

COVENANTS & CONDITIONS

The described property of the Village of Butternut, is subject to the terms and conditions set forth herein, which shall run with the land and shall be considered perpetual, unless specifically terminated herein.

1. The described property shall be considered, in its entirety, to be a portion of land platted as a subdivision by the Village of Butternut; said subdivision to be 5.3+ total acres, as located in the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4), Section Twenty-one (21), Township Forty-one (41) North Range One (1) West, Village of Butternut, Ashland County, Wisconsin, and with it being understood that all such property platted as part of such subdivision shall be subject to these covenants and conditions.

2. Said subdivision shall be considered residential, and shall be zoned as such if required by Village ordinances or resolutions.

3. It is understood that said plat includes, or shall include, the following:

a. No fewer than sixteen (16) lots;

b. Each lot shall be not less than 9,000 square feet; and

c. A public street and/or cul-de-sac to provide required street access to all lots.

4. The Village shall be responsible for obtaining preliminary engineering or construction information regarding the installation of utilities and services to each created lot; to consist of public water and sewer, electric service, and telephone service.

5. Prior to construction of any residence on any created lot, the Village shall construct the platted street and/or cul-de-sac, and shall install or have installed within these street/road areas the utilities and services required above. However, the owner of any lot commencing construction shall be responsible for arranging for and paying the cost of connection of public water and sewer, and all utilities, from the public road area to each particular lot and improvements constructed thereon.

6. The Village may convey any platted lot to any third person at any time, subject to the terms and conditions set forth herein.

7. No lot, once created, may be subdivided further in any fashion.

8. Residential construction on any lot shall be of a single family home unit. No multiple family home units are allowed. No trailers, mobile homes, or other mobile

construction units shall be allowed. The single family home unit, excluding garages and attached storage facilities, shall have minimum living area of 1,200 square feet.

9. Residential construction on any platted lot shall commence no later than thirty (30) days after conveyance by the Village, and said construction shall be completed no later than one (1) year after commencement of construction. Completed construction shall be subject to occupancy and related inspections as required by all local and state laws and regulations.

10. Any construction must be performed and completed in compliance with all local and state zoning and building codes.

11. The Village has established a set and uniform price for its conveyance of each platted lot, which price is \$10,000.

12. To facilitate prompt construction, those interested in purchasing any subdivision lot shall apply to the Village for purchase, and shall, prior to any acceptance of the application by the Village, have a pre-approved loan to satisfy the Village that necessary construction costs can be met by the proposed owner. In addition, to facilitate prompt construction, the Village shall convey each lot by good and sufficient Warranty Deed. As to each lot the purchaser shall execute a promissory note and mortgage which shall be subject to the terms and conditions set forth herein, and shall so obligate each purchaser. The Village shall agree to subordinate its mortgage to that of a mortgage lender financing principal home construction on said lot, as evidenced by the pre-approved loan discussed in this paragraph.

13. The promissory note and mortgage executed by each purchaser shall be subject to the following payment terms and conditions:

a. The promissory note will be immediately due and payable, in full, if construction of the residential home is not timely completed as set forth herein.

b. The promissory note will be immediately due and payable, in full, if the residential home is not the primary residence of its owner or owners.

c. The promissory note will be immediately due and payable, in full, if the home is not actually owner occupied.

d. The promissory note will be immediately due and payable, in full, if more than one immediate family occupies the residence (immediate family means children, parents, and grandparents).

e. The promissory note will be immediately due and payable, in full, if the owner sells, transfers, or conveys any interest in and to the lot

and/or home constructed thereon. Any lease or subletting of any portion of the premises shall be considered a transfer and conveyance of any interest in the premises; and are strictly prohibited.

f. It is understood that the promissory note amounts set forth herein shall not accrue interest.

g. It is understood that if the purchaser of any lot fails to meet any promissory note obligation, or any covenant or condition obligation, as to each lot, the mortgage executed by each purchasers may immediately be foreclosed by the Village, without notice. The Village also reserves the right to pursue any other available legal remedies at any time.

14. If within four (4) years of the date of conveyance of said lot from the Village, the promissory note associated with said lot has not become due and payable according to the terms and conditions hereof, then said note shall not be considered due and payable, and upon request of the owner, the Village shall formally satisfy said mortgage securing said note.

15. The promissory note obligations set forth above shall be prorated on an annual basis; so that for each year from date of acceptance by the Village, that the aforementioned note has not become due and payable, the owner shall receive a twenty-five (25%) percent credit or reduction in the original note amount. Each successfully completed year will result in a further twenty-five (25%) percent reduction, up to a total reduction of one hundred (100%) percent. There shall be no credit or reduction for partial years. This paragraph is subject to the provisions of paragraph 16, immediately below.

16. The aforementioned promissory note is subject to these Covenants & Conditions, and specifically the terms of this paragraph. Even if a purchaser pays for a lot and does not take advantage of all of the credit provisions of paragraph 15, immediately above, said purchaser shall still be subject to the promissory note and mortgage provisions. The "paid up" purchaser must commence construction within one (1) year of deed conveyance by the Village; and must complete construction within one (1) year of commencing construction. If these requirements are not met, then for each twelve (12) months of failure, the purchaser shall pay a \$10,000 penalty to the Village, immediately due by reference through the promissory note, and secured by the mortgage.

17. In conjunction with the mortgage satisfaction terminology set forth above, it is understood that for any owner, the terms and conditions set forth herein shall terminate as to that owner if the owner has remained an owner for four (4) consecutive years, and has met the terms and conditions set forth herein. However, any subsequent owner of any lot in the platted subdivision shall be subject to all terms and conditions set forth herein. It is understood that any subsequent owner would not be subject to a

promissory note and mortgage obligation to the Village, except those owners purchasing from a developer as set forth in paragraph 18 below, but any and all owners would be subject to other covenants and conditions set forth herein.

18. To promote subdivision development, and within the authority granted by paragraph 6 above, the Village may convey any platted lot to a residential home developer approved by the Village. Said conveyance shall remain subject to all terms and conditions set forth herein, except as specifically set forth in this paragraph. The purchasing developer will not be subject to the provisions of paragraphs 13 B. and C.; 13 E. (first sentence); and paragraphs 15, 16, & 17; set forth above, for a period of three (3) years from the date of conveyance by the Village. If prior to the expiration of the period of three (3) years the developer conveys the property in any fashion, the purchaser at that time shall be subject to all provisions set forth herein as if the original purchaser. If the developer fails to convey the property within said three (3) years, the promissory note and mortgage will be immediately due and payable. During developer ownership, the developer is responsible for all property debts and obligations; including but not limited to promissory note and mortgage obligations, real estate taxes, special assessments, and property maintenance. Failure to timely meet any obligation shall result in the promissory note due the Village being immediately due and payable.

For more information contact:

Century 21 Hilgart Realty Inc.
Jane Bay-Schluter
715-762-3291
1-800-236-8792

OR

Village of Butternut Clerk/Treasurer

Brenda Neumann
P.O. Box 276
301 N. Michigan St.
Butternut, WI 54514
Phone: 715-769-3113
Fax: 715-769-3683
E-mail: butternutwi@centurytel.net
Hours: Monday & Wednesday - 9 a.m. to 5 p.m.
Tuesday & Thursday - 9 a.m. to 4 p.m.