right of the insured to recover thereunder, and each unit owner and the Board, agree that their respective insurance policies shall contain such a clause or endorsement, if available at reasonable cost in the opinion of the party insured thereunder.

## ARTICLE VI

### Assessments, Charges, Liens for Assessments and Taxes; Required Funds and Reserves

1. Obligations of Unit Owners to Pay Assessments. Each unit owner shall be liable for common expenses allocated and assessed to the unit.

**2. Assessments for Common Expenses and Expenses Benefiting less Than All Units.** Assessments for common expenses shall be allocated equally to all four units. In addition, the Board may assess certain common expenses against fewer than all of the units as follows:

(a) **Maintenance, Repair or Replacement of Limited Common Element.** Any common expense associated with the maintenance, repair or replacement of a limited common element shall be assessed against the unit or in equal shares against the units to which the limited common element was assigned at the time the expense was incurred; or

(b) **Common Expenses Benefiting Less Than All Units.** The Board may assess any common expense for projects benefiting less than all of the units against the units benefited in which case the common expenses shall be allocated (i) among the units benefited, or (ii) on the basis of equality, or (iii) on the basis of the square footage of the area being maintained, repaired or replaced, or (iv) on the basis of the actual cost incurred with respect to each unit (e.g., the Board may choose to allocate expenses relating to the replacement of a window or window component to the unit which such window serves); or

(c) **Costs of Insurance and Utilities.** The costs of insurance may be assessed in proportion to value, risk or coverage, and the costs of utilities may be assessed in proportion to usage instead of equality; or

(d) **Costs and Attorney's Fees.** The Board may assess any reasonable costs and reasonable attorney's fees relating to the enforcement of the provisions of the Condominium Documents, the collection of any delinquent assessments or the foreclosure of any Association lien, against the unit of the owner who is in violation of the provisions of the Declaration or delinquent in the payment of assessments.

**3. Preparation of Proposed Budget and Levying of Assessment.** The first Board of Directors (appointed by Declarant) shall determine and adopt, prior to conveyance of the first unit hereunder, an initial budget. Each year thereafter, before December 1, the Board of Directors shall estimate the total amount necessary to pay the common expenses which will be required during the ensuing calendar year together with the reasonable amount considered by the Board to be necessary for reserves for such things as maintenance, alterations and improvements, reconstruction and repair, and emergencies. No later than December 1 of each year, the Board of Directors shall provide or mail to each of the unit owners a copy of said budget and a notice advising the unit owner of the estimated amount of the assessment he, she or it shall pay in the next calendar year, which shall be an equal one-fourth (1/4).

**4. Payment of Assessments in Installments and When Due.** On or before January 1 of the year following the levying of an assessment as provided in the previous Section, and the first of each and every month of said year thereafter, each member shall be obligated to pay to the Board of Directors, or as it may direct, one-twelfth (1/12th) of the assessment. In addition, each owner shall pay assessments levied against the unit(s) when the same become due.

**5. Special Assessments.** In addition to the annual assessments levied as provided above, the Board of Directors may in its discretion levy special assessments at such other and additional



times as in its judgment are required for the proper management, maintenance and operation of the common elements or to defray the costs of any unforeseen or unbudgeted common expense, including without limitation the unexpected construction, reconstruction, replacement or repair of a capital improvement and including fixtures and personal property related thereto provided that any such special assessment shall have the approval of at least seventy-five percent (75%) of the total voting power of the Association unless it is one required by Section 10 of this Article hereinbelow.

6. Failure to Prepare Annual Budget and Levy Annual Assessment. The failure or delay of the Board to prepare the proposed annual budget and to levy assessments upon each member as provided above shall not constitute a waiver or release in any manner of such member's obligation to pay annual assessments, whenever the same shall be determined, and in the absence of any annual budget, each unit owner shall continue to pay the monthly assessment at the then existing monthly rate until he, she or it shall receive the new annual assessment.

7. Fees, Charges, Late Charges, Fines and Interest. Fees (including attorney's fees), charges, late charges, fines and interest charges shall be deemed to be assessments and will constitute a lien and be enforceable in accordance with the Act. Any such fees and charges shall also be a personal obligation of the unit owner or occupant against whose unit the same have been imposed. The Board of Directors shall from time to time establish for the Association an interest rate to accrue on the amount of past due installments of assessments or assessment which shall commence to accrue fourteen (14) days after the particular assessment or installment of assessment was due, until paid in full. If the Association has failed to establish such interest rate at the time any unit owner fails to pay an assessment or installment of assessment by the date it is due, the rate of interest shall be deemed to be the maximum amount allowable under Wisconsin law.

8. Lien for Assessments. The Association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes payable. The Association's lien may be foreclosed as provided by the laws of Wisconsin as if it were a lien under a mortgage containing a power of sale. The rights of the parties shall be the same as those provided by law except that the period of redemption for unit owners shall be 6 months from the date of sale or the shortest period allowed by law. The lien is prior to all other liens and encumbrances on a unit except the following:

- (a) Liens and encumbrances recorded before the recordation of this Declaration,
- (b) Any recorded mortgage on the unit securing a first mortgagee, and
- (c) Liens for real estate taxes and other governmental assessments or charges against the unit.

The recordation of this Declaration constitutes record notice and perfection of the lien.

9. Liability in a Voluntary or Involuntary Conveyance of a Unit; Statement; Binding Effect of Statement. Except as provided in Section 21 of Article XI hereof, in a voluntary or involuntary conveyance of a unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments against the unit which the Board levied prior to the time of conveyance, without prejudice to the grantee's right to recover from grantor the amounts paid by the grantee therefor. However, the Association must furnish to the grantee, or his authorized agent, upon written request of the grantee or his authorized agent, a recordable statement setting

forth the amount of unpaid assessments currently levied against his unit. The statement shall be furnished within 10 business days after receipt of the request and shall be binding on the Association, that is, grantee shall not be liable for, nor shall the unit conveyed be subject to, a lien for any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

10. **Real Estate Taxes and Assessments.** Real estate taxes and governmental special and annual assessments (the "Real Estate Taxes") shall be separately levied against the units and the corresponding percentage of ownership interest in the common elements appurtenant thereto and as provided in the Act. If, for any year, the Real Estate Taxes are not levied separately against the units and the percentage of common element interest appurtenant thereto, but instead are levied against the real estate constituting the Condominium as a whole, the Board shall pay such Real Estate Taxes as they become due and treat the amounts paid as a common expense of the Association. Prior to February 1st of any year for which it is anticipated that the Association will be responsible for the payment of Real Estate Taxes, the Board shall levy a special assessment in the anticipated amount of such Real Estate Taxes against the individual units on the basis of each unit's percentage liability for common expenses or on the basis of estimated actual tax liability of each owner's unit(s) and interest in the common elements together with an amount sufficient to establish a reasonable reserve to be used in the event of nonpayment by a portion of the unit owners. If necessary, the Board shall have the authority, but not the obligation, to advance funds in payment of all or a portion of such Real Estate Taxes pending receipt from the owners of their proportionate shares thereof.

11. **Prohibition of Delinquent Owner from Using Amenities and Voting.** The Board of Directors of the Association shall have the authority to prohibit any owner from using any amenities in or upon the common elements if such owner is delinquent in the payment of any installment of any assessment and such owner shall not have the right to vote on any Association matters or in any election of the Board if such owner is delinquent in the payment of any installment of any assessments.

12. **Advance Contribution for Start Up Costs.** At the time the initial sale of each unit is closed, the purchaser of the unit shall pay the Association an amount equal to 2 times the first full monthly installment of assessments for such unit. The Association shall use and apply this sum for start-up costs and as an operating fund in connection with all initial operating expenses for the common elements. This payment is nonrefundable and shall not be applied as a credit against the owner's monthly installments of assessments. Under no circumstances shall Declarant have any obligation to pay the aforementioned sum so long as Declarant is the owner of a unit and holds such unit for sale or as a model.

13. **Reasonable Reserve for Contingencies and Replacements.** The Association may establish, maintain and augment a reasonable reserve for contingencies and replacements and to provide an adequate reserve to meet the obligations of the Association in the event that a portion of the unit owners default in the payment of assessments, which reserve shall be segregated and allocated for specific purposes. Extraordinary expenditures not originally included in the annual estimate which may become payable during the year shall be charged first against such portion of the contingency and replacement reserve which remains unallocated. If the estimated cash requirement proves inadequate for any reason or in the event a nonrecurring common expense is

anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of the year, copies of which shall be furnished to each owner, and thereupon a separate assessment shall be made to each owner for the proportionate share of such supplemental budget. All owners shall be personally liable for and obligated to pay their respective adjusted amount.

## ARTICLE VII Compliance and Default

1. **Compliance.** Each unit owner shall be governed by and shall comply with the terms, conditions, obligations and provisions of the Condominium Documents and the provisions of the Act, as the same may be amended from time to time.

2. **Default and Remedies; Acceleration Clause.** A default in or failure to comply with any of the terms, conditions, rules, obligations and provisions of the Condominium Documents and the Act by any unit owner, occupant of a unit, or invitee, licensee or guest thereof shall be grounds for relief which may include, without intending to limit the same or to constitute an election of remedies, an action to recover sums due for damages, an injunction, foreclosure of a lien, or any combination thereof, and which relief may be sought by the Association, or if appropriate, by the other aggrieved unit owners, or both. Attorney's fees and costs shall be recoverable in any such action or even in effecting remedy of the default or collection of any sums due without having to resort to such action. In no case may a unit owner, or occupant, withhold any assessments due and payable to the Association, or take (or omit) other action in violation of the Condominium Documents or the Act as a measure to enforce such unit owner or occupant's position, or for any other reason.

If a unit owner fails to perform any obligation under the Condominium Documents or the Act (the "Defaulting Unit Owner"), then the Association may (but is not obligated to) perform the same for the Defaulting Unit Owner's account and for such purpose may enter upon the premises of the Defaulting Unit Owner's unit to do such work and to incur such expenses or other sums as are reasonably deemed by the Association as necessary to cure the default, and for such expense shall levy a special assessment against the unit owned by such Defaulting Unit Owner and set it forth on a statement to be given to the Defaulting Unit Owner. Such special assessment shall be due thirty (30) days after its being given to the Defaulting Unit Owner.

Installments of regular and special assessments are due on the first (1st) day of each month, and special assessments not payable in installments shall be due thirty (30) days after their being given to a unit owner. A unit owner becomes a "Defaulting Unit Owner" by failing to make payment of an installment of a regular or special assessment by the fifteenth (15th) day of a month, or by failing to make payment of a special assessment by the date it was due. In the event a unit owner has become a Defaulting Unit Owner, the Association may assess, and the Defaulting Unit Owner shall be obligated to pay, a reasonable charge and/or penalty for each such unpaid assessment or installment thereof, together with interest as provided in Section 8 of this Article VII, and all expenses, including reasonable attorneys' fees incurred by the Association in any proceeding brought to collect any such unpaid assessment. In the case of a failure on the part of the Defaulting Unit Owner to pay an installment of assessments or assessment more than thirty (30) days after it was due, the Association may opt to accelerate the

remaining installments or balance of the assessment upon written notice thereof to the Defaulting Unit Owner, and thereupon, the entire unpaid balance of the assessment with all accrued interest shall become due and payable upon the date stated in the notice.

In addition to the foregoing, the Association is hereby entitled to impose reasonable fines, penalties or charges for each violation of the Condominium Documents and to suspend any rights of a unit owner, or occupant and/or their guests, to use any recreational facilities or common elements except limited common elements appurtenant to the unit and those portions of the common elements providing utility service and ingress and egress to such unit owner's unit, any such suspension being limited to the period of default by the unit owner or occupant and for up to thirty (30) days thereafter for each violation.

3. **Hearing in Certain Cases.** In case the Association desires to impose a fine, penalty or charge for a violation of any provisions of the Condominium Documents, or to suspend the rights of any unit owner, or occupant and/or guests thereof, to use any common elements which were damaged or altered, or suffered or allowed to be damaged or altered, by any unit owner, or occupant and/or guest thereof, in violation of any provisions of the Condominium Documents, and to assess the costs of such restoration against the Defaulting Unit Owner, it shall cause to be mailed or delivered to the Defaulting Unit Owner, or occupant, written notice specifying the general nature of the violation and the remedy to be imposed, which notice must be delivered at least ten (10) days prior to the effective date of such imposition.

4. **Notice of Default and Failure to Cure.** A unit owner shall be considered to be in default if he, she or it has failed to make payment to the Association by the due dates specified in Section 2 of this Article VII. A unit owner shall not be considered in default of non-monetary obligations under the Condominium Documents or the Act unless the unit owner shall have failed to cure or correct such default in the manner and within the time specified in a written notice given by the Association, which specifies the nature of the default, the cure thereof, and the time within which the cure shall be effected.

5. **Remedy of Abatement in Addition to Other Remedies.** In the event the Defaulting Unit Owner fails to effect the cure specified by the Association in the notice of default, within the time specified in such notice, where the default is a structure, thing or condition existing in or on the premises of the unit owner's unit, the Association shall have the right to enter upon the premises of the Defaulting Unit Owner's unit and summarily to abate and remove, at the Defaulting Unit Owner's expense, the structure, thing, or condition constituting the default, and the Association, and its agents, employees and representatives, shall not thereby be deemed guilty in any manner of trespass. The costs of such abatement and removal shall be specially assessed to the Defaulting Unit Owner.

6. **Monetary Liability of Defaulting Member.** Each unit owner shall be liable for the expense of any maintenance, repair or replacement necessitated by his, hers or its act, omission, neglect or carelessness or by that of any member of the family or their guests, employees, agents, lessees, invitees, or licensees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances.

Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights to subrogation.

**7. Recovery of Attorneys' Fees and Costs.** As provided in this Article, the Association shall be entitled to recover reasonable attorneys' fees and costs incurred by the Association in any proceeding brought to collect an unpaid assessment or installment of assessment from the Defaulting Unit Owner or to foreclose a lien for the amount thereof on the Defaulting Unit Owner's unit. In any proceeding arising because of an alleged non-monetary default by the Defaulting Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees and costs as may be allowed by the court.

**8. Recovery of Interest.** The Association shall be entitled to recover from the Defaulting Unit Owner who has defaulted in the payment of assessments due the Association, or has committed a non-monetary default which has necessitated the Association's expending money to cure the default, interest on the amount due which shall commence to accrue fourteen (14) days after the particular assessment, installment of assessment or amount due the Association for its curing the Defaulting Unit Owner's default was due until paid in full. The interest rate shall be that rate which the Board of Directors has established at the time of the Defaulting Unit Owner's default or, if the Association has not established an interest rate, then the rate shall be the highest rate allowed by Wisconsin law.

**9. Non-Waiver of Covenants.** The failure of the Association or of a unit owner to enforce any term, provision, right, covenant or condition which may be granted by any of the Condominium Documents and the Act shall not constitute a waiver or abrogation of the right of the Association or a unit owner to enforce such term, provision, right, covenant or condition in the future, irrespective of the number of violations or breaches thereof which may have occurred.

## ARTICLE VIII Insurance

**1. Master Policy of Insurance Carried by Association.** The Association shall maintain and keep in force a master policy or policies of insurance issued by a reputable insurance company or companies authorized to do business in Wisconsin, which policy or policies shall further provide coverage as follows:

- (a) Fire and standard extended coverage insurance in an amount equal to one hundred percent (100%) of the insurable "replacement cost" of the Condominium exclusive of land, foundation, excavation and other items normally excluded from coverage (but including all building service equipment and machinery), except such perils as may be separately insured or are uninsurable. The policy or policies shall cover personal property owned in common by all of the unit owners or by the Association. The policy or policies shall contain an "Inflation Guard" endorsement, or an agreed amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. Such insurance shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement for projects

similar in construction, location and use to the Condominium; together with the following additional coverage if required by the requirements of the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") in connection with mortgage loan commitments issued by any first mortgagees:

If there is a steam boiler in any building the policy shall afford protection against boiler explosion in such building, evidenced by a broad form of boiler and machinery endorsement, in the minimum amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(b) If any building is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Condominium shall be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the units or the maximum limits of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(c) The policy shall cover sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage.

(d) The policy shall cover demolition and contingent liability from operation of building laws endorsements, increased cost of construction, and other applicable hazards.

(e) The policy shall cover the units and the common elements. It shall not cover the following items within the units: (i) ceiling and wall finishing materials, (ii) floor coverings, (iii) cabinetry, (iv) finished millwork, (v) electrical or plumbing fixtures serving a single unit, (vi) built-in appliances, and (vii) other improvements and betterments, regardless of when installed.

In the event that the Association shall fail to pay currently the premiums due with respect to such insurance, then and in such event any first mortgagee may make payment of such due premiums, and such payment so made by the first mortgagee shall be a sum immediately due and owing by the Association to such first mortgagee together with interest at the highest rate allowed by law from the date of payment of the money by the first mortgagee to the date of reimbursement by the Association. The first mortgagee making such advance shall have the right to sue upon and enforce the foregoing covenant, and this covenant shall have the same effect and stand in lieu of any separate agreement covering such rights between the Association and such first mortgagee advancing funds. The Association is further authorized to enter into a separate agreement in favor of all first mortgagees, which shall further authorize the first mortgagee to secure its own replacement policy in the event the one held by the Association fails to comply with the requirements of this Declaration.

2. Comprehensive public liability insurance covering the use, ownership and maintenance of any structure and grounds of the Condominium (i.e., the common elements thereof), with the

minimum limits of One Million Dollars (\$1,000,000.00) per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Condominium. Such public liability insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a unit owner or occupant because of negligent acts of the Association or other unit owners or occupants. If required by the lending requirements of any first mortgagee the coverage shall include water damage liability, liability for non-owned and hired automobiles, liability for property of owners, and, if applicable, elevator collision, garage keeper's liability and host liquor liability.

3. Fidelity coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association, if deemed to be advisable by the Board of Directors of the Association or required by FNMA, FHLMC, FHA or VA. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1-1/2) times the insured's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

4. Workers' Compensation insurance as and if required by law.

5. Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the unit owners.

6. First Mortgagee May Insure. In the event the Association fails to maintain and keep in force the insurance coverages mandated by this Article, then any first mortgagee may institute and keep in force such coverages.

7. Insurance Premiums Assessed as Common Expenses. All insurance premiums of the Association shall be assessed and paid as a common expense, and in the event of a claim the Association may charge any insurance deductible amounts back against the unit owners who caused the claim to be made or with respect to whose units the claim arose.

8. Insured to be Association or Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to the Association or a qualified insurance trustee selected by it as trustee for the unit owners and any other holder of a security interest in the units, including first mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate and settle any claims or losses under any insurance policy maintained by the Association.

9. Waivers of Subrogation. All policies of insurance shall contain waivers of subrogation by the insurer as to any claims against the Association, or a unit owner or occupant, and/or their respective agents, tenants or employees, and waivers of any defense based on coinsurance or of invalidity from any acts of the insured.

10. Requirements for Policies of Insurance. All policies of property insurance maintained by the Association shall, among other things, provide that:

(a) Despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any insurance trustee) or (ii) when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law;

(b) Such insurance may not be brought into contribution with any insurance purchased by unit owners or their first mortgagees; and

(c) The coverage shall not be prejudiced by (i) any act or neglect of the unit owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium over which the Association has no control.

11. Individual Insurance Policy for Unit Owner. Each unit owner must carry an individual condominium unit all risk policy covering liability for accidents occurring within the unit, and insuring the value of personal property and real property within the unit which is not covered by the Association's comprehensive blanket policy. Personal property and attached items in a unit, such as carpeting and other types of floor coverings (such as stone, ceramic tile or hardwood flooring), wall coverings, light fixtures, electrical and plumbing fixtures serving just that unit, window treatments, all types of built-in appliances, cabinets and millwork and other improvements and betterments (regardless of when installed) are not covered by the Association's blanket policy. The extent of the property included or excluded from the Association's blanket policy may be clarified by the Board from time-to-time by amendments to the Rules and Regulations, and each unit owner is responsible for conforming his/her individual coverage to such changes. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such individual insurance carried by any unit owner.

## ARTICLE IX

### Reconstruction, Repair or Replacement After Casualty Damage and Condemnation and Eminent Domain

1. Procedures for Repair, Reconstruction or Disposition Following Damage or Destruction. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Condominium as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given pursuant to Section 3.

2. Procedures in Case of Taking of Part or All of Condominium by Condemnation or Eminent Domain. In the event of a taking of any part of the Condominium by condemnation or eminent domain, notice shall be given pursuant to Section 3.

3. Notice to First Mortgagees. All first mortgagees shall be entitled to receive notice of any and all condemnation proceedings or substantial damage to or destruction of the Condominium, and the Association shall give written notice thereof to all first mortgagees promptly after occurrence



of the damage or destruction or commencement of the condemnation proceeding. First mortgagees shall be entitled to priority for condemnation awards, as their interests may appear.

## ARTICLE X Amendment

This Declaration may be amended by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association (i) in writing, or (ii) at a meeting of the Association duly held in accordance with the provisions of the Bylaws. Any amendment shall be subject to the rights of first mortgagees as set forth in the next Article hereof and such greater requirements as may be imposed by the Act, and shall be effective only when recorded in the office of the County Register of Deeds. In the case of an amendment by vote at a meeting of the unit owners, an acknowledgment by the Secretary or other officer of the Association as to the procedural sufficiency of the vote shall be adequate evidence for all purposes, including without limitation the recording of the amendment.

## ARTICLE XI Mortgagee Requirements

1 Purpose. Because this Declaration and the Bylaws of the Association contain provisions which meet the requirements of FHLMC, FNMA, FHA, VA and similar governmental, quasi-governmental or private agencies, entities or associations which may now or hereafter be involved in the purchase of condominium mortgages or the insurance thereof, the Declarant deems it prudent to place all of such required provisions in one article of this Declaration so as to enable an examiner quickly to ascertain that this Declaration and the Bylaws comply in all respects with such requirements.

2. Effect of Succeeding Sections. The succeeding Sections of this Article shall take precedence over all other provisions and sections of this Declaration, and the Bylaws of the Association, and in the event of any inconsistency or contradiction, the following Sections shall control.

3. Time of Written Notice for Certain Occurrences. The holder, insurer, or guarantor of a first mortgage on any unit in the Condominium, who has advised the Association in writing of its name and address and the legal description and address of the unit covered by such mortgage and in said writing has requested the Association to notify it of any of the following matters, is entitled to timely written notice of:

- (a) Any condemnation, or casualty loss that affects either a material portion of the Condominium or the unit on which there is a first mortgage being held;
- (b) Any delinquency in the payment of assessments or charges owed or any other default in the performance of any obligation owed under the Condominium Documents by an owner of a unit subject to a first mortgage held, insured, or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of at least sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders as specified in Section 8 of this Article XI below.

The term "timely written notice" means that period of time which is reasonably sufficient to enable the mortgage holder, insurer or guarantor to take action with respect to the subject matter of the notice.

4. **No Restrictions on Mortgaging Units.** No provision in this Declaration or the Bylaws of the Association shall restrict an owner's right to mortgage his or her unit. In addition, no such provision shall limit an owner's financing options by requiring the use of a specific lending institution or a particular type of lender.

5. **No Limitations on Unit Owner's Ability to Sell.** The Association shall not impair or restrict a unit owner's right to sell, transfer or convey his or her unit. The Association shall never hereafter have a right of first refusal.

6. **Availability of Condominium Documents.** The Association shall at all times have current copies of the Condominium Documents as well as its own books, records and financial statements for inspection by unit owners or by holders, insurers and guarantors of first mortgages that are secured by units in the Condominium. These documents shall be available during normal business hours or under other reasonable circumstances.

7. **Examination of Records; Audited Financial Statement.** Any holder, insurer, and guarantor of a first mortgage secured by a unit in the Condominium, upon written request made to the Association, shall have the right to examine the current copies of the Condominium Documents and the books, records and financial statements of the Association or the Condominium during normal business hours. Any such holder, insurer and guarantor of a first mortgage, where there is no audited statement available, shall have the further right to have an audited statement prepared at its own expense.

8. **Material Amendments to Declaration and Bylaws or Material Changes; Limitations on Actions of Association.** Notwithstanding anything in Article X of this Declaration and Article VIII of the Bylaws to the contrary, any amendments to this Declaration and Bylaws of a material nature must be approved not only by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association, but also by the written consent of those first mortgagees of the units who have submitted to the Association a written request that they be notified of any proposed action requiring approval of a specified percentage of mortgagees and who hold mortgages on at least seventy-five percent (75%) of the units (based upon one vote for each mortgage held). In addition, except as provided or allowed by statute, the Association shall not make material changes unless approved not only by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association, but also by the written consent of those first mortgagees of the units who have submitted to the Association a written request that they be notified of any proposed action requiring approval of a specified percentage of mortgagees and who hold mortgages on at least seventy-five percent (75%) of the units (based upon one vote for each mortgage held). Any of the following changes shall be deemed a "material amendment" or a "material change":

- (a) Voting rights;
- (b) Assessments, assessment liens, subordination of assessment liens or increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%);

- (c) Reduction in reserves for maintenance, repair and replacement of common elements;
- (d) Responsibility for maintenance and repair;
- (e) Reallocation of interest in the common elements and limited common elements of the Condominium or rights to their use;
- (f) Redefinition of the boundaries of any unit;
- (g) Convertibility of units into common elements or vice-versa;
- (h) Expansion or contraction of the Condominium, or the addition and annexation or withdrawal of property to or from the Condominium;
- (i) Hazard or fidelity insurance requirements;
- (j) Restrictions on the leasing of units;
- (k) Imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by an eligible mortgage holder;
- (m) Restoration or repair of the Condominium after a hazard damage or partial condemnation in a manner other than that specified in the Condominium Documents;
- (n) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occur;
- (o) Any provisions that expressly benefit mortgage holders, insurers, or guarantors;
- (p) Any amendment to this Article;
- (q) Partition or subdivision of any unit except as provided by or allowed by statute;
- (r) Any attempt by act or omission to abandon, partition, subdivide, encumber, transfer or sell the common elements; or
- (s) Any use of hazard insurance proceeds for losses to any condominium property (whether units or common elements) for other than repair, replacement or reconstruction of the condominium property.

If an addition or amendment is not considered as a material change, such as the correction of a technical error or clarification of a statement, then the approval of mortgage holders, insurers or guarantors shall be assumed if they have failed to submit a response to any written proposal for such amendment or addition within thirty (30) days after the proposal is made.

9. Approval of Termination of Condominium by Unit Owners and Mortgagees. The Condominium may be terminated only by the unanimous written agreement of owners of units and the unanimous written agreement of the first mortgagees of the units (each mortgagee having one (1) vote per unit financed), except for the termination of the Condominium in the event of a taking of all of the units by eminent domain (or conveyances under the threat of eminent domain). All procedures, appraisals and disposition of proceeds following any termination of the Condominium shall be governed by the Act.

10. Association Responsible for Maintaining Common Elements (Including Limited Common Elements). The Association shall be responsible for maintaining the common elements of the Condominium including the limited common elements thereof.

11. Representation by Association. The Association shall represent the unit owners in any proceedings, negotiations, settlements or agreements having to do with any losses or proceeds from the condemnation, destruction or liquidation of all or part of the Condominium or from the termination thereof. Consequently, the award or proceeds of settlements shall be payable to the

Association for the use and benefit of the unit owners and their mortgagees as their interest may appear.

12. **Adequate Reserve Fund.** Condominium assessments for common expenses shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis. Assessments for the reserve fund shall be payable in regular installments rather than by special assessments.

13. **Association's Right of Reasonable Entry.** The Association shall have the right of reasonable entry upon the premises of any unit in the Condominium to effect emergency or other necessary repair which the unit owner has failed to perform.

14. **Leasing and Rental of Units; Exception.** Any lease or rental agreement must be in writing and be subject to the requirements of the Condominium Documents. Any failure by the lessee to comply with the terms of the Condominium Documents shall be a default under the lease enforceable by the Association as well as the landlord. Any lease must be for the entire unit not a portion thereof, shall be in writing and a copy thereof shall be filed with the Association prior to commencement of its term. No lease shall provide for a term of less than six (6) months nor for the furnishing of hotel type services. No other restrictions relating to the term of any lease or rental agreement shall be valid or enforceable. The occupations and businesses permitted in Section 16 of Article IV hereof, however, are excluded from the purview of this Section.

15. **Unit Owner's Unrestricted Right of Ingress/Egress to Unit.** Each unit owner has an unrestricted right of ingress and egress to his or her unit. This right is perpetual and passes with the unit and its undivided interest in the common elements of the Condominium as transfers of ownership thereof occur.

16. **Unit Owner's Rights and Restrictions.** Any unit owner, when becoming an owner of a unit in the Condominium, automatically becomes a member of the Association and thus, subject to all of the rights and duties assigned to owners under the Condominium Documents.

17. **Summary Abatement.** In the event the Defaulting Unit Owner fails to effect the cure specified by the Association in a notice of default directed to such Defaulting Unit Owner, within the time limit specified in such notice, where the default is a structure, thing or condition existing in or on the premises of the unit owner's unit, the Association, or its duly authorized representative, shall have the right to enter upon the premises of the Defaulting Unit Owner's unit in which, on which, or as to which such default exists and summarily to abate and remove, at the Defaulting Unit Owner's expense, the structure, thing or condition constituting the default. The Association and their agents, employees and representatives, shall not thereby be deemed guilty in any manner of trespass.

18. **Rights of Action.** The Association, and any aggrieved unit owner, shall have the right of action against unit owners who fail to comply with provisions of the Condominium Documents or decisions made by the Association. Unit owners shall have similar rights of action against the Association.

19. **Insurance and Fidelity Bonds.** The Association shall carry workers compensation insurance whenever it has eligible employees. The Association may carry fidelity insurance and shall do so whenever required by a holder, insurer or guarantor of a mortgage. The Association may enter into binding agreements with one or more holders, insurers or guarantors of mortgages obligating the Association to keep specified coverages in effect for specified periods and to notify a holder, insurer or guarantor of any changes to coverage.

20. **Adequate Remedies for Unit Owners' Failure to Pay Assessments.** The provisions of Articles VI and VII of this Declaration provide adequate remedies in the case of Defaulting Unit Owner's failure to pay assessments levied by the Association.

21. **Exemption from Liability for Unpaid Assessments.** A mortgage holder, insurer or guarantor who obtains title to or takes possession of a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (assignment) in lieu of foreclosure shall not be liable for such unit's unpaid assessments which accrue prior to the acquisition of title to such unit by such holder, insurer or guarantor in the case of a deed, or prior to the expiration of the statutory period of redemption in the case of a mortgage foreclosure. Any such delinquent assessments extinguished pursuant to the foregoing sentence may be reallocated and assessed to all units as a common expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit from the lien of, any assessments made thereafter. Moreover, any lien for delinquent common expense assessments or other charges that the Association has on a unit shall be subordinate to a first mortgage on the unit if that mortgage was recorded before the delinquent assessment was due.

22. **Subordination of Fees, late Charges, Fines or Interest.** Any fees, late charges, fines or interest which may be levied by the Association in connection with unpaid assessments or violations of the Condominium Documents shall be subordinate to the lien of the first mortgage on the unit to which they have been levied.

23. **Professional Management Contracts.** Any contract for professional management of the Condominium or any other contract providing for the services of the developer, sponsor or builder of the Condominium, shall not exceed two (2) years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice and shall include a right of termination without cause that the Association may exercise at any time after the Declarant has relinquished control over the Condominium and Association. This right of termination shall not require the payment of any penalty or an advance notice of more than ninety (90) days.

24. **Priority.** No provision of the Condominium Documents shall be deemed to give a unit owner, or any other party, priority over any rights of any mortgage holder, insurer, or guarantor pursuant to their mortgages in the case of a distribution to the unit owners of insurance proceeds or condemnation awards for losses to or taking of units and/or common elements of the Condominium.

25. **Notification of Change in Use Restrictions.** A first mortgagee of a unit, or its assigns, upon written request, shall be entitled to twenty-one (21) days' prior written notice of any proposed change in the use restrictions contained in Article IV of this Declaration.

26. Designation of Representative. Any holder of a first mortgage on a unit may designate a representative to attend meetings of members.

ARTICLE XII  
General Provisions

1. Severability. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration.

2. Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the ownership and operation of a cooperative, first class condominium project. Whenever appropriate, the singular number may be read as the plural, and the plural may be read as the singular. The masculine gender has primarily been used in this Declaration for the sake of simplicity and, accordingly, may be read as the feminine gender or as the neuter gender where necessary or desired.

3. Conflicts. In the event of any conflict among the provisions of the Act, this Declaration, the Bylaws and any Rules approved by the Association, the Act shall control. In the event of a conflict among this Declaration, the Bylaws and Rules, this Declaration shall control. In the event of a conflict between the Rules and the Bylaws, the Bylaws shall control. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Bylaws shall control.

Shane A. Benoy Shane A. Benoy March 15, 2006  
President, Cornerstone Contracting, Inc., Declarant

\*\*\*\*\*

STATE OF WISCONSIN) ACKNOWLEDGEMENT  
ST. CROIX COUNTY )

Personally came before me on March 15, 2006 the above-named Shane A. Benoy, to me known to be the person who executed the foregoing instrument, and acknowledged the same.



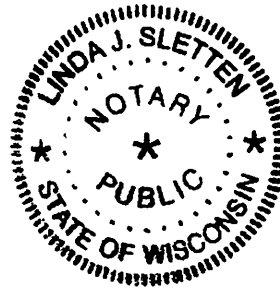
Notary De Malick My commission is permanent  
\*\*\*\*\*

Marlene K. Linn Marlene K. Linn March 15, 2006  
Assistant Vice President, Eagle Valley Bank, National Association

STATE OF WISCONSIN) ACKNOWLEDGEMENT  
ST. CROIX COUNTY )

Personally came before me on March 15, 2006 the above-named Marlene K. Linn, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

Notary Linda J. Sletten My commission 02/03/2008  
Drafted by C. W. Malick



**HUMBIRD PLACE CONDOMINIUMS  
STATEMENTS OF INTENT  
FOR  
RULES**

1. Humbird Place Condominiums (the "Condominium") is a building comprised of four (4) single-family homes in separate condominium units to be owned and/or occupied by mature and understanding people. The owners view all of the fine common elements of the Condominium as extensions of their homes and all users of the common elements as their invited guests. The common elements are not viewed as public spaces. Therefore, the condominium owners expect that the common elements will be used for residential purposes by other owners or their tenants in a careful and respectful manner.

2. It is the intent of the Association's Board of Directors to formulate reasonable rules in order to create the highest quality of residential living attainable in the Condominium. These Rules have been promulgated with the wishes, comfort and convenience of the four (4) owners being the uppermost consideration. Full cooperation of all parties is paramount if the goals of the Rules are to be attained.

3. To attain these goals, cooperation and understanding by all parties is required. Open and frank discussion and suggestions are encouraged.

4. Amendments to these Rules will be adopted in writing from time to time to meet the changing needs and desires of the Association.



**RULES  
FOR  
HUMBIRD PLACE CONDOMINIUMS**

1. **Compliance with Rules and Laws, Etc.** Each owner is responsible for compliance with the Rules by his family, guests, visitors, tenants and all others brought to or visiting the Condominium. Each said owner or occupant (the "Resident") shall comply with all applicable laws, ordinances and regulations and shall save the Association and other owners and occupants harmless from all fines, penalties, costs and prosecutions for any violation thereof

2. **Refuse and Debris.**

(a) Garbage, refuse and vacuum cleaner waste shall be securely wrapped and sealed before depositing in the dumpster or any other trash containers in the common elements.

(b) Christmas trees shall be wrapped in plastic or a sheet when brought in or removed from the building (the "Building").

(c) The dumpster or any other trash containers in the common elements of the Condominium shall be kept clean at all times and shall not be allowed to become unsightly.

(d) Large items, such as boxes, heavy cardboard, plants, etc., shall be left by the dumpster or other trash containers and not in the common elements of the Building.

3. **Entrance Doors.**

(a) Entrance doors shall be kept closed and secured at all times. There is no buzzer, each owner has keys to outside doors.

(b) Each Resident shall verify the identity of a caller before opening an entrance door and allowing the caller to enter.

(c) No Resident shall allow any person who does not adequately identify him or herself as a relative, guest, visitor, lessee, contractor, agent or employee of another Resident to enter or intrude upon any portion of the common elements of the Condominium.

(d) Each Resident shall not allow strangers to pass through the entrance doors at the same time Residents are entering or leaving the Building.

(e) Solicitors, canvassers and/or salespersons shall not be allowed into the Building. No Resident shall solicit or canvass door-to-door except for Association business.

(f) Residents shall promptly report to the police any suspicious activities occurring in or about the common elements or any unit in the Condominium.

**4. No Offensive Activities.**

(a) No noxious or offensive activities shall be carried on in any unit, or in the common elements, by any Resident, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to any other Resident.

(b) No Resident shall make or permit any disturbing noises in or upon the common elements of the Condominium or in his unit by his family, friend, tenant, service people or other invitees.

(c) No Resident shall loudly play or allow to be loudly played any musical instrument, radio, television, phonograph, tape recorder or the like that can be heard in any other unit of the Condominium between the hours of 10:30 p.m. and 7:30 a.m. of the next day.

(d) No Resident shall do or permit anything to be done which will interfere with the rights, comforts or convenience of any other Resident.

**5. Storage in Common Elements.** No personal property shall be stored in or about the common elements except in areas designated therefor or except as expressly permitted in writing by the Board of Directors of the Association.

**6. No Laundry in Common Elements for Extended Period of Time.** Except in areas specifically designed and intended for such purposes, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed in any part of the common elements for a period longer than twenty-four (24) hours.

**7. Moving or Carrying of Furniture and Articles.** The cost of the repair or replacement of common elements damaged by the moving and/or carrying of articles thereon or therein shall be borne by the Resident out of whose or into whose unit the articles were being moved.

**8. Maintenance and Care of Unit.**

(a) Each Resident shall keep his unit in a good state of cleanliness and repair.

(b) The water closets and other water apparatus shall not be used for any purpose other than for which they were constructed, and no sweepings, rubbish, rags, papers, ashes or other substances shall be thrown therein. Any damage to the property of others, including the common elements, resulting from misuse of such facilities, of any nature or character whatsoever, to the extent not covered by insurance shall be paid by the Resident of the unit who misused such facilities.

(c) Water shall not be left running an unnecessary length of time in any unit or in the common elements.

(d) Residents shall close all windows when necessary to avoid possible damage from storm, rain or freezing.

#### 9. Architectural Controls.

(a) No radio, television or other antennae shall be installed by a Resident anywhere on the exterior of the Condominium without the prior written approval of the Board of Directors of the Association.

(b) Hallways, sidewalks, stairways, landings, foyers and staircases shall not be obstructed or used for any purposes other than for ingress to and egress from the units.

(c) No Resident shall cause or permit anything to be hung, displayed or placed in windows (with the exception of draperies, blinds, shades and natural plants), on the outside of exterior doors, or on the outside walls of the Building, and no sign (except as otherwise permitted in the Declaration) shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Association. Any draperies used in the windows of the Building shall be lined with plain white lining. Any blinds or shades used in these windows shall be plain white or tan.

(d) No Resident shall alter, impair or remove any item from the common elements without the prior written consent of the Board of Directors of the Association. No Resident shall paint, stain or otherwise change the color of any exterior or interior common element wall or portion of the Condominium without the prior written approval of the Board of Directors of the Association.

(e) No additional building, tent or structure of any kind shall be placed, erected, kept or maintained in or about the common elements of the Condominium without the prior approval of the Board of Directors of the Association.

#### 10. Prohibition of Activities Increasing Hazards or Insurance.

(a) All radio, television or other electrical equipment of any kind or nature installed or used in any unit shall fully comply with all the rules, regulations, requirements or recommendations of the Board of Fire Underwriters and other public authorities having jurisdiction. Each Resident shall be liable for any damage or injury cause by any radio, television or other electrical equipment in such Resident's unit.

(b) Nothing shall be done or kept anywhere on the common elements which will increase the rate of insurance for the Condominium or the items of common personal property located in or about the common elements of the Condominium. No Resident shall permit anything to be done or kept in his unit or in the limited common elements which will

result in a cancellation or increase in the cost of insurance on the Condominium or contents thereof, or which would be in violation of any law.

(c) No person shall bring into the unit any naphtha, benzene, explosives or hazardous materials or articles except in small household quantities.

(d) Common element mechanical, electrical, plumbing, etc. shall not be altered or repaired or adjusted by Residents. In the event any of these items require attention, the Resident shall notify such representative of the Board as it has from time to time designated.

11. Entrance of Association Agents Authorized. The agents of the Association and any contractor or workman authorized by the Association or its agent, bearing proper identification, may enter any unit at any reasonable hour of the day, after notification to the Resident (except in case of emergency), for the purpose of correcting any condition which presents a danger of loss or damage to the Condominium or injury or death to any person.

12. Pets.

(a) Dogs and Cats.

1. Pets shall be registered at the time of closing on the Resident's purchase of the unit. The number of pets for each unit shall be limited to one (1) dog or two (2) cats, but not both categories of pets.

2. No pet shall be allowed to breed on the premises of the Condominium.

3. While outside the premises of a unit, anywhere upon the common elements of the Condominium, a pet shall be maintained on a leash at all time, except when under the direct supervision or command of its master.

4. A pet shall be walked in a portion of the common elements of the Condominium not utilized by other Residents in order to relieve itself. Animal waste in the common elements shall be cleaned up by the owner of the pet which excreted it.

5. Porches shall not be used as kennels.

6. No pet shall be allowed to cause a disturbance or damage to property on the premises. Disturbance shall specifically include, but not be limited to, excessive barking or other extreme noise by the animal.

(b) Any Resident shall have the right to a hearing before the Board of Directors of the Association about the manner in which any pet owner maintains his pet in accordance with the above guidelines, and the pet owner shall be subject to the following disciplinary and fining procedure:

1. Upon the first complaint being approved by the Board, a citation shall be given to the pet owner.

2. Upon a second complaint being approved by the Board, a second citation shall be given to the pet owner together with a \$50.00 fine levied against the pet owner.

3. Upon a third complaint being approved by the Board, a third citation shall be given to the pet owner together with an additional \$50.00 fine levied against the pet owner.

4. Upon any subsequent complaint being approved by the Board, the pet shall be immediately removed from the premises of the Condominium.

(c) Other Animals. No other animals, birds or reptiles of any kind shall be kept in any place within the Condominium except birds kept in cages in a unit and fish which are kept in aquariums in a unit. Such birds and fish shall not be kept or bred for commercial purposes.

13. Each unit shall have one garage and one parking lot stall.

14. Amendments of Rules. Amendments to these Rules and Regulations may be adopted by the Board of Directors of the Association from time to time. Any such amendments shall be designed to foster the safety and cleanliness of the Condominium and the comfort and convenience of all of the Residents of units in the Condominium.

Adopted by the Board of Directors March 15, 2006

8-12-2014 Addendum to Humbird Place Condominium Rules:

13. Each unit shall have one garage and one parking stall.

(a) Vehicles parked in the outdoor parking stalls shall be fully operable, currently registered, and shall not have any fluid leaks, which may cause damage to the parking lot surface.

(b) No major repair work to vehicles is permitted in the parking lot. This shall not prohibit car washing, minor repairs, routine maintenance, or oil changes. Repair work or routine maintenance shall be completed the same day work begins.

(c) Individual owners are responsible for parking lot damage caused by their or their guest's vehicles.

**RECORD OF ACTION OF THE BOARD OF DIRECTORS  
OF HUMBIRD PLACE CONDOMINIUMS, INC.**

**Assessment Collections Policy**

Date: August 28, 2014

INASMUCH as Section 181.72 of the Wisconsin Chapter 181, Nonstock Corporation Statutes provides that the directors of a non-profit corporation may act without the formality of a meeting by signing their names to a record of action assented to and taken by the same number of directors required to act at a meeting:

NOW, THEREFORE, the undersigned, being all of the Directors of Humbird Place Condominiums, Inc., record that effective the above date, they hereby adopt the following resolutions:

WHEREAS, the Board of Directors of the Humbird Place Condominiums, Inc. is charged with the responsibility of collecting assessments for common expenses from Accountholders pursuant to ARTICLE VI of the Declaration of Covenants for the Association, as amended (the "Declaration"); and

WHEREAS, from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS, the Board is empowered under the terms of the Declaration and the Bylaws of the Association to recover collection expenses from a delinquent Accountholder; and

WHEREAS, the Board has retained professionals experienced in representing homeowners associations in collections and other matters (herein the "Association's Agent"); and

WHEREAS, the Board has directed the Association's Agent to represent the Association on the terms outlined in this resolution;

NOW, THEREFORE, BE IT RESOLVED that the Association's Agent shall pursue all collection and other matters which the Board, acting through the Manager, may from time to time refer to the Association's Agent and to provide any advice and counsel which the Board may from time to time require.

The following definitions shall be applied herein:

(1) "Account" shall mean a consumer account receivable, including but not limited to unpaid dues and/or assessments owed by an Accountholder;

(2) "Accountholder" shall mean any individual or individuals legally responsible to the homeowners association for repayment of the Balance on an Account;

(3) "Balance" shall mean the principal debt owed by an Accountholder to the homeowners association, pins charges, interest, and attorney fees as allowed by law, minus the sum of any credits.

(4) "Manager" shall mean the Community Manager of the Homeowners Association.

BE IT FURTHER RESOLVED that a late fee of \$20.00 will be charged to a Accountholder, and levied against that Accountholder's unit, for each assessment or installment thereof that is not paid in full by the thirtieth day of the month in which it is due and an additional \$20.00 will be assessed on the thirtieth day of each month thereafter that the Account remains unpaid or until the Association's Agent refers the overdue Account to a collection agency, whichever period is shorter. Any payment made will be credited against late fees first followed by the oldest assessments. The Association's Agent is authorized to waive such late fee at Association's Agent's sole discretion if it determines that making such an offer would be the most efficient way to collect the Account; and

BE IT FURTHER RESOLVED that the Manager is directed to send to all Accountholders who are more than thirty (30) days delinquent in the payment of regular assessments (an account is thirty days delinquent when the Accountholder owes one past due monthly assessment and late fee and one current monthly assessment), special assessments, or other charges authorized by the association's governing documents (the "Assessments") written notice of the collection cost and a request for immediate payment (the "First Notice"); and

BE IT FURTHER RESOLVED that the actions taken by the Manager under this provision are not governed by Fair Debt Collections Practices Act (FDCPA), because all accounts are received by the Manager prior to default, all notices sent by the Manager to any delinquent Accountholder shall comply with all applicable state and federal laws governing the collection of debts received for collection prior to default; and

BE IT FURTHER RESOLVED that the membership rights, other than voting rights, of any Accountholder whose account is thirty (30) days past due may be suspended at any time at the discretion of the Board during the period that any installment, charge or assessment remains unpaid, subject to the terms of the Governing Documents; and

BE IT FURTHER RESOLVED that the First Notice sent by the Manager to the delinquent Accountholder shall state that the Accountholder may submit a written request for special consideration of hardship circumstances setting forth all reasons why the Board should consider the request to the Board before the Assessment becomes sixty (60) days delinquent, together with a request for a hearing, or in the alternative, a request that a determination be made by the Board based on the written request, and if such requests are not submitted within such period, then the right to make such a request shall have been deemed waived; and

BE IT FURTHER RESOLVED that the Association's Agent may, at its sole discretion, place any Account received from the Manager with a collection agency for collection; and

BE IT FURTHER RESOLVED the following actions shall be taken, measured from the date that an Account becomes due, until the overdue Account is paid in full, unless the Board directs otherwise, the Accountholder has declared bankruptcy, or the Association's Agent determines that good cause exists to deviate from this schedule:

30 days: The Association's Agent shall send the Accountholder a late payment letter and impose a late fee.



45 days: The Association's Agent shall send the Accountholder a second late payment letter and impose a second late fee equal to that imposed previously.

60 days: The Association's Agent shall send the Accountholder a third late payment letter, imposing a third late fee equal to the first late fee and notifying the Accountholder that the Association may seek to impose a lien on the Accountholder's unit and/or may forward the Account to a collection agency or attorney for collection.

75 days: The Association's Agent shall file a lien upon the Accountholder's unit and notify the Accountholder of the same.

90 days: The Association's Agent shall forward the Account to a collection agency or attorney for collection.

BE IT FURTHER RESOLVED that the Association's Agent may report any Account placed with it for collection or that the Association's Agent places with a collection agency to any consumer credit reporting agency thirty days or more after the Account becomes delinquent; and

BE IT FURTHER RESOLVED that the Manager is directed to consult the Association's Agent and immediately forward for collection any account if the Accountholder files for or is the subject of a petition for relief in bankruptcy or a lender has commenced an action for foreclosure of its lien against the Accountholder's unit; and

BE IT FURTHER RESOLVED that the Association's Agent is directed to take any action that it reasonably believes is legally necessary to secure the interest of the association and the collection of the delinquent funds; and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent account turned over to the Association's Agent for collection:

1. The fee of the Association's Agent shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is forwarded to the Agent for collection. All fees and costs incurred in the collection of a delinquent account by the Association's Agent shall be collectable as an assessment as provided in the Governing Documents.
2. The portion of the fee of a collection agency due from the Accountholder shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is forwarded by the Association's Manager to the collection agency for collection. Said fee shall be collectable as an Assessment as provided in the Governing Documents.
3. If at the expiration of the thirty-day period specified in the Association's Agent's Notice, an Accountholder's account remains delinquent and no payment plan embodied in a signed Stipulation for Judgment or other written agreement between the Association's Agent and the Accountholder has been executed, or in the event of a default under the terms of either agreement, the Association's Agent is authorized to take such further action as it, without consultation with the Board president, believes to be in the best interest of the Association, including but not limited to:

- A. Filing suit against the delinquent Accountholder for money pursuant to the Declaration of Covenants in a court of appropriate jurisdiction;
- B. Instituting a judicial action for foreclosure of the Association's lien, pursuant to the Bylaws.
- C. Filing a proof of claim in bankruptcy.
- D. Forwarding the account to a collection agency; or
- E. Other such action as may be necessary to secure the interest of the Association.

And

**BE IT FURTHER RESOLVED** that the Manager, acting on behalf of the Association, shall provide notice to all members of the Association of the foregoing policies and procedures by mailing a copy of these resolutions to such members at the address last shown in the records of the Association; and

**BE IT FURTHER RESOLVED** that the foregoing policies and procedures shall go into effect on September 1, 2014.

**IN WITNESS WHEREOF**, the following Directors of this corporation have hereunto subscribed their names.

Kay Timm

Madonna Anderson

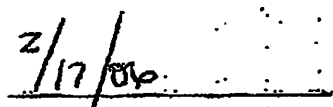
Christopher & Patricia Black

**City of Hudson**  
**CERTIFICATE OF OCCUPANCY**

**Building Address:** 714 THIRD ST  
**PIN:** 236-0073-00-000  
**Zoning District:** NA

**Permit No:** 2005-00437  
**Applicant:** CORNERSTONE CONTRACTING  
**Applicant Address:**  
**City, State, Zip:** HUDSON, WI 54016

  
\_\_\_\_\_  
David Gray / Mike Wallace, Building  
Inspector

  
\_\_\_\_\_  
Date

**Comments:**  
2/17/06 - OKAY TO OCCUPY UNIT #4