

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
STONEPINE TOWNHOUSE II ASSOCIATION, INC.

THIS DECLARATION made this 16th day of July, 1997, by Hans Hagen Homes, Inc., a Minnesota corporation, hereinafter called "Declarant";

R E C I T A L S

Declarant is the owner of that certain real estate legally described in Exhibit A hereto attached, all of which above-described land together constitutes and is hereinafter referred to as the "Property".

The Property is the subject of a proposed townhouse development, and Declarant intends to improve the Property or portions thereof and any additions thereto from time to time.

Declarant desires to subject the Property to this Declaration at this time.

The real estate subjected hereby or which subsequently may be subjected to this Declaration and including the Common Area and easement areas and any improvements constructed thereon will require uniform and continuing care and maintenance for the benefit and enjoyment of persons residing in the townhouses.

Stonepine Townhouse II Association, Inc., a Wisconsin nonstock corporation (hereinafter referred to as "Association"), has been formed as an agency to receive the power to attend to and effectuate policies and programs that will enhance the pleasure and value of the development, to hold title to, maintain and administer the Common Area if any, to maintain the Landscape Easement Area, to preserve and enhance the Property, to administer and enforce the covenants and restrictions, and to collect and disburse the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant declares the Property described in Exhibit A hereto, and such additions thereto as hereafter may be made pursuant to the Annexation provisions contained in the Article entitled "General Provisions", is and shall be held, transferred, conveyed, sold, leased, occupied, and developed, subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, which are for the purpose of protecting the value, desirability and attractiveness of the Property, and which shall run with the Property and be binding upon all parties having any right, title or interest in the Property, their heirs, successors and assigns of each Owner. This Declaration hereby establishes a general plan for the individual ownership of real property estates consisting of residential lots, and the ownership by the Association of all of the Common Area as hereinafter defined and to provide for the maintenance and administration of certain defined areas. Every conveyance of any of such lots or Common

Area, or any part thereof, or any interest therein, shall be and is subject to these easements, covenants, conditions, and restrictions, as follows:

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration, or any supplemental declaration (unless the context shall prohibit) shall have the following meanings:

- A. "Association" shall mean Stonepine Townhouse II Association, Inc., a Wisconsin nonstock corporation.
- B. "Common Area" shall mean that certain portion of the Property legally described in Exhibit B hereto attached, including all improvements and structures constructed or to be constructed thereon, and such additions thereto (by way of easement or other grant from Declarant or others) as have been or may be granted to the Association for the common use and enjoyment of the Owner. Said initial Common Area will be conveyed to the Association prior to the first conveyance of a Lot to an Owner other than Declarant.
- C. "Declarant" shall mean Hans Hagen Homes, Inc., a Minnesota corporation, its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from Declarant for the purpose of development.
- D. "FHA" shall mean Federal Housing Administration, Department of Housing and Urban Development.
- E. "FHLMC" shall mean Federal Home Loan Mortgage Corporation.
- F. "FNMA" shall mean Federal National Mortgage Association.
- G. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- H. "Living Unit" shall mean a residential housing unit consisting of a group of rooms or hallways which are designed or intended for use as living quarters for a family or other grouping of persons living together, as well as an attached garage. For the purpose of determining membership in the Association, each Living Unit as constructed on a Lot by Declarant shall be considered as a Living Unit.
- I. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, excepting the Common Area.

- J. "Member" shall mean any person or entity holding membership in the Association as provided in Article III hereof.
- K. "Mortgage" shall mean any mortgage or other security instrument by which a Lot or any part thereof or any structure thereon is encumbered.
- L. "Mortgagee" shall mean any person or entity named as the Mortgagee under any such Mortgage or any successors or assigns to the interest of such person or entity under such Mortgage.
- M. "Property" shall mean and refer to that certain real property described and defined in Article II hereinbelow and such additions thereto as hereafter may be expressly brought within the jurisdiction of the Association, but shall not include any lots or outlots within said subdivision not so expressly named.
- N. "Proposed Development Area" shall mean that certain real estate legally described in Exhibit C hereto attached.
- O. "VA" shall mean Veterans Administration.
- P. "Landscape Easement Area" shall mean each and all of those certain portions of the Property legally described on Exhibit D hereto attached.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Hudson, County of St. Croix of Wisconsin, and is more particularly described in Exhibit A hereto attached.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership. Every Owner of a Lot subject to assessment, except as herein provided to the contrary, shall be entitled and required to be a member of the Association. If title to a Lot is held by more than one person, each of such persons shall be a member. An Owner of more than one Lot shall be entitled to one membership for each such Lot. Each such membership shall be appurtenant to the Lot upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of the title of that Lot. No person or entity other than an Owner or Declarant may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to that Lot.

Section 2. Transfer. A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of the record title of a Lot and then

only to such transferee by assignment, intestate succession, testamentary disposition, foreclosure of mortgage of record, or other legal process. It shall be the responsibility of each Owner, upon becoming entitled to membership, to notify the Association in writing, and until so 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 Lot should fail or refuse to transfer the membership registered in such Owner's name to the transferee of title of such Lot, 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 though the same had been surrendered.

Section 3. Voting. The Association shall have two classes of voting membership:

- A. Class A. Class A members shall be all Owners of Lots, with the exceptions of the Declarant prior to termination of Class B membership and shall be entitled to one vote for each Lot owned. When more than one person holds title to any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. There can be no split vote. Prior to or at the time of any meeting at which a vote is to be taken, each co-Owner or the other person entitled to a vote at such meetings shall file with the Secretary of the Association the name of the voting co-Owner or other person entitled to a vote at such meeting, unless such co-Owner or other person has filed a general voting authority with the Secretary applicable to all votes until rescinded.
- B. Class B. The Class B member shall be the Declarant, who shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:
 - (a) When the total votes outstanding in the Class A membership equal to total votes outstanding in the Class B membership; or
 - (b) The eight anniversary of the recording of this Declaration.

Section 4. Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of thirty (30) days, or shall be in default in the performance of any of the terms of this Declaration for a period of thirty (30) days, such Owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Permanent Easements. All easements described in this Declaration are permanent easement appurtenant, running with the land. They shall at all times inure to the benefit of and be binding on the Owner and the Mortgagee, from time to time, of any Lots and on the owner and mortgagee, if any, from time to time, of the Common Area, and their respective heirs, successors, personal representatives or assigns.

Section 2. Right of Enjoyment. Every Owner shall have a ~~non~~-exclusive right and easement of enjoyment in and to the Common Area, which right and easement shall include, but not be limited to, for utility, water and sewer easements, and use and enjoyment of open spaces and all other parts of the Common Area. Such right and easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to pass reasonable rules, with respect to the Common Area, for the health, comfort, safety and welfare of persons using same;
- B. The right of the Association to suspend the voting rights and right of the use of recreational facilities if any situated upon the Common Area (but not rights of access or utility access to Lots) by an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;
- C. The right of the Association to levy assessments as provided in this Declaration;
- D. The right of the Owner of each Lot to an exclusive easement on the Common Area for areas occupied by fireplaces, roof overhangs, balconies, air conditioning compressors, flower boxes, patios, and other appurtenances which are part of the original construction of any Living Unit, or which are added pursuant to the provisions of Article VI hereof; and to a reciprocal easement where necessary for access over adjoining Lots for the maintenance and upkeep of the walls, fences or other improvements;
- E. The rights of the Association and Declarant reserved under Article IV, Section 4 and 5 hereinbelow.

Section 3. Delegation of Enjoyment. Any Owner may delegate, in accordance with the Bylaws of the Association, such Owner's right of enjoyment to the Common Area to residents of such Owner's Lot, including the members of the family, tenants, or contract purchasers of such Owner, and the invitees thereof (except that the Board of Directors may forbid or regulate use of recreational facilities by non-residents).

Section 4. Association's Rights.

- A. The Association shall have the right to manage, build, reconstruct, repair, maintain and improve (including by way of example, but not limited to, landscaping and providing snow removal for) the Common Area and the Landscape Easement Areas.

- B. The Association shall have the right to mortgage all or any portion of the Common Area for the purpose of securing a loan of money to be used for any of the purposes specified in subsection 4.A. next herinabove, provided that the rights of such mortgagee in the Common Area shall be subordinate to the rights of the Owners under this Declaration, and provided, further, that the mortgage shall have received the prior written approval specified in Article XI hereinbelow.
- C. The Association shall have the right to dedicate or transfer all or any part of the Common Area to any governmental subdivision or public agency or utility, and to grant permits, licenses, and easements over the Common Area for utilities, roads, and other purposes necessary or useful for the proper maintenance or operation of the project, subject to any prior written approval required by Article XI hereinbelow.
- D. The Property shall be subject to easements of record on the date hereof and any easements in the Common Area which may hereafter be granted by the Association (subject to the approval referred to in the preceding paragraph) to any public or private utilities or governmental bodies for the installation and maintenance of electrical, telephone, cable television and data conduit and lines, gas pipes, sewers or water pipes, coaxial cable, or any other utility services serving such Lots or the Common Area. Lots also shall be subject to unintentional encroachments of the Common Area improvements as described in Section 7 below.
- E. Anything apparently to the contrary notwithstanding, no abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Area or other common property or any part thereof shall be effective unless it shall have received the prior written approval specified in Article XI hereinbelow.
- F. In the event that any Owner violates any covenant or fails to perform any condition contained in this Declaration, the Association may perform the act, remove the defect or correct the violation upon thirty (30) days written notice to the Owner, and as appropriate, pursuant to the procedures contained in Article VI. If the Association so acts on behalf of an Owner, the Association may levy an assessment against the Lot for the cost of the performance or correction as a Maintenance Assessment as provided in Article V.
- G. The Association shall have the access rights set forth below in the Article entitled "General Provisions."

Section 5. Declarant's Rights. Declarant shall have the same rights as any other Owner as to Lots owned by it from time to time, except as otherwise specified herein. In addition, until the last Lot is conveyed to an Owner other than Declarant, Declarant shall have the right and easement over the Common Area for the Construction and completion of

improvements and making repairs to improvements (whether on the Common Area or upon Lots) and the right to maintain and use facilities and signs upon the Common Area for the purpose of marketing units, and to invite and escort the public thereon for such purpose. Without limiting the generality of the foregoing, Declarant shall have the right (until the last Lot is conveyed) to construct, relocate, remove and alter improvements on the Common Area, including paths, driveways, parking areas, utilities, lighting, walls, fences and landscaping, and to cut, fill, and reshape land contours.

Section 6. Non-Dedication to Public Uses. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for any public use or purpose whatsoever.

Section 7. Easement for Unintentional Encroachment. Notwithstanding any other provisions contained herein, in the event that any Living Unit or any structure containing one or more Living Units or any improvements to any Living Unit encroaches upon any part of the Common Area or another Lot, or that any improvements to the Common Area encroach upon any Lot, as a result of construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, then a perpetual easement appurtenant to such encroaching Lot or Common Area shall exist for the continuance of any such encroachment for so long as the encroachment shall exist.

Section 8. Easement for the Benefit of the Association. The Association shall have a nonexclusive right and easement in and to each of the Lots for the purpose of performing repairs and maintenance to exteriors of Living Units and other structures located on Lots and maintenance of lawns and landscaping, all as authorized by this Declaration.

Section 9. Lot to Lot Easements. Since each Living Unit forms an integral part of a building including at least one other Living Unit, the Owner of each Lot shall have a nonexclusive right and easement over the Lot or Lots with which it shares a party wall or lateral support, and where necessary, access for maintenance and upkeep of walls, fences and other improvements.

Section 10. Landscape Easement Area. The Association shall have a non-exclusive right and easement in and to the Landscape Easement Area for the purpose of maintaining and preserving the same to uniform and high standards of landscaping and appearance. Such rights shall include, but not be limited to, the right: to place, maintain and replace on such area lawns, hedges, trees and other plantings and decorative fences, walls and project signage; to apply fertilizers and agents for the control of weeds, dandelions and crabgrass; to install and maintain an irrigation system; and to adopt reasonable rules regarding the use of such area for the purpose of preserving a neat and well-maintained appearance. Although the Landscape Easement Area includes portions of several Lots, it is the intent of this Declaration that the foregoing rights of the Association shall preempt the interest and rights of Owners of Lots with respect to landscaping and appearance. Therefore, and, without limiting the generality of the foregoing or the generality of the provisions of Article VII, Section 1 hereinbelow, no Owner may do any of the following within the Landscape Easement Area portion of his Lot without the prior written consent of the Association: change, remove, add to or obstruct any landscaping, plantings or

improvements maintained by the Association; change land contours; deposit trash, garbage or yard debris; store furniture, vehicles, sporting equipment or other personal property; erect structures, walls, fences, bird baths, sculptures, planters or other objects, either decorative or utilitarian; or interfere with the Association or its agents in the exercise of the Association's rights.

ARTICLE V

ASSESSMENTS

Section 1. Personal Obligation; Lien. Declarant, for each Lot owned by it within the Property, hereby covenants, and each Owner of a Lot by acceptance of a deed, or other conveyance therefor, whether or not it shall be so expressed therein, shall be and is deemed to covenant and hereby agrees to pay to the Association: (a) annual assessments or charges, which shall be payable in regular installments and shall include, but not be limited to, hazard and liability insurance for common property, blanket hazard and liability insurance for Lots (as determined by the Board of Directors), exterior maintenance of Living Units, maintenance of lawns and landscaping and sidewalks and driveways, snow removal, and an adequate reserve fund for the periodic maintenance, repair and replacement of those improvements and elements of the common property that must be replaced on a periodic basis and which the Association may be obligated to maintain, and (b) special assessments, such assessments to be established and collected as hereinafter provided. Any assessments authorized herein, together with interest, costs and reasonable attorney's fees, shall be a continuing lien from the first day of January (for annual assessments) and from the date the first installment is payable (for special assessments) against the Lot assessed. Such annual assessments shall be due and payable in twelve equal monthly installments on the first day of each and every month commencing on the first day of January of each year. Each assessment, together with interest, costs and reasonable attorney's fees, also shall be the personal obligation of the person who was the Owner of such Lot on the date said assessment became due and payable. Said personal obligation of an Owner shall not pass to the successors in title or interest of such Owner unless expressly assumed by them or unless, prior to such transfer, a statement of lien for such assessments shall have been filed with the County Register of Deeds for St. Croix County, Wisconsin. No Owner shall escape liability for the assessments which fell due while being the Owner by reason of non-use of the Common Area or non-use, transfer or abandonment of such Owner's Lot, nor may an Owner deduct or set off against the assessment's amounts the Owner claims are due from the Association, nor may an Owner withhold or defer payment of assessments by reason of any claim or complaints against the Association of any nature whatsoever.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and residents of the Property, and to construct, manage, improve, maintain, repair, and administer the Common Area and Landscape Easement Areas and all driveways, walkways, pipes, wires, or other conduits of matter or energy, landscaping and other improvements located upon the Common Area, and walkways, driveways and landscaping on Lots in the Landscape Easement Area, and for the exterior maintenance of Living Units, repair and replacement of those improvements and elements of the common property that must be replaced on a periodic basis

and those portions of the exterior of Living Units and garages which the Association is required to maintain. Such fund shall be maintained out of the regular assessments.

Section 3. Annual Assessments. Until December 31, 1997, the maximum annual Assessment shall be at a rate fixed by the Board of Directors, but not to exceed the monthly rate of \$70.00 (\$840.00 yearly) per Lot, not including assessments for the common expense insurance premiums under Article XII hereinbelow. Thereafter, the Board of Directors may fix said annual assessments to cover any and all expenses and projected expenses.

- A. From and after December 31, 1997, the maximum annual assessment may be increased each year not more than five percent (5%) (or the rate of increase in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items for Minneapolis-St. Paul ("CPI") as published by the U.S. Department of Labor, if greater than five percent (5%)).
- B. From and after December 31, 1997, the maximum annual assessment may be increased above five percent (5%) (or the rate of increase in the CPI, if greater than five percent (5%)) by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting called for this purpose.

- C. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment payable over not more than thirty-six (36) months for the purpose of defraying, in whole or in part, the cost of any unforeseen or unbudgeted common expenses or any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or Landscape Easement Area, including fixtures and personal property related thereto, or for the exteriors of Living Units provided that any such assessment shall have the assent of not less than two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Maintenance Assessments. In addition to annual and special assessments, the Association may levy in any assessment year a maintenance assessment, for the purpose of defraying in whole or in part the cost of maintenance, repair or replacement of any exterior part or appurtenance of any Living Unit and any improvements on the Lot on which any Living Unit is situated. The assessment provided for in this Section are intended to provide funding for (i) "staged" maintenance programs whereby the Association implements the overall maintenance and repair of the Property in a series of stages from year to year and (ii) maintenance required by a single or limited number of Living Units.

The assessment shall be a personal obligation of the Owner and a lien against the Lot with the same priority and enforceability as any lien for annual or special assessments.

Section 6. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the opening of such meeting, the presence in person or by proxy of Members entitled to cast sixty percent (60%) of the votes of each class of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Rate of Assessment. Annual assessments shall be collected on a monthly basis and special assessments shall be collected as the Board determines. Both annual and special assessments must be fixed at a uniform rate for all Lots except that, in consideration for the Declarant hereby assuming any deficit in the operating expenses of the Association so long as Declarant controls the Board of Directors, Lots owned by the Declarant for which no certificate of occupancy has been issued by the City shall be assessed at one-fourth (1/4) the full rate until the first day of the month following the issuance of such certificate, at which time such Lot shall be assessed the full rate. The Declarant may unilaterally waive and relinquish this reduced rate of assessment prospectively at any time by executing and recording a written waiver to that effect. However, certain expenses may be assessed on a different basis, or against one or fewer than all Lots, to the extent permissible under Wisconsin Statutes under the following circumstances:

- A. Any common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on the basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Lot.
- B. The costs of insurance may be assessed in proportion to value, risk or coverage, and the cost of utilities may be assessed in proportion to usage.
- C. Reasonable attorneys fees and other costs incurred by the Association in connection with (i) the collection of assessments and (ii) the enforcement of the Declaration, Bylaws, or the Rules and Regulations, against an Owner or occupant or their guests, may be assessed against the Owner's Lot.
- D. Fees, charges, late charges, fines and interest may be assessed.
- E. If any damage to the common elements or another Lot is caused by the act or omission of any Owner or occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Lot to the extent not covered by insurance.
- F. If any installment of an assessment becomes more than 30 days past due, then the Association may, upon 10 days written notice to the owner, declare the entire balance of the assessment payable in that year to be immediately due and payable in full.

G. Assessment described in Subsections 7-A through 7-F shall not be considered special assessments as described in Section 4.

Section 8. Surcharges. The Association in accordance with reasonable and uniform standards may add to the assessments for a particular Lot a surcharge for maintenance or utility expenses benefiting that Lot but fewer than all the Lots.

Section 9. Commencement of Initial Annual Assessments. The annual assessments provided for herein shall commence as to all Lots not later than one month after the conveyance of a Lot to an Owner other than Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

Section 10. Commencement of Annual Assessments. By November 30 of each year the Board shall fix the amount of annual assessments against each Lot for the following fiscal year and shall send written notice thereof to each Owner. The due date for payment of annual assessments shall be set by the Board. At the time the Board fixes the amount of annual assessments it shall adopt a budget for the following year and cause a copy of such budget in reasonable detail to be furnished to each Owner.

Section 11. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association setting forth whether there are any then-unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

Section 12. Nonpayment of Assessments. Any assessments which are not paid when due shall be deemed delinquent. In the event of a default of more than thirty (30) days in payment of any assessment or installment thereof, the Board of Directors may accelerate the remaining installments of the assessment due in the current assessment year upon notice thereof to the Owner, and thereupon the entire unpaid balance of the assessment with all accrued interest and penalties shall become due and payable upon the date stated in the notice. If a monthly assessment is not paid by the 10th of the month, the Board may assess a service charge not to exceed \$15.00. If an assessment is not paid within thirty (30) days after the delinquency date, it shall bear interest from the delinquency date at the rate of eight percent (8%) per annum and shall become a continuing lien in favor of the Association on the Lot against which assessed and the improvements thereon, and the Association (or any Owner acting in the name and for the benefit of the Association) may bring an action at law or in equity against the person personally obligated to pay the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action, and the Association may also enforce and foreclose any lien it has or which may exist for its benefit. There shall be no right of set-off against the Association based upon a failure to provide services or for money owed by the Association to the Owners.

Section 13. Recording and Enforcement of Liens. To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written statement or notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot, the name of the person personally obligated to pay the same, and a description of the Lot. Such statement or notice of lien shall be signed by an officer of the Association and filed with the office of the County Register of Deeds for St. Croix County, Wisconsin. No statement or notice of lien shall be recorded until there is a delinquency in payment of the assessment for thirty (30) days. Upon such a delinquency for thirty (30) days, the Association shall proceed promptly to enforce the lien or, in its discretion, to sue the person personally liable to pay the lien for the delinquency. Such lien shall be enforced by action in the same manner in which mortgages on real estate may be foreclosed in Wisconsin. In any such foreclosure, the person personally obligated to pay the lien shall be required to pay all costs of foreclosure including interest, costs, and reasonable attorneys' fees. All such interest, costs, and expenses shall be secured by the lien being foreclosed. The person personally obligated to pay the lien also shall be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the foreclosed interest in the Lot as the Owner thereof.

The Association shall upon written request report to any encumbrancer of a Lot any assessments remaining unpaid for longer than sixty (60) days after the same shall have become due, provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance. The holder, guarantor or insurer of a first mortgage on a Lot shall have the right, but not the obligation, to pay any delinquent assessments or other charges levied or imposed by the Association against such Lot.

Section 14. Subordination of Lien. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage, and to tax liens and liens for special assessments in favor of any taxing and assessing unit of government. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or remedies provided in the mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to charges which accrued prior to acquisition to title pursuant to such sale or transfer. No such sale or transfer shall relieve a Lot from liability for any assessments thereafter becoming due or from the lien thereof or shall relieve the person personally obligated to pay the lien of personal liability for assessments due prior to such sale or transfer or acquisition of premises. Any delinquent assessments the lien for which is extinguished by reason of this provision may be reallocated and assessed to all Lots as a common expense.

ARTICLE VI

ARCHITECTURAL CONTROLS

Section 1. Architectural Control Committee Authority. No residential or other building and no fence, wall, garage, outbuilding or other structure, nor any wire, pipe, cesspool, septic tank, well, path, walkway, tree, hedge, driveway, aerial, antenna, or exterior

ornament of any kind, nor any addition, removal, alteration, or remodeling thereof, including change of color, repainting or redecorating of the exterior, shall be made, erected, altered, placed or permitted to remain on any portion of the Property unless and until detailed plans and specifications and proposals, including plans which show the external design, the colors and color scheme, the decoration, the construction and the materials to be used in construction, the dimensions, and the location and approximate cost of the same shall have been submitted to and approved in writing by an Architectural Control Committee (herein described) as to harmony of the external design and location in relation to surrounding buildings in the subdivision and as to general appearance and quality. In the event said Committee fails to approve or disapprove such design and location within fifteen (15) days after said plans and specification have been submitted to it (in such reasonable detail as the Committee may require), or if no suit to enjoin the making of such construction, removal, additions, alterations, or changes has been commenced within thirty (30) days of such submission, such approval will be deemed to have been given. If no such submission has been made to the Architectural Control Committee or its representatives, suit to enjoin or remove such additions, alterations or changes may be instituted at any time by the Association or any Owner. The Board of Directors, on request, will issue a certificate as to the state of compliance or noncompliance of a particular Lot, and any such certificate will be binding as to third parties. Any deviation from said plans and specification as approved which in the judgment of the said Committee is a substantial change or a detriment to the appearance of the structure or of the surrounding area shall be corrected to conform to the plans and specification as submitted.

Section 2. Prompt Completion. Every structure must be erected and completed within eighteen months of approval, or new approval obtained. If any structure is begun, and is not completed within eighteen months after the commencement of construction, and in the judgment of the Architectural Control Committee is by reason of its incomplete state of offensive or unsightly appearance, the Committee, at its discretion after ten (10) days written notice to the Owner of the Lot, may take steps as may be necessary, in its judgment, to improve the appearance so as to make the property harmonious with neighboring properties, including entering upon the Lot, completion of the exterior of the structure, screening or covering of the structure, removing the structure and restoring the Lot to its previous condition, or any combination thereof or similar operation, and the amount of any expenditure made in so doing shall be a lien on the Lot enforceable in like manner as assessments hereunder.

Section 3. Declarant's Rights. Nothing herein contained shall be deemed to prohibit Declarant from making changes to the plans, specification, and appearance of building constructed from time to time on vacant Lots, but all buildings shall be consistent in terms of quality and harmonious in general appearance with previously constructed buildings. During the period the Association has a Class B member, the decisions of the Architectural Control Committee must have the written approval of the Declarant.

Section 4. Composition of Committee. The Architectural Control Committee shall be the Board of Directors of the Association, or a committee of three or more persons so designated by the Board.

Section 5. Restoration in Accordance with Original Plans. Any restoration or repair of the Common Area, Landscape Easement Area, or exterior of Living Units, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by the Architectural Control Committee and by the holders of Mortgages on Lots which have at least 51 percent of the votes of Lots subject to Mortgages.

Section 6. Removal and Abatement. The Architectural Control Committee or the Board shall have the right to order an Owner to remove or alter any structure on any Lot erected in violation of the terms of this Declaration, and to employ appropriate judicial proceedings to compel the alteration or demolition of any nonconforming construction or other violation; or take whatever steps are deemed necessary to cure such violation. Any cost incurred by the Architectural Control Committee may be levied as a Maintenance Assessment as provided in Article V.

Section 7. Exterior Lighting. All exterior lighting fixtures and standards shall be shown on submitted plans and shall comply with the overall lighting plan of the Declarant. All forms of exterior lighting shall be subject to approval of the Board.

Section 8. Exterior Ornaments. Exterior ornaments including by not limited to precast concrete, plastic or wood figurines, wishing wells and windmills (unless located on the patio) shall be prohibited unless approved by the Board prior to installation or construction.

Section 9. Awnings. No awnings or shades shall be erected over and outside of the windows, nor shall any articles or structures be hung or placed on any outside window sills without the prior written consent of the Board.

Section 10. Drapes, Blinds and Curtains. All window treatments which are visible from outside a Living Unit shall be a solid color in the range of white to oyster or light beige.

Section 11. Antennae. Except with prior written approval of the Architectural Control Committee, no exterior television, radio, satellite, or microwave antenna of any sort shall be erected or maintained upon any Lot. The Architectural Control Committee may choose to prohibit all such antennae, or to prohibit only certain kinds and locations of antennae, and to change its regulations from time to time, all in its discretion. Without limiting the generality of the foregoing, it shall not be deemed arbitrary or an abuse of such discretion if the Committee were to:

- A. permit existing antennae to continue to be maintained, while at the same time banning new antennae of the same type or location;
- B. prohibit antennae to be placed so as to be visible from the street side of a Lot, but permit the same antennae if not so visible; or
- C. place height or size restrictions on antennae.

ARTICLE VII

OTHER RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. The Common Area, Landscape Easement Area and Exteriors. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for, and be vested with, the exclusive management and control of the Common Area, Landscape Easement Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair all to the extent the Board deems necessary or desirable. Such responsibility shall include, but not limited to, the following:

- (a). The maintenance and repair of the Common Area improvements,
- (b). Place, maintain, trim, cut, fertilize and replace sod, flowers, shrubs, trees and other plantings in the Landscape Easement Area as originally constructed by Declarant or Association.
- (c). Construct, maintain, clean, alter and reconstruct improvements as originally constructed by Declarant or by Association in the Landscape Easement Area including shoveling walks and drives,
- (d). Maintain and replace and pay for electricity used for all common architectural lighting on the Common Area or Landscape Easement Area.

The Association shall snowplow the driveways, parking areas and walkways on the Common Area. In order to preserve the uniform and high standard of appearance of the Property, the Association also shall be responsible for the maintenance and repair of the exterior of all Living Units located on Lots, which responsibility shall include, but not be limited to, the following: the maintenance and repair of the exterior surfaces of all buildings on the Property, including, without limitation, the painting of same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roofs, gutters, downspouts and overhangs, the maintenance and repair of exterior windows and doors (other than replacement and cleaning of glass, and painting of doors). All maintenance and repair of the individual Living Units shall be the sole obligation and expense of the individual Owner, except to the extent the exterior maintenance and repair is provided by the Association. In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, the Owner's family, guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Lot is subject.

Section 2. Lawn and Planting Maintenance; Patios. The Association shall mow, trim, water, rake and otherwise maintain, all to the extent the Board deems necessary or desirable, all Common Area and Landscape Easement Area lawns and exterior plantings. The Association may elect to maintain the landscaped portions of Lots and gardens and plantings established by individual Owners, but to the extent the Association undertakes to do so, it will not be responsible for any damage to such gardens and plantings due to overwatering,

underwatering or improper watering. The Board of Directors may, in accordance with uniform standards adopted from time to time and subject to amendment and revocation, permit an Owner to maintain annual and perennial flowers and plantings within a specified portion of Landscape Easement Area on the Owner's Lot. All plantings, whether upon a Lot or Common Area shall be subject in each instance to the Board of Directors' right to disapprove plantings and locations which would be disharmonious.

Section 3. Services. The Association may obtain and pay for the services of any persons or entities, to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration. The Association may arrange with others to furnish trash collection and other common services to each Lot.

Section 4. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. Such beneficial interest shall not be transferable except with the transfer of title to a Lot, provided that an Owner may delegate the right of enjoyment of such personal property to residents of such Owner's Lot. A transfer of title to a Lot shall transfer to the transferee ownership of the transferor's beneficial interest in such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Lot under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Lot.

Section 5. Utilities. The Association shall maintain, replace and repair sewer and water lines on Lots from the dedicated public street to the foundation of each Living Unit. The Association may pay as a common expense all charges for water, sewer and other utilities used upon the Common Area.

ARTICLE VIII

OWNER'S MAINTENANCE

Section 1. Upkeep and Maintenance. Each Owner shall be responsible for the upkeep and maintenance of such Owner's Living Unit, garage, patio and all other areas, features or parts of the Lot to the extent not otherwise maintained by the Association, and each Owner shall maintain the same free of hazardous substances, vermin, cockroaches, pets and debris which may pose a threat to the health or safety of occupants of other Lots. Every Owner must perform promptly all cleaning, maintenance and repair work within that Owner's Lot, which, if omitted, would effect the Common Area or another Lot or Lots, being expressly responsible for the damages and liabilities that failure to do so may engender. Without limiting the generality of the foregoing, the Association may require an Owner to remove offending items, or to use a professional exterminator, and upon failure to do so, Association after reasonable notice may enter the Lot, with a professional exterminator or other appropriate contractor, and take

corrective action, charging the Owner of such Lot for the reasonable cost thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of a multi-family structure or an adjoining Living Unit, or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Living Units, or their occupants.

Section 2. Heating of Living Units. For the purpose of preventing damage to and breakage of water, sewer and other utility lines and pipes in a Living Unit which might result in damage to that or other Living Units, all Owners shall maintain the temperature in their Living Units, at all times, at least at 55 degrees Fahrenheit (or such other reasonable temperature or standard as the Board of Directors may from time to time specify by written rule), subject, however, to the inability to maintain such temperature due to causes beyond the Owner's reasonable control. Any damage resulting from the refusal or failure of an Owner to so maintain such minimum temperature may be repaired by the Association and (unless due to causes beyond the Owner's reasonable control) the cost thereof assessed against the Lot of the refusing or failing Owner. However, if the failure to maintain such minimum temperature is due to causes beyond the Owner's reasonable control, the cost of such repair shall be a common expense. The Association may by rule require Living Units which are unoccupied for substantial periods of time during winter to use alarms which will detect abnormally low temperatures.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Living Units upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rule of law regarding party wall and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who made use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it to its original condition, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of the restoration thereof in proportion to such use without prejudice to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability or negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by a negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be binding on the parties.

ARTICLE X

GENERAL RESTRICTIONS, OBLIGATIONS AND RIGHTS OF OWNERS

Section 1. Living Units and Lot Restrictions. No more than one Living Unit shall be erected or maintained on each Lot, and no Lot as originally platted shall be further subdivided or partitioned. No Living Unit shall be used for purposes other than a single residential unit, nor shall any trade or business of any kind be carried on within a Living Unit or upon a Lot, without the express written approval of the Board and any governing authority that has jurisdiction over home occupations, nor shall any Lot or any part thereof be leased, sublet, assigned or suffered to be used for hotel or transient occupancy, provided that none of the following activities shall be considered a violation of this covenant:

- A. The maintenance of a business and sales office by Declarant on Lots or Common Area or both until the last Lot is conveyed to an Owner other than Declarant.
- B. The maintenance of an office by the Association or its designated manager for purposes of management of the Property.
- C. Lease or rental of a Living Unit for purposes consistent with this Section.
- D. The use of a Lot by an Owner for home office or studio uses which are incidental to the principal residential use of the unit, which do not invite or generate regular or frequent visits by clients, customers, employees, co-workers or the public, and which do not alter the residential character of the Property.

Section 2. Common Area Restrictions. No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Common Area, nor shall any "for sale" or "for rent" signs or any display advertising be maintained or permitted on any part thereof, except that Declarant reserves the right for itself or its agents to maintain a business and sales office during the construction and sales period until the last Lot (including lots subsequently annexed under the Article entitled "General Provisions") is sold, and to place "for sale", "for rent", or any other signs on any part of the Common Area and to use any part of the Common Area for sale or display purposes during such period. No Living Unit shall be constructed on the Common Area.

Section 3. Obstructions. There shall be no obstruction of the Common Area, nor shall anything except construction materials and equipment be kept or stored on any part of the

Common Area during the construction period without the prior written consent of the Board or except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Area except upon the prior written consent of the Board.

Section 4. Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or in the Common Area or any part thereof which would increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without written consent of the Board. Nothing shall be done or kept on any Lot or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validity imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof or of the exterior of the Property and buildings shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused to the Association or to other Owners by such Owner or the Owner's invitees. No noxious, destructive or offensive activity shall be allowed on any Lots or in the Common Area or any part thereof, nor shall anything be done thereon which may be or may become a nuisance to any other Owners or to any other person at any time lawfully residing on the Property. No heating devices, refrigeration equipment, or other machinery which causes vibrations detectable from outside the Lot, is fuel-fired, or is otherwise inherently dangerous, noxious, or noisy, shall be installed or operated within any Lot.

Section 5. No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out on any portion of the Common Area, or on a Lot so as to be visible from outside the Lot. The Common Area, and all parts of a Lot visible from outside the Lot, shall be kept free and clear of all rubbish, debris and other unsightly materials.

Section 6. Animals. No pets shall be permitted to be kept on the Property by any Owner or occupant except conventional domesticated animals. No kennel, dog house or outside run shall be constructed or maintained on the Property. No pet shall be kept for any commercial purpose nor shall pets be bred for a commercial purpose upon the Property. Any cat or dog, whenever outside of a Living Unit, must be kept under the direct control of the pet owner or another person able to control the pet. The person in charge of the pet must clean up after it. The Board may adopt more specific rules and penalties not inconsistent with the foregoing, and may make all or specified portions of the Common Area off limits to pets. Upon the petition of seventy-five percent (75%) of the Owners of Lots located within 75 feet of the Lot in which resides a specified pet, the Board may order the removal of a particular dog for constant and uncontrolled barking, or of any particular animal for repeated instances of wandering unleashed or other repeated behavior reasonably offensive to others, provided that the Owner of the Lot harboring the animal shall first have thirty (30) days' written notice in which to correct the offensive behavior.

Section 7. Prohibited Structures. No structure of a temporary character, trailer, boat, camper-bus, tent, or shack shall be maintained on any Lot nor shall any garage or other building, except a permanent residence, be used at any time as a residence or sleeping quarters, either temporarily or permanently. The Association may maintain on the Common Area a storage shed to be used by the Association for the storage of lawn maintenance equipment and other common

property. The Association may license the erection of temporary party tents for weddings, parties and the like.

Section 8. General Storage. Outside storage of any items (other than patio-type furniture and not more than one cooking grill per Lot), including but without limiting the generality of the foregoing, sporting equipment, toys, yard and garden tools and equipment, and trash and garbage containers, shall not be allowed unless effectively screened from view from outside the Lot by enclosures. The design of such screened enclosure must be approved by the Architectural Control Committee in accordance with the architectural control provisions hereof. The storage or collection of rubbish of any character whatsoever, any material that emits foul or obnoxious odors, the growing of any noxious weed or other natural substance, and the harboring of the source of any noise or activity which disturbs the peace, comfort or serenity of residents is prohibited. Usual household trash and garage shall be regularly collected and may be kept outside only if in sanitary containers which are so screened.

Section 9. Vehicle Storage and Parking. Notwithstanding the foregoing, no boats, snowmobiles, trailers, camping vehicles, buses, camper tops, "all-terrain vehicles", tractor/trailers, trucks in excess of 9,000 pounds' gross weight, or unlicensed or inoperable vehicles shall at any time be stored or parked on any Lot outside of a house or garage or on any part of the Common Area, and no vehicle may be parked outside a house or garage or on any part of the Common Area for more than seven (7) consecutive days, without the express written consent of the Board, which may be withheld without stated reason.

Section 10. Signs. No signs of any kind shall be displayed to the public view on any Lot except:

- A. Designations, in such styles and materials as the Board shall by regulation approve, of street addresses and names of occupants;
- B. A "For Sale" sign may be displayed provided that it is in such styles and materials as the Board shall by regulation approve; and
- C. Declarant shall be permitted to erect and maintain upon the Property such signs as it deems necessary to advertise the development during the construction and sale periods.

Without limiting the generality of the foregoing, the Board of Directors may by resolution prohibit the distinctive and particular "For Sale" signs used by real estate brokers and agents.

Section 11. Exterior Lighting. Certain exterior light fixtures, such as those installed by Declarant at the corner of each garage, if any, are designed and intended to be an integral part of the exterior lighting. All such exterior fixtures shall at all times be controlled by the Board of Directors by rule or resolution. The Board may require such lights to be controlled by a photo-electric cell, time or other device and to prohibit the same from being turned off, disabled or modified, or the bulb therein replaced, except as authorized by the Board.

Section 12. Rentals. Any lease between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation and the Bylaws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. A lease must be for an entire Living Unit, not a portion thereof. All leases shall be in writing and a copy shall be filed with the Association prior to its commencement. No lease may be for a period less than thirty (30) days. Other than the foregoing, there shall be no restrictions on the right of any Owners to lease his Living Unit.

Section 13. Rules and Regulations. The Board from time to time shall adopt such other rules and regulation governing the use, maintenance and enjoyment of the Property, and the conduct of persons using the Property, as the Board in its reasonable discretion deems appropriate or necessary to implement the intent of this Declaration.

ARTICLE XI

RIGHTS FOR THE PROTECTION OF FIRST MORTGAGE

Section 1. Precedence. The provisions of this Article take precedence over any other conflicting provisions of this Declaration.

Section 2. Notice of Action. Any Mortgagee and any insurer or guarantor of a first Mortgage on a Lot or Living Unit who has advised the Association in writing of its name and address and the address of the Lot or Living Unit covered by such Mortgage, and in said writing has requested the Association to notify it of any of the following, will be entitled to timely written notice of:

- A. Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot or Living Unit on which there is a first mortgage held, insured, or guaranteed by such mortgage holder or insurer or guarantor, as applicable;
- B. Any delinquency in the payment of assessments or charges owed, or any other default in the performance of any obligation under the Declaration, Bylaws, or Articles of Incorporation by an Owner of a Lot or Living Unit subject to a first mortgage held, insured, or guaranteed by such holder or insurer or guarantor, which remains uncured for a period of sixty (60) days;
- C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- D. Any proposed action which would require the consent of a specified percentage of mortgage holders as specified in the Article below entitled "General Provisions".

Section 3. No Right of First Refusal. The right of an Owner to sell, transfer, or otherwise convey his Lot or Living Unit will not be subject to any right of first refusal or any similar restriction in favor of the Association or other Owners.

Section 4. Liability for Unpaid Assessments. Any first mortgagee who obtains title to or comes into possession of a Lot pursuant to the remedies provided in the mortgage or by foreclosure of the mortgage of by deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale shall not be liable for the unpaid assessments of the Lot which accrue prior to the acquisition of title or possession to such Lot by the mortgagee or purchaser.

Section 5. Examination of Books and Records. Mortgagees and holders, insurers and guarantors of mortgages shall have the right to examine the books and records of the Association, as set forth more fully in the Bylaws.

Section 6. Payment of Taxes and Insurance. First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which have or may become a charge against any common property or blanket hazard coverage, and may pay overdue premium on hazard insurance policies or secure new hazard coverage on the lapse of any such policy, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. The Association is authorized to enter into an agreement in favor of all first mortgagees of Living Units establishing entitlement to such reimbursement.

Section 7. Distribution of Insurance Proceeds and Condemnation Awards. No provision of the Declaration or Bylaws shall be construed as giving to the Owner or to any other party priority over any rights of first mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of common property.

Section 8. Designation of Representative. Any holder of a first mortgage on a Lot or Living Unit may designate a representative to attend meetings of members.

ARTICLE XII

INSURANCE

Section 1. Maintenance of Insurance. Commencing not later than the time of the first conveyance of a Lot to an Owner other than Declarant, the Association shall maintain, to the extent reasonably available, the following insurance:

A. Master or blanket type policy of fire insurance with extended coverage endorsement (including vandalism, sprinkler leakage, debris removal, cost of demolition, malicious mischief, or windstorm or water damage) insuring the Common Area and covering the interest of the Association for full insurable replacement cost, as determined annually by the Board of Directors. Proceeds of such hazard insurance shall be used solely for the repair, replacement, or reconstruction of such insurable common property. Said policy shall afford, as a minimum, protection against the following:

- (i) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

- (ii) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available. The name of the insured under such policies must be set forth therein substantially as follows:

"Stonepine Townhouse II Association, Inc. for the use and benefit of the individual owners."

The policies also may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such trustee, or the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's mortgagee, if any, shall be beneficiaries of the policy with respect to the Common Area equally with each other Lot. Evidence of insurance shall be issued to each Owner and mortgagee upon request. Policies must be provided for the recognition of any Insurance Trust Agreement.

If reasonably available, such policies shall include:

- (a) Agreed Amount Endorsement (or like endorsement);
- (b) Inflation Guard Endorsement;
- (c) Construction Code Endorsement (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement, and an Increased Cost of Construction Endorsement) if the project is subject to a construction code provision which would become operative and require changes to undamaged portions of the improvements, thereby imposing significant costs in the event of partial destruction of the project by an insured peril; and
- (d) Steam Boiler Coverage (if applicable) for the loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000 per accident per location.

All such policies must provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Owners individually; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event an Owner has other insurance covering the same loss.

- B. Workers' Compensation insurance (if the Association has eligible employees);

C. Comprehensive public liability insurance in such amounts and with such coverage as the Board of Directors shall from time to time determine, but at least:

- (i) covering events occurring anywhere on the Common Area (and Landscape Easement Area and any other areas that are under its supervision) or arising out of or in connection with the use, ownership or maintenance thereof;
- (ii) covering, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area and Landscape Easement Area, and legal liability arising out of lawsuits related to employment contracts of the Association, and such other coverages as are customarily covered with respect to projects similar in construction, location, and use;
- (iii) insuring each officer and member of the Board of Directors, the managing agent and each Owner and with cross liability endorsement to cover liabilities of the Owners as a group to an Owner and with a "Severability of Interest Endorsement" which would preclude the insurer from denying the claim of an Owner for the negligent act of another Owner, occupant or the Association; and
- (iv) in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. (However, such coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence.)

D. Such other insurance as the Board of Directors may determine.

E. All such policies must provide that they may not be canceled or substantially modified by any party without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

Section 2. Owners' Individual Policies. Each Owner should carry insurance for such Owner's own benefit insuring personal liability and the Owner's carpeting, wallcovering, fixtures, furniture, furnishings, and other personal property, and fixtures and other property supplied or installed by such Owner or a previous Owner or tenant, provided that all such policies shall contain waivers or subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

Section 3. Covenant to Insure. Since each Living Unit forms an integral part of a building including other Living Units, and failure to repair or rebuild damaged Living Units would therefore seriously effect the appearance, structural integrity and value of an adjoining Living Unit and the appearance of the project as a whole, each Owner covenants to keep in full force and effect at all times fire and standard extended coverage insurance in an amount not less than one hundred percent (100%) of the insurable value

(based on current replacement cost) of the Owner's Living Unit and associated garage as originally constructed, and to use the proceeds thereof solely for the repair, replacement or reconstruction of such Living Unit, and to deliver proof of such insurance to the Association upon demand. Each such policy shall name the Association (or its Insurance Trustee) as an additional insured and shall provide for thirty (30) days' notice to the Association before cancellation shall be effective against other Owners. No governmental agency as an Owner shall be required to carry said insurance. The Association may, by resolution of the Board of Directors, elect to obtain and continue in effect, on behalf of all owners, a blanket insurance policy for all Living Units conforming to the foregoing requirements (and which may exclude items of the sort described in the preceding Section 2) and the premiums therefor may be assessed against each Lot equally, pro rata by value or size or by any other reasonable allocation, as part of the regular annual assessment or as a special assessment. Such coverage shall be written in the name of, and the proceeds shall be payable to, the Association as trustee for the Owners or some other Insurance Trustee.

Section 4. Additional Coverages. In addition and supplement to the foregoing powers, and not in limitation thereof, the Board of Directors shall have the authority at all times without action by the Owners to require the policies mandated by this Article to include, or directly to obtain and maintain in force, all coverages and endorsements required by either FNMA or FHLMC for the acceptance of mortgages on Living Units, or Lots, as such requirements are amended from time to time.

Section 5. Covenant to Rebuild. Each Owner, by acceptance of a deed to a Lot, hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of the collection and appropriate disposition of the proceeds of casualty insurance on individual Lots and Living Units, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee is hereby required to receive, hold, or otherwise properly dispose of any proceeds of such insurance in trust for Owners and their first Mortgage holders, as their interest may appear, and to apply and administer the same as follows:

- A. All insurance proceeds paid to the Association or Insurance Trustee (hereinafter sometimes referred to merely as "Trustee") shall be deposited in escrow with a title insurance company or other depository acceptable to the Trustees and mortgagees of record.
- B. The Owner of the Living Unit with respect to which the insured loss occurred shall, within thirty (30) days after insurance proceeds are deposited in accordance with paragraph (A) above, enter into a firm lump sum contract with a qualified builder providing for the reconstruction or remodeling of the Living Unit, to substantially the same condition as existed immediately prior to the insured loss; provided, however, that if such contract shall be entered into by the Owner for an amount in excess of the insurance proceeds then held by the Trustee for said Living Unit, such Owner will within said thirty (30)

days deposit additional funds sufficient to cover all construction and restoration costs as determined by the Trustee and mortgagee. Said reconstruction or remodeling shall be commenced and complete with due diligence, and in no event shall said work be completed later than one hundred eighty (180) days (weather permitting) after said insurance proceeds are deposited in escrow as aforesaid. The Association and mortgagees of record of the Living Units affected and the Lots underlying the same shall have the right, but not the obligation, to deposit such additional funds in excess of insurance proceeds as may be required to permit construction as herein provided, and any such advances shall be a lien upon the Lot or Lots, subordinated, however, to the interest of mortgagees or record.

- C. In the event the Owner fails to enter into a contract as provided in subparagraph (B) above, or in the event that reconstruction or remodeling is not commenced or completed as provided above, then the Trustee or the mortgagee of record, with the consent of the Trustee, shall have the right, but not the obligation, to enter into the contracts which it deems necessary to complete said reconstruction or remodeling of the Living Unit, and the Trustee or mortgagee shall have the right to have said insurance applied in satisfaction of any obligation incurred pursuant to said contracts, without liability of any kind to the Owner, including, but not limited to, interest on said insurance proceeds. The Trustee may employ any bonded party or parties as its agents in exercising those functions given to it in this Section. The Trustee shall be empowered to pay said agent a reasonable fee for the services rendered by said agent and to collect said charge from the Owner or Owners, as the case may be, and in the same manner as that which is provided herein for the collection of an insurance premium paid by the Association.
- D. Disbursement of funds on deposit pursuant to subparagraph (A) above, or for contracts for reconstruction or remodeling entered into under subparagraph (B) and (C) above, shall be made by a title insurance company or other agent ("Agent") selected by Trustee and the affected mortgagees or record, subject to the following:
 - (i) Article VI of these covenants entitled "Architectural Controls" shall apply to all said reconstruction or remodeling.
 - (ii) Receipt by Agent of such sworn construction statements, lists of subcontractors, lien waivers and receipts as it shall determine to be appropriate. Disbursements may be by periodic or progress payments, and Agent may make such inspections and withhold such payments as it deems necessary to insure completion in compliance with plans and specifications. Agent shall be entitled to a reasonable fee for the services rendered by it, and the Trustee may collect such fee from the Owner or Owners, as the case may be, and in the

same manner as that which is provided herein for collection of insurance premiums paid by the Association.

- (iii) In the event a contract is entered into pursuant to subparagraph (B) hereinabove, the written consent of the Owner to said payment or payments, which consent will not be unreasonably withheld.
- E. In the event that a remodeling or reconstruction contract is, for any reason, not entered into pursuant to the provision of subparagraphs (B) and (C) hereinabove, within one hundred eighty (180) days after deposit of insurance proceeds in escrow for a damaged or destroyed Living Unit, as herein provided, or in the event there are excess funds after reconstruction or remodeling, the proceeds or excess, as the case may be, shall be disbursed to each Owner and mortgagee of record of the affected Lot as their interests appear.
- F. In the event the Owner whose property is damaged fails to make satisfactory arrangements for the repair and reconstruction of the damaged property and, in the event the trustee decides to repair and reconstruct the damaged property and it is determined by it that the insurance proceeds are not sufficient for all costs and expenses associated therewith, the Association or the Mortgagee may deposit, arrange for and disburse funds over and above the insurance proceeds to complete the repair and reconstruction and to pay the costs associated and related therewith ("additional expense").
 - (i) If the insurance coverage for this casualty was by a blanket or master policy secured by the Association, such additional expense shall be a common expense payable from the Association's funds or assessable equally against all Lots as a special assessment.
 - (ii) If the insurance coverage for this casualty was by an individual policy secured by the affected Owner, then such additional expense shall be due and payable from the affected Owner and upon completion of the work, the Board of Directors may levy a Special-Charge Assessment against the Lots having the effect of a special assessment lien under Article V hereof, but superior to all other annual and special assessments, and which lien may be enforced in the same manner as provided herein for other assessment liens. The Special-Charge Assessment shall be in the amount expended by the Trustee over and above the insurance proceeds received by the Trustee to repair and reconstruct the Owner's premises, including necessary costs, expenses and fees associated with the work.

- G. In all events, betterments or improvements made subsequent to the original construction by any Owner to the Owner's Lot shall be the responsibility of the Owner to insure separately (or by rider to a blanket policy at the consent of the Association) if the Owner desires the same insured. If the Trustee or mortgagee undertakes the reconstruction or remodeling of a Living Unit as above provided, the same need be restored only to substantially the same condition as the Living Unit was as of the completion of original construction.

Section 6. Insurance Premiums. Insurance premiums for any blanket property insurance coverage and the other insurance coverages purchased by the Association shall be common expenses to be paid by assessments levied by the Association, and such assessments shall be held in a separate account of the Association and used solely for the payment of the blanket property insurance premiums and other insurance premiums as such premiums become due. The premiums payable as to each Living Unit may be allocated on the ratio of the value of each Living Unit to the total value of all Living Units or by any other reasonable allocation, as determined by the Board.

Section 7. Fidelity Insurance. The Association may maintain blanket fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, and the Board may enter into a binding agreement with a mortgage holder, guarantor, FNMA or FHLMC, to keep such coverage in force.

ARTICLE XIII

EMINENT DOMAIN

Section 1. Association as Representative. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or part thereof, and by accepting of a deed for a Lot, each Owner appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or other trustee (such as a bank or title insurance company appointed as such by the Association), for the use and benefit of the Owners and their mortgagees as their interest may appear.

Section 2. Reconstruction. In the event of a partial taking of the Common Area (or conveyance in lieu thereof) the Association promptly shall cause the remaining portions of the Common Area to be restored functionally and aesthetically to reasonably the same condition as before the taking, using so much of the proceeds of such taking for such purpose as shall be reasonably necessary. In the event of a total taking of the Common Area (or conveyance in lieu thereof), and the project is terminated by the election herein required, the proceeds shall be allocated equally among each Lot, payable jointly to the representative Owners and mortgage holders thereof.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Right to Cure. In the event that any Owner violates any covenant or fails to perform any condition contained in this Declaration, the Association may perform the act, remove the defect or correct the violation upon thirty (30) days written notice to the Owner. If the Association so acts on behalf of an Owner, the Association may levy an assessment against the Owner's Lot for the cost of the performance or correction as a Maintenance Assessment as provided in Article V.

Section 2. Enforcement. Enforcement of these covenants and restriction and of the provisions contained in the Article of Incorporation, Bylaws and Rules and Regulations of the Association (and of decisions made by the Board pursuant thereto) may be by any proceeding at law or in equity instituted by the Association or by any Owner against any person (including the Association) violating or attempting to violate any covenant or restriction, either to restrain violation, to compel compliance, or to recover damages, and against the land, to enforce any lien created by these covenants; and failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Attorney's fees and costs of any such actions to restrain violation or to recover damages as determined by the Court shall be assessable against and payable by any persons violating the terms contained herein.

Section 3. Mergers. Upon a merger or consolidation of the Association with another corporation as provided in its Articles and Bylaws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established upon any other properties as one entity. No such merger or consolidation, however, shall effect any revocation, change or additions to the covenants established by this Declaration within the Property, except as hereinabove provided.

Section 4. Association Acts through Board. The power and authority of the Association as provided in the Wisconsin Nonstock Corporation Act, the Declaration, Bylaws, and Rules and Regulations shall be vested in a Board of Directors elected by the Owners in accordance with the By-Laws of the Association. The Association shall act through the Board of Directors and the officers elected by the Board; accordingly, all references in the Declaration and Bylaws to the Association shall mean the Board of Directors acting for the Association, unless action by the vote of the Owners, Members or Mortgagees is expressly required by said Act, the Declaration or Bylaws.

Section 5. Access. For the purpose solely of performing repairs and maintenance authorized by this Declaration, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner (except in an emergency), to enter upon any Lot. In the event the Association authorizes any sort of master cable or community television or data system, each Owner hereby authorizes access to the Owner's Lot upon

reasonable notice for the purpose of installing the conduits and fixtures necessary to serve such Lot, without regard to whether the Owner then elects to subscribe to or use such system.

Section 6. Emergency Access. For the purpose of performing emergency repairs under this Article, or of taking emergency action to seal a Living Unit from weather or otherwise to prevent damage or destruction to any Lot or Living Unit, the Association, through its duly authorized agents or employees, shall have the right to enter upon any Lot or Living Unit at any time, without notice, with such workers and material as the Association deems necessary, to accomplish such emergency repairs or to take such emergency action.

Section 7. Severability. Invalidity of any one of these covenants or restrictions by legislation, judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 8. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective personal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time the covenants and restriction shall be automatically renewed for successive periods of ten (10) year, unless terminated by a statement recorded within the last ninety (90) days of such twenty (20) or ten (10) year periods signed by not less than ninety percent (90%) of the Owners and by not less than fifty-one percent (51%) of the holders of first mortgages, counting one vote for each Lot covered by a first mortgage.

Except as elsewhere herein provided, this Declaration may be amended during the first twenty-year period by an instrument signed by not less than ninety percent (90%) of each class of the Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners, but no easement right shall be terminated or abridged without the consent of all affected Owners.

The consent of the Owners may be obtained by a written agreement, or at a meeting of the Association held in accordance with the provisions of the By-Laws. Whenever such an amendment has been so approved, it shall be recorded at the Register of Deeds office in St. Croix County, Wisconsin and shall not be effective until recorded. Any officers of the Association shall have the power and authority to certify such approval, and such certification shall be sufficient evidence of approval for all purposes, including recording. Notwithstanding the foregoing, however, Declarant shall have the right to amend this Declaration by recording an amendment executed solely by it which recites that it is for the purpose of conforming to requirements or comments of FHA, until the happening of one of the following events, whichever occurs earliest:

- A. the recording of such an amendment evidencing approval by FHA or VA;
- B. December 31, 1997; or
- C. the recording of Declarant's waiver of this right.

Section 9. Declarant's Joinder. In addition to the other requirements for amendment of this Declaration and the Bylaws contained herein, the written joinder and consent to the Declarant shall be required for any amendment of either the Declaration or Bylaws which shall abolish, diminish or restrict Declarant's rights hereunder to complete improvements, to annex additional property, to maintain sales and management offices and models, to maintain signs and advertise the project, or to use easements through Common Areas for purposes of constructing improvements or marketing the project, until the last conveyance of a Lot to an Owner other than Declarant. This right may be waived in whole or part at any time by recording a written waiver executed and acknowledged by Declarant.

Section 10. Annexation. Subject to the Article entitled "Rights for the Protection of First Mortgagees" hereinabove, additional residential property and Common Area may be annexed to the Property with the consent of seventy-five percent (75%) of the Owners. Additional land within the Proposed Development Area may be annexed by, or with the consent of, the Declarant (or in the event that the holder of a mortgage on land within the Proposed Development Area acquires title to such land by foreclosure or by deed in lieu thereof, then by such holder or its assignee) without the consent of the other Owners or of mortgage holders of Lots within five (5) years of the date of recording of this Declaration, provided that (1) the FHA or VA determine that the annexation is in accord with the general plan of development heretofore approved by them, or (2) Declarant (or such holder) then avers that neither the FHA nor the VA had then approved such a general plan for this development. The Declarant may unilaterally waive or restrict any part of this right of annexation any time by recording with the County Register of Deeds a written instrument thereof executed by it, except that such waiver or restriction shall not be effective against any land within the Proposed Development Area which is then subject to a mortgage or record unless and until the holder of such mortgage consents to such waiver or restricting in writing. Such annexation shall be accomplished by means of one or more Supplemental Declarations (which shall state which portions, if any, of the added land shall be added to Common Area and Landscape Easement Area) executed by Declarant (or such holder) and the then owner of the land to be added and recorded with the County Register of Deeds for St. Croix County, Wisconsin. The aggregate number of additional Living Units to be added by annexation of the Proposed Development Area shall not exceed 185 Living Units. Votes and other rights of Owners shall adhere to the Lots so annexed from and after the date of recording of the respective Supplemental Declarations. Assessments with respect to all Lots added by each respective Supplemental Declarations shall commence on a date fixed by the board of Directors no later than sixty (60) days following the conveyance of the first such Lot to an Owner other than Declarant. All intended common area improvements in future phases so annexed must be substantially complete prior to annexation. All taxes and other assessments relating to the property added to such annexation and covering any period prior to such annexation, must be paid at the time of annexation. All future improvements submitted to this Declaration by such future annexation must be consistent in terms of quality of construction with the initial improvements constructed on the Property as originally defined in this Declaration.

Section 11. Stonepine Overall Association, Inc. All Owners, in addition to their membership in Stonepine Townhouse II Association, Inc., shall automatically be members of Stonepine Overall Association, Inc., a Wisconsin nonstock corporation, as described in that corporation's Articles of Incorporation and Bylaws and in the "Declaration of Covenants,

Conditions, Restrictions and Easements for Stonepine Overall Association, Inc.” filed in the office of the County Register of Deeds for St. Croix County, Wisconsin on the 6th day of June, 1996, in Book 1183 of Deeds, Page 47-73, and amendments and supplements thereto. Stonepine Townhouse II Association, Inc. may, by resolution of its Board, delegate some or all of its duties and authority under this Declaration to Stonepine Overall Association, Inc. Each such resolution shall be specific as to the duties and authority delegated, and shall be a specific period, and thereafter may be renewed, expanded, reduced or revoked.

Section 12. General Agreement for Arbitration. Declarant by this Declaration and all future owners of Lots by their acceptance of their deeds or other instruments or acts of conveyance agree to submit to arbitration any controversy arising between or among the Owners (including controversies arising between or among them as members of the Association under the Articles and Bylaws), intending hereby to invoke and apply the provisions of Wisconsin Statutes Section 788.01. The arbitration hearing shall be held within St. Croix County, Wisconsin, under the rules of the American Arbitration Association and the initial application shall be to the Circuit Court for said county.

Section 13. Notices. Any notice required to be sent to any Member of the Association (or Owner) under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member appearing on the records of the Association at the time of such mailing. In the case of multiple Owners of a Lot, notice to any one of such Owners shall be deemed notice to all.

Section 14. Captions. The Article and Section headings are intended for convenience only and shall not be given any substantive effect.

Section 15. Construction. In the event of an apparent conflict between this Declaration and the Bylaws, the provisions of this Declaration shall govern. The use of pronouns such as “his”, “he” and “him” are for literary purposes and mean whenever applicable the plural and female forms.

ARTICLE XV

FHA APPROVAL

Section 1. So long as there is Class B membership, the following actions will require the prior written approval (or waiver of this requirement) by the FHA (or the affidavit of Declarant that as of the date of such amendment neither the project nor any part thereof had been submitted to, or had been given project approval by, the FHA): annexation of additional property, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of this Declaration.

IN WITNESS WHEREOF, the said Hans Hagen Homes, Inc., a Minnesota corporation, has caused this document to be executed as of the day and year first above written.

HANS HAGEN HOMES, INC.

By:

Its:

President

And:

Its:

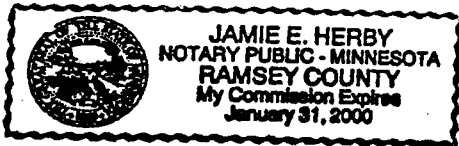
Senior Vice President/Treasurer

STATE OF MINNESOTA)

) ss.

COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 16th day of July, 1997, by Hans T. Hagen Jr. and Marie Reese, respectively the President and Senior Vice President/Treasurer of Hans Hagen Homes, Inc., a Minnesota corporation, and on behalf of the Corporation.



Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Hans Hagen Homes, Inc.
941 NE Hillwind Road Suite 300
Fridley, MN 55432

(612) 586-7200

EXHIBIT A

Property

Lots 1 thru 16, both inclusive, Block 6, Stonepine Fifth Addition, St. Croix County, Wisconsin.

Lots 17 thru 46, both inclusive, Block 6, Stonepine Sixth Addition, St. Croix County, Wisconsin.