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KATHLEEN H. WALSH
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HERITAGE GREENS EXECUTIVE ROW TOWNHOMES

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DECLARATION

HERITAGE GREENS EXECUTIVE ROW TOWNHOMES

This Declaration of Heritage Greens Executive Row Townhomes (the "Declaration") is made in the County of St. Croix, State of Wisconsin, on this 15th day of August, 2005, by TJ Land Trust Company, Inc., a Minnesota corporation (the "Declarant") for the purpose of establishing Heritage Greens Executive Row Townhomes as a single-family residential housing community.

WHEREAS, Declarant is the owner of certain real property located in St. Croix County, Wisconsin, legally described in Exhibit A attached hereto, and Declarant desires to submit said real property and all improvements thereon (collectively the "Property") to this Declaration; and

WHEREAS, Declarant desires to establish on the Property a plan for a permanent residential community to be owned, occupied and operated for the use, health, safety and welfare of its resident Owners and Occupants, and for the purpose of preserving the value, the quality and the character of the Property; and

WHEREAS, the Heritage Greens Executive Row Townhomes Homeowners' Association, Inc., a Wisconsin nonprofit, nonstock corporation (hereinafter referred to as the "Association"), has been formed to attend to and effectuate policies and programs that will enhance the pleasure and value of Heritage Greens Executive Row Townhomes, to hold title to, maintain and administer the Common Areas, 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; and

WHEREAS, the Property and the Association are subject to the Master Governing Documents of Heritage Greens of Hudson and to the jurisdiction of Heritage Greens of Hudson Community Association, Inc., a master association; and

WHEREAS, it is intended that the Master Association shall exercise certain powers on behalf of the Association, as described in the Master Declaration.

THEREFORE, Declarant subjects the Property to this Declaration under the name "Heritage Greens Executive Row Townhomes," consisting of the Units referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1 DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

- 1.1 **"Architectural Review Committee"** or **"A.R.C."** means the committee of the Master Association which makes determinations concerning certain architectural standards for the Property as provided in Section 8 of the Master Declaration.
- 1.2 **"Assessments"** means and refers to all assessments levied by the Association pursuant to Section 6 of this Declaration.
- 1.3 **"Association"** means the Heritage Greens Executive Row Townhomes Homeowners' Association, Inc., a nonprofit, nonstock corporation formed pursuant to Wisconsin Statutes Chapter 181 and its successors and assigns.
- 1.4 **"Board"** means the Board of Directors of the Association as provided for in the Bylaws.
- 1.5 **"Building"** means any single structure containing one or more Dwellings.
- 1.6 **"Bylaws"** means the Bylaws governing the operation of the Association, as amended from time to time.
- 1.7 **"City"** means the City of Hudson, Wisconsin.
- 1.8 **"Common Areas"** means all parts of the Property except the Units, including all improvements thereon. The Common Areas are legally described in Exhibit B attached hereto.
- 1.9 **"Common Expenses"** means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including Assessments and items otherwise identified as Common Expenses in the Declaration or Bylaws.
- 1.10 **"Declarant Control Period"** means the time period during which Declarant has the exclusive right to appoint the members of the Board, as described in Section 17.
- 1.11 **"Dwelling"** means a Building or a part of a Building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.
- 1.12 **"Eligible Mortgagee"** means any Person owning a mortgage on any Unit, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Unit, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.

- 1.13 **"Governing Documents"** means this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.14 **"Limited Common Areas"** means a portion of the Common Areas allocated by the Declaration for the exclusive use of one or more but fewer than all of the Units.
- 1.15 **"Master Assessments"** means Master Assessments levied under Section 6 of the Master Declaration.
- 1.16 **"Master Association"** means Heritage Greens of Hudson Community Association, Inc., a nonprofit, nonstock corporation created pursuant to Wisconsin Statutes Chapter 181 and its successors and assigns.
- 1.17 **"Master Board or Master Board of Directors"** means the Board of Directors of the Master Association, which is the governing body of the Master Association.
- 1.18 **"Master Declaration"** means the Heritage Greens of Hudson Master Declaration of Covenants, Conditions, Restrictions and Easements, and all exhibits thereto, as amended from time to time, recorded in the office of the St. Croix County Recorder.
- 1.19 **"Master Governing Documents"** means the Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.20 **"Master Rules"** means the Rules of the Master Association, as approved from time to time by the Master Board.
- 1.21 **"Member"** means all Persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.
- 1.22 **"Occupant"** means any Person or Persons, other than an Owner, in possession of or residing in a Unit.
- 1.23 **"Owner"** means a Person who owns a Unit, but excluding land contract vendors, mortgagees, holders of reversionary or remainder interests and other secured parties. The term "Owner" includes, without limitation, land contract vendees and holders of a life estate.
- 1.24 **"Person"** means a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.
- 1.25 **"Plat"** means the recorded plat depicting the Property and satisfying the requirements of Wisconsin Statutes Chapter 236, as applicable, including any amended or supplemental Plat recorded from time to time.

- 1.26 **"Private Streets"** means the areas within the Common Areas that are paved or intended to be paved or otherwise surfaced, now or in the future, for use as private shared access roadways providing vehicular ingress, egress and maneuvering between a public street and Unit driveways for the benefit of the Owners and Occupants of the Units served thereby. Each Private Street shall be a Limited Common Area allocated to the Units served thereby.
- 1.27 **"Property"** means all of the real property subjected to this Declaration, now or in the future, including the Dwellings and all other structures and improvements located thereon. The Property is legally described in Exhibit A attached hereto.
- 1.28 **"Rules and Regulations"** means the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.7.
- 1.29 **"Unit"** means any platted lot subject to this Declaration upon which a Dwelling is located or intended to be located, as described in Section 2.1 and shown on the Plat, including all improvements thereon, but excluding the Common Areas.

Any term defined in the Master Declaration, and not in this Section, shall have the meaning set forth in the Master Declaration. References to section numbers shall refer to sections in this Declaration unless otherwise indicated. References to the singular may refer to the plural, and conversely, depending upon context.

SECTION 2 DESCRIPTION OF UNITS AND BOUNDARIES

2.1 **Units.** There are thirty-seven (37) Units. All Units are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference. The Unit identifier for a Unit is its lot number and the subdivision name.

2.2 **Unit Boundaries.** The front, rear and side boundaries of each Unit shall be the boundary lines of the platted lot upon which the Dwelling is located or intended to be located, as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section 2 and Section 3.2, all spaces, walls, and other improvements within the boundaries of a Unit are a part of the Unit.

2.3 **Appurtenant Easements.** The Units shall be subject to and benefited by the easements described in Section 13.

SECTION 3 COMMON AREAS, LIMITED COMMON AREAS AND OTHER PROPERTY

3.1 **Common Areas.** The Common Areas and their characteristics are as follows:

3.1.1 All of the Property not included within the Units constitutes Common Areas. The Common Areas include, but are not limited to, all areas and items listed in

this Section 3, and those parts of the Property described in Exhibit B attached hereto. The Common Areas are owned by the Association for the benefit of the Owners and Occupants.

3.1.2 The Common Areas shall be subject to (i) certain easements as described in this Declaration, the Master Governing Documents and any other easements recorded against the Common Areas; (ii) the rights of Owners and Occupants in Limited Common Areas allocated to their respective Units; and (iii) the right of the Master Association to establish Master Rules and the right of the Association to establish reasonable Rules and Regulations governing the use of the Property.

3.1.3 Except as otherwise expressly provided in the Governing Documents or the Master Governing Documents, all maintenance, repair, replacement, management and operation of the Common Areas shall be the responsibility of the Association.

3.1.4 Common Expenses for the maintenance, repair, replacement, management and operation of the Common Areas shall be assessed and collected from the Owners in accordance with Section 6.

3.2 Limited Common Areas. The Limited Common Areas are those parts of the Common Areas reserved for the exclusive use of the Owners and Occupants of the Units to which they are allocated. The rights to the use and enjoyment of the Limited Common Areas are automatically conveyed with the conveyance of such Units. The Limited Common Areas are described and allocated to the Units, as follows:

3.2.1 The Private Streets are allocated to the Units whose garages are accessed thereby.

3.2.2 Chutes, flues, ducts, pipes, wires, conduit or other utility installations, bearing walls, bearing columns, or any other components or fixtures lying wholly or partially outside the Unit boundaries, and serving only that Unit or Units, are allocated to the Unit or Units they serve. Any portion of such installations serving or affecting the function of all Units or any portion of the Common Areas is a part of the Common Areas, but is not a Limited Common Area.

3.2.3 Improvements, if any, such as decks, patios, porches, driveways, walkways, balconies, shutters, awnings, window boxes, doorsteps, stoops, chimneys, exterior doors and windows, constructed as part of the original construction to serve a single Unit or Units, and replacements and modifications thereof authorized pursuant to Section 8, and located wholly or partially outside the Unit boundaries, are allocated exclusively to the Unit or Units which they serve.

3.2.4 Heating, ventilating or air conditioning equipment serving only a certain Unit or Units, and located wholly or partially outside the Unit boundaries, are allocated to the Unit or Units served by such equipment.

3.3 Annexation of Other Property. Other real property may be annexed as a part of the Property as Units or Common Areas, or any combination thereof, and subjected to this

Declaration, in accordance with procedures and requirements for amendments to this Declaration set forth in Section 15.

SECTION 4 ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association, shall be governed by the following provisions:

4.1 **Membership.** Each Owner shall be a Member solely by reason of owning a Unit, and the membership shall be transferred with the conveyance of the Owner's interest in the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be Members, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.

4.2 **Voting and Common Expenses.** Voting rights and Common Expense obligations are allocated equally among the Units, subject to Sections 6.4 and 6.7. Said rights and obligations shall be automatically reallocated on the same basis among all Units as and if additional Units are added to the Property.

4.3 **Appurtenant Rights and Obligations.** The ownership of a Unit shall include the voting rights and Common Expense obligations described in Section 4.2. Said rights and obligations, and the title to the Units, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Unit, separate from the title to the Unit shall be void. The allocation of the rights and obligations described in this Section may not be changed, except in accordance with the Governing Documents.

4.4 **Authority to Vote.** The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association. However, if there are multiple Owners of a Unit, only the Owner or other person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in Section 3 of the Bylaws.

4.5 **Membership in Master Association.** The Association is a member of the Master Association, as described in the Master Governing Documents. Membership in the Master Association is governed by the following qualifications:

4.5.1 The Association is a member of the Master Association subject to the qualifications set forth in this Section 4.5. The Association's membership terminates when the Association is no longer subject to the Master Governing Documents.

4.5.2 The Property and any real property annexed thereto pursuant to Section 3.3 constitutes all or part of a Neighborhood as defined in the Master Declaration.

4.5.3 The Association, by its Board of Directors, is entitled to appoint one member of the Board to also serve as a member of the Master Board as provided in the Master Bylaws.

4.5.4 Rights with respect to the Association's membership in the Master Association are exercised by the Board, and the member of the Master Board appointed by the Board, on behalf of the Owners.

4.5.5 Except as expressly provided in the Master Declaration, the Association's membership in the Master Association is appurtenant to and may not be separated from the Association, and is automatically transferred to any successor entity.

4.5.6 No Person holding a security interest in any part of the Property is a member of the Master Association solely by reason of such interest.

4.6 Representation on Master Board. The Association shall be represented on the Master Board as provided in the Bylaws and the Master Governing Documents.

SECTION 5 ADMINISTRATION

The administration and operation of the Association and the Property, including but not limited to the acts required of the Association, shall be governed by the following provisions:

5.1 General. The operation and administration of the Association and the Property shall be governed by the Master Governing Documents, the Master Rules, the Governing Documents and the Rules and Regulations. The Association shall, subject to the rights of the Master Association set forth in the Master Governing Documents and the rights of the Owners set forth in the Governing Documents, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Master Governing Documents, the Governing Documents and the statute under which the Association is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents. All references to the Association shall mean the Association acting through the Board, unless specifically stated to the contrary.

5.2 Delegation of Powers to Master Association. The following powers and authority are hereby granted and/or delegated to and shall be exercised by the Master Association unless relinquished by the Master Association to the Association in accordance with Section 8.1 of the Master Bylaws:

5.2.1 To own, manage, operate, maintain and control the Master Common Elements.

5.2.2 To regulate, impose charges for, establish and enforce Master Rules.

5.2.3 To establish and enforce architectural guidelines to preserve and enhance the architectural and environmental character of the Property.

5.2.4 To regulate, approve, disapprove or approve with conditions any construction, installation or alteration of Units visible from the exterior of a Building or Dwelling.

5.2.5 To establish from time to time and enforce reasonable rules and restrictions to facilitate the various residential uses of the Property, to avoid unwanted nuisances and disturbances, and to protect the physical environment and architectural characteristics of the Property and immediately adjacent landscaped areas.

5.2.6 To adopt budgets for revenues, expenditures and reserves and levy and collect Master Assessments from the Association and/or Owners.

5.2.7 Employ and dismiss employees and agents for the Master Association.

5.2.8 Sue on behalf of all Owners or the Association.

5.2.9 Make contracts and incur liabilities for the Master Association.

5.2.10 Cause additional improvements to be made as a part of the Master Common Elements.

5.2.11 Acquire, hold, encumber and convey any right, title or interest in or to the Master Common Elements.

5.2.12 Grant easements through or over the Master Common Elements.

The powers in subsections 5.2.5 and 5.2.8 shall not be exclusive to the Master Association but may be exercised by both the Master Association and the Association, whether independently or jointly.

The director elected to the Master Board by the Board shall act as liaisons between the Master Association and the Association, and shall cooperate to insure that decisions of the Master Board are properly communicated to the Owners and Occupants, and implemented.

5.3 Operational Purposes. Subject to Section 5.2, the Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations; (ii) maintaining, repairing and replacing those portions of the Property and other property for which it is responsible; and (iii) preserving the value, and the architectural uniformity and character, of the Property.

5.4 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or by the Master Association in accordance with the powers and voting rights established by the Master Governing Documents shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties.

5.5 Bylaws. The Association shall have Bylaws. The Bylaws shall govern the operation and administration of the Association, and shall be binding on all Owners and Occupants.

5.6 Management. The Board may delegate to a manager or managing agent the management duties imposed upon the Association's officers and directors by the Governing Documents. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and by law.

5.7 Rules and Regulations. The Board shall have exclusive authority to approve and implement such reasonable Rules and Regulations as it deems necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property; provided, that the Rules and Regulations shall not be inconsistent with the Governing Documents, the Master Governing Documents or the Master Rules. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules and Regulations shall be effective only after reasonable notice thereof has been given to the Owners. In the event of any conflict between the Master Rules and the Association Rules and Regulations, the more restrictive rules shall control.

5.8 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future Assessments or added to reserves, as determined by the Board.

SECTION 6 ASSESSMENTS

6.1 General. Assessments shall be determined and assessed against the Units by the Board, in its discretion, subject to the requirements and procedures set forth in this Section 6, the Master Governing Documents and the Bylaws. Assessments shall include annual Assessments under Section 6.2, and may include special Assessments under Section 6.3 and limited Assessments under Section 6.4. Annual and special Assessments shall be allocated among the Units in accordance with the allocation formula set forth in Section 4.2; provided, that the Board may allocate a reduced share of an annual or special assessment against those Units which are unimproved or unoccupied to reflect reduced services received from the Association or Master Association. Limited Assessments under Section 6.4 shall be allocated to Units as set forth in that Section. Master Assessments shall be levied against the Units by the Association as a part of the Association's annual Assessments, or as a special Assessment, as applicable.

6.2 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each annual Assessment shall cover all of the anticipated Common Expenses of the Association, and the Association's share of Master Assessments and Neighborhood Assessments for that year, which are to be shared by all Units in accordance with the allocation set forth in Section 4.2. Annual Assessments shall be payable in equal monthly or quarterly installments, as established by the Board. Annual Assessments shall

provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of the Common Areas and those parts of the Units for which the Association is responsible.

6.3 Special Assessments. In addition to annual Assessments, and subject to the limitations set forth hereafter, the Board may levy in any Assessment year a special Assessment against all Units in accordance with the allocation formula set forth in Section 4.2, and for the purposes described in this Declaration and in the Master Declaration. Among other things, special Assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Common Expense. Any Master Special Assessment or Neighborhood Assessment shall be levied by the Association against the Units promptly following the levy by the Master Association against the Association.

6.4 Limited Assessments. In addition to annual Assessments and special Assessments, the Board has the authority to levy and allocate limited Assessments among only certain Units in accordance with the following requirements and procedures:

6.4.1 Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Area shall be assessed exclusively against the Unit or Units to which that Limited Common Area is allocated.

6.4.2 Any Common Expense benefiting fewer than all of the Units may, at the Board's discretion, be assessed exclusively against the Unit or Units benefited; provided, that the cost of maintenance, repair or replacement of Limited Common Areas shall be assessed as provided in Section 6.4.1.

6.4.3 The costs of insurance may be assessed equally, in proportion to the square footage, value or actual cost per Unit, and the costs of common utilities may be assessed in proportion to usage or such other reasonable allocation as may be approved by the Board.

6.4.4 Reasonable attorneys' fees and other professional fees and costs incurred by the Association or the Master Association in connection with (i) the collection of Assessments, and (ii) the enforcement of the Governing Documents, the Master Governing Documents, the Master Rules, or the Rules and Regulations, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.

6.4.5 Late charges, fines and interest may be assessed as provided in Section 14.

6.4.6 Assessments levied to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.

6.4.7 If any damage to the Common Areas or another Unit 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 Unit to the extent not covered by insurance.

6.4.8 If Common Expense liabilities are reallocated for any purpose authorized by this Declaration, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Assessments levied under Sections 6.4.1 through 6.4.7 may, at the Board's discretion, be assessed as a part of, or in addition to, other Assessments levied under Section 6.1 or 6.2.

6.5 Working Capital Fund. The Declarant may establish a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The Board may include in each subsequent annual budget a reasonable amount of working capital, based upon the anticipated needs of the Association for the year in question. If established, there shall be contributed by each purchaser of a Unit, on a one-time basis upon the initial purchase of each Unit from Declarant, an amount equal to two months installments of the estimated annual Assessment, including the Association's portion of the Master Annual Assessment, for the Unit, and (i) the contributions to this fund are in addition to the regular installments of annual Assessments; (ii) the portion of the funds representing the Unit's share of two months' installments of Master Annual Assessments shall be deposited into a segregated Master Association account; and (iii) the remaining funds shall be deposited into a segregated Association account no later than the termination of the Declarant Control Period. Funds deposited in said account shall not be used to defray any of Declarant's expenses, reserve contributions or construction costs, nor to make up any budget deficits during the Declarant Control Period. However, upon the closing of the initial sale of a Unit, Declarant may reimburse itself from funds collected from the purchaser at the closing for any prior contributions made by Declarant to the working capital fund with respect to that Unit.

6.6 Liability of Owners for Assessments. Subject to Section 6.7, the obligation of an Owner to pay Assessments shall commence at the later of (i) the time at which the Owner acquires title to the Unit, or (ii) the due date of the first Assessment levied by the Board. The Owner at the time an Assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. Subject to Section 6.7, the liability is absolute and unconditional and no Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents.

6.7 Declarant Exemption. The Declarant and the Master Developer, and any Unit owned by either of them, are exempt from Assessments and Assessment liens until a certificate of occupancy (or similar approval) has been issued by the City with respect to a Dwelling located in such Unit.

6.8 Assessment Lien. The Association has a lien on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association pursuant to this Declaration are liens, and are enforceable as Assessments, under this Section 6. Recording of the Declaration constitutes record notice and perfection of any lien

under this Section 6, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

6.9 Foreclosure of Lien; Remedies. A lien for Assessments may be enforced and foreclosed by the Association, or any other person specified in the Bylaws, in the same manner, and subject to the same requirements, as a foreclosure of mortgages on real property in the State of Wisconsin. The Association may recover costs and actual attorneys' fees. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Owner and any other Person claiming an interest in the Unit, by the acceptance or assertion of any interest in the Unit, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition to its other remedies, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any Assessment or charge against the Unit. Suit for any deficiency following foreclosure may be maintained in the same proceeding.

6.10 Lien Priority; Foreclosure. A lien for Assessments is prior to all other liens and encumbrances on a Unit except (i) liens for general and special taxes; (ii) all sums unpaid on a first mortgage against the Unit recorded prior to the making of the Assessment; (iii) liens and encumbrances recorded before the Declaration; and (iv) mechanic's liens filed prior to the making of the Assessment.

6.11 Taxes. Taxes and other charges and fees which would normally be levied against the Common Areas by governmental authorities, shall be allocated equally among and levied against the Units, and shall be a lien against each Unit in the same manner as a lien for taxes levied against the Unit alone.

6.12 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit, the buyer shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessment if a statement of lien is filed within two years after the date the Assessment becomes due, shall remain against the Unit until released. Any seller or buyer shall be entitled to a statement from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and buyer.

SECTION 7 RESTRICTIONS ON USE OF PROPERTY

All Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Master Governing Documents or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

7.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Master Governing Documents and the Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master

Governing Documents and the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

7.2 Subdivision Prohibited. No Unit nor any part of the Common Property may be subdivided or partitioned without the prior written approval of the Architectural Review Committee, the Board, the Owners, any governmental authorities having jurisdiction over the Property, and any secured parties holding first mortgages on any Units affected.

7.3 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.4. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than thirty days, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

7.4 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Unit or the Common Areas, except:

7.4.1 An Owner or Occupant may maintain a home occupation in such Owner or Occupant's Dwelling; provided, that such use (i) is incidental to the residential use; (ii) does not involve physical alteration of the Dwelling or Unit visible from the exterior; (iii) is in compliance with all governmental laws, ordinances and regulations; (iv) does not involve observable business activity such as signs, advertising displays, unusual numbers of deliveries, or unusual levels of pedestrian or vehicular traffic to and from the Unit; (v) does not involve employees; and (vi) does not otherwise involve activity which disturbs the quiet enjoyment of the Property by other Owners or Occupants.

7.4.2 The Association may maintain offices on the Property for management and related purposes.

7.4.3 Declarant, or a builder authorized by Declarant, may maintain offices, sales facilities and other business facilities on the Property in connection with the exercise of its declarant rights.

7.5 Leasing. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following conditions: (i) no Unit shall be leased for transient or hotel purposes; (ii) no Unit may be subleased; (iii) a Dwelling must be leased in its entirety (not by room) unless simultaneously occupied by the Owner; (iv) the lease shall be in writing; and (v) the lease shall provide that it is subject to the Master Governing Documents, the Governing Documents, the Master Rules and the Rules and Regulations, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Association may impose such reasonable Rules and Regulations as may be necessary to implement procedures for the leasing of Units, consistent with this Section.

7.6 Storage and Parking. Personal property may not be stored, displayed or otherwise left outside the Dwelling, except as authorized by the Board. The Private Streets, walkways,

driveways and portions of the Common Areas used for access to and from the Units, may not be obstructed, or used for parking, storage, activities or any purpose other than access and authorized parking. Garages and parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized by this Declaration or in writing by the Board. Notwithstanding the foregoing, no boats, snowmobiles, trailers, camping vehicles, buses, camper tops, "all-terrain vehicles", tractors/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 Unit outside of a garage or on any part of the Common Areas, and no vehicle may be parked outside a garage or on any of the Common Areas for more than 48 consecutive hours, without the express written consent of the Board, which may be withheld without stated reason. The use of garages and driveways shall be subject to further Rules and Regulations adopted by the Board from time to time.

7.7 Private Streets. Use of the Private Streets located in the Property shall be limited to the Owners, Occupants and invitees of Owners and Occupants of Units abutting the Private Street. Such use shall be limited to vehicular and pedestrian ingress and egress and vehicular maneuvering. Parking in the Private Streets is prohibited and the Association is authorized to remove illegally parked or stored vehicles and personal property from the Private Streets. Any use by any Person of the Private Street that impairs the use of the Private Street by other permitted users is prohibited. The Association shall have exclusive authority to control, operate and administer the Private Streets and may establish such reasonable Rules and Regulations governing the use of the Private Streets as it deems necessary from time to time.

7.8 Pets. Only dogs, cats, small birds and fish, and other animals generally recognized as domestic household pets (collectively referred to as "pets") may be kept on the Property, subject to the conditions set forth in this Section.

7.8.1 Rules and Regulations may be adopted by the Association to regulate pets on the Property, including, but not limited to the size, type and number of pets allowed to be kept in a Dwelling.

7.8.2 Pets shall be kept solely as domestic household pets and/or as statutorily authorized "service animals" used by disabled persons, and not for any other purpose. No animal of any kind shall be raised or bred, or kept for business or commercial purposes by any Person upon any part of the Property.

7.8.3 No pet shall be allowed to make noise at a level which disturbs Owners and Occupants, nor to become a nuisance or a threat to the safety of others.

7.8.4 Pets shall be housed only within the Dwellings. No structure, fence or enclosure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Property, except as approved pursuant to Section 8.

7.8.5 Pets shall be under control at all times when outside the Dwelling.

7.8.6 Owners and Occupants keeping pets within their Dwellings are responsible for the pet's behavior and for complying with municipal pet laws, ordinances and regulations. An Owner or Occupant is liable to the Master Association or the Association for the cost of repair of any damage to the Master Common Elements or the

Property, or the expenses associated with any personal injury, caused by an animal kept within that Owner or Occupant's Unit.

7.9 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units. The Property shall be occupied and used in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use and quiet enjoyment of the Property by other Owners and Occupants and their guests.

7.10 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Association or any Owner or Occupant.

7.11 Alterations. Except for those made by Declarant in consideration of its initial sale of a Unit, no alterations (as defined in Section 8) shall be made, or caused or allowed to be made, in any part of the Common Areas, or in any part of the Unit which affects the Common Areas or another Unit or which is visible from the exterior of the Dwelling, without the prior written authorization of the Architectural Review Committee as provided in Section 8 of this Declaration and Section 8 of the Master Declaration.

7.12 Time Shares Prohibited. The time share form of ownership, or any comparable form of lease, occupancy rights, ownership, or right-to-use plans, which has the effect of dividing the ownership or occupancy of a Unit into separate time periods, is prohibited.

7.13 Access to Units. In case of emergency, the Units are subject to entry, without notice and at any time, by an officer or member of the Board or the Master Board, by the Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Sections 9 and 13, and for enforcement purposes under Section 14.

7.14 Ponds, Marshes and Wetlands. Ponds, marshes and wetland areas, if any, and whether natural or otherwise, shall be maintained in substantially the same condition as originally established or constructed by the Declarant, subject only to (i) changes authorized by the Master Association consistent with all statutes, requirements, rules and regulations imposed on such areas and items by governmental authorities having jurisdiction, and (ii) the prior approval of any such governmental authorities, if required. No cutting, mowing, trimming, draining, dredging or other alteration of such areas and items shall be permitted, except as authorized by this Section 7.14, it being the intention that such areas and items remain and be maintained in a substantially natural condition, and subject to natural changes.

SECTION 8 ARCHITECTURAL STANDARDS

One of the purposes of this Declaration and the Master Declaration is to ensure that the Units and exteriors of the Dwellings located thereon be kept architecturally attractive in appearance. Therefore, except as expressly provided in Section 8 of the Master Declaration, no structure, building, addition, deck, patio, fence, wall, enclosure, window, exterior door, antenna or other type of sending or receiving apparatus, sign, display, decoration, color change,

shrubbery, material topographical or landscaping change, nor any other exterior improvements to or alteration of any Dwelling or any other part of the Unit which affects the Common Areas or another Unit, or which is visible from the exterior of the Dwelling (collectively referred to as "alterations"), shall be commenced, erected, installed or maintained, unless and until the plans and specifications showing the type, dimensions, color, materials and location of the alterations have been approved in writing (i) by the A.R.C. established by Section 8 of the Master Declaration, or (ii) by the Board if the A.R.C. delegates its architectural review functions for the Property to the Association. Applications for approval of alterations shall be submitted to the A.R.C. or the Board, as applicable, and processed substantially in accordance with the procedures and standards as established by or referenced in Section 8 of the Master Declaration. Notwithstanding any delegation of architectural review functions for the Property to the Association, the A.R.C. shall have the overriding power to enforce the procedures and standards established by Section 8 of the Master Declaration if the A.R.C. determines the Association has or is failing to do so. The Declarant's written consent shall also be required for alterations until each Unit contains a Dwelling for which a certificate of occupancy or other comparable certification has been issued by the City. Master Developer's written consent shall also be required until each Unit (as defined in the Master Declaration) contains or constitutes a Dwelling for which a Certificate of Occupancy or comparable certification has been issued by the City and the Master Developer no longer has the right to subject Additional Property to the Master Declaration.

SECTION 9 MAINTENANCE

9.1 Maintenance by Association. The maintenance obligations of the Association are as follows:

9.1.1 The Association shall provide for all maintenance, repair and replacement of the Common Areas, including but not limited to ornamental lighting (including electric charges) and other improvements in the Common Areas and Private Streets.

9.1.2 For the purpose of preserving the architectural character, quality, and high standards for appearance of the Property, the Association shall provide for exterior maintenance upon the Dwellings and/or Units, subject to the following:

9.1.2.1 The Association shall maintain, repair and replace fire protection sprinklers, lines and equipment (if any), lawn irrigation systems and equipment, roofs, gutters, downspouts, exterior siding and other building surfaces. In addition, the Association shall provide for lawn, shrub and tree maintenance in the yard areas of the Units and shall provide for irrigation of the lawns in the yard areas of the Units.

9.1.2.2 The Association shall maintain, repair and replace garage doors and exterior entry doors (except hardware and mechanical equipment), exterior door and window frames, porches, patios, decks, chimney exteriors, driveways and sidewalks.

9.1.2.3 The Association shall maintain, repair and replace those parts of the individual Dwelling sanitary sewer connection lines (excluding the public

sanitary sewer main located between Lots 88 and Unit 89) and water connection lines (excluding looped water lines which are required by law to be owned and maintained by the City), and related equipment, located within the Property between the exterior wall of each Dwelling served and the boundary of any dedicated public right-of-way or public easement .

9.1.2.4 The Association shall provide snow removal from the paved portion of the Private Streets, driveways, sidewalks located in the Unit (but not stoops, porches, patios or decks), and any sidewalks located in the public street right-of-way located adjacent to the Property.

9.1.2.5 The Association shall maintain drainage areas, ponds, and storm water drains, lines and related equipment located in the Common Areas (excluding any stormwater drainage pipe and related stormwater control devices necessary to the functioning of the stormwater system and the public sanitary sewer main located between Lots 88 and 89) and not dedicated to the public.

9.1.2.6 The Association's obligations for maintenance shall exclude any items not specifically required to be maintained by the Association under this Section 9.1.2, including but not limited to foundations and foundation walls, Dwelling walls, floors and ceilings, structural components, interior parts of the Dwellings, door and window hardware, mechanical, electrical, heating, air conditioning and plumbing systems, private fences, screens and glass, unless such items are expressly approved under Section 9.2.

9.1.2.7 The Association shall have the easements described in Section 13 in connection with the performance of its obligations under this Section 9.

9.1.2.8 The Association is responsible to pay private fire protection charges, if any, by the City of Hudson Water Utility.

9.1.3 In the event the Association fails to perform any of its obligations set forth in Section 9.1.1, 9.1.2.3 or 9.1.2.5 above, the City may provide written notice to the Association regarding the Association's failure to perform its obligations, which notice shall specifically describe the maintenance, repair or replacement which the Association has failed to provide. If the Association fails to provide the maintenance, repair or replacement described in the City's notice within thirty days following the Association's receipt of the City's notice, the City may, but shall not be obligated, to enter upon the Property and perform the maintenance, repair or replacement described in the City's notice. The costs and expenses incurred by the City in performing such maintenance, repair or replacement shall be deemed for the benefit of all Units constituting part of the Property, notwithstanding that said work was performed only on the Common Areas, and shall be considered a special charge pursuant to Wisconsin Statutes Section 66.0627 which may at the City's option be charged back proratably against the property tax bill of each Unit constituting a part of the Property. The City shall have no liability for property damage or personal injury that may result from its work performed pursuant to this provision, except for damage or injury caused by the negligent or intentional acts of the

City, its agents, employees or contractors, subject to all defenses, immunities and liability limitations available to the City under Wisconsin law.

9.2 Optional Maintenance by Association. In addition to the maintenance described in Section 9.1, the Association may, with the approval of the Board and a majority of the total votes in the Association, undertake to provide additional exterior maintenance to the Units or Dwellings, to the extent that such maintenance is not expressly excluded by Section 9.1.2.

9.3 Maintenance by Owner. Except for the exterior maintenance required to be provided by the Association under Section 9.1.2.1 or 9.1.2.2, all maintenance of the Dwellings and Units shall be the sole responsibility and expense of the Owners thereof. Subject to Section 9.1.2.2, the Limited Common Areas allocated to a Unit shall be maintained by the Owner of that Unit. The Association may require that any exterior maintenance to be performed by the Owner be accomplished pursuant to uniform standards established by the Association. The Association may, upon fifteen days' prior notice to the Owner, also undertake any exterior maintenance which the responsible Owner fails to or improperly performs, and assess the Unit for the cost thereof. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit. The Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain. The Owner of each Unit shall be responsible for payment of water and sanitary sewer and other utility charges to the Unit.

9.4 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Declaration, if, in the judgment of the Association, the need for maintenance of any part of the Property is caused by the act or omission of an Owner or Occupant, or his or her guests, or by a condition in a Unit which the Owner or Occupant has caused or allowed to exist after notice from the Association, the Association may cause such damage or condition to be repaired or corrected (and enter the yard area of upon any Unit to do so), and the cost thereof may be charged and assessed against the Unit of the Owner responsible for the damage. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit. In the case of party walls between Dwellings, the Owners of the affected Dwellings shall be liable as provided in Section 10.

SECTION 10 PARTY WALLS

10.1 General Rules of Law to Apply. Each wall built as part of the original construction of Dwellings and located on the boundary line between Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

10.2 Repair and Maintenance. The Owners of the Units which share the party wall shall be responsible for the maintenance, repair and replacement of party wall in equal proportions; provided, (i) that any maintenance, repair or replacement necessary due to the acts or omissions of a certain Owner or Occupant sharing such party wall shall be paid for by such Owner, and (ii) that the Association may contract for and supervise the repair of damage caused by an Owner or Occupant and assess the Owners for their respective shares of the cost to the

extent not covered by insurance. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit.

10.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has use of the party wall may, with the consent of the Association, restore it, and the other Owner shall promptly reimburse the Owner who restored the wall for his or her share of the cost of restoration thereof; provided, however, that the cost of restoration resulting from destruction or other casualty resulting from the acts or omissions of certain Owners shall be the financial responsibility of such Owners, and the Association may assess the responsible Owners for their share of the costs, without prejudice to the right of an Owner to recover a larger contribution from the other Owner. Insurance claims shall be made promptly following any casualty.

10.4 Weatherproofing. Notwithstanding any other provision of this Section, any Owner who, by his or her negligent or willful act, causes a party wall to be exposed to the elements shall bear the whole cost of the repairs necessary for protection against such elements.

10.5 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Unit and shall pass to such Owner's assigns and successors in title.

10.6 Arbitration. In the event of any dispute arising concerning a party wall, and if the Owners of the affected Units do not resolve the dispute by a written agreement within thirty days of the event causing the dispute, the matter shall be submitted to binding arbitration under the rules of the American Arbitration Association (or under such other rules as the parties may unanimously agree), upon the written demand of the Association or any Owner whose Dwelling shares the party wall. A single arbitrator shall be used unless multiple arbitrators are agreed to by the parties. The Association shall, upon its request, be made a party to the arbitration, but cannot be compelled to be a party. Each party agrees that the decision of the arbitrators shall be final and conclusive of the questions involved. The fees of the arbitrators shall be shared equally by the parties, but each party shall pay its own attorneys' fees or other costs incurred in the arbitration.

SECTION 11 INSURANCE

11.1 Required Coverage. The Association shall obtain and maintain, at a minimum, a master policy or policies of insurance in accordance with the insurance requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the State of Wisconsin, as follows:

11.1.1 Property insurance in broad form covering risks of physical loss in an amount equal to one hundred percent of the insurable "replacement cost" of the Property, less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). If authorized by the Board, the policy may also exclude ceiling or wall finishing materials, floor coverings, cabinetry, finished millwork, electrical or plumbing fixtures serving a single Unit, built-in appliances, or other improvements and betterments, regardless of when installed. The policy or policies shall cover personal property owned by the

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Association. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverages and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") or the Secretary of Veterans Affairs ("VA"), if required by one of such agencies as a precondition to their purchase, financing, insuring or guarantee of a mortgage on a Unit. The Board may also, on behalf of the Association, enter into binding written agreements with a mortgagee, or insurer, guarantor, or servicer of a mortgage, obligating the Association to keep certain specified coverages or endorsements in effect.

11.1.2 Comprehensive public liability insurance covering the use, operation and maintenance of the Common Areas, with minimum limits of One Million Dollars per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Property. The policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants. The policy shall include additional endorsements, coverages and limits necessary to comply with the regulations of the FNMA, the FHA or VA, if required by one of such agencies as a precondition to the purchase, financing, insuring or guarantee of a mortgage on a Unit.

11.1.3 Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to or administered by the Association, if deemed to be advisable by the Board or required by the regulations of any financing-related institution as a precondition to the purchase, insuring, guarantee, or financing of a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured, and shall comply with the regulations of the FNMA, the FHA or VA, if required by one of such agencies as a precondition to the purchase, financing, insuring, or guarantee of a mortgage on a Unit. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

11.1.4 Workers' Compensation insurance as applicable and required by law.

11.1.5 Directors and officers liability insurance with such reasonable limits and coverages as the Board shall determine from time to time.

11.1.6 Such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners.

11.2 Premiums; Improvements; Deductibles. Except as provided in Section 6.4, all insurance premiums shall be assessed and paid as an annual Assessment. If improvements and betterments to the Units are covered, any increased cost may be assessed against the Units affected. The Association may, in the case of a claim for damage to a Unit or Units, (i) pay the

deductible amount as a Common Expense; (ii) assess the deductible amount against the Units affected in any reasonable manner; or (iii) require the Owners of the Units affected to pay the deductible amount directly. The Association's decision as to who shall be charged with paying the deductible amount may, but need not, be based on fault.

11.3 Loss Payee; Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and secured parties, including mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association.

11.4 Required Policy Provisions. All policies of property insurance carried by the Association shall provide that:

11.4.1 Each Owner and secured party is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Areas or membership in the Association.

11.4.2 The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household and against the Association and members of the Board.

11.4.3 The coverage shall not be voided by or conditioned upon (i) any act or omission of an Owner or mortgagee, unless acting within the scope of authority on behalf of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

11.4.4 If at the time of a loss under the policy there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy is primary.

11.5 Cancellation; Notice of Loss. Property insurance and comprehensive liability insurance policies maintained by the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least thirty days prior written notice to the Association and to all secured parties holding first mortgages on Units.

11.6 Restoration in Lieu of Cash Settlement. All policies of property insurance maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any insurance trustee), or (ii) when in conflict with provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

11.7 Owner's Personal Insurance. Each Owner shall obtain additional personal insurance coverage (commonly known as "gap coverage" or an "HO6" policy) at his or her own expense covering fire and other casualty to the interior of the Unit, personal property and the Owner's personal liability. Insurance policies maintained by Owners are without contribution as

against the insurance purchased by the Association, except as to deductible amounts or other items not covered under the Association's policies.

SECTION 12 RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

12.1 Reconstruction. The following provisions shall govern the obligations and procedures for the repair, reconstruction or disposition of the Property following damage or destruction thereof.

12.1.1 Any portion of the Property which is damaged or destroyed as a result of a loss covered by the Association's insurance shall be promptly repaired or replaced by the Association unless:

12.1.1.1 Repair or replacement would be illegal under any state or local health or safety statute or ordinance, or

12.1.1.2 Eighty percent of the Owners, including every Owner and every holder of a first mortgage of each Unit in a Building containing or having a Unit or allocated Limited Common Area which will not be rebuilt, vote not to rebuild.

12.1.2 The cost of repair or replacement of the Common Areas in excess of insurance proceeds and reserves shall be paid as a Common Expense. The cost of repair of a Unit in excess of the insurance proceeds from the blanket or master policy secured by the Association shall be a common expense payable from the Association's funds or assessable equally against all Units as a special Assessment, except, the cost of repair of betterments or improvements not covered by the Association's insurance shall be paid by the respective Owner.

12.1.3 Repair or replacement of the Property which is damaged or destroyed shall be accomplished as follows:

12.1.3.1 All insurance proceeds paid to the Association or insurance trustee shall be deposited in escrow with a title insurance company or other depository acceptable to the Association or insurance trustee and mortgagees of record.

12.1.3.2 Within thirty days after the insurance proceeds are deposited in accordance with subparagraph 12.1.3.1 above, the Association shall enter into a firm lump sum contract with a qualified builder providing for the reconstruction or remodeling of the Dwelling or Building, 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 Association for an amount in excess of the insurance proceeds then held by the title company for said Dwelling or Building, the Association and Owner or Owners shall within thirty days deposit additional funds as required to be contributed pursuant to paragraph 12.1.2 above to cover all construction and restoration costs as determined by the Association, insurance trustee, if any, and mortgagee.

12.1.3.3. Reconstruction and remodeling shall be commenced and completed with due diligence, and in no event shall said work be completed later than 180 days (weather permitting) after said insurance proceeds are deposited in escrow as aforesaid.

12.1.3.4. Section 8 of this Declaration entitled "Architectural Standards" shall apply to all said reconstruction and remodeling.

12.1.3.5. If the Owner fails to deposit funds as required in subsection 12.1.3.2 above, the Association and mortgagees of record of the Unit affected shall have the right, but not the obligation, to deposit such funds as was required to be deposited by the Owner to permit construction as herein provided, and any such deposit or payment shall be a lien upon the Unit, subordinated, however, to the interests of mortgagees of record.

12.1.3.6. Disbursement of funds on deposit pursuant to this Section 12.1.3 shall be made by a title insurance company or other agent selected by the Association and the affected mortgagees of record in accordance with standard construction disbursement procedures.

12.1.4. The following provisions shall govern the distribution of insurance proceeds where less than the entire Property is repaired or replaced.

12.1.4.1. The insurance proceeds attributable to the damaged Common Areas shall be used to restore the damaged area to substantially the same condition as prior to the damage and in a manner structurally and aesthetically compatible with the remainder of the Property.

12.1.4.2. The insurance proceeds attributable to Units and Limited Common Areas which are not rebuilt shall be distributed to the Owners of those Units, including Units to which the Limited Common Areas were allocated, and the secured parties of those Units as their interests may appear.

12.1.4.3. The remainder of the proceeds shall be distributed to all the Owners and secured parties as their interests may appear in proportion to their Common Area interests.

12.1.5. If the Owners and holders of first mortgagees vote not to rebuild a Unit pursuant to Section 12.1.1, that Unit's entire Common Area interest, vote in the Association, and the Common Expense liability shall be automatically reallocated pursuant to Section 4.2, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations.

12.2. Condemnation and Eminent Domain. In the event of a taking of any part of the Property by condemnation or taking under the power of eminent domain, the following provisions shall govern.

12.2.1. Notice shall be given pursuant to Section 16.10.

12.2.2 The Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements.

12.2.3 Any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units.

12.2.4 Mortgagees shall be entitled to priority for condemnation awards as their interests may appear.

12.2.5 In the event of a taking or acquisition of all or a part of the Common Areas by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interests may appear. In the event of a partial taking of the Common Areas (or conveyance in lieu thereof) the Association shall promptly cause the remaining portions of the Common Areas 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 Areas (or conveyance in lieu thereof), the proceeds shall be allocated to all Owners equally, payable jointly to the respective Owners and mortgage holders thereof.

12.2.6 Every Owner is entitled to the entire award for the taking of all or part of their respective Unit or Limited Common Area and for consequential damages to their Unit.

12.2.7 Any remnant of a Unit remaining after part of a Unit is taken pursuant to condemnation or eminent domain is thereafter a Common Area.

SECTION 13 EASEMENTS

13.1 Access. Each Unit shall be the beneficiary of a nonexclusive easement for access to and from a public roadway, on and across the Private Drives and such other portions of the Common Areas designated for use as roadways or walkways, as originally constructed, shown on the Plat or otherwise designated by the Association, subject to any restrictions authorized by the Master Governing Documents, the Governing Documents or the Rules and Regulations.

13.2 Use and Enjoyment. Each Unit shall be the beneficiary of nonexclusive easements for use and enjoyment on and across the Common Areas, and for use and enjoyment of any Limited Common Areas allocated to the Unit, subject to any restrictions authorized by the Governing Documents.

13.3 Structural Support. Each Unit and the Common Areas shall be subject to and the beneficiary of nonexclusive easements for structural support in all walls, columns, joists, girders and other structural components located in or passing through or shared with another Unit or the Common Areas.

13.4 Encroachments. Each Unit and the Common Areas, and the rights of the Owners and Occupants therein, shall be subject to nonexclusive easements in favor of the adjoining Units for minor encroachments caused by the construction, reconstruction, repair, shifting, settlement

or movement of any part of the Property, and for improvements which are part of the original construction of the Property or which are added in compliance with Section 8. If there is an encroachment upon another Unit or the Common Areas as a result of any of the aforementioned causes, an appurtenant easement shall exist for the encroachment, for the use, enjoyment and habitation of any encroaching improvement, and for the maintenance thereof. However, with respect to improvements or alterations added pursuant to Section 8, no easement shall exist unless the resulting encroachment is minor and the proposed improvements have been approved and constructed as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

13.5 Drainage Easements. The Common Areas and the yard areas of the Units shall be subject to and benefited by nonexclusive easements for storm water drainage over those parts of the Property which are designed, improved or graded for such purposes.

13.6 Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants thereof, and the Common Areas shall be subject to and benefited by nonexclusive easements in favor of the Master Association and the Association for the maintenance, repair, replacement and reconstruction of the Common Areas, the Dwellings and other improvements located within the Units, and utilities serving the Units, to the extent necessary to fulfill the Master Association or Association's obligations under the Master Governing Documents or the Governing Documents. Each Owner shall afford to the Master Association, the Association and their management agents and employees, access at reasonable times and upon reasonable notice, to and through the Unit and its Limited Common Area for maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency.

13.7 Utilities, Services and Operating Systems. The Common Areas and the Units shall be subject to and benefited by nonexclusive easements in favor of the City, the Master Association, the Association and all utility companies and other service providers for the installation, use, maintenance, repair and replacement of all utilities, services and common operating systems, such as natural gas, electricity, telephone, cable TV, internet and other electronic communications, water, sewer, septic systems, wells, and similar services, irrigation systems, fire control systems and other common operating systems, and metering and control devices, which exist, which are constructed as part of the development of the Property, which are approved by the City, which are approved by the Master Association under authority contained in the Master Governing Documents, which are approved by the Association under authority contained in the Governing Documents or the Act, or which are described or referred to in the Plat, the Master Declaration, this Declaration or other recorded instruments. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to and benefited by a non-exclusive easement in favor of the other Units, the Common Areas, the Master Association and the Association for all such utilities, services and systems. Utilities and related services or systems shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Dwellings or Common Area improvements.

13.8 Emergency Access to Units. In case of emergency, all Units and Limited Common Areas are subject to an easement, without notice and at any time, in favor of the Master Association and the Association for access by their management agents, and in favor of fire,

police or other public safety personnel. The Board may require that an Owner or Occupant leave keys to the Unit with another Owner or Occupant of his or her choice, and advise the manager or Board of the location(s) of the keys, so as to allow access for emergencies when the Owner or Occupant is absent for extended periods.

13.9 Trails. Certain parts of the Common Areas may be subject to public trail easements as described in the Master Declaration or in other recorded easement instruments.

13.10 Project Signs. Declarant shall have the right to erect and maintain temporary and permanent signs and related monuments identifying the project on the Common Areas and on Units owned by it for so long as it owns a Unit for sale. Those parts of the Property on which permanent monument signs or related decorative improvements are located shall be subject to nonexclusive easements in favor of the Association for the continuing use, maintenance, repair and replacement of said signs and improvements.

13.11 Declarant and Master Developer's Easements. Declarant shall have and be the beneficiary of exclusive easements for the exercise of its declarant rights as described in the Governing Documents, and the Master Developer shall have easements as described in the Master Governing Documents.

13.12 Other Easements. The Property shall be subject to such other easements as may be authorized by the Master Association under authority contained in the Master Governing Documents, by the Association under authority contained in the Governing Documents or recorded against the Property by reason of the City's requirements in connection with the development of the Property.

13.13 Continuation, Scope and Conflict of Easements. The easements set forth in this Section (i) shall run with the land and shall be appurtenant to the benefited Property; (ii) shall supplement and not limit any easements described elsewhere in the Master Declaration, this Declaration, or otherwise recorded; (iii) shall be permanent, subject only to termination in accordance with the terms of the easement; and (iv) shall include reasonable access to the easement areas over and through the Property for purposes of construction, maintenance, repair, replacement and reconstruction.

13.14 Non Interference; Impairment Prohibited. All Persons exercising easement rights shall do so in a reasonable manner so as not to materially interfere with the operation of the Property or cause damage to the Property, and shall be financially liable for all costs of repair of any part of the Property which is damaged by the Person's exercise of the easement rights. No Person shall impair, obstruct or cause damage to any easement area, or improvements or equipment installed therein. Notwithstanding anything in this Declaration to the contrary, no Owner or Occupant shall be denied reasonable access to his or her Unit or the right to utility services thereto.

13.15 Benefit of Easements. All easements benefiting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests. However, an Owner who has delegated the right to occupy the Unit to an Occupant or Occupants, whether by a lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except (i) as a guest of an Owner or Occupant, or (ii) in connection with the inspection of the Unit or recovery of possession of the Unit pursuant to law.

**SECTION 14
COMPLIANCE AND REMEDIES**

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Master Governing Documents, the Governing Documents, the Master Rules, the Rules and Regulations, and such amendments thereto as may be made from time to time, and the decisions of the Master Association and the Association. A failure to comply shall entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Master Governing Documents and the Governing Documents.

14.1 Entitlement to Relief. Legal relief may be sought by the Master Association or the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Master Governing Documents, the Master Rules, the Governing Documents, the Rules and Regulations or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association or portion thereof payable to the Master Association, nor take or omit other action in violation of the Master Governing Documents, the Master Rules, the Governing Documents or the Rules and Regulations, as a measure to enforce such Owner's position, or for any other reason.

14.2 Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Master Governing Document, the Master Rules, the Governing Documents or the Rules and Regulations:

14.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

14.2.2 Impose late charges of up to the greater of twenty dollars, or fifteen percent of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the month after the Assessment or installment was due.

14.2.3 In the event of default of more than thirty days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees and other professional fees, costs and late charges, are not paid in full prior to the effective date of the acceleration. Not less than ten days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

14.2.4 Impose reasonable fines, penalties or charges for each violation of the Master Governing Documents, the Master Rules, the Governing Documents or the Rules and Regulations.

14.2.5 Suspend the rights of any Owner or Occupant and their guests to use any Common Area amenities; provided, that the suspension of use rights shall not apply to Limited Common Areas or those portions of the Common Areas providing utilities

service and access to the Unit. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Governing Documents, and for up to thirty days thereafter, for each violation.

14.2.6 Restore any portions of any Master Common Elements, Common Areas, Unit, or Limited Common Areas damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant or their guests in violation of the Master Governing Documents or the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Units.

14.2.7 Enter any Unit or Limited Common Area in which, or as to which, a violation or breach of the Master Governing Documents or the Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Dwelling or other part of the Property or the property of the Owners or Occupants, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit or Limited Common Areas which is causing the violation; provided, that any improvements which are a part of a Dwelling may be altered or removed only pursuant to a court order or with the agreement of the Owner.

14.2.8 Foreclose any lien arising under the provisions of the Governing Documents or under law.

14.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 14.2.4, 14.2.5, 14.2.6 or 14.2.7, the Board shall, upon written request of the offender, grant to the offender an opportunity for a fair and equitable hearing. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least ten days within which to request a hearing. The hearing shall be scheduled by the Board and held within thirty days of receipt of the hearing request by the Board, and with at least ten days' prior written notice to the offender. If the offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within ten days following the hearing, if not delivered to the offender at the hearing.

14.4 Lien for Charges, Etc. All charges, fines, expenses, penalties or interest imposed under this Section shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.

14.5 Costs and Fees. With respect to any collection measures, or any other measure or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions

of the Master Governing Documents, the Master Rules, the Governing Documents or Rules and Regulations, whether or not finally determined by a court or arbitrator, the Association may assess the Unit owned by the violator with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees and other professional fees and costs and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of the Owner and shall be a lien against the Owner's Unit.

14.6 Liability for Acts of Owners and Occupants. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

14.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents or the Rules and Regulations as provided therein.

SECTION 15 AMENDMENTS

15.1 Approval Requirements. This Declaration may be amended only by the approval of:

15.1.1 The Board.

15.1.2 Owners of Units to which are allocated at least sixty-seven percent of the total votes in the Association, except that any amendment which changes the allocation of voting rights and Common Expense obligations described in Section 4.2 of this Declaration shall require unanimous approval.

15.1.3 The percentage of Eligible Mortgagees (based upon one vote per Unit financed) required by Section 16 as to certain amendments referenced by said Section.

15.1.4 Declarant as to certain amendments as provided in Section 17.8.

15.1.5 The City as to any amendment to Sections 9.1.1, 9.1.2.3., 9.1.2.5, 9.1.3 or this Section 15.1.5.

15.1.6 The Master Board as to any amendment which affects the Association's relationship to the Master Association, the delegation of rights or powers to the Master Association or any other rights or obligations relating to the Master Association

15.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees the Master Board or Declarant, if required, shall be in writing. The amendment shall be effective when recorded in the appropriate real estate records office where this Declaration is recorded. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 16 RIGHTS OF ELIGIBLE MORTGAGEES

Notwithstanding anything to the contrary in the Governing Documents, but subject to any applicable laws, Eligible Mortgagees shall have the following rights and protections:

16.1 Consent to Certain Amendments. Subject to Declarant's rights under Section 17, the written consent of Eligible Mortgagees representing at least fifty-one percent of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required for any amendment to the Governing Documents which causes any change in provisions including the following: (i) voting rights; (ii) increases in Assessments over twenty-five percent; (iii) Assessment liens, or priority of Assessment liens; (iv) reductions in reserves for maintenance, repair and replacement of Common Areas; (v) responsibility for maintenance and repairs; (vi) reallocation of interests in the Common Areas or Limited Common Areas, or rights to their use; (vii) redefinition of any Unit boundaries; (viii) convertibility of Units into Common Areas or vice versa; (ix) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property; (x) hazard or fidelity insurance requirements; (xi) imposition of restrictions on the leasing of Units; (xii) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit; (xiii) a decision by the Association (if the community involves fifty or more Units) to establish self management when professional management is in effect as required previously by the Governing Documents or an Eligible Mortgagee; (xiv) restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents; (xv) any action to terminate the legal status of the community after substantial destruction or condemnation occurs; or (xvi) any provisions that expressly benefit Eligible Mortgagees, or insurers or guarantors of mortgages.

16.2 Consent to Certain Actions. Subject to Declarant's rights under Section 17, the written consent of Eligible Mortgagees representing at least sixty-seven percent of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required to (i) abandon or terminate the community; (ii) change the allocations of voting rights, Common Expense obligations or interests in the Common Areas; (iii) partition or subdivide a Unit except as permitted by statute; (iv) abandon, partition, subdivide, encumber or sell any Common Areas; or (v) use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property, except as otherwise provided by law.

16.3 Consent to Subdivision. No Unit may be partitioned or subdivided without the prior written approval of the Owner and Eligible Mortgagee thereof, and the Association.

16.4 No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restrictions.

16.5 Priority of Lien. Any Person who comes into possession of a Unit by foreclosure of the first mortgage on a Unit, or by deed or assignment in lieu of foreclosure of the first mortgage on a Unit, takes the Unit free of any claims for unpaid Assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said Person; (i) except as provided in Section 6.10, and (ii) except that any unreimbursed Assessments or charges may be reallocated among all Units in accordance with their interests in the Common Areas.

16.6 Priority of Taxes and Other Charges. All taxes, Assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Units and not to the Property as a whole.

16.7 Priority for Condemnation Awards. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or the Common Areas. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

16.8 Requirements for Management Agreements. The term of any agreement for professional management of the Property may not exceed two years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party, (i) with cause upon thirty days prior written notice, and (ii) without cause upon ninety days prior written notice.

16.9 Access to Books and Records/Audit. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice, for a proper purpose and during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within one hundred twenty days of the end of the Association's fiscal year. If the community consists of fewer than fifty Units, FNMA, or any institutional guarantor or insurer of a mortgage loan against a Unit, may require that, at its own expense, an audit of the Association's financial statements be made for the preceding year, in which case the Association shall cooperate in having an audit made and a copy given to the requesting party. If the community consists of fifty or more Units, the Association shall provide the requested audit at its expense.

16.10 Notice Requirements. Eligible Mortgagees shall be entitled to timely written notice of:

16.10.1 a condemnation loss or any casualty loss which affects a material portion of the Property or the Unit securing the mortgage;

16.10.2 a sixty day delinquency in the payment of Assessments or charges owed by the Owner of a Unit on which it holds a mortgage;

16.10.3 a lapse, cancellation or material modification of any insurance policy maintained by the Association; and

16.10.4 a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

SECTION 17 DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following declarant rights for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

17.1 Complete Improvements. To complete all the Units and other improvements indicated on the Plat, or otherwise included in Declarant's development plans, authorized by the City or allowed by the Declaration, and to make alterations in the Units and Common Areas to accommodate the exercise of any declarant rights.

17.2 Relocate Boundaries and Alter Units. To relocate boundaries between Units and to otherwise alter Units owned by it, to the extent permitted by the City.

17.3 Sales Facilities. To construct, operate and maintain a sales office, management office, model Dwellings, and other development, sales and rental facilities within the Common Areas, and within any Units owned or leased by Declarant from time to time, located anywhere on the Property.

17.4 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, on any Unit owned by Declarant and on the Common Areas.

17.5 Easements. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Common Areas and the yard areas of the Units for the purpose of exercising its special rights.

17.6 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board until the earliest of: (i) voluntary surrender of control by Declarant; (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than Declarant of seventy-five percent of the total number of Units authorized to be included in the Property; or (iii) the date five years following the date of the first conveyance of a Unit to an Owner other than Declarant. Notwithstanding the foregoing, the Owners other than Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent of the directors at a meeting of the Owners which shall be held within sixty days following the conveyance by Declarant of fifty percent of the total number of Units authorized to be included in the Property.

17.7 Consent to Certain Amendments. Until such time as Declarant no longer owns any Unit for initial sale, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules and Regulations which directly or indirectly affects Declarant's rights under the Governing Documents.

**SECTION 18
MISCELLANEOUS**

18.1 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this Declaration or exhibits attached hereto.

18.2 Construction. Where applicable, the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa.

18.3 Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant (i) written notice of such tender; (ii) written notice of the specific nature of the action; and (iii) an opportunity to defend against the action.

18.4 Notices. Unless specifically provided otherwise in the Governing Documents, all notices required to be given by or to the Association, the Board, the Association officers, or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 of the Bylaws shall be effective upon receipt by the Association.

18.5 Conflicts Among Documents. In the event of any conflict between the provisions of the Master Governing Documents and the Governing Documents or Rules and Regulations, the Master Governing Documents shall control. As among this Declaration, the Bylaws and the Rules and Regulations, the Declaration shall control. The Bylaws shall control as against the Rules and Regulations.

18.6 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination as provided in this Declaration.

RULES AND REGULATIONS

HERITAGE GREENS EXECUTIVE ROW TOWNHOMES

INTRODUCTION

It is important that we preserve the living and architectural style that Heritage Greens Executive Row Townhomes represents. The goal of these Rules and Regulations is to provide reasonable, practical guidelines for the operation of Heritage Greens Executive Row Townhomes. Residents and invitees are obligated to comply with these Rules and Regulations, the Association's Governing Documents and the Master Governing Documents. The Board of Directors of the Association has approved these, and may approve other, Rules and Regulations based upon authority contained in Section 5.7 of the Declaration. The Master Board also has authority to approve Master Rules based upon authority contained in the Master Declaration. The terms used in these Rules and Regulations have the same meanings as set forth in Section 1 of the Declaration. References to the Association mean the Board acting for and on behalf of the Association.

GENERAL USE REGULATIONS

1. Persons residing on or using the Property are obligated to comply with all applicable laws, ordinances and regulations of the City and other governmental authorities. If charged with a violation by the City or another governmental authority, the Owner or Occupant is obligated to indemnify, defend and hold the Association, and other Owners and Occupants, harmless from all fines, penalties, costs, attorney's fees or prosecution resulting from the violation.
2. Please be considerate of other residents. Owners, Occupants and their guests may not engage in conduct which is a material annoyance or nuisance to others or which is threatening or harassing in nature. Owners and Occupants are responsible for the behavior of their families, invitees and tenants while at Heritage Greens Executive Row Townhomes. The cost of repair of damage to the Property resulting from the acts of Owners and Occupants and their invitees may be assessed against the Owner's Unit.
3. Heritage Greens Executive Row Townhomes are designed to be a residential community. Business or commercial activity may not be conducted, except for the limited, incidental activities described in Section 7.4 of the Declaration.
4. For health reasons, garbage and refuse should be placed in leakproof trash bags and deposited in designated trash receptacles. Municipal regulations regarding garbage pickup apply. Owners shall use the trash collection service approved by the Association.
5. Flammable substances may not be kept on the Property except in safe containers. No inherently dangerous items such as explosives may be kept on the Property at any time.
6. Except as expressly permitted by law, firearms, airguns and other devices designated to fire a potentially lethal projectile may not be discharged or carried on the Property, except for carrying the device to and from a vehicle or public areas.

7. Persons authorized by the Board, or public safety personnel, may enter the Units at any time for the purpose of correcting any condition which is reasonably believed to present an imminent danger of serious loss or damage to any portion of the Property, or injury or death to any person. These authorized persons may also enter the Units upon reasonable advance notice for purposes of maintaining, repairing and replacing Common Areas or any parts of the Units which the Association may be obligated to maintain.

8. Managers and others who provide services to the Association are required to take direction only from the Board or Association officers. Comments regarding services or actions of persons performing work for the Association should be directed to the Board or to the manager.

USE OF COMMON AREAS

1. Common Area grounds are for the enjoyment of all residents, and we ask that you be considerate of the rights of others.

2. Please use your best efforts to prevent the Common Areas from becoming unsightly. Personal property may not be stored, displayed or otherwise left outside the Dwellings, except as authorized by the Board.

3. Walkways, Private Drives, driveways and other portions of the Common Areas used for access to and from the Units may not be obstructed, or used for storage, activities or any purpose other than access and authorized parking.

4. In order to preserve the aesthetic character and beauty of the Property, all originally installed plants, trees, landscaping and topsoil should be left undisturbed, except for routine maintenance.

5. Residents and their guests should not interfere in any manner with common utilities, equipment, systems or structures on the Property.

ARCHITECTURAL AND EXTERIOR RESTRICTIONS

1. Heritage Greens Executive Row Townhomes are subject to architectural covenants contained in the Master Declaration and the Declaration. No Person may modify or remove any part of the Common Areas, nor change the appearance of any portion of the Common Areas, the exterior of any Dwelling or Building, except in accordance with the architectural requirements set forth in Section 8 of the Master Declaration.

2. Additional buildings, animal enclosures, tents, awnings, shelters, additions, poles or other structures or physical improvements of any kind, temporary or permanent, which are visible from the exterior of a Dwelling, are prohibited except as approved in accordance with Section 8 of the Master Declaration.

3. No identification, sign (including "for sale" and "for rent"), displays or comparable device of any kind shall be placed, erected or maintained anywhere on the Property except (i) signs placed by the Declarant or a builder to advertise the Property or Units for sale during the construction and sales period; (ii) the permanent entrance signs and monuments erected by the Declarant to identify the Property; and (iii) only after the Declarant no longer

owns a Unit for sale, a sign or display of a reasonable size approved by the Board temporarily erected in the front yard area of a Unit advertising the Unit for sale.

4. The installation and use of antennas, satellite dishes and other comparable communications devices shall be governed by applicable federal and state laws and regulations. Owner and occupants shall be responsible for all maintenance and repair of the antenna, satellite dish or other comparable communications device and any maintenance or repair to the Property which arises out of the installation or use of such equipment.

UTILITIES

Each Owner is responsible for the maintenance, repair, replacement and charges relating to public utilities or other similar services metered solely to his/her Unit.

STORAGE AND PARKING REGULATIONS

1. Personal property may not be stored, displayed or otherwise left outside the Dwellings, except as authorized by the Board.

2. Owners and Occupants' vehicles and trailers of any type, whether motorized or not, must be kept in garages when not in use due to the limited parking areas on the Property and the appearance of the area.

3. Outside parking may be limited during periods of snow removal or maintenance.

4. Inoperative or unlicensed vehicles or recreational equipment may not be left anywhere at Heritage Greens Executive Row Townhomes, except in the Owner's garage. All vehicles required by law to be licensed or registered must have current registration and license tags, as applicable.

5. Because of limited parking space on the Property, it is important that residents not park their vehicles in unauthorized parking areas. One guest vehicle may be parked in front of each of the Owner's garage stalls. Garage stalls must first be used for vehicle parking, and no garage may be used for storage or converted to another use which would prevent the parking of vehicles in the garage. The Association reserves the right to tow, and fine the owner of, any vehicle parked in an unauthorized area or manner.

6. Use of the Private Drives shall be limited to the Owners, Occupants and invitees of Owners and Occupants of Units abutting the Private Drive. Such use shall be limited to vehicular and pedestrian ingress and egress and vehicular maneuvering. Parking in the Private Drives is prohibited and the Association is authorized to remove illegally parked or stored vehicles and personal property from the Private Drives. Any use by any Person of a Private Drive that impairs the use of the Private Drive by other permitted users is prohibited.

USE OF DECKS, PATIOS AND PORCHES

1. Decks, patios and porches are intended for the quiet use and enjoyment of the Owners and Occupants of the Unit which has direct access to them. Loud or otherwise disturbing activities on decks, patios or porches are prohibited.

2. Decks, patios and porches are intended for personal recreational use, and may not be used for storage or other purposes, except that seasonal furniture and seasonal plants in leak proof containers may be kept on decks, patios or porches in season.

3. Routine maintenance of each deck, patio and/or porch is the responsibility of the Owners and Occupants of the Unit which is served by the deck, patio or porch.

ANIMALS

1. Small, domesticated common house pets such as dogs, cats, fish or birds may be kept by an Owner or Occupant in his/her Dwelling, subject to these Rules and Regulations. No other animals may be kept anywhere on the Property. Birds, fish and other small household pets (other than dogs and cats) shall be kept in appropriate cages or tanks within the Owner's Dwelling.

2. A maximum of one dog, or two dogs provided their aggregate combined weight does not exceed 75 pounds, or two cats, or one of each, may be kept in any Dwelling.

3. A pet must be housed and maintained exclusively within the Owner's Dwelling, except when under the direct control of the Owner or other handler. Outdoor pet houses, shelters or enclosures of any type are prohibited. No pet may be left unattended outdoors or in the garage.

4. Owners are responsible to pay for any damage to the Property caused by pets housed within such Owner's Dwelling, and are obligated to hold harmless and indemnify the Association, and its officers and directors, against any loss, claims or liability arising out of any act of the pet.

5. Pet waste left on the Property must be promptly disposed of by the Owner or other handler.

6. Pets may be walked on the Property only in accordance with local leash laws.

7. Any repeated or prolonged disturbance by a pet, such as noise, odor, waste or threatening or nuisance activity, will be cause for imposition of a fine on the Owner housing the pet and/or the removal of the offending pet from the Property. Decisions by the Board concerning the removal of a pet shall, upon written request of the affected Owner, be submitted to a vote of the Owners at a meeting of the Association; provided, that the Owner requesting the meeting shall pay the cost of calling and holding the meeting.

8. No rules shall be imposed which unduly restrict the keeping of a qualified "service animal" for a disabled person in violation of any applicable state or federal statutes, regulations or rules.

ADMINISTRATION

1. Waivers from the provisions of these Rules and Regulations for specific situations may be granted by the Board for good cause shown if, (i) in the judgment of the Board the waiver will not violate the Governing Documents nor interfere with the rights of other Owners or Occupants, and (ii) the waiver is granted to other Owners and Occupants under the same

circumstances. Waivers will not be granted unless an emergency or highly extenuating circumstances exist.

2. The Board has the authority to amend these Rules and Regulations, and make such other Rules and Regulations, from time to time, as it deems necessary for the use, safety, care and cleanliness of the Property, and for securing the common comfort and convenience of all residents.

VIOLATIONS/HEARINGS

When there is a violation of these Rules and Regulations or the Governing Documents, the Board is authorized to pursue various remedies. These remedies include, but are not limited to, legal action for damages or equitable relief in any court, imposition of late charges for past due assessments, imposition of reasonable fines for violations, towing of vehicles or the correction of any condition which violates the Rules and Regulations or Governing Documents. Prior to the exercise of certain remedies, the Board shall, upon written request of the offending Owner, grant the Owner a fair hearing with respect to the violation. Please refer to Section 14 of the Declaration for a complete discussion of the Association's remedies and the rights of an Owner with respect to hearings.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year first set forth above.

TJ LAND TRUST COMPANY, INC.
a Minnesota corporation

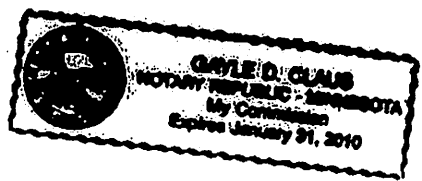
By: *Jon E. Hagason*
Title: CHIEF MGR

STATE OF MINNESOTA
COUNTY OF HENRY) ss.

The foregoing instrument was acknowledged before me this 17th day of August 2005, by Jon E. Hagason the Chief Mgr of TJ Land Trust Company, Inc., a Minnesota corporation, on behalf of said company.

[Signature]
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
J. Patrick Brinkman, Esq.
FELHABER, LARSON, FENLON & VOGT, P.A.
Attorneys at Law
220 South Sixth Street, Suite 2200
Minneapolis, Minnesota 55402-4302
(612) 373-8420



HERITAGE GREENS EXECUTIVE ROW TOWNHOMES

EXHIBIT A TO DECLARATION

SCHEDULE OF UNITS/LEGAL DESCRIPTION OF THE PROPERTY

Legal Description of the Property:

Lots 55 through 91, Outlot 4, and Outlot 6, except Outlot 1 of Certified Survey Map filed December 17, 2004, in Vol. 19, page 4893, Doc. No. 782883, Heritage Greens First Addition, St. Croix County, Wisconsin,

Schedule of Units:

Each of the above described Lots 55 through 91 constitutes a Unit.

HERITAGE GREENS EXECUTIVE ROW TOWNHOMES

EXHIBIT B TO DECLARATION

LEGAL DESCRIPTION OF COMMON AREAS

Outlot 4 and Outlot 6, except Outlot 1 of Certified Survey Map filed December 17, 2004 in Volume 19, Page 4893 as Document No. 782883, Heritage Greens First Addition, St. Croix County, Wisconsin.



8 0 5 5 1 6 8
Tx:4041089

955099

**BETH PABST
REGISTER OF DEEDS
ST. CROIX CO., WI
RECEIVED FOR RECORD
04/25/2012 3:41 PM
EXEMPT #:
REC FEE: 30.00
PAGES: 8**

Document Number

Document Title

236-2048-12-000
236-2048-13-000
236-2048-14-000
236-2048-15-000
236-2048-00-102

Recording Area

Name and Return Address
After recording please return to:
Nicholas Hackworthy
Anchor Real Estate Group
707 Commerce Drive Suite 410
Woodbury, MN 55125

Parcel Identification Number (PIN)

**THIRD AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

**THIRD AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

This Third Amendment (the "Amendment") to the Master Declaration of Covenants, Conditions, Restrictions and Easements of Heritage Greens of Hudson (as amended from time to time, the "Master Declaration") is made this 25 day of April, 2012, by BrightKEYS Development Corporation, a Minnesota corporation (the "Master Developer") pursuant to the provisions of Section 13 of the Master Declaration.

WHEREAS, the Master Declaration was recorded in the office of the Register of Deeds of St. Croix County, Wisconsin as Document No. 754116; and

WHEREAS, the Master Declaration was amended by that First Amendment to Heritage Greens of Hudson Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of Register of Deeds of St. Croix County, Wisconsin as Document No. 779960; and

WHEREAS, the Master Declaration was amended by that Second Amendment to Heritage Greens of Hudson Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of Register of Deeds of St. Croix County, Wisconsin as Document No. 781606; and

WHEREAS, Section 13.1 of the Master Declaration provides for the addition to the Property of Additional Property as defined in the Master Declaration, and grants to the Master Developer the authority to add said Additional Property to the Property; and

WHEREAS, Master Developer desires to add to the Property and subject to the Master Declaration the Additional Property legally on Exhibit D attached hereto.

NOW THEREFORE, the undersigned hereby enacts this Amendment in accordance with the requirements of the Master Declaration for the purpose of adding that part of the Additional Property described in Exhibit D attached hereto the Property, hereby declaring that said Additional Property shall be held, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens provided for in the Master Declaration and this Amendment, all of which shall be binding upon all person having or hereafter acquiring any right, title or interest therein, including their heirs, personal representatives, successors and assigns.

A. Description of Property.

Exhibit A to the Master Declaration, containing the legal description of the Property, shall be amended and replaced by Exhibit A attached hereto. All references to Exhibit A in the Master Declaration shall mean and refer to Exhibit A attached hereto.

B. Description of Master Common Elements.

Exhibit B to the Master Declaration, containing the legal description of the Master Common Elements, shall be amended and replaced by Exhibit B attached hereto. All references to Exhibit B in the Master Declaration shall mean and refer to Exhibit B attached hereto.

C. Description of Additional Property.

Exhibit C to the Master Declaration, containing the legal description of the Additional Property, shall be amended and replaced by Exhibit C attached hereto. All references to Exhibit C in the Master Declaration shall mean and refer to Exhibit C attached hereto.

D. Reallocation of Voting Rights and Master Common Expense Obligations.

Voting Rights and Master Common Expense obligations shall be automatically reallocated among the members of the Master Association in accordance with the allocation requirements set forth in the Master Declaration and the Master Bylaws immediately upon the recording of this Amendment.

E. Applicability and Binding Effect.

This Amendment is effective upon recording in the applicable office of the Register of Deeds for St. Croix County, Wisconsin. Except as specifically modified by this Amendment, the Master Declaration shall remain in full force and effect, and all of the rights, benefits, restrictions and obligations conferred by the Master Declaration, as amended herein, shall apply to the Additional Property added hereby and all Units created therein. Unless otherwise specifically set forth in this Amendment, all words and terms used in this Amendment shall have the same meaning as set forth in the Master Declaration.


IN WITNESS WHEREOF, the Master Developer has executed this instrument the day and year set forth above.

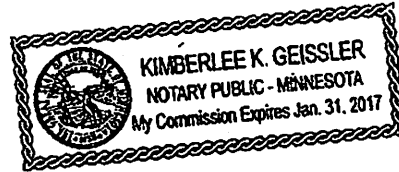
MASTER DEVELOPER:
BRIGHTKEYS DEVELOPMENT CORPORATION, a
Minnesota corporation

By: 
Its: 

STATE OF MN)
COUNTY OF Washington ss.

The foregoing instrument was acknowledged before me this 25th day of April, 2012, by C. R. Hackworthy, the President of BrightKEYS Development Corporation, a Minnesota corporation, on behalf of the corporation.


Notary Public



THIS INSTRUMENT DRAFTED BY:
Nicholas Hackworthy
Anchor Real Estate Group
707 Commerce Drive Suite 410
Woodbury, MN 55125
(651) 501-6500

**EXHIBIT A TO THIRD AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

DESCRIPTION OF PROPERTY

Lots 1 through 40 and Outlots 1, 2 and 3, Heritage Greens, St. Croix County, Wisconsin;

and

Lots 41 through 91 and Outlot 4, Heritage Greens First Addition, St. Croix County, Wisconsin;

and

Lots 92 through 194 and Outlots 7 and 8, Heritage Greens Second Addition, St. Croix County, Wisconsin;

and

Lots 12 through 15 and Outlot 2, Heritage Cottage Subdivision, St. Croix County, Wisconsin.

NOTE: Each of the above-described Lots, excluding the Outlots, constitutes a Unit.

**EXHIBIT B TO THIRD AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

DESCRIPTION OF MASTER COMMON ELEMENTS

Outlots 1, 2 and 3, Heritage Greens, St. Croix Country, Wisconsin;

and

Outlots 7 and 8, Heritage Greens Second Addition, St. Croix County, Wisconsin.

**EXHIBIT C TO THIRD AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

DESCRIPTION OF ADDITIONAL PROPERTY

Outlots 5, 6 and 7, Heritage Greens First Addition, St. Croix County, Wisconsin;

and

Outlots 9 and 10, Heritage Greens Second Addition, St. Croix County, Wisconsin;

and

S ½ of SW ¼ of SW ¼; S ½ of SE ¼ of SW ¼; N ½ of SE ¼ of SW ¼; N ¼ of SW ¼ of SW ¼; NW ¼ of SW ¼; That part of the SW ¼ of NW ¼ lying Sly of the town road except Lot 1 of Certified Survey Map in Vol. 1, Page 231; That part of the SE ¼ of NW ¼ lying Sly of the town road except Certified Survey Map in Vol. 6, Page 1510 and the NE ¼ of SW ¼ except Certified Survey Map in Vol. 6, Page 1510 and is to all parts herein except part to State of Wisconsin, Department of Transportation dated June 23, 1995, recorded July 18, 1995 in Vol. 1131, Page 116, Doc. No. 531406 and in Vol. 1131, Page 119, Doc. No. 531407, all in Section 33, Township 29 North, Range 19 West, St. Croix County, Wisconsin, but excluding that part thereof platted as Heritage Greens, St. Croix County, Wisconsin, and excluding that part thereof platted as Heritage Greens First Addition, St. Croix County, Wisconsin, and excluding that part thereof platted as Heritage Greens Second Addition, St. Croix County, Wisconsin;

and

That parcel of land located in the SW ¼ of the SW ¼ of Section 33, T29N, R19w, City of Hudson, St. Croix County, Wisconsin, more fully described as follows:

Commencing at the SW corner of said Section 33:

Thence N00°20'14"E along the west line of the SW ¼, 25.08' to the POINT OF BEGINNING:

Thence continuing N00°20'14"E along said line 695.81';

Thence N83°36'43"E 176.91';

Thence southeasterly 52.95' along the arc of a 200.00' radius curve concave easterly and having a long chord that bears S13°58'23"E 52.80';

Thence S21°33'28"E 81.10';

Thence southerly 104.13' along the arc of a 225.00' radius curve concave westerly and having a long chord that bears S08°17'58"E 103.20';

Thence S85°33'01"E 146.27';

Thence easterly 38.63' along the arc of a 43.00' radius curve concave southwesterly and having a long chord that bears S59°48'53.5"E 37.34';

Thence S34°04'46"E 195.07';

Thence S69°44'09"W 197.60';

Thence S36°45'18"E 234.83' to a point on the northerly right-of-way line of Hanley Road;

Thence S85°25'24"W along said line 481.46' to the point of beginning.

**EXHIBIT D TO THIRD AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

DESCRIPTION OF ADDITIONAL PROPERTY ADDEED BY AMENDMENT

Lots 12 through 15 and Outlot 2, Heritage Cottage Subdivision, St. Croix County, Wisconsin.

2708P 332

781606

29

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

RECEIVED FOR RECORD

12/03/2004 11:40AM

COVENANTS
EXEMPT #

REC FEE: 29.00

TRANS FEE:

COPY FEE:

CC FEE:

PAGES: 10

Document Number

Document Title

Recording Area

Name and Return Address

After recording please return to:

J. Patrick Brinkman, Esq.

Felhaber, Larson, Fenlon & Vogt, P A

220 South Sixth Street, Suite 2200

Minneapolis, MN 55402

Serial 236-7040-02-002
Parcel Identification Number (PIN)

**SECOND AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

**SECOND AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

This Second Amendment (the "Amendment") to the Master Declaration of Covenants, Conditions, Restrictions and Easements of Heritage Greens of Hudson (as amended from time to time the "Master Declaration") is made this 11th day of November, 2004, by BrightKEYS Development Corporation, a Minnesota corporation (the "Master Developer") pursuant to the provisions of Section 13 of the Master Declaration.

WHEREAS, the Master Declaration was recorded in the office of the Register of Deeds of St. Croix County, Wisconsin as Document No. 754116; and

WHEREAS, the Master Declaration was amended by that First Amendment to Heritage Greens of Hudson Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of the Register of Deeds of St. Croix County, Wisconsin as Document No. _____; and

WHEREAS, Section 13.1 of the Master Declaration provides for the addition to the Property of Additional Property as defined in the Master Declaration, and grants to the Master Developer the authority to add said Additional Property to the Property; and

WHEREAS, Master Developer desires to add to the Property and subject to the Master Declaration the Additional Property legally on Exhibit D attached hereto.

NOW, THEREFORE, the undersigned hereby enacts this Amendment in accordance with the requirements of the Master Declaration for the purpose of adding that part of the Additional Property described in Exhibit D attached hereto to the Property, hereby declaring that said Additional Property shall be held, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens provided for in the Master Declaration and this Amendment, all of which shall be binding upon all persons having or hereafter acquiring any right, title or interest therein, including their heirs, personal representatives, successors and assigns.

A. Description of Property.

Exhibit A to the Master Declaration, containing the legal description of the Property, shall be amended and replaced by Exhibit A attached hereto. All references to Exhibit A in the Master Declaration shall mean and refer to Exhibit A attached hereto.

B Description of Master Common Elements

Exhibit B to the Master Declaration containing the legal description of the Master Common Elements is attached hereto as Exhibit B.

C Description of Additional Property

Exhibit C to the Master Declaration, containing the legal description of the Additional Property, shall be amended and replaced by Exhibit C attached hereto. All references to Exhibit C in the Master Declaration shall mean and refer to Exhibit C attached hereto.

D Reallocation of Voting Rights and Master Common Expense Obligations

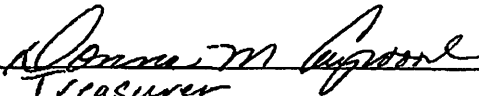
Voting Rights and Master Common Expense obligations shall be automatically reallocated among the members of the Master Association in accordance with the allocation requirements set forth in the Master Declaration and the Master Bylaws immediately upon the recording of this Amendment.

E Applicability and Binding Effect

This Amendment is effective upon recording in the applicable office of the Register of Deeds for St. Croix County, Wisconsin. Except as specifically modified by this Amendment, the Master Declaration shall remain in full force and effect, and all of the rights, benefits, restrictions and obligations conferred by the Master Declaration, as amended herein, shall apply to the Additional Property added hereby and all Units created therein. Unless otherwise specifically set forth in this Amendment, all words and terms used in this Amendment shall have the same meaning as set forth in the Master Declaration.

IN WITNESS WHEREOF, the Master Developer has executed this instrument the day and year set forth above.

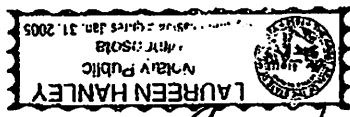
BRIGHIKEYS DEVELOPMENT CORPORATION, a
Minnesota corporation

By: 
Its: Treasurer

STATE OF Minnesota
)
COUNTY OF Washington
) ss

The foregoing instrument was acknowledged before me this 10th day of Nov., 2004, by Dennis M. Casper, the Treasurer of BrightKEYS Development Corporation, a Minnesota corporation, on behalf of the corporation.

[Signature]
Notary Public



THIS INSTRUMENT DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P A (FPB)
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402
(612) 373-8420

**EXHIBIT A TO SECOND AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Property

Lots 1 through 40 and Outlots 1, 2 and 3, Heritage Greens, St Croix County, Wisconsin;

and

Lots 41 through 91 and Outlot 4, Heritage Greens First Addition, St. Croix County, Wisconsin;

and

Lots 92 through 194; and Outlots 7 and 8, Heritage Greens Second Addition, St. Croix County, Wisconsin.

NOTE: Each of the above-described Lots, excluding the Outlots, constitutes a Unit.

2708P 337

**EXHIBIT B TO SECOND AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Master Common Elements

Outlots 1, 2 and 3, Heritage Greens, St. Croix County, Wisconsin;

and

Outlots 7 and 8, Heritage Greens Second Addition, St. Croix County, Wisconsin.

**EXHIBIT C TO SECOND AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Additional Property

Outlots 5, 6 and 7, Heritage Greens First Addition, St. Croix County, Wisconsin;

and

Outlots 9 and 10, Heritage Greens Second Addition, St. Croix County, Wisconsin;

and

S ½ of SW ¼ of SW ¼; S ½ of SE ¼ of SW ¼; N ½ of SE ¼ of SW ¼; N ¼ of SW ¼ of SW ¼; NW ¼ of SW ¼; That part of the SW ¼ of NW ¼ lying Sly of the town road except Lot 1 of Certified Survey Map in Vol. 1, Page 231; That part of the SE ¼ of NW ¼ lying Sly of the town road except Certified Survey Map in Vol. 6, Page 1510 and the NE ¼ of SW ¼ except Certified Survey Map in Vol. 6, Page 1510 and is to all parts herein except part to State of Wisconsin, Department of Transportation dated June 23, 1995, recorded July 18, 1995 in Vol 1131, Page 116, Doc No 531406 and in Vol. 1131, Page 119, Doc. No 531407, all in Section 33, Township 29 North, Range 19 West, St. Croix County, Wisconsin, but excluding that part thereof platted as Heritage Greens, St. Croix County, Wisconsin, and excluding that part thereof platted as Heritage Greens First Addition, St. Croix County, Wisconsin, and excluding that part thereof platted as Heritage Greens Second Addition, St. Croix County, Wisconsin;

and

That parcel of land located in the SW ¼ of the SW ¼ of Section 33, T29N, R19W, City of Hudson, St. Croix County, Wisconsin, more fully described as follows:

Commencing at the SW corner of said Section 33:

Thence N00°20'14"E along the west line of the SW ¼, 25.08' to the POINT OF BEGINNING:

Thence continuing N00°20'14"E along said line 695.81';

Thence N83°36'43"E 176.91';

Thence southeasterly 52.95' along the arc of a 200.00' radius curve concave easterly and having a long chord that bears S13°58'23"E 52.80';

Thence S21°33'28"E 81.10';

Thence southerly 104.13' along the arc of a 225.00' radius curve concave westerly and having a long chord that bears S08°17'58"E 103.20';

Thence S85°33'01"E 146.27';

Thence easterly 38.63' along the arc of a 43.00' radius curve concave southwesterly and having a long chord that bears S59°48'53.5"E 37.34';

Thence S34°04'46"E 195.07';

2708P 339

Thence S69°44'09"W 197.60';
Thence S36°45'18"E 234.83' to a point on the northerly right-of-way line of Hanley Road;
Thence S85°25'24"W along said line 481.46' to the point of beginning.

2708P 340

**EXHIBIT D TO SECOND AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Legal Description of Additional Property Added by Amendment

Lots 92 through 194 and Outlots 7 and 8, Heritage Greens Second Addition, St Croix County,
Wisconsin.

HERITAGE GREENS OF HUDSON

CONSENT AND JOINDER BY MORTGAGEE

The undersigned (the "Mortgagee") is the mortgagee of that Additional Property described in Exhibit D in that Second Amendment to Master Declaration of Heritage Greens of Hudson (the "Second Amendment") by a certain Mortgage recorded in the office of the St. Croix County Recorder as Document No. _____ (the "Mortgage") Mortgagee hereby consents to and joins in this Second Amendment to Master Declaration; provided, that by consenting to and joining in this Second Amendment to Master Declaration, the Mortgagee does not in any manner constitute itself or obligate itself as a Master Developer as defined in the Master Declaration nor does such consent and joinder modify or amend the terms and conditions of the Mortgage and related loan documents; and provided further that the Mortgage shall be and remain as a lien upon the property described therein, prior to any Assessment liens or other liens imposed under the Master Declaration, until released or satisfied.

IN WITNESS WHEREOF, the Mortgagee has caused this Consent and Joinder to be executed on the 11 day of NOVEMBER, 2004.

CITIZENS STATE BANK

By [Signature]
Its STT

STATE OF Wisconsin)
COUNTY OF St. Croix) ss.

The foregoing instrument was acknowledged before me this 11 day of November, 2004, by Allen J. Omcenik, the SIC UP of Citizens State Bank, a Corporation, on behalf of said entity.

[Signature]
Notary Public

THIS INSTRUMENT DRAFTED BY:
FEL HABER, LARSON, FENLON & VOGT, P A
J. Patrick Brinkman, Esq
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402
(612) 373-8420

DIANE B. WILLERT
Notary Public
State of Wisconsin

2695P 584

779960

27

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

RECEIVED FOR RECORD

11/15/2004 01:00PM

COVENANTS
EXEMPT #

REC FEE: 27.00
TRANS FEE:
COPY FEE:
CC FEE:
PAGES: 9

Document Number

Document Title

Recording Area

Name and Return Address

After recording please return to:

J. Patrick Brinkman, Esq
Felhaber, Larson, Fenlon & Vogt, P.A
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402

736-2040-000-000
Parcel Identification Number (PIN)

**FIRST AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

**FIRST AMENDMENT TO
HERITAGE GREENS OF HUDSON
MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

This First Amendment (the "Amendment") to the Master Declaration of Covenants, Conditions, Restrictions and Easements of Heritage Greens of Hudson (the "Master Declaration") is made this 11th day of November, 2004, by BrightKEYS Development Corporation, a Minnesota corporation (the "Master Developer") pursuant to the provisions of Section 13 of the Master Declaration.

WHEREAS, the Master Declaration was recorded in the office of the Register of Deeds of St. Croix County, Wisconsin as Document No. 754116; and

WHEREAS, Section 13.1 of the Master Declaration provides for the addition to the Property of Additional Property as defined in the Master Declaration, and grants to the Master Developer the authority to add said Additional Property to the Property; and

WHEREAS, Section 3.3 of the Master Declaration provides that a Neighborhood shall be created by, and the Units within a Neighborhood shall be subject to, a Declaration or similar recorded instrument containing covenants, conditions, restrictions and easements consistent with the Master Governing Documents; and

WHEREAS, the Master Developer, as a Neighborhood Declarant, intends to create on that Additional Property legally described in Exhibit D attached hereto, Heritage Greens Rowhouses, a single-family attached home neighborhood as a Neighborhood described in Section 3.3 of the Master Declaration; and

WHEREAS, Master Developer desires to add to the Property and subject to the Master Declaration the Additional Property legally on Exhibit D attached hereto.

NOW, THEREFORE, the undersigned hereby enacts this Amendment in accordance with the requirements of the Master Declaration for the purpose of adding that part of the Additional Property described in Exhibit D attached hereto to the Property, hereby declaring that said Additional Property shall be held, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens provided for in the Master Declaration and this Amendment, all of which shall be binding upon all persons having or hereafter acquiring any right, title or interest therein, including their heirs, personal representatives, successors and assigns.

A. Description of Property

Exhibit A to the Master Declaration, containing the legal description of the Property, shall be amended and replaced by Exhibit A attached hereto. All references to Exhibit A in the Master Declaration shall mean and refer to Exhibit A attached hereto.

B. Description of Master Common Elements

Exhibit B to the Master Declaration containing the legal description of the Master Common Elements is attached hereto as Exhibit B

C. Description of Additional Property

Exhibit C to the Master Declaration, containing the legal description of the Additional Property, shall be amended and replaced by Exhibit C attached hereto. All references to Exhibit C in the Master Declaration shall mean and refer to Exhibit C attached hereto.

D. Reallocation of Voting Rights and Master Common Expense Obligations

Voting Rights and Master Common Expense obligations shall be automatically reallocated among the members of the Master Association in accordance with the allocation requirements set forth in the Master Declaration and the Master Bylaws immediately upon the recording of this Amendment.

E. Applicability and Binding Effect

This Amendment is effective upon recording in the applicable office of the Register of Deeds for St. Croix County, Wisconsin. Except as specifically modified by this Amendment, the Master Declaration shall remain in full force and effect, and all of the rights, benefits, restrictions and obligations conferred by the Master Declaration, as amended herein, shall apply to the Additional Property added hereby and all Units created therein. Unless otherwise specifically set forth in this Amendment, all words and terms used in this Amendment shall have the same meaning as set forth in the Master Declaration.

IN WITNESS WHEREOF, the Master Developer has executed this instrument the day and year set forth above.

BRIGHTKEYS DEVELOPMENT CORPORATION, a
Minnesota corporation

By: [Signature]
Its: Treasurer

STATE OF Minnesota)
COUNTY OF Washington) ss.

The foregoing instrument was acknowledged before me this 10th day of Nov, 2004, by Donna M. Caywood, the Treasurer of BrightKEYS Development Corporation, a Minnesota corporation, on behalf of the corporation.

Lauren Hanley
Notary Public

THIS INSTRUMENT DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P.A. (JPB)
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402
(612) 373-8420



U 2695 P 588

**EXHIBIT A TO FIRST AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Property

Lots 1 through 40 and Outlots 1, 2 and 3, Heritage Greens, St. Croix County, Wisconsin;

and

Lots 41 through 91 and Outlot 4, Heritage Greens First Addition, St. Croix County, Wisconsin

NOTE: Each of the above-described Lots, excluding the Outlots, constitutes a Unit.

U 2695 P 589

**EXHIBIT B TO FIRST AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Master Common Elements

Outlots 1, 2 and 3, Heritage Greens, St. Croix County, Wisconsin

**EXHIBIT C TO FIRST AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Description of Additional Property

Outlots 5, 6 and 7, Heritage Greens First Addition, St. Croix County, Wisconsin

and

S ½ of SW ¼ of SW ¼; S ½ of SE ¼ of SW ¼; N ½ of SE ¼ of SW ¼; N ¼ of SW ¼ of SW ¼; NW ¼ of SW ¼; That part of the SW ¼ of NW ¼ lying Sly of the town road except Lot 1 of Certified Survey Map in Vol 1, Page 231; That part of the SE ¼ of NW ¼ lying Sly of the town road except Certified Survey Map in Vol. 6, Page 1510 and the NE ¼ of SW ¼ except Certified Survey Map in Vol. 6, Page 1510 and is to all parts herein except part to State of Wisconsin, Department of Transportation dated June 23, 1995, recorded July 18, 1995 in Vol. 1131, Page 116, Doc. No. 531406 and in Vol. 1131, Page 119, Doc. No 531407, all in Section 33, Township 29 North, Range 19 West, St. Croix County, Wisconsin, but excluding that part thereof platted as Heritage Greens, St. Croix County, Wisconsin and that part thereof platted as Heritage Greens First Addition, St. Croix County, Wisconsin;

and

That parcel of land located in the SW ¼ of the SW ¼ of Section 33, T29N, R19w, City of Hudson, St. Croix County, Wisconsin, more fully described as follows:

Commencing at the SW corner of said Section 33:

Thence N00°20'14"E along the west line of the SW ¼, 25.08' to the POINT OF BEGINNING:

Thence continuing N00°20'14"E along said line 695.81';

Thence N83°36'43"E 176.91';

Thence southeasterly 52.95' along the arc of a 200.00' radius curve concave easterly and having a long chord that bears S13°58'23"E 52.80';

Thence S21°33'28"E 81.10';

Thence southerly 104.13' along the arc of a 225.00' radius curve concave westerly and having a long chord that bears S08°17'58"E 103.20';

Thence S85°33'01"E 146.27';

Thence easterly 38.63' along the arc of a 43.00' radius curve concave southwesterly and having a long chord that bears S59°48'53.5"E 37.34';

Thence S34°04'46"E 195.07';

Thence S69°44'09"W 197.60';

Thence S36°45'18"E 234.83' to a point on the northerly right-of-way line of Hanley Road;

Thence S85°25'24"W along said line 481.46' to the point of beginning.

2695P 591

**EXHIBIT D TO FIRST AMENDMENT
TO MASTER DECLARATION OF
HERITAGE GREENS OF HUDSON**

Legal Description of Additional Property Added by Amendment

Lots 41 through 91 and Outlot 4, Heritage Greens First Addition, St Croix County, Wisconsin

HERITAGE GREENS OF HUDSON

CONSENT AND JOINDER BY MORTGAGEE

The undersigned (the "Mortgagee") is the mortgagee of that Additional Property described in Exhibit D in that Amendment to Master Declaration of Heritage Greens of Hudson (the "Amendment") by a certain Mortgage recorded in the office of the St. Croix County Recorder as Document No. _____ (the "Mortgage"). Mortgagee hereby consents to and joins in this Amendment to Master Declaration; provided, that by consenting to and joining in this Amendment to Master Declaration, the Mortgagee does not in any manner constitute itself or obligate itself as a Master Developer as defined in the Master Declaration nor does such consent and joinder modify or amend the terms and conditions of the Mortgage and related loan documents; and provided further that the Mortgage shall be and remain as a lien upon the property described therein, prior to any Assessment liens or other liens imposed under the Master Declaration, until released or satisfied.

IN WITNESS WHEREOF, the Mortgagee has caused this Consent and Joinder to be executed on the 11 day of NOVEMBER, 2004.

CITIZENS STATE BANK
By [Signature]
Its [Signature]

STATE OF Wisconsin)
COUNTY OF St. Croix) ss

The foregoing instrument was acknowledged before me this 11 day of November, 2004, by Allen J. Omcanik, the Sr. VP of Citizens State Bank, a Corporation, on behalf of said entity.

[Signature]
Notary Public
DIANE B. WILLERT
Notary Public
State of Wisconsin

THIS INSTRUMENT DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P A
J Patrick Brinkman, Esq.
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402
(612) 373-8420