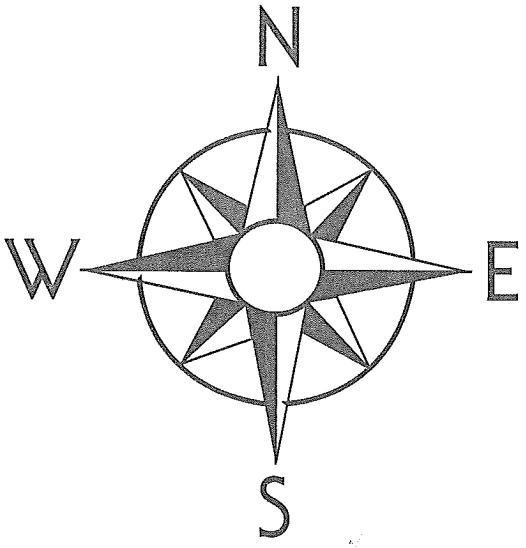


Sierra

Homeowners Neighborhood Documents

MEMORANDUM

FROM: Hartman Communities, LLC

TO: Prospective Purchasers of a Lot in SIERRA, Carver County, Minnesota ("SIERRA")

DATE: August 14, 2003

As prospective purchasers at SIERRA, you should be aware of a variety of information concerning the development. Included as part of this package of "Community Documents" are:

1. Environmental Disclosure

2. First, Second, Third, and Fourth Amendment to the Declaration

3. The Declaration of SIERRA

4. The Articles of Incorporation of SIERRA Association, (the "Association");

5. The Bylaws of the Association;

6. A projected annual operating budget for the Association prepared by Hartman Communities, LLC (the "Declarant");

The Association

The Declarant is Hartman Communities, LLC, a Minnesota limited liability company, 1600 Arboretum Boulevard, Suite 103, Victoria, Minnesota 55386. The mailing address of the SIERRA Association is Post Office Box 65, Victoria, Minnesota 55386.

SIERRA will initially consist of residential lots. The homes constructed on the lots will be all new construction. The type of construction will vary based upon choices made by the purchasers of the homes.

SIERRA also includes landscaped, conservation and environmental areas, common grounds, monumentation and ponds. It may include Association owned tot lots and playgrounds. All of these facilities are part of the common elements and will be maintained by the Association. The costs of maintaining the common elements will be a common expense. As set forth in the Declaration, the Declarant has reserved the right, so long as it owns any lot, to maintain and relocate, from time to time, sales offices, management offices and model living units including signage within any lot or lots or in or on any part of the common elements. Otherwise, except for any limited common elements, the common elements will be available for use of all owners subject to rules and regulations that the Association may adopt from time to time.

Insurance coverage to be provided initially by the Association will include

a. Fire insurance with "extended coverage" and "all-risk" endorsements insuring the personal property belonging to the Association, subject to a deductible per occurrence of liability not more than $1,000.00;

b. Comprehensive public liability insurance with a combined single-limit of not less than $1,000,000 covering events occurring on the common elements or arising out of or in connection with the use, ownership or maintenance of the common elements, and

c. Worker's compensation insurance, if needed.

These policies will not cover any structures or buildings owned by each Owner or the personal property belonging to individual owners. Nor will these policies cover an owner's liability for events occurring within such owner's home. Each owner will be responsible for obtaining, at the owner's expense, any insurance that such owner may desire to obtain affording coverage upon such property or for such liability. The foregoing is a general description of the insurance coverage to be initially provided by the Association. Additional information regarding insurance coverage is contained in Article X of the Declaration. The type and limits of insurance coverage provided by the Association may be changed from time to time by the Board of Directors of the Association, subject to the provisions of the Declaration and applicable law.

The Declaration may make unsold homes available for rent and may market lots to investors.

It is anticipated that the Association may enter into a management agreement with a professional property management organization, which, by its terms, could be canceled by the Association upon thirty (30) days notice for cause and upon sixty (60) days notice without cause. The Association has not at present entered into any other contracts or agreements. The first year budget is projected based upon estimated costs for anticipated services and supplies to the initial units and the initial common elements with the community that will become a common expense of the Association.

Subsequent to the conveyance of lots, there will be no liens, defects, or encumbrances on or affecting the title to such lots other than the matters described on the attached Appendix "A" or any that may have been created by the purchaser of each such lot.

The lots are sold with NO WARRANTY concerning of the lots or any other matter relative thereto.

There are no judgments against the Association, pending suits to which the Association is a party nor any pending suits material to SIERRA. No financial arrangements have been provided of the completion of improvements on the Association property.

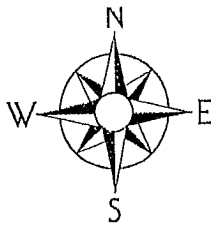
There are no delinquent real estate taxes on the lots or on any real property owned by the Association. Real estate taxes due and payable in the year in which these documents are furnished for the common areas including the amount of any special assessments certified for payment with the real estate taxes are set forth on the attached Appendix "B".

No application has been made to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development or the Department of Veterans Affairs for project approval. Conventional approval may be granted on a home-by-home basis with limited project review. No financing is being provided or arranged by the Declarant.

During the first year of the Association, the assessments per Lot to owners other than Declarant will be $100.00 per year.

Other than assessments, the Association for the use of common elements is imposing no fees or other charges.

There are no appurtenant easements relating to the development.



Sierra

Environmental Disclosure

In order to promote the mission of conservation and preservation of the unique environment of the neighborhood, as well as provide a basic understanding of the elements included in and surrounding *SIERRA*, Homeowners will be requested to acknowledge this disclosure.

A). We are aware of the conservation/open space areas within the neighborhood and agree to respect, preserve and protect them to the best of our ability including the natural vegetation, wildlife and water resources including creeks, ponds and wetlands.

B). We are aware of the surrounding agricultural, hobby farms and large estate-type properties. We agree to respect crops, livestock, fences and private property. We are also aware of the related activities and noises from the farming community such as tractors, combines, wagons and manure spreaders.

C). We are aware of the surrounding adjacent land uses, which include the Clearwater Mills neighborhood to the North and the agricultural uses to the West, South and East that may be developed in the future.

D). We are aware that in order to attempt to establish a sense of community and help protect the investment of every homeowner in *SIERRA*, each owner is a member of the Homeowners Association and that all lots are subject to certain covenants and restrictions. The Association will function to promote social interactions and environmental conservation, and uphold the standards set forth by the Developer related to maintenance, architectural design, landscaping, etc. The related cost will be divided equally and assessed to each lot through monthly or annual dues.

E). We are aware that the center family park area is privately owned and maintained by the Homeowners Association. The Association may regulate its use and development.

F). We are aware of the natural gas easement and pipeline that runs across the private open space/park areas of the neighborhood.

Date _____

Property Address _____

Homeowners(s) Signature _____