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OFFICE OF THE
COUNTY RECORDER
CARVER COUNTY, MINNESOTA

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02-04-02

Carl W. Hansen, Jr.
County Recorder

SIERRA

FIRST AMENDMENT
TO THE DECLARATION

Pursuant to the Articles, Bylaws and Declaration, the following changes have been approved.

1. SIERRA NORTH is added as additional property.

2. Part of Outlot A has been added to the property. It has been platted as SIERRA SECOND ADDITION. Outlots D and E are part of SIERRA NORTH.

3. Declaration changes:

ARTICLE VII
ADDITIONAL RESTRICTIONS: RULES AND REGULATIONS

Section 1. Additional Restrictions.

f. is modified to read in its entirety:

f. No structure of a temporary character, trailer, basement, shack, tent, garage, barn and no detached buildings or tool shed for purposes of storage shall be constructed on any Lot. This restriction, however, does not prevent the construction of decorative gazebos, birdhouses or structures of similar nature.

ARTICLE XII
FLEXIBLE ASSOCIATION

Section 2. Additional Real Estate is modified to read in its entirety:

Section 2. Additional Real Estate. Declarant may add to the Association all or any part of the real estate described in Exhibit B attached hereto, at any time or times within ten years after the recording of this Declaration. The real estate to be added to the Association shall be restricted to residential uses. The total number of Lots to be added to the Association shall not be more than 260. All restrictions contained in the Declaration relating to the use, occupancy and alienation of Lots shall be applicable to the Lots added to the Association. Such restrictions shall not apply to any additional real estate that is not added to the Association. Any buildings and living units erected upon the additional real estate, when and if added, shall be compatible with the other buildings and living units in the Association in terms of architectural style, quality of construction, principal materials employed in construction and size. The subdivision of SIERRA NORTH may be added to the Association.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 23rd day of January, 2002.

SIERRA Association

By _____
Terrance J. Hartman
Its: Chief Manager and President

Attested by:

By _____
Debra Hartman-Wrolson
Its: Secretary of SIERRA Association

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 23rd day of January, 2002 by Terrance J. Hartman, the Chief Manager and President of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

BRADLEY W. SOLHEIM
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 23rd day of January, 2002 by Debra Hartman-Wrolson, the Secretary of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

BRADLEY W. SOLHEIM
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Bradley W. Solheim
MELCHERT HUBERT SJODIN, PLLP
121 West Main Street, Suite 200
Waconia, MN 55387
(952) 442-7700

SIERRA

SECOND AMENDMENT
TO THE DECLARATION

Pursuant to the Articles, Bylaws and Declaration, the following changes have been approved.

1. Part of Outlot A, SIERRA has been added to the property. It has been platted as SIERRA THIRD ADDITION.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 11th day of June, 2002.

SIERRA Association

By _____
Terrance J. Hartman
Its: Chief Manager and President

Attested by:

By Debra Hartman-Wrolson
Debra Hartman-Wrolson
Its: Secretary of SIERRA Association

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 11th day of June, 2002 by Terrance J. Hartman, the Chief Manager and President of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

CHERYL A. OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2005

Cheryl A. Olson
Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 11th day of June, 2002 by Debra Hartman-Wrolson, the Secretary of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

CHERYL A. OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2005

Cheryl A. Olson
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Bradley W. Solheim
MELCHERT HUBERT SJODIN, PLLP
121 West Main Street, Suite 200
Waconia, MN 55387
(952) 442-7700

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SIERRA

THIRD AMENDMENT
TO THE DECLARATION

Pursuant to the Articles, Bylaws and Declaration, the following changes have been approved.

1. Part of Outlot A, SIERRA has been added to the property. It has been platted as SIERRA FOURTH ADDITION.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 1st day of November, 2002.

SIERRA Association

By _____
Terrance J. Hartman
Its: Chief Manager and President

Attested by:

By Debra Hartman-Wrolson
Debra Hartman-Wrolson
Its: Secretary of SIERRA Association

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 1st day of November, 2002 by Terrance J. Hartman, the Chief Manager and President of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

DEBRA HARTMAN WROLSON
NOTARY PUBLIC – MINNESOTA
My Commission Expires 1-31-2005

Debra Hartman-Wrolson
Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 13th day of December, 2002 by Debra Hartman-Wrolson, the Secretary of SIERRA Association, a Minnesota nonprofit corporation, on behalf of said corporation.

CHERYL A. OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2005

Cheryl A. Olson
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Bradley W. Solheim
MELCHERT HUBERT SJODIN, PLLP
121 West Main Street, Suite 200
Waconia, MN 55387
(952) 442-7700

SIERRA

FOURTH AMENDMENT
TO THE DECLARATION

Pursuant to the Articles, Bylaws and Declaration, the following changes have been approved.

1. Part of Outlot A, SIERRA has been added to the property. It has been platted at SIERRA FIFTH ADDITION.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 14th day of August, 2003

SIERRA Association

By _____
Terrance J. Hartman
Its: Chief Manager and President

Attested by:

By Debra Hartman-Wrolson
Debra Hartman-Wrolson
Its: Secretary of SIERRA Association

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 14th day of August, 2003 by Terrance J. Hartman, the Chief Manager and President of SIERRA Association, a Minnesota nonprofit corporation, on behalf of the said corporation.

CHERYL A. OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2005

Cheryl Olson
Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 14th day of August, 2003 by Debra Hartman-Wrolson, the Secretary of SIERRA Association, a Minnesota nonprofit corporation, on behalf of the said corporation.

CHERYL A. OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2005

Cheryl Olson
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Hartman Communities, LLC
1600 Arboretum Blvd.
P.O. Box 65
Victoria, MN 55386
952-369-4545

APPENDIX "A"

SIERRA

LIENS, DEFECTS, OR ENCUMBRANCES ON, OR AFFECTING TITLE TO UNITS, IF ANY

1. Easements as shown on the Plat of SIERRA, Carver County, Minnesota.

2. The Declaration of SIERRA.

3. An Easement in favor of Northern Natural Gas Company dated March 4, 1960; recorded April 6, 1960 in Book "O" Misc., Page 306. A Modification and Amendment of Easement Grant was dated June 14, 1996; recorded July 31, 1996 as Document No. 198779. An Amendment to Easement recorded as Document No. 272489.

4. Sidewalk easements in form of the City of Waconia which can be obtained from Hartman Communities, LLC.

5. Utility easement in favor of the City of Waconia which can be obtained from Hartman Communities, LLC.

APPENDIX "B"

SIERRA

For taxes due and payable in 2001, the real estate taxes have not been determined. It is anticipated that the property tax on the Outlots owned by the Association will be nominal. Inquiry should be made to the seller's closing agent to determine the taxes. There will be no special assessments against any lot purchased from Declarant.

SIERRA
DECLARATION

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Consent of Mortgagee and Consent of Purchaser

SIERRA

DECLARATION

THIS DECLARATION, made on this _____day of, 2000, by Hartman Communities, LLC, a Minnesota limited liability company, ("Hartman"), hereinafter referred to as "Declarant".

WHEREAS, Hartman is the owner of certain property in the City of Waconia, County of Carver, State of Minnesota, which is more particularly described as:

See Exhibit A

(the "Property" or "Properties"), which property Declarant intends to develop for residential uses; and

WHEREAS, Declarant desires that all of the Property shall be subject to certain uniform covenants, conditions and restrictions; and

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold, and conveyed and the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described Properties of any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof

This development is not subject to a master association.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to SIERRA Association, a corporation formed under Chapter 317A, Minnesota Statutes, its successors and assigns.

Section 2. "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 Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Where any such Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered to be the owner of the Lot if: a) the rights of the contract vendor hereunder are delegated to the vendee under such contract for deed; and b) the vendee shall furnish proof of such delegation to the Association.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any separately identified plot of land shown upon any record subdivision map or plat of the Properties which is intended to be sold to the ultimate buyer as a separate property. Where appropriate, reference to "Lot" shall include all structures located upon a Lot. The boundaries of each Lot and the unit identifier of each Lot shall be as shown on the Plat.

Section 5. "Declarant" shall mean and refer to Hartman Communities, LLC, a Minnesota limited liability company, its successors and assigns.

Section 6. "Common Elements" shall mean and refer to the following described real property in Carver County, Minnesota:

Outlots B and C SIERRA.

Section 7. "Eligible Mortgagee" shall mean any person owning a mortgage on any Lot, which mortgage is first in priority to any other mortgages that encumber such Lot, 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.

Section 8. "Plat" shall mean the plat of SIERRA recorded in the office of the County Recorder, Carver County, Minnesota.

Section 9. The Declarant hereby states the following:

a. The name of the Association is SIERRA Association. The Association has been incorporated pursuant to the provisions of Minnesota Statutes Chapter 317A.

b. This development is not subject to a master association.

c. The legal description of the Property created hereby (including all appurtenant easements) is set forth on the attached Exhibit A.

d. The description of the boundaries of each Lot created by this Declaration, including the unit identifier number for each Lot, is set forth on the Plat, which plat has been filed for record with the office of the Carver County Recorder and is hereby incorporated herein by reference.

e. The allocated interests are assigned equally to each Lot, subject to the provisions of this Declaration. Each Lot shall have one vote in the affairs of the Association. Except as provided in Article III, Section 6 (relating to the Alternative Assessment Program), each Lot shall share the Common Expenses equally.

f. The development created hereby shall consist initially of 44 Lots, all of which shall be restricted to residential use. The maximum total number of units is 260.

g. No additional units may be created by the subdivision or conversion of Lots.

h. The use restrictions to which the Lots are subject are located in Articles VI and VII hereof. There is no restriction on the sale price of a unit. The amount to be received upon the condemnation or termination of the association is set forth in Article XIV, Section 8 and Article XIV, Section 9, respectively. Provisions relating to casualty insurance are set forth in Article X, Section 2.

i. Timeshares are not permitted.

j. Matters relating to Special Declarant Rights are contained in Article XIII hereof Matters relating to the use of the Common Elements are contained in Article VII hereof Matters relating to the care and maintenance of the Common Elements are contained in Article IV hereof Matters relating to assessments for Common Expenses are contained in Article III hereof

k. There are no appurtenant easements relating to the development.

ARTICLE II
(Intentionally Omitted)

ARTICLE III
COVENANT FOR COMMON EXPENSE AND INSURANCE PREMIUM ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract for deed therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association:

a. General annual assessments or charges:

i. a common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on basis of (A) equality, (B) square footage of the area being maintained, repaired or replaced, or (C) the actual cost incurred with respect to each Lot.

b. Assessments for master insurance premiums, if any, which may be assessed in proportion to value, risk or coverage;

c. The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto;

d. Assessments for fees, charges, late charges, fines and interest;

e. If any damage to the Common Elements or another Lot is caused by the act or omission of any Owner, the guests of an Owner or the occupant of any Lot, assessments for the costs of repairing the damage may be assessed exclusively against the Owner's Lot to the extent not covered by insurance.

The assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and if more than one person was an Owner then such obligation shall be joint and several. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the purposes of the Association as set forth in Article IV.

Section 3. Limitation of Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to an Owner and the Owner's Lot shall be $100.00 per Lot.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership of the Association.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased by ten percent (10%) or more by a vote of Owners representing sixty-seven percent (67%) of the Lots who are voting in person or by proxy, at a meeting duly called for this purpose.

c. The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto.

Section 4. Special Assessment for Capital Improvements. In addition to the annual general assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Owners representing sixty-seven percent (67%) of the Lots who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of an annual meeting or not less than 7 days nor more than (30) days in advance of a special meeting. At the first such meeting called the presence of members or of proxies entitled to cast more than fifty (50%) percent of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be 1/2 of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment: Alternative Assessment Program. Both general annual and special assessments on all Lots must be fixed at a uniform rate, except vacant Lots that shall be assessed at twenty-five percent (25%) of the established assessment rate, excluding assessments for replacement reserves, except:

a. No assessments shall be made against any Lot which is a parcel of real estate which is not for separate ownership or occupancy.

b. Any Lot owned by Declarant and which is not exempt from assessment by Article III, Section 6(a) shall be assessed at twenty-five percent (25%) of the established assessment rate, excluding assessments for replacement reserves,

until such time as a certificate of occupancy is issued by the City of Waconia, Minnesota.

c. This alternative assessment program shall have no effect on the level of services for items set forth in the Association's budget.

d. At all times, Declarant shall pay 100% of any assessment for replacement reserves.

Annual and/or special assessments may be collected on a quarterly or annual basis at the discretion of the Association.

Section 7. Date of Commencement of Assessments; Due Dates. The general annual assessment provided for herein shall commence as to all Lots as determined by the Board of Directors of the Association. Notwithstanding the foregoing to the contrary, any Lot owned by Declarant shall be assessed pursuant to the alternative assessment program set forth in Article III, Section 6.

The first general annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of such assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of such assessment shall be sent to every Owner subject thereto. The Board of Directors of the Association shall establish the due dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment to any Member not paid within 30 days after the due date shall bear interest from the due date at a rate of 8% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the Lien against the Property. Such Lien may be foreclosed in the same manner as a mortgage pursuant to Minnesota Statutes, Chapters 580, 581 or 582, as amended, and the Association shall be entitled to recover interest at the rate of eight percent (8%) per annum and its costs, expenses and disbursements, including reasonable attorney's fees, incurred in such foreclosure, without regard to any limitation under Minn. Stat. Sec. 582.01. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of the Owner's Lot. If the Association has provided for monthly installment payments of assessments, the Association may accelerate and the Owner shall pay the unpaid balance of an annual installment if the Owner has failed to pay any monthly installment within thirty (30) days after the due date of a monthly installment. To the extent permissible, the Association may deny services to any Member who is more than thirty (30) days delinquent in the payment of any assessment or installment of an assessment.

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof

Section 10. Priority of Lien. Any holder of a first mortgage on a Lot or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Lot by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Lot free of any claims for unpaid assessments or other charges or liens imposed against the Lot by the Association which have accrued against such Lot prior to acquisition of possession of the Lot by said first mortgage holder or purchaser;

a. except as provided in Article III, Section 9; and

b. except that any unpaid assessments or charges with respect to the Lot may be reallocated among all Lots in accordance with their interests in Common Elements.

ARTICLE IV
DUTIES OF ASSOCIATION

Section 1. General Duties. The Association shall provide for maintenance upon the Common Elements as follows: lawn care and irrigation of Common Elements and maintenance of trees, shrubs, entry plantings on Common Elements, lawn care and maintenance of playground equipment, private parks and tot lots (if any), conservation and environmental areas, maintenance of ponds and maintenance of entryway monuments.

In addition the Association may, at the option of the Association, provide for the repair and replacement of damaged mailboxes.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, invitee, or lessees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

The Association shall enforce the covenants, conditions and restrictions set forth herein and any amendments hereto and any rules and regulations adopted by the Association. The Association may provide for trash removal services in accordance with the provisions of Article IX hereof and shall provide insurance as required in this Declaration.

The Association shall undertake, at its discretion, such further duties as determined by the Board of Directors.

ARTICLE V
(Intentionally Omitted)

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. No building, fence, wall, deck or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.

Section 2. Approval. In the event said Board of Directors, or its designated architectural committee, fails to approve or disapprove such design and location, or planting, within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII
ADDITIONAL RESTRICTIONS: RULES AND REGULATIONS

Section 1. Additional Restrictions.

a. No lot shall be used except for residential purposes, except that Declarant shall be entitled to maintain model homes and other sales facilities upon the Lots.

b. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot and one sign of not more than five (5) square feet advertising the property for sale, except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertising the Property until the Declarant conveys the last Lot.

c. The Board of Directors, at its discretion, may adopt rules and regulations controlling the keeping of animals on the Lots. No animals shall be kenneled outside the house or garage in the open yard. An enclosure or doghouse can be constructed if and only if it is: i) under a deck with lattice-type screening, or attached to house/garage ii) constructed of the same exterior material and color as the house and garage and attached to the house or garage, or iii) solid face fencing and attached to the house or garage.

d. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, including pet or household waste. Garbage, rubbish and trash shall not be kept on said premises except in sanitary containers. All incinerators or other equipment used or kept for the storage or disposal of such material shall be kept in a clean and sanitary condition.

e. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

f. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any Lot at any time as a residence, either temporarily or permanently.

g. No trailers, boats, buses, motor homes, campers, snowmobiles or other types of recreational vehicles shall be parked on any Lot or on a street in the subdivision for more than forty-eight (48) consecutive hours unless such vehicle is parked within a garage located on such Lot; unless the Board of Directors of the Association grants permits to park such vehicles on Lots for limited periods of time not to exceed fourteen (14) days in any twelve (12) month period. No such vehicles shall be parked on any Common Element.

h. No aerial, antenna or satellite dish which is (i) over four feet in height, as measured from the point on any structure to which the aerial, antenna or satellite dish is affixed; (ii) more than one (1) meter in diameter size; (iii) not attached to a dwelling unit, or (iv) of a color not approved by the Association, shall be permitted on any Lot.

i. No abandoned motor vehicle as defined in Minnesota Statutes Section 168B.02, subdivision 2, as amended from time to time, shall be permitted to remain upon the streets or driveways or on any Lot or parking area. The Association shall have the right to remove any such vehicle at any time, and assess the costs of such removal against the Lot that is owned or occupied by the person in control or possession of such vehicle.

j. Except as herein permitted for Declarant, no business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot, except: (i) an Owner or occupant residing in a Lot may keep and maintain his or her business or professional records in such Lot and handle matters relating thereto by telephone or correspondence there from, provided that such uses are incidental to the residential use of the Lot; and (ii) the Association may maintain offices on the Property for management and related purposes.

k. No Lot may be leased for transient or hotel purposes. Any lease of any Lot shall be in writing which shall be expressly subject to this Declaration and any Rules and Regulations adopted by the Association and which provides that any violation of this Declaration and any Rules and Regulations shall be a default under the lease. No timeshares shall be created with respect to any Lot.

l. A Lot Owner may erect a yard fence around the perimeter of his Lot for the purpose of preventing domestic house pets from running loose outside the yard. Such fence shall be in compliance with the City of Waconia ordinances. Furthermore, fences shall not be constructed as to inhibit open space views around the entire perimeter of the Lot. Solid faced wood or vinyl are not permitted. Perimeter fencing shall be of an open design such as wrought iron, split rail or chain link that is coated brown, green or black.

Section 2. Rules and Regulations. The Association may adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation, this Declaration or the Bylaws of the Association, as follows:

a. regulating the use of Common Elements;

b. regulating the use of Lots and the conduct of living unit occupants which may jeopardize the health, safety and welfare of other occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other living units;

c. regulating or prohibiting animals;

d. regulating changes in the appearance of the Common Elements and conduct which may damage the association;

e. regulating the exterior appearance and maintenance of structures within the subdivision, including, by way of illustration and not limitation, painting, roofing, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a living unit;

f. implementing the Articles of Incorporation, this Declaration or the Bylaws of the Association; and

g. other rules facilitating the operation of the development.

After notice and an opportunity to be heard, the Association may impose reasonable sanctions, including the levying of reasonable fines and reasonable restrictions on services and use of Common Elements, for violations of this Declaration, Bylaws and Rules and Regulations of the Association.

ARTICLE VIII
EASEMENTS

Section 1. General. In addition to the easements, covenants, restrictions and conditions herein, all Lots shall be subject to easements and covenants hereinafter specifically described for the benefit of the Properties or for the limited benefit of specified adjoining Lots, all as more fully set forth hereinafter in this Article. Within such easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of any utilities or trails or which may change the flow or drainage channels within the easements or which may obstruct, retard or change the flow of water through drainage easements. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for improvements that are the responsibility of a public authority or utility company.

Section 2. Utility Easements. All Lots and Common Elements are hereby subjected to easements for the installation and maintenance of utilities, including gas, telephone, electric and cable TV. The Association or its proper representatives shall have the right of free access to any Lot for the purpose of maintaining any utility service to any Lot on the Properties. In addition, each Lot over which a utility is in fact installed or constructed as part of the original utility system shall be subject to an easement for utility purposes over the portion of the Lot upon which such utility service is constructed.

Section 3. Easements for Encroachment. In the event that any buildings or other structures originally constructed by the Declarant or constructed or erected thereafter on any Lot in accordance with this document encroaches upon any other Lot or Common Element, or, if any such encroachment shall hereafter arise because of settling or shifting of the building or other cause, an exclusive easement appurtenant to said encroaching Lot for such encroachment and the maintenance thereof shall exist.

Section 4. Easement for Maintenance. Declarant hereby grants an easement in favor of the Association over and across each Lot for the purposes of the Association performing its duties.

Section 5. Emergency Vehicles. Declarant hereby grants a perpetual, non-exclusive easement in favor of the City of Waconia, a municipal corporation under the laws of the State of Minnesota, on, over and across the Common Elements for the purpose of ingress and egress for police, fire, rescue and other emergency calls, animal control, health and prospective inspection and to provide to the Owners other public services deemed necessary by the City of Waconia and for the purposes set forth herein.

Section 6. Mailboxes. The Declarant hereby makes each Lot subject to an easement for the location and maintenance of mailboxes as constructed on each Lot.

ARTICLE IX
TRASH REMOVAL

Section 1. Master Contract. The Association may contract with a single provider for the removal and disposal of garbage, trash and other solid waste from all Lots in accordance with this Declaration. Each Owner shall be obligated to purchase such services from the provider designated by the Association upon the terms, conditions and rates negotiated by the Association.

Section 2. Charges. Any charges imposed by the provider designated by the Association shall be paid by the Association and shall be included in the general assessments to Owners. In the event that any Owner requests any services not included within the basic/general charges of the provider, the Owner, upon written demand by the Association, shall reimburse the Association for any charges for such services, plus all related costs, including interest, attorney fees and administrative charges of the Association, and if not paid by Owner, such charges shall be a lien against the Lot. Any charge, lien or claim pursuant to this Article shall not be subject to any maximum increase in general assessments.

ARTICLE X
INSURANCE

Section 1. Liability Insurance: Fidelity Bonds. The Board of Directors of the Association, or its duly authorized agent, shall obtain a broad form of public liability insurance insuring the Association, with such limits of liabilities as the Association shall determine to be necessary, against all acts, omissions to act and negligence of the Association, its employees and agents.

Section 2. Property Insurance. Each Owner shall obtain and maintain the Owner's own property and liability insurance coverage relating to the ownership of the Lot and any structures constructed thereon.

Section 3. Other Insurance. The Association shall procure and maintain the following additional insurance coverage:

a. Fidelity coverage against dishonest acts on the part of Directors, Managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount which is no event less than three times estimated monthly assessments plus the amount of any reserves. An appropriate endorsement to the policy to cover any person who serve without compensation shall be added in said policy would not otherwise cover volunteers.

b. A comprehensive policy of public liability insurance covering the Common Elements in amount not less than one million dollars. Such insurance shall contain a "Severability" of insurance: endorsement that shall preclude the insurer from denying the claim of the Owner because of negligent acts of the Association or other owners. The policy shall include such additional coverage, endorsements or limits as may be required by regulations of the Federal Housing Administration, ("FHA"), or the Federal National Mortgage Association, ("FNMA") as a; precondition to their insuring, purchasing or financing a mortgage on Lot.

c. Workers Compensation insurance as required by law.

d. Directors and officers liability insurance with such reasonable limits and coverage as the Board of Directors may determine from time to time.

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

Section 4. Deductibles. As to any deductibles under any insurance coverage obtained by the Association, the Board of Directors may:

a. pay the deductible as a general common expense;

b. assess the deductible amount against any Lots affected in a reasonable manner; or

c. assess the deductible against any Owner and the Owner's Lot if the loss was caused by the act or omission of the Owner, or the Owner's agents, employees, invitees, guests or any one occupying the Lot with the expressed or implied permission of the Owner.

ARTICLE XI
RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. Consent to Certain Amendments. The written consent of eligible mortgagees representing at least fifty-one (51%) percent of the Lots that are subject to first mortgagees held by Eligible Mortgagees, (based upon one vote per first mortgage owned), shall be required for any amendment to this Declaration, Articles of Incorporation or Bylaws of the Association which causes any change in the following:

a. voting rights;

b. increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or priority of assessment liens;

c. reductions in reserves for maintenance, repair and replacement of Common Elements;

d. responsibility for maintenance and repairs;

e. reallocation of interests in the Common Elements or right to their use;

f. redefinition of any Lot boundaries;

g. convertibility of Lots into Common Elements or vice versa;

h. expansion of the Property or the addition or withdrawal of property to or from the Property;

1. hazard or fidelity insurance requirements;

j. leasing of Lots;

k. imposition of any restrictions on the leasing of Lots;

1. restoration or repair of the Property, (after hazard damages or partial condemnation) in a manner other than that specified in this Declaration;

m. any action to terminate the legal status of the association after substantial destruction or condemnation occurs; or

n. any provisions that expressly benefit mortgage holders, or insurers or guarantors of mortgages.

Notwithstanding the foregoing, implied approval of a proposed amendment shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives property notice of the proposal, provided that the notice was delivered by certified mail with a return receipt.

Section 2. Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven (67%) percent of the Lots that are subject to first mortgages, (based upon one vote per first mortgage owned) shall be required to abandon or terminate the association.

Section 3. Consent to Subdivision. No Lot may be partitioned or subdivided without the prior written approval of the Owner, Eligible Mortgagee thereof, and the Association.

Section 4. Priority for Condemnation Awards. No provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association shall give an owner, or any other party, priority over any rights of the Eligible Mortgagees of the Lot 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 Lot and/or the Common Elements. 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.

Section 5. Access to Books and Records. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice 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 that are audited, shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. If a request is made by FNMA or any institutional guarantor or insurer of a mortgage loan against a Lot for an audit of the Association's financial statements, the Association shall cause an audit to be made and shall deliver a copy to the requesting party, subject to the Bylaws of the Association.

ARTICLE XII
FLEXIBLE ASSOCIATION

Section 1. Flexible Association. This Association is a flexible association. Declarant may add additional real estate to the Association at any time or times within ten (10) years from the date of recording of this Declaration.

Section 2. Additional Real Estate. Declarant may add to the Association all or any part of the real estate described in Exhibit B attached hereto, at any time or times within ten years after the recording of this Declaration. The real estate to be added to the Association shall be restricted to residential uses. The total number of Lots to be added to the Association shall not be more than 260. All restrictions contained in the Declaration relating to the use, occupancy and alienation of Lots shall be applicable to the Lots added to the Association. Such restrictions shall not apply to any additional real estate that is not added to the Association. Any buildings and living units erected upon the additional real estate, when and if added, shall be compatible with the other buildings and living units in the Association in terms of architectural style, quality of construction, principal materials employed in construction and size.

ARTICLE XIII
SPECIAL DECLARANT RIGHTS

Section 1. Period of Declarant Control. Notwithstanding anything in this Declaration or the Association Bylaws to the contrary, the Declarant shall have the right to control the management and affairs of the Association until the earlier of the following events:

a. sixty (60) days after the conveyance of seventy-five percent (75%) of all of the lots in the entire 260 (estimated) lot subdivision, or

b. five (5) years from the date of the recording of this Declaration.

During this period of Declarant Control, the Declarant, subject to the Bylaws, shall have the sole right to appoint, remove and replace the officer and directors of the Association. Notwithstanding the foregoing, the Owners other than the Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent (33 1/3%) of the directors at a meeting of the Owners which shall be held within sixty (60) days following the conveyance by Declarant of fifty percent (50%) of the Lots.

Section 2. Maintenance of Sales Offices. Notwithstanding anything herein to the contrary, so long as the Declarant owns an interest in a Lot, the Declarant may maintain advertising signs on any part of the Common Elements and sales offices, management offices and model units in any Lots or in or on any part of the Common Elements and sales offices, management offices and model units in any Lots or in or on any part of the Common Elements and such sales offices and model units may be relocated by Declarant from time to time. There shall be no limit on the number or location of such offices or model units.

Section 3. Easements in Favor of Declarant. Notwithstanding any provisions contained herein to the contrary, so long as construction and initial sale of Lots shall continue, Declarant shall have an easement over and across the Common Elements for the purpose of carrying out its sales activities and for the purpose of completing the construction on any Lots, including without limitation the right of vehicular ingress and egress, vehicular parking, material storage, and the maintenance of business offices, signs, model units, and sales offices, and Declarant shall have an easement for access to such facilities; provided, however, that Declarant shall promptly restore any damage to the Common Elements by reason of any construction incident to the foregoing. This Section may not be amended without the express written consent of the Declarant.

Section 4. Special Definition of Declarant. For the limited purposes of this Article, Article XIII and any other reference to Special Declarant Rights, the term "Declarant" shall refer to Hartman Communities, LLC alone.

ARTICLE XIV
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall be perpetual. This Declaration may be amended by an instrument signed by the Owners representing Lots to which not less than sixty-seven percent (67%) of the total votes have been allocated. Any amendment must be recorded.

Section 4. Annexation. Additional residential or commercial property and Common Elements may be annexed to the property with the consent of the Declarant or Owners who represent seventy-five percent (75%) of the Lots.

Section 5. Tender of Claims. In the event that any incident occurs which would reasonably give rise to a demand by the Association against the Declarant for indemnification, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

Section 6. Conflicts Among Documents. In the event of any conflict among the provisions of this Declaration, the Bylaws of the Association or any Rules and Regulations adopted by the Association, the documents shall control in the following order of priority:

a. this Declaration;

b. the Bylaws; and

c. the Rules and Regulations

Section 7. Interpretation. As appropriate, each reference to a masculine pronoun that include the feminine and neutral pronoun and each reference to a singular pronoun shall include the multiple pronoun and vice versa.

Section 8. Condemnation. In the event of the taking of any of the Common Elements by eminent domain or any action or proceeding in lieu of eminent domain (hereinafter, "Condemnation"), the Association shall represent the Owners in any such Condemnation, or in negotiations, settlements and agreements with the condemning authority, and each Owner hereby appoints the Association as his attorney-in-fact, irrevocably, for such purposes. If deemed necessary by the Association, it may obtain the services of a trustee to act on behalf of the Owners in carrying out any functions under this Section. In the event of a Condemnation of part or all of the Common Elements, the award of proceeds of settlement shall be payable to the Association. All proceeds payable with respect to any Condemnation of Common Elements shall be applied to the restoration or repair of such Common Elements remaining after such Condemnation or to such other purposes as may be in accordance with the functions and power of the Association and the welfare of the Owners.

If all of the Lot is taken through Condemnation, or if so much of a Lot is taken that the remaining property cannot reasonably be used for a purpose allowed by this Declaration, then the entire Lot shall be considered condemned and the Owner's interest in the Common Elements and Association shall be deemed to cease on the date such Condemnation is completed.

If part of a Lot is taken through Condemnation, but the Lot can still be used for a purpose allowed by this Declaration, then there shall be no effect on the Lot Owner's interest in the Common Elements or the Association.

Any proceeds of any Condemnation with respect to a Lot shall belong and be paid to the Owner thereof and his mortgagee, as their interests may appear.

Section 9. Dissolution. The association created by this Declaration may only be terminated with the assent given in writing and signed by not less than the Owners holding eighty percent (80%) of the voters of the Association and eighty percent (80%) of the Eligible Mortgagees (each mortgagee having one vote for each Lot financed). Upon termination of the association, after payment of all the debts and obligations of the Association, all Lots, Common Elements, and Association property shall be administered in accordance with the Minnesota law.

Section 10. No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Lot shall not be subject to any right of first refusal or similar restrictions.

Section 11. Priority of Taxes and Other Charges. All taxes, assessments and charges that may become liens prior to the first mortgage under state law shall relate only to the individual Lots and not the Property as a whole.

Section 12. Management Agreements. The term of any agreement for professional management of the Property may not exceed one (1) year. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party.

a. with cause upon thirty (30) days prior written notice; and

b. without cause, upon sixty (60) days prior written notice.

Section 13. Notice Requirements. Upon written request to the Association, identifying the names and address of the holder, insurer or guarantor of a mortgage on a Lot, and the Lot number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

a. A condemnation loss or any casualty loss which affects a material portion of the Lot securing the mortgage.

b. A 60-day delinquency in payment of assessments or charges owed by the Owner of a Lot on which it holds a mortgage.

c. A lapse, cancellation or material modification of any insurance policy maintained by the Association.

d. A proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

IN WITNESS WHEREOF, Declarant has caused his Declaration to be executed the date and year first above written.

HARTMAN COMMUNITIES, LLC

By: _____
Its: Chief Manager

STATE OF MINNESOTA)
)ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this 6th day of December, 2000, by Terrance J. Hartman, the Chief Manager of Hartman Communities, LLC, a Minnesota limited liability company, on behalf of said company.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Bradley W. Solheim
Melchert Hubert Sjodin, PLLP
121 West Main Street
Waconia, MN 55387

ROSEANNE O. MALBERG
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

EXHIBIT A TO DECLARATION

SIERRA

Legal Description

Lots 1 through 6, inclusive Block 1,
Lots 1 through 16, inclusive Block 2,
Lots 1 through 14, inclusive Block 3,
Lots 1 through 8, inclusive Block 4
Outlots B, and C
SIERRA,
Carver County, Minnesota

EXHIBIT B TO DECLARATION

SIERRA

Additional Real Estate

Outlot A, D and E
SIERRA

CONSENT OF MORTGAGEE

Victoria State Bank, a Minnesota banking corporation and mortgagee of a portion of the Real Estate described in the within instrument pursuant to a certain mortgage filed in the Office of the County Recorder, Carver County, Minnesota dated _____, filed _____, as Document No. _____, Carver County, Minnesota, and pursuant to a certain mortgaged filed in this office of the County Recorder, Carver County, Minnesota dated _____, filed _____, as Document No. _____, Carver County, Minnesota hereby joins in and consents to all of the terms, provisions, covenants, conditions, restrictions and easements contained in the within Declaration of the SIERRA, and agrees that its interest in the Real Estate covered by and pursuant to said mortgages is subject to said Declaration and to all the terms, provisions, covenants, conditions, restrictions and easements contained therein.

Dated:_____

VICTORIA STATE BANK

By:_____
Its:_____
By:_____
Its:_____

STATE OF MINNESOTA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by _____ and _____the _____ and _____ of Victoria State Bank, a banking corporation under the laws of the State of Minnesota, on behalf of the corporation.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Bradley W. Solheim
Melchert Hubert Sjodin, PLLP
121 West Main Street
Waconia, MN 55387