

DECLARATION OF COVENANTS/RESTRICTIONS FOR STONE RIDGE PLAZA

THIS DECLARATION OF COVENANTS/RESTRICTIONS FOR Stone Ridge Plaza is made and entered into by Northwest Investments of La Crosse, LLC, a Wisconsin limited liability company ("Declarant") effective the ____ day of _____, 2007.

WITNESSETH:

WHEREAS, Declarant is the owner of the real property situated in the City of Eyota, County of Olmsted, State of Minnesota, which is more fully described on Exhibit A attached hereto and incorporated herein by reference (the "Development"); and

WHEREAS, Declarant desires to subject and place upon the Development certain covenants, conditions, restrictions and other provisions set forth herein for the purpose of furthering a plan for the use and ownership of each portion of the Development; and

NOW, THEREFORE, Declarant hereby declares that the Development, and each portion thereof, shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, and other provisions set forth herein, which are for the purpose of protecting the value and desirability of, and which shall run with the above-described property and be binding on all parties having any right, title, or interest in the above-described property or any part thereof, their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

Section 1.1. *Declarant.*

"Declarant" means Northwest Investments of La Crosse, LLC, a Wisconsin limited liability company, and any other Person(s) to whom the Declarant, by recorded document, expressly assigns one or more of the Declarant's rights under this Declaration (which shall be the extent of the Declarant's rights to which such assignee succeeds).

Section 1.2. *Declaration.*

"Declaration" means this Declaration of Covenants for Stone Ridge Plaza, as amended or supplemented from time to time.

Section 1.3. *Improvements.*

"Improvements" means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including, but not limited to, buildings, outbuildings, painting or other finish materials on any visible structure, additions, walkways, driveways, fences, sprinkler systems, screening walls, retaining walls, exterior stairs, decks, railings, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, sod, gravel, bark, parking areas, exterior light fixtures, poles, signs, and exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment.

Section 1.4. *Long Term Tenant.*

“Long Term Tenant” shall mean any tenant occupying a Lot pursuant to a written agreement with the Owner thereof having an initial term, exclusive of options, of at least ten (10) years.

Section 1.5. *Lot.*

“Lot” means each Lot as described in Exhibit A attached hereto and incorporated herein by reference, and any lots resulting from the future subdivision or replatting of a Lot.

Section 1.6. *Owner.*

“Owner” means the Declarant or other Person who owns a Lot, but does not include a Person having an interest in a Lot solely as security for an obligation. Each Owner shall be liable for the performance of all covenants, obligations and undertakings set forth in this Agreement with respect to such Owner's Lot which accrue during the period of ownership of the Lot by such Owner.

Section 1.7 *Permittees.*

“Permittees” means the tenant(s) or occupant(s) of a Lot and the respective subtenants, employees, agents, contractors, customers, invitees and licensees of (i) the Owner of such Lot and/or (ii) such tenant(s) or occupant(s).

Section 1.8 *Person.*

“Person” means a natural person, a corporation, a partnership, an association, a trust, a limited liability company, a joint venture, or any other entity recognized under the laws of the State of Minnesota.

Section 1.9 *Security Interest.*

“Security Interest” means an interest in real estate or personal property in the Development, or any portion thereof, created by lien, contract or conveyance, which secures payment or performance of any obligation. The term includes a lien created by a mortgage, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in a Lot, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.10 *Development.*

“Development” means the real property described on the attached Exhibit A, and all Improvements now or hereafter thereon.

Section 1.11. *Plat*

Recorded Plat for stone Ridge Plaza and also to include the unplatted lot in the SW corner of Canyon Dr. NW and Whetstone Place NW as shown on Exhibit A.

ARTICLE 2.
USE AND BUILDING RESTRICTIONS; REGULATION OF CONSTRUCTION AND IMPROVEMENTS

Section 2.1. *Use Restrictions.*

2.1.1. General. Each Lot shall be used for only lawful purposes in conformance with all restrictions imposed by all applicable governmental laws, ordinances, codes and restrictions, and no use or operation shall be made, conducted or permitted on or with respect to all or any portion of a Lot which is illegal. In addition to the foregoing, throughout the term of this Declaration, it is expressly agreed that neither all nor any portion of a Lot shall be used, directly or indirectly for purposes of a salvage or junk storage business; adult bookstore, adult massage parlor or facility selling or displaying pornographic books, literature, or videotapes (materials shall be considered “adult” or “pornographic” for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality); no use that produces an obnoxious odor or noise; or no billboards shall be erected.

2.1.2 Specific Sole Use. All Lots shall be restricted from the following uses:

Convenience store, petroleum/fuel (including alternative fuels) station, car wash, tobacco store (except for Lot 2, Block 1);

Bank, credit union, or savings and loan (except for Lot 2, Block 3 and further provided that an ATM machine shall be permitted on Lot 2, Block 1); If a Bank, credit union, or savings and loan, has not purchased this lot within one year or is not built and operating on this lot within 5 years of the recording of this document, the Declarant may release other Lots from this restriction.

2.1.3. Plat Lot owners may not subdivide their lots or change the Plat without the consent of the Declarant while the Declarant owns any Lot within the Development.

Section 2.2. *Compliance with Laws.*

All construction activities performed by any Owner within the Development shall be performed in compliance with all laws, rules, regulations, orders, and ordinances of the City of Eyota, Minnesota, and the County of Olmsted, the State of Minnesota, and the federal government, or any department or agency thereof, affecting improvements constructed within the Development.

Section 2.3. *Architectural Control.*

All buildings will be of first-class commercial quality. No building may be constructed nor the exterior of any existing building changed (including, without limitation, building materials and color) without the prior written approval of Declarant, not to be unreasonably withheld, as to the building and driveway locations on the Lot, exterior design, color, elevations and building materials of the building to be constructed or modified. Before the commencement of construction of any structures or any modification of existing structures which requires the approval of Declarant, a proposal containing sufficient information (as reasonably determined by Declarant) shall be sent to Declarant to make a reasonable determination of approval or

disapproval of same. The Declarant must approve or disapprove the proposal within twenty (20) days after receipt of the proposal. If Declarant disapproves the proposal, it shall provide a written explanation in reasonable detail of its reasons for disapproval. If Declarant fails to respond to a proposal within the twenty (20) day period, Declarant shall be deemed to have approved same. If the proposal is disapproved, then an alternate proposal may be submitted, which alternate proposal shall be handled in the same manner as the initial proposal. Such Architectural Control shall be waived at Declarant's sole discretion.

Architectural control by the declarant shall run for 20 years or until declarant owns no more lots in the development, whichever is later.

Section 2.4. *Minimum Interference.*

All construction activities of any Owner shall be effected as expeditiously as possible and shall not: (i) cause any unreasonable increase in the cost of constructing improvements upon another Owner's Lot; (ii) unreasonably interfere with construction work being performed on any other part of the Development; (iii) unreasonably interfere with the use, occupancy or enjoyment of any part of the remainder of the Development by any other Owner, Occupant or their Permittees; or (iv) cause any building located on another Lot to be in violation of any law, rule, regulation, order or ordinance authorized by the City of Eyota, Minnesota, the County of Olmsted, Minnesota, the State of Minnesota, the federal government, or any department or agency thereof.

Section 2.5. *Construction Operations.*

All storage of materials, the location of temporary buildings or construction sheds and the parking of construction vehicles and equipment, including vehicles of workers, shall occur only on the constructing Owner's Lot, and all laborers, suppliers, contractors and materialmen connected with such construction activity shall use only the access points located upon the constructing Owner's Lot. Upon completion of such work, the constructing Owner shall restore the affected area to a condition at least equal to that existing prior to commencement of the work.

Section 2.6. *Outside Improvements.*

Upon its election to construct a building upon its Lot, each Owner shall cause the construction of the outside areas on its lot (other than landscaping) to be completed no later than the date the first business on such Lot opens for business with the public. The lighting system for the outside areas of any Lot shall be designed to produce a minimum maintained lighting intensity as required by the City of Eyota. The slope in the parking areas shall be in accordance with the drainage plan for the Development approved by the City of Eyota.

ARTICLE 3.

GENERAL RESERVED RIGHTS OF DECLARANT

Section 3.1 *Declarant's Reserved Rights and Expiration of Such Rights.*

Notwithstanding anything to the contrary contained in this Declaration, the Declarant reserves unto itself for its use and benefit all of the reserved rights of the Declarant as set forth in this Declaration, including without limitation those reservations contained in this Article 3 and in Article 2 and Article 6 hereof. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible and proper for Declarant and its employees, agents and contractors, to perform such reasonable activities, and to maintain upon portions of the Development owned by Declarant such facilities, as Declarant deems reasonably necessary or incidental to sale, conveyance and/or rental of Lots, and/or Improvements, and development and construction of Improvements, specifically including, without limiting the generality of the foregoing, maintaining on Lots owned by Declarant management offices, signs, construction offices, trailers and sales offices.

Section 3.2. *Declarant's Right to Encumber Declarant's Lot(s).*

The Declarant reserves the right, at any time, from time to time, to place additional covenants, restrictions and/or limitations on any Lot(s) owned by Declarant.

Section 3.3. *Declarant's Right to Modify Plat*

Declarant, as the fee owner of the Lots, reserves to itself, prior to conveyance of a Lot, without amending this Declaration and without obtaining the consent of the Owners of the other Lots: the right to change the size of such Lots. Such change shall be effective upon Declarant (or its successor or assign as to such Lot) filing notice of any such change in the office of the County Recorder or the Registrar of Titles (as the case may be) in and for Olmsted County, Minnesota, with a copy of the changed Plat for such Lot attached thereto.

ARTICLE 4. MAINTENANCE

Section 4.1 *General.*

4.1.1. Each Owner shall construct, maintain, repair and replace the Improvements on its Lot to keep the same in good condition and repair, and such maintenance, repair or replacement shall be performed in a manner consistent with first-class commercial developments of comparable size in the Olmsted County area, and in any event in compliance with all applicable government laws, rules, regulations, orders and ordinances, recorded easements and restrictions and the provisions of this Declaration. All Improvements shall be repaired or replaced with materials at least equal to the original quality of the materials being repaired or replaced. The maintenance and repair obligations of each Owner shall include, but not be limited to the following:

4.1.1.1. Maintaining all paved surfaces, curbs and sidewalks on its Lot in a smooth and evenly covered condition, which maintenance shall include cleaning, sweeping, re-striping, repairing and resurfacing.

4.1.1.2. Periodic removal of all papers, debris, filth, refuse, ice and snow (which may be stockpiled in the more remote areas of the parking areas of such Owner's Lot), including sweeping to the extent necessary to keep its Lot in a first-class, clean and orderly condition as reasonably appropriate for first class Commercial developments.

4.1.1.3. Maintaining, cleaning and repairing any storm drains, utility lines, sewers and other utility systems or facilities serving its Lot that is located on its Lot.

4.1.1.4. Maintaining all landscaped areas on its Lot, including landscaping, landscaping irrigation and planters adjacent to exterior walls of buildings in an attractive and healthy condition, and weeding, pruning and replacing shrubs, trees and other landscaping on its Lot when necessary, consistent with the landscaping plan for such Lot approved by Declarant.

4.1.1.5. Placing, cleaning, keeping in repair, replacing and repainting any appropriate directional signs and markers, including any handicapped parking signs.

4.1.2. The maintenance, repair and replacement of perimeter landscaping, sidewalks and curbing adjacent to each Lot which is in public right of way (rather than on the Lot), shall be the responsibility of the Owner of such Lot if the same are not adequately maintained by the governmental authority to which such right of way is reserved.

ARTICLE 5.
GENERAL PROVISIONS

Section 5.1. *Enforcement.*

Enforcement of the restrictions, liens, and other provisions contained in this Declaration, as the same may be amended, may be by any proceeding at law or in equity against any Person(s) violating or attempting to violate any such provisions. The Declarant and any aggrieved Owner or Long Term Tenant shall have the right to institute, maintain and prosecute any such proceedings. The remedies specified herein shall be cumulative and in addition to all other remedies permitted at law or in equity. In any action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court together with interest thereon. Failure by the Declarant or any Owner or Long Term Tenant to enforce any restriction, easement, lien or other provision herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter. In the event of a violation or threat thereof of any of the provisions of this Declaration, each Owner agrees that such violation or threat thereof shall cause the non-defaulting Owner and/or its Permittees to suffer irreparable harm and such non-defaulting Owner and its Permittees shall have no adequate remedy at law. As a result, in the event of a violation or threat thereof of any of the provisions of this Declaration, a non-defaulting Owner and/or Long Term Tenant, in addition to all remedies available at law or otherwise under this Declaration, shall be entitled to injunctive or other equitable relief to enjoin a violation or threat thereof of this Declaration.

Section 5.2. *Assignment of Owner's Rights and/or Duties and Obligations.*

Any Owner may assign to a Long Term Tenant of the Owner's Lot, in a lease or other document, all or any of the Owner's rights and/or duties and obligations under this Declaration, including, without limitation: enforcement rights; easement rights; maintenance, repair and replacement obligations. Any such assignment or lease shall provide that the terms of the assignee's and lessee's occupancy of the premises shall be subject in all respects to this Declaration. Such assignment may be made revocable by the Owner, but must, in any event, terminate at the expiration of the Long Term Tenant's lease. A notice of any Long Term Tenant's lease or other document providing for assignment of the Owner's rights and/or duties and obligations to a Long Term Tenant must be provided by such Owner to the Declarant as soon as reasonably possible after execution of the lease or other document, but in no case later than thirty (30) days after the assignment becomes effective. Any assignment of the Owner's rights and/or duties and obligations shall not relieve such Owner of such Owner's responsibility for all duties and obligations provided in this Declaration.

Section 5.3. *Restrictions on Construction*

5.3.1. Each Owner and the Declarant agree that its construction activities shall not:

5.3.1.1. Cause any unreasonable increase in the cost of constructing
Improvements upon another Lot;

5.3.1.2. Unreasonably interfere with construction work being performed in any
other part of the Development;

5.3.1.3. Unreasonably interfere with, or unreasonably increase the cost of, the
use, occupancy, or enjoyment of any of the remainder of the Development; or

5.3.1.4. Cause any other Owner to be in violation of any city, county, state, or federal law, rule, regulation, order or ordinance.

Section 5.4. *Taxes and Assessments.*

Each Owner shall pay all taxes, assessments, or charges of any type levied or made by any governmental body or agency with respect to its Lot.

Section 5.5. Owners of each Lot will be responsible for any city hookup charges and user fee for sanitary sewer, water or storm sewer drainage improvements or maintenance. Owners are responsible for construction of a sidewalk in front of their lot in the right of way, if required by the city.

Section 5.6. *Security Interests.*

Any Security Interest affecting any portion of the Development shall at all times be subject and subordinate to the terms of this Declaration and any person foreclosing any such Security Interest, or acquiring title by reason of a deed in lieu of foreclosure, shall acquire title to the property affected thereby subject to all of the terms of this Declaration.

Section 5.7. *Severability.*

All provisions of the Declaration are severable. Invalidation of any of the provisions of this Declaration, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 5.8. *Duration, Revocation, and Amendment.*

5.8.1 Unless specifically stated otherwise, each and every provision of this Declaration shall run with and bind the Development perpetually from the date of recording of this Declaration. Except as otherwise provided in this Declaration, this Declaration may be amended or terminated at any time by the Declarant, provided however that Section 2.1 may not be terminated or amended without approval of all Lot owners.

5.8.2 Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration for the purpose of correcting legal descriptions, map errors, spelling, grammar, dates, typographical errors, or for clarification, or to memorialize variances granted hereunder by Declarant, without obtaining the consent of the Owners.

5.8.3 No action to challenge the validity of an amendment pursuant to this Section may be brought more than one (1) year after the amendment is recorded.

Section 5.9. *Registration of Mailing Address and Notices.*

Each Owner shall register its mailing address with the Declarant. Except for routine notices, all notices or demands intended to be served upon Declarant or an Owner shall be in writing and shall be deemed given and received (a) when personally delivered; or (b) three (3) business days after deposit in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed in the name of such Owner at such registered mailing address, or (c) one (1) business day after deposit with a reputable overnight delivery service, addressed to such Owner at such registered address. However, if any Owner fails to notify the Declarant of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands, or other notices intended to

be served upon the Declarant, shall be sent by registered or certified mail, postage prepaid, to Northwest Investments of La Crosse, LLC, Attention: Hans Zietlow, P. o. Box 2017, La Crosse, Wisconsin 54602-2107, or such other address of the Declarant notice of which has been provided to the Owners.

Section 5.10. *Limitation on Liability.*

The Declarant and the officers, directors, members, partners, agents and employees of the same, shall not be liable to any Person for any action or for any failure to act unless the action or failure to act was not in good faith or was done or withheld with malice, or was done in violation of an express provision of any written agreement or this Declaration.

Section 5.11. *No Representations, Guaranties or Warranties.*

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by the Declarant or by any of its officers, directors, members, partners, agents or employees, in connection with any portion of the **Development**, or any Improvements, its or their physical condition, structural integrity, freedom from defects, zoning, view, compliance with applicable laws, or fitness for intended use, or in connection with the sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except for those Improvements to be constructed by Declarant as set forth herein and except as otherwise may be provided in any separate written agreement between the Declarant and any Lot Owner.

Section 5.12. *Disclaimer Regarding Safety.*

DECLARANT, AND ITS OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE DEVELOPMENT. BY ACCEPTING A DEED TO PROPERTY WITHIN THE DEVELOPMENT, EACH OWNER ACKNOWLEDGES THAT DECLARANT AND ITS OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SECURITY OF PERSONS OR PROPERTY WITHIN THE DEVELOPMENT.

Section 5.13. *Governing Law.*

The parties expressly agree that the terms and conditions of this Declaration, and performance hereunder, shall be construed and controlled by the laws of the State of Minnesota.

Section 5.14. *Headings.*

The article, section and subsection headings in this Declaration are inserted for convenience of reference only, do not constitute a part of this Declaration, and in no way define, describe or limit the scope or intent of this Declaration or any of the provisions hereof.

Section 5.15. *Run with Land; Binding Upon Successors.*

The benefits, burdens and all other provisions contained in this Declaration shall be covenants running with and binding upon this Development and all real property and Improvements which are now or which hereafter become a part thereof. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of, the Declarant and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned has hereunto set their hands effective as of the date first above written.

By: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by _____ as the _____ of _____.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF
DEVELOPMENT AND PLAT

