

Document Number

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Name and Return Address:

Andrus Homes
2440 Charles Street North
St. Paul, MN 55109

(Parcel Identification Number)

**DECLARATION ESTABLISHING PROTECTIVE COVENANTS
FOR
HAPPY VALLEY HOMES SUBDIVISION**

THIS DECLARATION is made this ____ day of _____, 2003, by Andrus Investments, Inc., a Minnesota corporation, d/b/a Andrus Homes, 2440 Charles Street North, St. Paul, Minnesota 55109 (hereinafter aDeclarant@).

WHEREAS, Declarant is the owner of a parcel or parcels of land located in the Town of River Falls, described as follows:

See attached Exhibit A

which Property is or shall be a residential subdivision known as aHappy Valley Homes@, and which shall be referred to herein as the aProperty@;

WHEREAS, Declarant and its successors or assigns, and all purchasers of the Property, have constructed or will construct residential homes on the lots identified on said Property, and;

WHEREAS, Declarant intends that each Lot located on the Property and each home on the Property or hereafter constructed on the Property shall be governed by this instrument, and;

NOW THEREFORE, the Declarant, for the benefit of the Property and its present and future owners, hereby imposes upon the Property the following conditions, restrictions, covenants and charges, which shall run with the land and be binding upon and inure to the benefit of the all parties having any right, title or interest in the described Property, or any part thereof, including without limitation the owners of the Property, their heirs, successors,

administrators, grantees, assigns, mortgagees and lessees for the period of time as described in Article IV, Section 3 below. All of the Property shall be held, sold, conveyed, owned and occupied subject to the conditions, restrictions, and covenants set forth in this instrument, as may be amended from time to time.

ARTICLE I DEFINITIONS

For purpose of this Declaration, the following terms shall have the meanings ascribed herein;

Section 1. Association shall mean and refer to the Homeowners Association as set forth in Article III below, which shall be comprised of Property Owners.

Section 2. Dwelling shall mean and refer to any portion of a residential building situated upon the Property, intended for the use and occupancy as a residence by a single family.

Section 3. Lot shall mean and refer to any individual parcel of land on the Property upon which a Dwelling is situated, as further identified on attached Exhibit A.

Section 4. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including a land contract vendee, but excluding those having such interest merely as security for the performance of an obligation, such as a mortgagee, and excluding those having a lien upon the property by reason of operation of law, such as a construction lien holder.

Section 5. Property shall mean and refer to the real property hereinbefore described, and set forth on attached Exhibit A, known as the Happy Valley Homes Subdivision.

Section 6. Building Site shall mean one Lot, upon which a single-family residential Dwelling may be constructed.

ARTICLE II BUILDING AND USE RESTRICTIONS

Section 1. Residential Use. No Lot or Dwelling shall be used except for residential purposes, except as otherwise provided herein.

Section 2. Garages and Outbuildings. No buildings shall be erected, altered, placed or permitted to remain on any Lot except a single Dwelling (except as authorized below), together with a garage designed to accommodate a minimum of two (2), but not more than four (4) automobiles. Garages on at least 50% of the Lots in the subdivision shall be facing away from the public roadway serving the Dwelling. One outbuilding shall be permitted on each Lot. All such outbuildings shall comply with all applicable ordinances of the Town of River Falls and the

City of River Falls, including, but not limited to, ordinances addressing size requirements and limitations. No outbuilding shall be erected between the Dwelling and the public roadway serving the Dwelling. The exterior of all outbuildings shall be of the same architectural style and design as the main Dwelling, and shall be constructed of the same color used or to be used on the exterior of the dwelling. No garage or outbuilding may be constructed on any Lot before construction of the main Dwelling thereon is commenced and such garage shall be removed by the Owner if completion of the main Dwelling is not finished within one year of the date of commencement of its construction.

Section 3. Construction Deadlines. Any structure to be erected on any Lot must be erected and completed with twelve (12) months after commencement of the excavation or construction thereof, and no Dwelling shall be occupied for residential purposes until the exterior is completely finished and a certificate of occupancy is obtained. All lawn and landscaping shall be completed within twelve (12) months after the commencement of excavation or construction of the structure. If any structure or landscaping is not completed within the above-prescribed time periods and in the judgment of the Declarant is of offensive or unsightly appearance, the Declarant, at its option, may take such steps as may be necessary, in its judgment, to improve the appearance so as to make the property harmonious with other properties, such steps including completion of the exterior of the structure, screening or covering of the structure, or any combination thereof or similar operations; and the amount of any expenditure made in so doing shall be a lien on the Lot and may be enforceable by action at law.

Section 4. No Commercial Buildings; Limitation on Business Activities. There shall be no commercial building or business conducted upon any Lot, except as permitted by Chapter 17 of the Code of General Ordinances of the Town of River Falls, as revised, and any other applicable Town Ordinances. It shall be permissible for Owners and residents to have an office in a Dwelling, so long as the same does not change the residential character of the premises, and so long as there are no signs indicating that the home is being used as an office, and at no time shall there be more than two outside employees who are employed in the operation of any office or business.

Section 5. Lighting. Yard lights and pole lights are not allowed. Exterior lights on the house, garage and/or outbuildings are permitted; however, lot owners shall mount their exterior lights so that they point downward, thus allowing illumination for the immediate area only while minimizing the light visible to other Lot Owners. Lamps to illuminate driveways, sidewalks and walking areas are permitted, for safety, but must also point downward.

Section 6. Utilities. All utility, fiberoptic and transmission lines, including, but not limited to, those for electric, gas, telephone, data transmission, and cable television shall always be installed below the surface of the ground.

Section 7. Trees. All owners shall preserve all existing living trees over 6-inches in diameter unless permission for removal is received from the Town of River Falls. All Owners shall make diligent efforts to preserve all existing trees and to prevent erosion and gullies. All Owners shall plant a minimum of two (2) trees and five (5) shrubs, of the species set forth in

the report of Kunde Co., Inc., dated May 28, 2003, within one year after construction of the Dwelling on the Lot is complete. Additionally, the Declarant shall plant trees on Lots 1, 2, and 3, lots 8, 9, and 16, and Lots 12, 13, and 14, as specified in the landscaping plan and the report of Kunde Co., Inc., dated May 28, 2003.

Section 8. Easements, Roads, and Rights-of-Way. All Lots are or may be subject to rights of easements, access ways and road rights-of-way as described on the Plat Map and/or other recorded instruments, and no Lot Owner shall interfere with said rights. No structure, planting or other material shall be placed or permitted to remain within any easement, road or right-of-way, which may interfere with the use of such easement, road, or right-of-way. The easement area of each lot and all improvements in it shall be maintained continuously by the Owner of the Lot to which the easement is appurtenant. No Lot Owner shall provide public or private access to land outside of the Property.

Section 9. Drainage. Declarant was required by the Town of River Falls, City of River Falls, and Pierce County to have an approved comprehensive water drainage plan for the subdivision. No Owner or resident shall do anything which would interfere with or change the operation of this plan. This includes, but is not limited to, building upon, obstructing, altering, filling or excavating or planing in any pond easements, water drainage ditches, water runways, water culverts, berms or grass seedings. Each Owner shall keep all drainage area=s within the Owner=s Lot mowed and free of debris. Information about the approved comprehensive water drainage plan may be obtained from the Declarant or the Town of River Falls. No Owner or resident shall cause or permit any sewage or other noxious or offensive matter to drain onto any land on the Property or into any ponding area within the subdivision.

Section 10. Signs. No signs of any kind shall be displayed to the public view on any Lot, except one professional sign if not more than one square foot, one sign if not more than five square feet advertising the property for sale or rent, or signs used by a developer to advertise the property during the initial sales period. Signs of a temporary nature, including election campaign signs, garage sale signs and signs for parties may be permitted but must be removed by the Lot Owner immediately after serving the intended purpose. Temporary signs shall not be more than two square feet.

Section 11. No Noxious Activity. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done thereon which is an annoyance or nuisance to other Owners.

Section 12. Garbage and Refuse Removal. No parcel or Lot shall be used or maintained as a dumping ground for rubbish, garbage, compost, lumber, appliances or tires. No trash, garbage, or any other waste material shall be kept except in a sanitary enclosure out of sight from the road. No containers may be kept on the curb side of a public road servicing the lot except on the day the garbage is to be picked up for removal by a disposal company.

Section 13. No Animals Except Pets. No fowl, animals, or insects shall be kept in any Dwelling or Lot except dogs, cats and other common household pets, provided that they are not kept, bred, or maintained for any commercial purposes. Any structure built to house

animals must be of sound design and must be properly maintained. All animals shall be restricted and not allowed to run at large. The raising of pit bull terriers or snakes, or harboring the same upon such lots, shall be prohibited, either as a pet or otherwise. The Declarant and the Association shall have complete discretion to promulgate general rules and regulations regarding the keeping of animals and domestic pets and may condition or limit the keeping of such animals and domestic pets as to number of animals, length of time and in any other way it considers necessary or desirable. Any pen, cage or shelter for a pet or animal must be located at least fifty feet (50') from any lot line.

Section 14. Prohibited Structures. No structure of a temporary nature, trailer, recreational vehicle, tent, shack, garage, or other building except a permanent residence, shall be situated on or used on any Lot at any time as a residence, either temporarily or permanently.

Section 15. Storage of Unused, Unlicensed, and Inoperable Vehicles and Other Vehicles. No owner shall store any unused, unlicensed, or inoperable motor vehicle on the Property unless stored completely within a garage.

Section 16. Tanks. Any fuel tanks or other tanks maintained above ground shall be screened from view by the public and adjoining property owners and shall not be visible from any public road or street. The screening may be fencing, plantings or natural topography. If natural gas service is available to a Lot at the time that construction of a house begins on that Lot then no gas or gas storage tanks for liquid petroleum (L.P.) or propane gas shall be placed, stored or allowed on that lot except during initial construction of a house on the lot. No underground tanks are allowed.

Section 17. Maintenance. Each Owner of a Dwelling or Lot shall maintain his Dwelling and Lot, including lawn, and the exterior of his house in good condition and repair, and in a clean, neat, orderly and sightly condition. Prairie style lawns and vegetation are permitted.

Section 18. Farming by Adjacent Landowners. Owners understand that one of the uses of the lands adjoining the Property is agricultural use. Agricultural uses often produce sights, sounds, and smells that some may deem undesirable in residential neighborhoods. Field operations may take place between early morning and late at night. Dust may be blown about as a result of soil, weather, and harvest conditions. These are protected agricultural activities. Nothing in this instrument shall be construed to give any Owner a right to assert any claim or lawsuit against any neighboring landowner arising from lawful farming activities, or as a result of any noise, dust, sights and odors associated with farming or agricultural use.

ARTICLE III HOMEOWNERS ASSOCIATION

Section 1. Association. The affairs of the Happy Valley Homes Subdivision shall be governed by a homeowner=s association, which may be a Wisconsin domestic non-profit corporation in accordance with Wisconsin Statutes Chapter 181, or a Wisconsin domestic corporation in accordance with Wisconsin Statutes Chapter 180, or an unincorporated association, as determined by the Owners. The homeowners association shall consist of all Lot Owners within the subdivision, and shall be formally created by the Owners after there are a total of five (5) Lot Owners. The homeowner=s association shall be referred to herein as the

Association. The Association shall govern and administer the rights and duties set forth in this Declaration. Each Owner, at the time of purchase of a Lot, without further action, shall become a member of the Association, except that where a Lot is owned by two or more persons, they shall together have only one membership, and one vote as Owner. If any person owns more than one Lot or Dwelling, that person shall have a single vote for each Lot or Dwelling owned. A sale or transfer of a Lot, but not a mortgage thereof, shall terminate the membership of the selling Owner upon successful closing of the Lot. The Association may be governed by a Board of Directors, which may ultimately consist of not more than five (5) Lot Owners. The Owners creating the Association shall determine and approve by majority vote the procedures for governance, including without limitation the election of officers and provisions relating to meetings of the Association.

ARTICLE IV GENERAL PROVISIONS

Section 1. Enforcement. The Association and each Owner shall have the right to enforce, by any proceeding at law or in equity, or both, all of the terms and provisions of Article II of this Declaration. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction or provision contained herein, either to restrain such violation or to recover damages, or both.

Section 2. Severability. Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions of this Declaration, which provisions shall remain in full force and effect.

Section 3. Amendments. This Declaration and the covenants herein shall run with the land and shall be binding on all Owners and their successors and assigns, and persons claiming interest in the Property, for a period of twenty-five (25) years from the date this Declaration is recorded, after which time this Declaration and the covenants herein shall be automatically extended for successive periods of five (5) years, unless an instrument signed by the Owners of at least seventy-five percent (75%) of the Lots, with each Lot having a single vote, agreeing to amend or revoke said covenants in whole or in part, and a signed instrument confirming such agreement, is duly recorded.

ARTICLE V RELEASE, INDEMNIFICATION AND HOLD-HARMLESS

Each and every Owner, and their successors in title and assigns, hereby agree to release, defend, indemnify and hold harmless the Declarant and the Town of River Falls from and against any and all claims, demands, causes of action, liabilities, costs, and expenses of any kind whatsoever arising from this Declaration, or arising from the sale or purchase of any Lot subject to this Declaration or legally described herein or on attached Exhibit A. Each Owner and their successors in title and assigns further agree to release, defend, indemnify and hold harmless the Declarant and the Town of River Falls from and against any and all claims, demands, causes of action, liabilities, damages, costs, expenses, fines, forfeitures and obligations which Owners or any third-party or governmental agency or entity has, had, or may have or assert in the future arising from any environmental condition existing after the Declarant's sale of each Lot, including without limitation clean-up requirements, or hazardous substances on or beneath the Property or any Lot or existing at the time of closing or arising thereafter. This Release, Indemnification and Hold-Harmless provision is specifically intended provide indemnification from any and all liability arising under CERCLA, to the full extent permitted under 42 U.S.C. § 9607(e)(1).

