



OF

FALCON MEADOW CONDOMINIUM NO. 2 OWNERS ASSOCIATION

A Non-profit unincorporated Association

ARTICLE I.

PLAN OF OWNERSHIP

Section 1. Ownership. Falcon Meadow Condominium No. 2 located at City of Sheboygan Falls, Sheboygan County, Wisconsin, is submitted to the provisions of Chapter 703, Wisconsin Statutes, the Condominium Ownership Act of Wisconsin (the "Act").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to Falcon Meadow Condominium No. 2.

Section 3. Personal Application. All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws and to the Condominium Declaration of Conditions, Covenants, Restrictions, and Easements for Falcon Meadow Condominium No. 2 (the "Declaration"), as recorded in the office of the Register of Deeds for Sheboygan County, Wisconsin. Capitalized terms in these By-Laws shall have the meaning described in the Declaration or the Act.

ARTICLE II.

VOTING

Section 1. Voting. All actions taken by the Board of Directors of the Condominium shall be approved by an affirmative vote or written consent of both members of the Board of Directors.

ARTICLE III.

ADMINISTRATION

Section 1. Association Responsibilities. The owners of the Units will constitute the Falcon Meadow Owners Association (the "Association"). The Association will have the responsibility of administering Falcon Meadow Condominium No. 2, through its Directors.

Section 2. Place of Meetings. Meetings of the Association shall be held at a suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Meetings. Meetings of the Association shall be conducted at least quarterly, or more often as may be necessary to conduct the business of the Association. The time and place of the meetings shall be given in the manner best calculated to assure that actual notice is received by the owners of all Units of the Condominium. Notice shall be verbal unless an owner is away from the Condominium when a meeting is to be held. Then, the notice shall be by regular mail to the last known mailing address of the unit owner. In the case of written notice, notice must be given at least ten (10) days, but not more than twenty (20) days prior to the date of such meeting.

ARTICLE IV.

BOARD OF DIRECTORS

- Section 1. Number and Qualifications. The Board of Directors shall consist of one representative from each Unit chosen by and among the owners of that Unit.
- Section 2. Powers and Duties. All statutory authority and duties of the Association are vested in the Board of Directors, which may retain a manager to perform such duties.
- <u>Section 3. Other Duties</u>. In addition to duties imposed by these By-Laws, by resolutions of the Association, or by the Declaration, the Board of Directors shall be responsible for the following:
 - (a) Care, upkeep and surveillance of the Condominium and its common elements and facilities.
 - (b) Collection of regular or special assessments from the unit owners.
 - (c) Filing with the Department of Financial Institutions, as required, the designation of the registered agent of the Association and completion of any and all other necessary documents and notices as required by Wisconsin Law.
 - (d) Maintain the roster of unit owners with their addresses and also a roster of mortgagees of condominium property as may be required under the Declarations, these By-Laws, or the Act.

<u>ARTICLE V.</u>

<u>OFFICERS</u>

Section 1. The Board of Directors shall act as the officers of the Association and shall execute any required documents on behalf of the Association as the Board of Directors. If for any reason it is necessary to designate a Secretary of the Association, such a Secretary shall be designated by the Board of Directors from its number, or outside the Board of Directors, but such

Secretary shall not have a vote on the Board of Directors unless said Secretary is also a member of the Board of Directors.

Section 2. The Director with the longer term of unit ownership shall preside at meetings, keep minutes, count votes, and maintain Association records, unless otherwise agreed by the Directors.

ARTICLE VI.

OBLIGATIONS OF THE UNIT OWNERS

<u>Section 1. Assessments.</u> All unit owners are obligated to pay annual assessments imposed by the Association to meet all Condominium expenses, which shall include liability and property insurance, and such other common expenses set forth in the Declaration.

Section 2. Special Obligations of the Unit Owners.

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- (a) Any physical or structural alterations of a Unit, common element, or Limited Common Element, shall be reviewed, and if acceptable approved, by the Board of Directors.
- (b) The keeping of one indoor household pet per unit shall be allowed, subject to such rules as may be adopted by the Board.
- (c) No personal property, including, but not limited to motor and/or recreational vehicles or equipment shall be parked or stored outside the garage on any common element or Limited Common Element of the Condominium.
- (d) No Unit may be leased for periods of less than 30 days.
- (e) All unit owners shall comply with local land use and zoning laws, and shall not engage in prohibited purposes upon the Condominium in violation of said laws or regulations.

Section 3. The Board may adopt such rules of conduct as may be appropriate for maintaining the Condominium.

ARTICLE VII.

AMENDMENT TO BY-LAWS

Section 1. By-Laws. These By-Laws may be amended by an affirmative vote or the written consent of both of the members of the Board of Directors.

ARTICLE VIII.

MORTGAGES

Section 1. Notice to Association. An owner who mortgages his/her/their Unit shall notify the Association by advising the Secretary of the name and address of the mortgagee and the Association shall maintain such information in a book entitled <u>Falcon Meadow Mortgages</u>.

<u>Section 2. Notice of Unpaid Assessments</u>. The Association shall at the request of a mortgagee of a Unit report any unpaid assessments due from the owner of such Unit as well as any unpaid real estate taxes or special assessments levied by the taxing authority.

ARTICLE IX.

COMPLIANCE

These By-Laws are set forth to comply with the requirements of Wisconsin Law and the Act. In the event any of these By-Laws conflict with the provisions of Wisconsin Law or the Act, then according to Section 703.30(4) of the Wisconsin Statutes, it is hereby agreed that the provisions of Wisconsin Law or the Act will control.

Dated this // day of August, 2000.

FALCON MEADOW CONDOMINIUM NO. 2

By: R. Hall Builders, Inc., Declarant

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Robert A. Hall

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR FALCON MEADOW SUBDIVISION

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This Declaration of covenants and restrictions made this 15th day of April, 1997, by Falcon Meadows, LLC (hereinafter the Owner and Developer).

Falcon Meadows, LLC is the owner and developer of the property platted as the Falcon Meadow Subdivision, (hereinafter Falcon Meadow) in the City of Sheboygan Falls, Sheboygan County, Wisconsin. The following protective covenants and restrictions apply to Falcon Meadow. The legal description of Falcon Meadow is attached to this document.

The owner and developer desires to provide for the preservation and enhancement of property values for the benefit of future owners and residents by providing controls on the types of structures to be built in the subdivision and establishing guidelines and restrictions for land use in the subdivision.

ARTICLE I ARCHITECTURAL AND AESTHETIC CONTROL

- 1.1 <u>Architectural and Aesthetic Control Committee</u>. The administration of these covenants and restrictions, the authority to grant approvals hereunder and the discretionary powers granted in this Declaration shall be vested in the Architectural and Aesthetic Control Committee (hereinafter the "Committee").
- 1.2 <u>Committee Purpose.</u> The Committee shall have the authority to enforce the terms and provisions of this Declaration and to regulate the design, appearance, use, location and maintain harmonious relationship among structures and the natural vegetation and topography.
- 1.3 <u>Committee Composition</u>. The Committee shall be composed of four (4) adult members, who shall hold office for a term of three years or until their successors are appointed. The members of the Committee shall be appointed by the Developer. If the Developer is dissolved or if the Developer fails to make an appointment within sixty (60) days after written notice of a vacancy, appointments shall be made by majority vote of the owners of the Property Lots (hereinafter "Lot Owners").

1.4 Committee Approval.

- (a) No building, structure or improvement, shall be erected, placed or altered (pertaining to external alterations or additions) until the complete plans, including elevations, specifications, and a site plan therefor have been approved by the Committee. In seeking Committee approval, no less than two sets of any complete plans, specifications or site plan shall be submitted. After the plans have been approved, all material changes shall be submitted to the Committee for its approval prior to commencement of construction. The Committee's approval or disapproval shall be based upon consideration of the quality of materials and harmony of external design with the site and existing structures, and compliance with the provisions of this Declaration.
- (b) At the time the site plan is submitted, the Committee may collect from the Lot Owner a fee sufficient to cover the expense of reviewing plans and related data and to compensate any professionals deemed necessary by the Committee. Initially, the fee, if required, shall be not more than \$150.00. The Committee shall have the right to increase this fee from time to time to reflect the actual cost of reviewing plans and related data. The Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable in terms of quality of materials, harmony of external design with the site and existing structures, and compliance with the provisions of this Declaration and may require a payment and performance bond as provided in paragraph 2.20. Any other criteria used to evaluate the plans and specifications shall be determined by the Committee's reasonable discretion.
- In the event the Committee shall determine that the approved plans and (c) specifications are not being complied with, then the Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications, all at the sole cost and expense of the Lot Owner. In the event the Committee fails to approve or disapprove in writing any proposed plans and specifications within sixty (60) days after such plans and specifications have been submitted, such plans and specifications will be deemed to have been expressly approved. Upon approval of plans and specifications, no further approval under this Article I shall be required with respect thereto, unless such construction has not substantially commenced (e.g. clearing and grading, pouring of footings, etc.) within six (6) months of the approval of such plans and specifications or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the Committee upon any ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

- (d) To preserve the aesthetic appearance of the Property, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Lot Owner other than Developer, unless and until the plans therefor have been submitted to and approved in writing by the Committee.
- 1.5 Waiver Authority. The Committee shall have authority by a three-quarters majority agreement of the Committee members to waive in whole or in part the restrictions set forth in paragraph 2.1, paragraph 2.2, paragraph 2.4, paragraph 2.5, paragraph 2.7, and paragraph 2.9 upon the written petition of any Lot Owner and after giving all other Lot Owners fourteen (14) days advance written notice of the meeting of the Committee to consider such petition.

1.6 Committee Meetings.

- (a) Any meeting of the Committee pertaining to a petition under Paragraph 1.5 above shall be held at a place accessible to all interested Lot Owners. The written notice required in Paragraph 1.5 above shall indicate the location and time of the meeting.
- (b) Except where otherwise provided in this Declaration, majority vote shall be sufficient at any meeting to approve or disapprove of any matter before the Committee.

ARTICLE II PROPERTY LOT RESTRICTIONS

2.1 <u>Use.</u>

- (a) All Property Lots shall be used for residential purposes only, consistent with the city zoning ordinance. In addition, buildings, structures, and improvements compatible with residential use (e.g. a gazebo, greenhouse, and playhouse-hereinafter "Accessory Buildings "--sidewalks, a driveway, mailbox, deck, patio, courtyard, inground swimming pool, tennis court) may be constructed or placed on a Property Lot, provided approval of the Committee has also been granted for the structure or improvement prior to its construction or placement on the Property Lot. The Committee shall have final authority to determine that any structure is not compatible with residential use or the purposes and provisions of this Declaration.
- (b) No commercial, retail, wholesale, professional or business activity shall be conducted or carried on from any Property Lot or in any structure in Property Lots. The use of a portion of a Dwelling as an office by a Lot Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic. The leasing of the entire

- Property Lot for residential purposes for at least a one-month period of time shall not be a violation of this restriction.
- (c) No mobile home, trailer, camper, basement, tent, shack, garage or any other type of permanent or temporary out-building shall be at any time used as a residence, either temporary or permanent.
- 2.2 <u>Building Location.</u> No dwelling, garage, recreational construction (e.g. inground pool or tennis court), structure or other improvement, except a driveway, sidewalks and natural improvements (e.g. trees), shall be built or located within the setbacks for the Property Lots as set forth in the City of Sheboygan Falls Ordinances. The Committee shall have the discretion to require a greater setback.

Except for the driveway, all buildings, recreational constructions, structures, and improvements, shall, to the extent feasible, be located behind the dwelling.

The area upon which no dwelling, garage or structure shall be built shall be known as the setback area. To assure that dwellings and other structures will be located so that the maximum view and privacy will be available to each dwelling, all dwellings and other structures shall be located with regard to the topography of each lot.

- 2.3 <u>Restriction on Lot Divisions.</u> Because the Developers believe the size of the Lots is essential to maintaining the aesthetic qualities of Falcon Meadow, no Lot shall be divided so as to form any additional building lots within Falcon Meadow. Two or more adjoining Lots may be consolidated as one Lot. Two adjoining lot owners may alter a common property line, provided that the change does not have a material impact upon Falcon Meadow. Ownership of a two family residence may be allocated between separate owners by a condominium (or similar) agreement, subject to Committee approval.
 - 2.4 <u>Dwelling Size.</u> No dwelling shall be permitted on any lot which does not meet these minimum specifications:
 - (a) 1300 square feet of living area for a single story home.
 - (b) 1100 square feet of living area for the first floor of a one and one-half story home.
 - (c) 1100 square feet of living area per floor for any two-story homes; a two-story home shall include a one-story home with "a walk out on grade but finished basement type of building".
 - (d) grade level foundation area of 1300 square feet shall be required for all split and multi-level homes, except as hereinabove set forth.

- (e) 1000 square feet of living area for any one floor.
- (f) 1000 square feet first floor living area for each side of a 2 family home.
- (g) A two car attached garage for each residential unit.
- 2.5 <u>Accessory Buildings.</u> No more than two (2) Accessory Buildings will be allowed per Property Lot. Design, construction and placement of such Accessory Buildings must be approved by the Committee. No Accessory Buildings may be constructed until the residential dwelling is constructed on the Property Lot.
- 2.6 Storage. No recreational vehicle, bus, trailer, camper, motor home, tractor, truck (other than pick-up trucks), boat, fish shanty, snowmobile, snowplow, snowblower, unlicensed or inoperable vehicle, lawn mower, or untidy material (except during construction of a residence) shall be stored, kept or maintained on any Property Lot other than in the residential dwelling, garage or Accessory Building, except for temporary periods incidental to the seasonal use of a recreational vehicle or item.
- 2.7 <u>Fences or Windbreaks.</u> No fence or wall in excess of four (4) feet in height shall be built or maintained in the setback area nor in excess of six (6) feet on any other part of any lot unless it is a structural part of a dwelling or garage.
- 2.8 <u>Signs.</u> No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.
- 2.9 <u>Tree Removal.</u> No tree with a trunk in excess of six (6) inches in diameter shall be removed from any Lot, unless (i) the tree is dead, diseased, or significantly damaged by storm, (ii) the tree must be removed in order to construct the dwelling, or (iii) the Association consents to the removal.
- 2.10 <u>Mobile Homes.</u> Mobile homes, whether temporary or permanent and regardless of appurtenances constructed or attached thereto, shall not be permitted on any Property Lot. The Committee shall make the final determination whether a structure is a mobile home and such decision shall be based upon an understanding that a structure that at any time was a mobile home shall at all subsequent times be considered a mobile home.
- 2.11 Nuisances. No untidy material (except during construction of the dwelling), unlicensed or inoperable vehicle (unless in a building), rubbish, bulk materials, scrap, refuse, trash, or debris shall be stored, kept, maintained, dumped, placed, or permitted to accumulate upon any Lot. Prior to removal from the Lot, normal household garbage may be kept in a covered container, provided that it does not accumulate. Each lot owner, family member, guest, invitee, employee, tenant, and agent shall refrain from any act or use of a Lot which would be

noxious, offensive, a violation of any law or governmental code or regulation, or a violation of this Declaration.

- 2.12 Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. The provisions of this paragraph may be varied by written instrument executed by the Committee.
- 2.13 <u>Lights.</u> Exterior lighting shall be soft and indirect. No light sources shall be located so that they are offensive to a neighboring property.
- 2.14 <u>Trash and other receptacles.</u> All trash containers, approved outside animal enclosures, or outside air-conditioning units shall be screened from view with berms, shrubs, or low fences. All lots must be kept clear and free from trash and other materials. Care should be taken to maintain a pleasant overall look to the subdivision.
- 2.15 <u>Incinerator.</u> Outside incinerators are not permitted on any lot without the approval of the Committee.
- 2.16 <u>Underground Utilities Service</u>. All utility service, including but not limited to electric, gas, telephone and propane tanks, shall be underground. Satellite dishes, ham radio and TV/FM antennas, and other facilities for the reception of audio or visual signals, or similar uses, unless in an enclosed structure, may be erected or mounted only after receipt of written permission from the Committee. Permission shall only be granted after the Lot Owner submits a written request indicating the size and design of the facility, and permission, if granted, shall only relate to the specific facility requested.
- 2.17 Utility and Drainage Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown by recorded documents therefor. Within these easement areas no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easements area and all improvements in it shall be maintained continuously by the owner of the lot or area upon which said easement area is located, except for those improvements for which a public authority or utility company is responsible.
- 2.18 <u>Construction Timing</u>, Exterior construction must be completed within six (6) months of the completion of roughing in without written consent of the Committee. The Committee, in its sole discretion, may require a contractor of a residential dwelling to post a payment and performance bond.
- 2.19 <u>Drainage and Erosion Control</u>. If natural drainage on the Lot is to be altered by grading or landscaping, a landscaping plan shall be developed by the lot owner to provide for

drainage of storm and surface water away from adjoining Lots. During any construction and earth moving activities, erosion control practices shall be maintained. Each lot owner shall comply with soil and erosion control plan ordinances.

ARTICLE III GENERAL PROVISIONS

- Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall be binding on all parties and owners of such lands and any parties holding under them for a period of forty (40) years from the date this Declaration is recorded, and thereafter for successive periods of ten years unless at least one year prior to the expiration of any such ten-year period of extended duration, this Declaration is terminated by a recorded instrument, directing termination, signed by a majority of the Lot Owners.
- Enforcement. The Developers, Committee, or any lot owner shall have the right to enforce, by any proceeding at law or in equity, all covenants and restrictions now or hereafter imposed by this Declaration. Such action may be either to restrain violation or to recover damages. As to many of the restrictions, it would be impossible to measure the monetary loss suffered by violation so that equitable or injunctive relief may be the only remedy. Each lot owner, by accepting an interest in any Lot, agrees to be bound by all the conditions, limitations, reservations, and restrictions contained in this Declaration, and in the event of a breach agrees to pay all costs, including actual attorneys fees, for the enforcement of these covenants and restrictions.
- 3.3 Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if such is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.
- 3.4 <u>Amendment.</u> This Declaration may be amended at any time by a written instrument, executed so as to be recordable by the Lot Owners of not less than three-quarters of the Property Lots subject to this Declaration.
- 3.5 Acceptance and Cost of Enforcement. Each Lot Owner, by accepting an interest in any Property Lot, hereby and thereby agrees to be bound by all the conditions, limitations, reservations and restrictions contained herein, and in the event of a breach agrees to pay all costs, including reasonable attorney fees, for the enforcement of these covenants and restrictions.

- 3.6 Notice. Wherever under this Declaration one party is required or permitted to give notice to another, such notice shall be deemed given when delivered in hand or when mailed by first class United States mail, postage prepaid, and addressed to the addressee at his notice address. The notice address for Lot Owners shall be the one given to the Committee and, if no address has been given to the Committee, the notice address will be at the street address of the Lot.
- 3.7 No waiver. No consent or waiver, expressed or implied, by the Committee or the Developer to or of any breach or covenant, condition or duty of Lot Owner, shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty of Lot Owner, unless in writing signed by the Committee or the Developer.
- 3.8 Limitation of Liability. No approval of plans shall be construed, by implication or otherwise, as a representation that the plans, specifications, or standards will result in properly designed improvements. All Lot Owners agree to hold the Developer and the Committee members harmless from any possible liability stemming from or relating to the approval of plans, or from any action or failure to act with respect to any matter referred to in this declaration, unless such action or failure to act was arbitrary, capricious and malicious. All lot owners hereby release the Developer and the Committee members from any liability for any loss or damage of any kind or for any injury to or death of persons or damage to property of Lot Owner or any other person from any cause whatsoever by reason of the construction, use, occupancy or enjoyment of the Property Lot or any buildings, structures, or improvements on the Property Lot. Lot Owner agrees to, and hereby does, defend, indemnify and save harmless the Developer and the Committee members from all claims, actions, demands, damages, costs and expenses and liability whatsoever, including reasonable attorney's fees, on account of any such real or claimed loss or damage or liability, and from all claims and demands occurring in, or at the Property Lot, or arising out of the construction, use, occupancy or enjoyment of the Property Lot or any buildings, structures or improvements on the Property Lot.

IN WITNESS WHEREOF, Falcon Meadows, LLC has executed this Declaration as of the day and date above set forth.

FALCON MEADOWS, LLC

Robert A. Hall

Rhard Meilahn

STATE OF WISCONSIN)

SHEBOYGAN COUNTY)

Personally came before me this 15th day of April, 1997, Robert Hall to me known to be a member of Falcon Meadows, LLC, a Wisconsin Limited Liability Company and the persons who executed the foregoing instrument as the act of the company.

Sheboygan County, Wisconsin

My Commission (4xxxx) 7-5-98

This Instrument was drafted by Michael J. Vowinkel Rohde, Dales, Melzer, Te Winkle & Gass 312 Pine Street Sheboygan Falls, WI 53085-0139 (414) 467-2693

For Exhibit See vol. 13 of Condos pages 323, 325, DOC. no. 1576823

Document Number

CONDOMINIUM DECLARATION OF CONDITIONS, COVENANTS, RESTRICTIONS, AND EASEMENTS FOR FALCON MEADOW CONDOMINIUM NO. 2

THIS DECLARATION is made pursuant to the Condominium Ownership Act of the State of Wisconsin, Chapter 703 of the Wisconsin Statutes (the "Act") this ? day of August, 2000, by R. Hall Builders, Inc. (the "Declarant").

1. STATEMENT OF DECLARATION.

The purpose of this Declaration is to submit the real estate described in Section 3 and the improvements constructed or to be constructed on the real estate to the condominium form of ownership in the manner provided by the Act and this Declaration.

Declarant hereby declares that it is the sole owner of the real estate described in Section 3, together with all buildings and improvements on the real estate (together the "Condominium") which is hereby submitted to the condominium form of ownership as provided in the Act and this Declaration, and which property shall be held, conveyed, devised, leased, encumbered, mortgaged, used, improved, and in all respects otherwise affected subject to the provisions, conditions, covenants, restrictions, and easements of this Declaration and the Act. All provisions hereof shall be deemed to run with the land and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter having any interest in the Condominium.

VOL 1752 PLGE 8 1576824

SHEBOYGAN COUNTY, WI RECORDED ON

08-09-2000

4:29 PK

DARLENE J. NAVIS REGISTER OF DEEDS

RECORDING FEE: TRANSFER FEE:

32.00

042191 2

This space reserved for Recording Data

Name and Return Address

Attorney Peter R. Mayer Rohde Dales LLP 607 North 8th Street Sheboygan, WI 53081

920975

(Parcel Identification Number)

2. NAME AND ADDRESS.

The Condominium shall be known as Falcon Meadow Condominium No. 2. The address of the Condominium is 1530/1532 Falcon Way, Sheboygan Falls, Wisconsin.

3. LEGAL DESCRIPTION.

The real estate which comprises the Condominium is hereby subjected to the provisions of this Declaration:

Lot 6, Block 2, Falcon Meadow Subdivision, according to the recorded plat thereof, in the City of Sheboygan Falls, Sheboygan County, Wisconsin (the "Real Estate").

The Real Estate is also described in the Condominium Plat attached hereto as Exhibit A and made a part of this Declaration (the "Condominium Plat").

4. DESCRIPTION AND LOCATION OF BUILDING.

There shall be one (1) main building on the Real Estate described in Section 3 above, which building shall contain two (2) units. The building is one (1) story in height, has separate full basements, and is constructed principally as a wood frame building with vinyl siding and roof covered with asphalt composition roofing shingles. The building is located on the Real Estate in the location indicated in the Condominium Plat. The building and units are more fully described in the building and floor plan attached hereto as a part of the Condominium Plat.

5. DEFINITION AND DESCRIPTION OF UNITS.

- 5.1 Definition. A unit (including garage) is that part of the building intended for individual, private use, comprised of one or more cubicles of air at one or more levels of space having outer boundaries formed by the interior surfaces of exterior walls (along with all windows, window frames, doors and door frames of the units), the center of the interior perimeter walls, the floor boundary extending to three (3) inches beneath the surface of the basement floor, and the interior surface of the roof, as said boundaries are shown in the Condominium Plat, together with all fixtures and improvements, garages and basement areas, therein contained, including the right of ingress thereto and egress therefrom (together the "Unit"). For purposes of insurance policy coverage each Unit shall include (a) all exterior and interior walls, windows, doors, cabinets including lower levels and garages, (b) roof of buildings and garages, (c) all carpeting and other floor coverings and window treatments including lower levels, (d) all electrical wiring and fixtures, plumbing and fixtures, hot water heaters, heating and air conditioning systems, (e) all appliances such as washer, dryer, dishwasher, stove and refrigerator; and (f) all decks, patios and porches.
- 5.2 Identification. Each Unit is designated as set forth in the Condominium Plat attached hereto. In addition, each Unit has a designated street address which is not shown on the Condominium Plat. Unit 1 is commonly known as 1532 Falcon Way, Sheboygan Falls, Wisconsin 53085, and Unit 2 is commonly known as 1530 Falcon Way, Sheboygan Falls, Wisconsin 53085. The approximate area of each unit, number of rooms, immediate common elements to which the units have access, and further details identifying and describing the units are as set forth in the Condominium Plat.
- 5.3 Legal Description. Units shall be identified by the number specified on the Condominium Plat, which plat shall be recorded contemporaneously with this Declaration.

6. COMMON ELEMENTS AND FACILITIES.

- 6.1 Description. Notwithstanding any depiction on the Condominium Plat to the contrary, the common elements and facilities shall consist of all improvements and appurtenances, except the individual Units and fixtures therein (as defined in Section 5), and shall include, without limitation, the Real Estate, building exteriors, bearing walls, foundation floors, slab, roofs, foundations (except the interior surfaces thereof, which form the outer boundaries of a Unit); pipes and ducts, electrical wiring and conduits, utility services, public utility lines, well pump, pressure tank, water and sewer laterals, cables, communication equipment, and utility controls, switches and meters (the "Utilities"), other than any Utilities which exclusively serve one Unit; outside walls, girders, beams and supports; and the walks, driveways, outdoor parking areas, and landscaping comprising the Real Estate.
- 6.2 Easements. Each unit owner shall have a valid, exclusive easement to the space between the interior and exterior walls and to the center of the common walls with the adjoining Unit for purposes of adding additional utility outlets, wall hangings, erection of non-bearing partition walls, and the like, where space between the walls may be necessary for such uses; provided that the unit owner shall do nothing to impair the structural integrity of the building or the soundproofing of common walls between the Units, and provided further that the common elements and facilities be restored to their former condition by the unit owner at his/her/their sole expense upon completion or termination of the use requiring the easement. Easements are hereby granted and declared for the benefit of the unit owners and the Association of Unit Owners (described in Section 9) for the installation, maintenance and repair of utility services in and on any part of the common elements or Units.

7. LIMITED COMMON ELEMENTS

- 7.1 Description. Notwithstanding any depiction on the Condominium Plat to the contrary, a portion of the common elements and facilities are designated as "Limited Common Elements." The Limited Common Elements shall be reserved for the exclusive use of the owner or occupant of the Unit to which they are appurtenant, to the exclusion of the other Unit in the Condominium. The Limited Common Elements consist of any patio or deck, front lot (other than the driveway), side lot and rear lot, including any garden space.
- 7.2 Use. The manner of use of the Limited Common Elements shall be governed by the By-Laws of, and such rules and regulations as may be established by, the Association of Unit Owners, and no unit owner shall alter, remove, repair, decorate, landscape,

or adorn any Limited Common Element, or permit such, in any manner contrary to such By-Laws and rules and regulations. No major or structural changes or alterations shall be made by any unit owner to any of the Limited Common Elements without the prior written approval of the Association, which approval may be given upon such terms and conditions as the Association deems appropriate.

8. PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS AND FACILITIES AND LIMITED COMMON ELEMENTS.

Each unit owner shall own an undivided interest in the common elements and facilities and Limited Common Elements as a tenant in common with the other unit owner and, except as otherwise limited in this Declaration, shall have the right to use and occupy the common elements and facilities and Limited Common Elements for all purposes incident to the use and occupancy of his/her/their Unit as a place of residence, and such other incidental uses permitted by this Declaration, which rights shall be appurtenant to and run with his/her/their Unit.

The percentage of such undivided interest in the common elements and facilities and Limited Common Elements relating to each Unit and its owner for all purposes, including proportionate payment of common expenses, shall be Fifty Percent (50%) per Unit.

9. ASSOCIATION OF UNIT OWNERS.

- 9.1 Membership, Duties, and Obligations. All unit owners shall be entitled and required to be a member of an Association of unit owners to be known as FALCON MEADOW CONDOMINIUM NO. 2 OWNER'S ASSOCIATION (the "Association"), which shall be responsible for carrying out the purposes of this Declaration, including the exclusive management and control of the common elements and facilities and Limited Common Elements. The Association may be incorporated as a non-profit corporation under the laws of the State of Wisconsin. Each unit owner and the occupants of the Unit shall abide by and be subject to all of the rules, regulations, duties, and obligations of this Declaration and the By-Laws and rules and regulations of the Association.
- 9.2 Voting Rights. Each Unit shall be entitled to one (1) vote at meetings of the Association. Only one (1) membership and one (1) vote shall exist for each Unit. If title to a Unit is held by more than one person, the membership related to that Unit shall be shared by such owners in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. The vote pertaining to the Unit may be shared pro rata among the owners, but unanimous agreement is conclusively presumed if any one of them purports to cast the one vote without protest being made promptly by any of the others to the person presiding over the meeting or until any one of the multiple owners files a statement with the Secretary stating that thereafter votes must be cast pro rata. For purposes of this Section 9.2, one who holds a land contract purchaser's interest or any other such equitable interest in a Unit shall be considered the unit owner. However, for purposes of being eligible to vote as a member of the Association, the land contract or other document establishing the equitable interest, or an instrument providing constructive notice of such interest, must be recorded in the Sheboygan County Register of Deeds office. The respective rights, qualifications, and obligations of the members shall be as set forth in the By-Laws of the Association.
- 9.3 Association Personnel. The Association may obtain and pay for the services of any person or entity to manage its affairs to the extent it deems advisable, and may hire such other personnel as it shall determine to be necessary or advisable for the proper operation of the Condominium. The Association may contract for common services or utilities as may be required for each Unit.

10. RESIDENTIAL PURPOSE.

The Condominium and the Units are intended for and restricted exclusively to residential use as governed by the terms and conditions contained herein and the By-Laws of the Association. The use of the Units, Limited Common Elements, and common elements and facilities shall comply with the City of Sheboygan Falls General Ordinances, any other applicable municipal ordinance, and any other restrictions as contained in the Association's By-Laws and any rules and regulations adopted by the Association. No use may unreasonably interfere with the use and enjoyment of the common elements and facilities or other Units by the other unit owners. There shall be no storage of material, and there shall be no conduct of any activity, which would materially increase the insurance rates on the Condominium, create or otherwise constitute a material risk of harm to other unit owners or constitute a nuisance. A unit owner may lease all of his/her/their Unit, provided such use is consistent with this Section.

11. REPAIRS AND MAINTENANCE.

- 11.1 Individual Units and Limited Common Elements. Each unit owner shall be responsible for keeping the interior of his/her/their Unit and all of its equipment, fixtures and appurtenances in good order, condition, and repair and in a clean and sanitary condition, and shall be responsible for decorating, and keeping the interior of the Unit in good repair, each unit owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, furnaces, doors, and windows (including replacement of broken glass), screens and screening, lighting fixtures, refrigerators, heating and air conditioning equipment, dishwashers, disposals, laundry, washers and dryers, ranges, or other equipment which may be in the Unit, and any Utilities exclusively serving a Unit. Each unit owner shall be responsible for keeping the Limited Common Elements in good order, condition, and repair.
- 11.2 Common Elements and Facilities. The Association shall be responsible for the management and control of the common elements and facilities and shall cause the same to be kept in good, clean, attractive, and sanitary condition, order, and repair. Without in any way limiting the foregoing, this shall include all painting, repair and maintenance of building and garage exteriors, exterior walls and roofs, repair and maintenance of walks and drives, and maintenance and upkeep of all common landscaping.

The percentage of such undivided interest in the common elements and facilities and Limited Common Elements relating to each Unit and its owner for all purposes, including proportionate payment of common expenses, shall be Fifty Percent (50%) per Unit.

- 11.3 Prohibition Against Structural Changes By Owner. A unit owner shall not, without first obtaining the written consent of the Association, make or permit to be made any structural alternations, changes, or improvements to his/her/their Unit, or in or to the exterior of the building or any common elements and facilities and Limited Common Elements. A unit owner shall not perform, or allow to be performed, any act or work which will impair the structural soundness or integrity of any building, or the safety of the Condominium, or impair any easement or hereditament, without the prior written consent of the Association.
- 11.4 Entry for Repairs. The Association may enter any Unit at reasonable times and under reasonable conditions for any maintenance, construction or repair of public utilities or for any other matters for which the Association is responsible. Such entry shall be made with prior notice to the owners, except in the case of an emergency when injury or property damage will result from delayed entry, and with as little inconvenience to the owners as practical. Any damage caused by the Association shall be repaired by the Association and treated as a common expense except as allocable to an individual Unit or Units.
- 11.5 Utility Bills. Each unit owner shall pay for his/her/their telephone, electrical, gas, cable, communications and other utility services which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the common expenses.

12. UNIT OWNER'S RIGHTS WITH RESPECT TO INTERIORS.

Each unit owner shall have the exclusive right to paint, repaint, tile, panel, paper, or otherwise refurnish and decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his/her/their Unit and all walls, ceilings, floors, and doors within such boundaries, and to erect partition walls of a non-structural nature; provided that such unit owner shall take no action which in any way will materially change any common walls.

13. DESTRUCTION AND RECONSTRUCTION.

In the event of a partial or total destruction of a building or buildings, they shall be repaired and rebuilt as soon as practicable and substantially to the same design, plan, and specifications as originally built, unless within twenty (20) days of the date of the damage or destruction, by affirmative 100% vote of the Unit votes entitled to be cast, all unit owners decide not to rebuild or repair. In such event, the Condominium shall be removed from the provisions of the Condominium Ownership Act by an instrument to that effect duly recorded, and the same shall have and be given effect as in the case of unanimous removal from the Act, pursuant to 703.28 of the Wisconsin Statutes.

On reconstruction, the design, plan, and specifications of any building or Unit may vary from that of the original upon approval of the Association; provided, however, that the number of square feet of any Unit may not vary more than Ten Percent (10%) from the number of square feet for such Unit as originally constructed, and the location of the buildings shall be substantially the same as prior to damage or destruction. The proceeds of any insurance provided by the Association and collected for such damage or destruction shall be available to the Association for the purpose of repair or reconstruction, as provided in Section 14. The Association shall have the right to levy assessments as a common expense in the event that the proceeds of any insurance collected (excluding deductibles) are insufficient to pay the estimated or actual costs of repair or reconstruction.

14. INSURANCE.

The Board of Directors of the Association shall provide and maintain fire and broad form extended coverage insurance on the buildings and any portion thereof in any amount not less than the full replacement value of the buildings from time to time. Such insurance shall be obtained in the name of the Association as trustee for each of the unit owners and their respective mortgagees as their interest may appear. Premiums shall be a common expense. To the extent possible, the insurance shall provide that the insurer waives its rights of subrogation as to any claim against unit owners, the Association, and their respective servants, agents, and guests, and that the insurance cannot be canceled, invalidated, nor suspended on account of conduct of any one or more unit owners, or the Association, or their servants, agents and guests, without thirty (30) days prior written notice to the Association giving it opportunity to cure the defect within that time. The amount of protection and the types of hazards to be covered shall be reviewed by the Board of Directors at least annually and the amount of coverage may be increased or decreased at any time it is deemed necessary as determined by the Board of Directors to conform to the requirements of full insurable value.

In the event of partial or total destruction of a building or buildings, and it is determined to repair or reconstruct such building or buildings in accordance with Section 13, the proceeds of such insurance shall be paid to the Association as trustee to be applied to the cost thereof. If the unit owners decide not to reconstruct or repair, then the proceeds shall be distributed to the unit owners and their mortgagees, if any, as their respective interest may appear, in the manner provided by the Act.

If the insurance coverage is available to combine protection for the Association and the unit owner's individual Unit, the Board of Directors is hereby given discretionary power to negotiate such combination of insurance protection on an equitable cost-sharing basis under which the unit owner would be assessed individually for the amount of insurance which he/she/they direct(s) the Board of Directors to include in such policies for his/her/their additional protection. Copies of all such policies shall be provided to each mortgagee. Nothing contained in this paragraph shall be deemed to prohibit any unit owner, at his/her/their own expense, to provide any additional insurance coverage on his/her/their improvements which will not duplicate any insurance provided by the Association of unit owners.

The Board of Directors shall also provide public liability insurance covering the common elements and facilities and Limited Common Elements in such amounts as may be determined at the discretion of the Board of Directors from time to time.

15. LIABILITY FOR COMMON EXPENSES.

The costs of administration of the Association, insurance, repair, maintenance, and other expenses of the common elements and facilities and Limited Common Elements, including common services provided to the unit owners, shall be paid for by the Association. The Association shall make assessments against the unit owners and the Units for such common expenses in proportion with the percentage of the undivided interest in the common elements and facilities and Limited Common Elements relating to each Unit, in the manner provided in the By-Laws of the Association. No unit owner may exempt himself/herself/themselves or his/her/their unit ownership from liability for his/her/their contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements and facilities and Limited Common Elements or by abandonment of his/her/their unit; and no conveyance shall relieve the unit owner-grantor or his/her/their Unit of such liability, and he/she/they shall be jointly, severally, and personally liable along with his/her/their grantee in any such conveyance for the common expenses incurred up to the date of sale, until all expenses charged to his/her/their Unit have been paid.

All assessments, when due, shall immediately become a personal debt of the unit owner and also a lien, until paid, against the Unit to which charged, as provided in the Act. If not paid by the date due, the assessment for common expenses shall include such interest as the Association may impose in the By-Laws for delinquencies, the costs of collection, and actual attorney fees, and shall constitute a lien on the Unit against which it is assessed. Attachment, filing, effectiveness, priority, and enforcement of the lien shall be as provided in Section 703.16 of the Wisconsin Statutes. Assessments shall be made against the unit owners and the Units at the beginning of each fiscal year of the Association to meet estimated common expenses of the association for the ensuing year; provided, however, if prorated and billed monthly, the assessments shall not be considered due until the respective installment payment dates. In the event of delinquency in payment, the Association may accelerate annual assessments remaining unpaid with respect to such delinquent Unit for purposes of collection or foreclosure action by the Association.

16. PARTITION OF COMMON ELEMENTS PROHIBITED.

There shall be no partition of the common elements and facilities and Limited Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the Condominium is withdrawn from its terms or from the terms of the applicable statutes regarding unit ownership or condominium ownership; provided, however, that if any Unit shall be owned by two or more coowners as tenants in common or as joint tenants, nothing contained herein shall be deemed to prohibit a voluntary or judicial partition of said single Unit as between such co-owners. No Unit may be subdivided or separated.

17. CONVEYANCE TO INCLUDE INTERESTS IN COMMON ELEMENTS AND FACILITIES AND LIMITED COMMON ELEMENTS.

The percentage of the undivided interest in the common elements and facilities and Limited Common Elements shall not be separated from the Unit to which it pertains. No unit owner shall execute any deed, mortgage, lease or other instrument affecting title to such unit ownership without including therein both his/her/their interest in the Unit and his/her/their corresponding percentage of ownership in the common elements and facilities and Limited Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease, or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

18. EASEMENTS, RESERVATIONS, AND ENCROACHMENTS.

- 18.1 Utilities. Easements are hereby declared and granted for the benefit of the unit owners and the Association and reserved for the benefit of the Declarant for utility purposes, including the right to install, lay, maintain, repair, and replace water mains and pipes, sewer lines, gas mains, telephone wires, and equipment, master television antenna system wires and equipment, and electrical conduits and wires and equipment, including power transformers, cable, and communications systems, over, under, along, and on any part of the common elements and facilities and Limited Common Elements, and, as reasonably necessary, on the interior of Unit walls and flooring to service the Condominium.
- 18.2 Encroachments. In the event that by reason of the construction, reconstruction, settlement, or shifting of any building, or the design or construction of any Unit, any part of the common elements and facilities, or Limited Common Elements, encroaches 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 and facilities, or Limited Common Elements, or any portion of any Unit encroaches upon any part of any other Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit so long as all or any part of the building containing such Unit shall remain standing, and Unit and common element boundaries shall be as provided in the Act; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any Unit or in favor of the owner or owners of the common elements or facilities, or Limited Common Elements, if such encroachment occurred due to the willful and knowing conduct of said owner or owners.
- 18.3 Binding Effect. All easements and rights described in this Section 18 are easements appurtenant, running with the land, and are subject to the reasonable control of the Association. All easements and rights described herein are granted and reserved to, and shall inure to the benefit of and be binding on, the undersigned, their successors and assigns, and on all unit owners, purchasers, and



mortgagees, and their heirs, personal representatives, successors, and assigns. The Association and the Declarant shall have the authority to execute and record all documents necessary to carry out the intent of this Section 18.

19. FAILURE OF ASSOCIATION TO INSIST ON STRICT PERFORMANCE NOT WAIVER.

The failure of the Association to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment of such term, covenant, condition, or restriction, but such term, covenant, condition, restriction shall remain in full force and effect. The receipt by the Association of payment of any assessment from a unit owner, with knowledge of the breach of any covenant hereof, shall not be deemed as a waiver of such breach, and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association.

20. AMENDMENTS TO DECLARATION.

Except as otherwise provided by the Act with respect to termination of the condominium form of ownership, this Declaration may be amended by an affirmative unanimous vote and written consent of all votes entitled to be cast by members of the Association and written consent of their respective mortgagees. Copies of amendments shall be certified by the Board of Directors of the Association in a form suitable for recording. The amendment shall be recorded with the Register of Deeds for Sheboygan County, and a copy of the amendment shall also be mailed or personally delivered to each unit owner at his/her/their address on file with the Association.

21. ARBITRATION CLAUSE.

In the event of a deadlock between the two unit owners, after such a deadlock has been appropriately reconsidered by the Directors in accordance with Section 703.365(6)(b) of the Act, or any amendments to the Act subsequent hereto, then such decision shall be submitted for an arbitration proceeding as provided in Chapter 788 of the Wisconsin Statutes.

22. NOTICES.

All notices and other documents required to be given by this Declaration or the By-Laws of the Association shall be sufficient if given to one (1) registered owner of a Unit regardless of the number of owners who have an interest therein. Notices and other documents to be served upon Declarant shall be mailed to: 414 Broadway Street, Sheboygan Falls, WI 53085. All owners shall provide the Board of Directors of the Association with an address for mailing or service of any notice or other documents and the Board of Directors shall be deemed to have discharged its duty with respect to the giving of notice by mailing it or having it delivered personally to such address as is on file with it.

23. RESIDENT AGENT.

The Resident Agent for the Condominium shall be the occupant of Unit 1, or such other person or party as may be designated from time to time by the Board of Directors of the Association, which designation shall be filed with the Wisconsin Department of Financial Institutions. The Association may designate successors to the Resident Agent by affirmative vote of a majority vote of the unit owners.

24. NUMBER AND GENDER.

Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.



25. CAPTIONS.

The captions and section headings herein are inserted only as matters of convenience and for reference, and in no way define nor limit the scope or intent of the various provisions hereof.

26. SEVERABILITY.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of the remaining portion of said provision or of any other provision hereof.

27. DEFINITIONS.

The term "Declarant" shall be broadly defined to mean, in addition to R. Hall Builders, Inc., any successor-in-title to Declarant's interest in the Real Estate (other than a unit owner) and any other assignee or successor of Declarant (other than a unit owner), and if, for any reason, Declarant ceases to exist as a legal entity, then the powers, rights, duties and obligations of Declarant, as provided in this Declaration, shall be exercised and discharged by Declarant's last officer, or his/her designee.

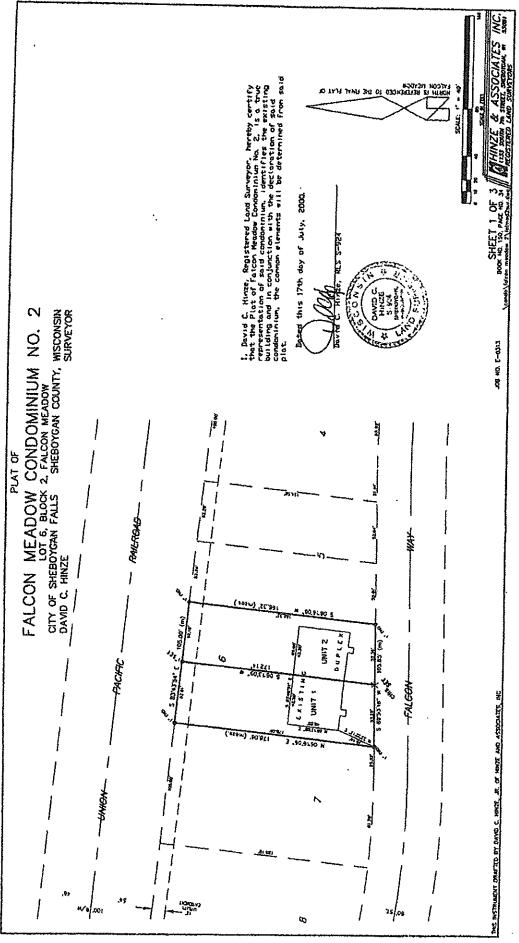
28. REMEDIES.

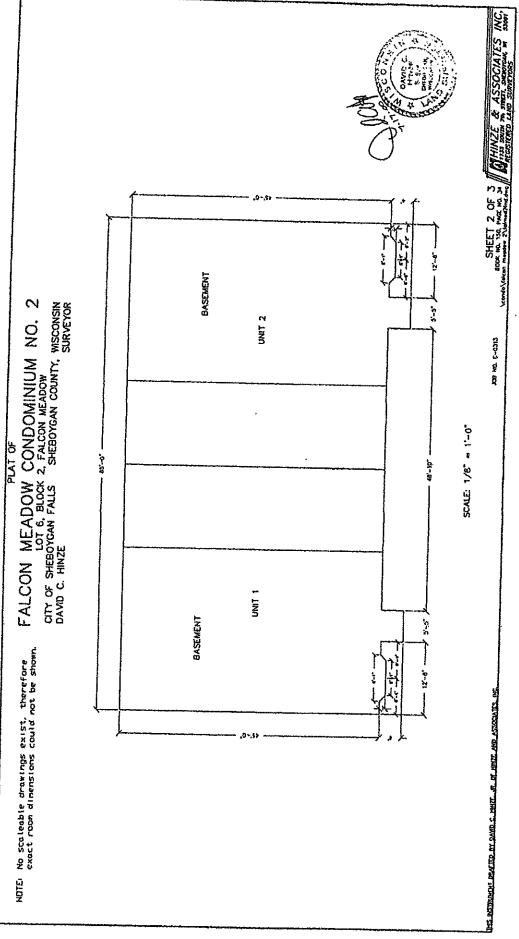
If any unit owner fails to comply with the provisions of the Act, this Declaration, the Association By-Laws, or with any rules and regulations promulgated by the Association, the unit owner may be sucd for damages caused by such failure or for injunctive relief, or both, by the Association or by any other unit owner. In the event no damages are capable of being accurately determined, liquidated damages of One Hundred and no/100ths (\$100.00) may be assessed for each violation. Each day of violation shall constitute a separate violation for purposes of this Section. Any and all attorneys' fees and other expenses incurred by the Association in enforcing this provision shall be reimbursed by the unit owner in violation and may be assessed against such owner's Unit.

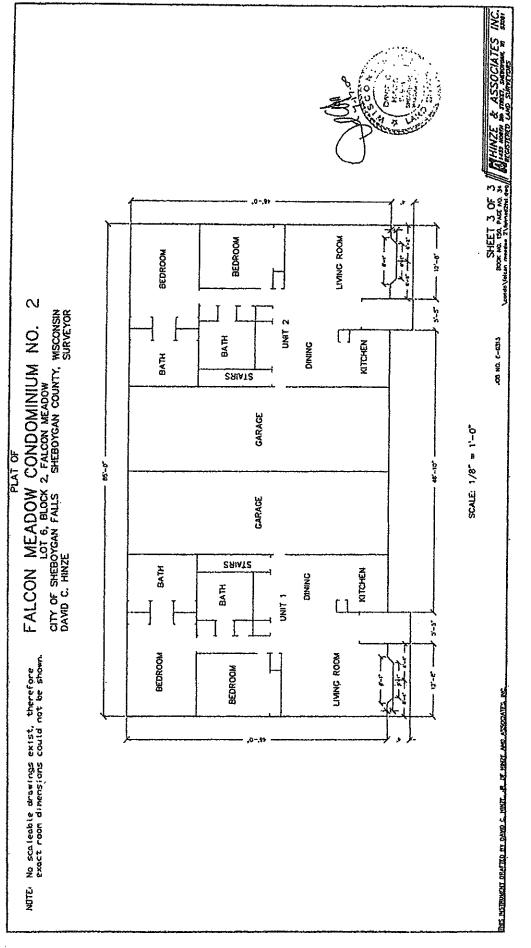
IN WITNESS WHEREOF, the said R. Hall Builders, Inc. has caused this document to be executed at Sheboygan Falls, Wisconsin, as of the date first set forth above.

R. HALL BUILDERS, INC.

ACKNOWLEDGMENT.	
State of Wisconsin)) SS	
Sheboygan County)	
Personally came before me this day of August, 2000, Robert of the person who executed the foregoing instrument, and acknowledge the sa Notary Public My Commiss	c, Sheboygan County, Wisconsin
This Instrument was drafted by: Peter R. Mayer Rohde Dales LLP 607 N. 8th Street, 7th Floor Sheboygan, WI 53081	







BAY TITLE AND ABSTRACT, INC. Privacy Policy Notice

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

From applications or other forms we receive from you or your authorized representative;

From your transactions with, or from the services being performed by, us, or affiliates, or others;

From our internet web sites;

From the public records maintained by governmental entities that we either obtain directly from those entities or from our affiliates or others; and

From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents and other real estate settlement service providers. We also may disclose your Personal Information:

To agents, brokers or representatives to provide you with services you have requested;

To third party contractors or service providers who provide services or perform marketing or other functions on our behalf; and

To others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability to Correct Errors or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of tille insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) *Public Records*: Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.
- 2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
- 3. The Company's liability and obligation is limited by and this Commitment is not valid without:
 - (a) the Notice;
 - (b) the Commitment to Issue Policy;
 - (c) the Commitment Conditions:
 - (d) Schedule A;
 - (e) Schedule B, Part I-Requirements;
 - (f) Schedule B, Part II-Exceptions; and
 - (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I-Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B. Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at http://www.elta.org/erbitration.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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