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BRICKYARD CREEK COTTAGES

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Cottage Site PURCHASE Program

1. Purpose. This Program is designed for those persons who wish to assure themselves of eventual ownership of a cottage in Brickyard Creek, but for various reasons, are not ready to commit to immediate construction. Such persons can purchase the Cottage site now and elect to build a Cottage or a structure approved by Seller at a subsequent time of their choice, sell the Cottage site, or leave the Cottage site vacant.

Documents containing Program specifics are available upon request. This writing should be read in conjunction with the "Informational Memorandum" for Brickyard Creek Cottages, which summarizes the nature of ownership of a cottage in Brickyard Creek.

2. Definitions. The following definitions will assist in understanding the terms and conditions of the Site Purchase Program.

- Cottage Condo Site: The footprint of the Cottage selected by Buyer. The Cottage Condo Site can be an "Initial Condo Site" or a "Final Condo Site (see paragraph 3b entitled "Platting").
- Association: The appropriate Brickyard Creek Expandable Condominium Association.
- Umbrella Association: Brickyard Creek Umbrella Association, Inc.
- Cottage: Type of cottage structure i.e. Creekside, Meadow, Woodland or Sumac, chosen by Buyer to be constructed on the Cottage Condo Site.
- Approved Structure: A structure that is not a Cottage but has been approved in writing by Seller to be constructed on the Cottage Condo Site.
- Land Contract: Uniform Wisconsin Form setting forth the terms of purchase of the Cottage Condo Site and the construction of a Cottage/Approved Structure on the Cottage Condo Site.
- Seller: Brickyard Creek LLC, Brickyard Creek II LLC, or Brickyard Creek III LLC.
- Buyer: Person(s) purchasing the Cottage Condo Site.

3. Anatomy of the Cottage Site Purchase Program.

a. Offer to Purchase

- Standard Wisconsin Residential Condominium Offer To Purchase (“Offer To Purchase”) Form presently utilized at Brickyard Creek. The Offer To Purchase provides for Land Contract financing.

b. Platting.

- Initial Condo Site. If prior to the execution and delivery of the Land Contract and closing of the transaction, Buyer has not decided upon a Cottage or Approved Structure (so that the exact footprint of the Cottage or Approved Structure cannot be located), the Initial Condo Site shall be an oversized rectangle within which the Cottage/Approved Structure will eventually be constructed. The Seller shall attend to and pay for the cost of preparing and recording with the Register of Deeds for Bayfield County, Wisconsin, an Amendment to the Brickyard Creek Expandable Condominium Plat, Brickyard Creek II Expandable Condominium or Brickyard Creek III Expandable Condominium Plat and Declaration, incorporating the Initial Cottage Condo Site into the Plat and Declaration. This Amendment shall be recorded prior to the execution and delivery of the Land Contract.

After the Cottage/Approved Structure has been chosen by Buyer and Buyer has determined the exact site location of the Cottage/Approved Structure, Seller shall cause a re-plat to take place depicting the exact legal description of the foot-print of the Cottage/Approved Structure. Seller shall attend to such re-platting and shall cover all legal expenses incurred therein. Buyer shall pay for the services of a registered land surveyor to prepare and file such re-plat; provided, if such cost exceeds \$1000, Seller shall pay for any excess thereof.

Prior to commencement of construction of the Cottage/Approved Structure, Buyer shall execute and deliver to the appropriate Association a recordable quit claim deed conveying all of the land contained in the rectangular Initial Condo Site except the newly re-platted Final Condo Site, which excess land shall be held by the Association as Common Element for the appropriate Brickyard Creek Expandable Condominium.

- Final Condo site. If prior to the execution and delivery of the Land Contract and closing of the transaction, Buyer has chosen the precise location of the footprint of the Cottage or Approved Structure, Seller shall attend to and pay for the cost of preparing and recording with the Register of Deeds for Bayfield County, Wisconsin, an Amendment to the appropriate Brickyard Creek Expandable Condominium Plat and Declaration, incorporating the Final Cottage Condo Site into the Plat and Declaration. This Amendment shall be recorded prior to the execution and delivery of the Land Contract

c. Title Insurance.

A title insurance commitment shall be issued to Buyer at Seller’s expense prior to the execution and delivery of the Land Contract. The commitment will, among other things, call for the above described quit claim deed to the Association from the Buyer as a result of the re-plat of the Cottage Condo Site. When and if a Cottage or Approved Structure is built on the Cottage Condo Site and prior to the closing of the Land Contract, a title insurance policy based upon the title insurance commitment will be issued at Seller’s expense.

d. Land Contract.

- A minimum of 10% down shall be payable at the closing of the Land Contract; interest only payments shall be payable quarterly accruing on unpaid balances of principal at the prime set by U.S. Bank (Minneapolis) as adjusted from time to time. Because the Land Contract must survive until the completion of the Cottage/Approved Structure, Buyer shall not have the right to pre-pay the principal balance below 1% of the purchase price but may pre-pay the principal balance up and to such 1% at any time without pre-payment penalty. Buyer must pay the principal balance down to 1% of the initial principal amount of the Land Contract five (5) years from the date of the Land Contract.
- \$200 shall be payable by Buyer at execution of Land Contract as a one-time advance assessment to the Umbrella Association.
- Buyer's interest in the Land Contract shall be fully assignable by Buyer to a third party without obtaining prior consent of Seller; provided Buyer shall not be relieved from liability under the Land Contract by such assignment and Buyer shall notify Seller of the name, address and telephone number of such third party buyer.
- No structural improvements to the Cottage Condo Site can be made by Buyer without strict adherence to the terms and conditions of the Land Contract. Should Buyer commence to make such improvements on the Cottage Condo Site in violation of the terms of the Land Contract, Seller or the Association may seek injunctive equitable relief, it being acknowledged that compensatory damages will not provide full and adequate relief to Seller.
- During the term of the Land Contract, Buyer shall be responsible for annual Association assessments and real estate taxes; provided initial pro-rations of Association assessments and real estate taxes shall be allocated between Seller and Buyer in accordance with customary Wisconsin practices.
- Seller shall be responsible to provide road access and access to underground power, telephone and cable TV from the road adjacent to the Cottage Condo Site. In addition for Brickyard Creek III, public sanitary sewer is provided by Seller.
- Possession of the Cottage Condo Site shall be delivered to Buyer at the execution and delivery of the Land Contract. Buyer shall also become vested with ownership rights in the Common Elements, including nature trails and the beach.
- Buyer shall not be obligated to construct a Cottage or Approved Structure on his or her Cottage Condo Site. Should Buyer wish to construct a Cottage/Approved Structure on his or her Cottage Condo Site, Buyer shall notify Seller and the Association by U.S. certified mail. Within thirty (30) business days after receipt of such notification, Seller or the Association shall acknowledge receipt of such notification by U.S. certified mail. Buyer shall be free to contract with a third party contractor to construct the Cottage/Approved Structure on the Cottage Condo Site; provided the Buyer must construct a Cottage/Approved Structure in accordance with plans and specifications for such Cottage on file with and available from the Association or obtain approval of an Approved Structure from the Association Architectural Control Committee. Buyer shall pay a \$500 fee to Seller as compensation for reviewing plans and specifications, supervising construction for compliance with architectural rules and regulations and helping in coordinating extension of driveways, placement of wells and holding tanks and

installation of utilities. This \$500 fee shall be waived if Buyer enters into a construction contract for the construction of the Cottage or Approved Structure with Seller.

- Completion of construction of a Cottage or Approved Structure shall be done no later than 365 days after commencement of construction, in default whereof, Seller or the Association can complete such construction and charge back the costs thereof to Buyer; provided that this requirement shall be waived and of no force and effect should Buyer have entered into a construction contract for the construction of the Cottage or Approved Structure with Seller. Such charges shall be a lien against the Cottage Condo Site and foreclosed in the same manner as a mortgage foreclosure under the laws of the state of Wisconsin.
- Upon completion of the construction of the Cottage or Approved Structure, the principal balance of the Land Contract and accrued interest, if any, shall be paid to Seller in full; whereupon, a closing of the Land Contract shall occur on the closing of the Land Contract with final payment of the principal balance and accrued interest and delivery of a Warranty Deed in satisfaction of the Land Contract shall occur upon the completion of construction of the Cottage or Approved Structure.

4. Approved Structure. Should Buyer wish to construct a structure other than a “Cottage”, he or she shall cause a new design to be submitted to Seller for approval. If Seller does not approve or disapprove such new design within thirty (30) days of submission to it, Buyer may submit such new design to the Association for approval. If the Association does not approve or disapprove such new design within sixty (60) days of submission to it, the new design shall be assumed to have been approved as submitted. The new design shall be depicted by a floor plan, foundation plan, elevations from all sides and driveway, walkway and utility plan. Although Seller or the Association retains sole and exclusive control over architectural approval, approval will be based on the following criteria:

- All plans must meet all local and state codes.
- No building can be larger in footprint than the largest Cottage presently offered.
- Foundation construction must be done in a way that saves trees outside the structure footprint. Overburden (excess dirt) must be removed from the property.
- All exterior materials must be natural wood or stone, unless another type of exterior material is approved by Seller.
- Roofing materials can be slate, metal, cedar shingles or shakes, or asphalt shingles. Roof colors must be similar to colors that exist at Brickyard Creek.
- Wood siding must be left its natural color (staining is allowed).
- Exterior fenestration must be properly proportioned to reflect vernacular design.
- Main roof should have a pitch compatible to existing Cottages. Dormers are allowed.
- A-frames or domes are not allowed.
- Other reasonable criteria must be adhered to, all to the end that if the above specific criteria are met and the Approved Structure appears to be in harmony with the surrounding Common Elements, Cottages and other Approved Structures at Brickyard Creek, approval of the Approved Structure shall be forthcoming.

All of the other relevant provisions contained in this writing shall equally apply to the construction and use of Approved Structures.

5. Chronology of Transaction.

- Location of Cottage Condo Site footprint by Seller and Buyer (Initial or Final).
- Execution and delivery of Offer to Purchase.
- Issuance of Title Insurance Commitment for Cottage Condo Site.

- Delivery of Condo Disclosure Booklet to Buyer per Chapter 703 of Wisconsin Statutes.
- Record Amended Plat Including Cottage Condo Site and Amended Declaration With Register of Deeds.
- Closing of Cottage Condo Site.
 - Execution/delivery of Land Contract.
 - Recording of Land Contract.
- Re-plat of Cottage Condo Site depicting footprint of Cottage/Approved Structure (when footprint was not initially determined by Buyer).
- Obtain approval of plans and specification of the Cottage or Authorized Structure by Seller or Association (assuming building of Cottage or Approved Structure).
- Upon completion of the Cottage/Approved Structure, the transaction shall close:
- Land Contract shall close in accordance with its terms.
- Buyer delivers Quit Claim deed to Association for area outside location of final footprint of Cottage/Approved Structure to be designated additional Common Elements.
 - Issuance of Title Policy To Include Cottage/Approved Structure in coverage.

**IF YOU HAVE ANY QUESTIONS RELATING TO THIS WRITING,
PLEASE FEEL FREE TO CALL OR WRITE**