

WATER SYSTEM
DECLARATION OF TRUST

WHEREAS, SQUIRES GROVE, INC., a Wisconsin Corporation has heretofore caused to be planned a subdivision known as "SQUIRES GROVE", being a subdivision of the Northwest One-quarter (NW 1/4) of the Northwest One-quarter (NW 1/4) of Section Twenty-six (26), Township Seven (7) North, Range Twenty (20) East, Waukesha County, Wisconsin; and

WHEREAS, as a part of the said planning, the Village of Elm Grove has required, among other things, the construction of a water system to serve the said subdivision; and

WHEREAS, it is necessary to establish the rights and duties of all parties in interest in and to the said water system.

NOW THEREFORE, in consideration of the acceptance by the Village of Elm Grove of the said plat of Squires Grove, and in consideration of the mutual benefits and advantages to be obtained by the execution of this instrument, the receipt and sufficiency of which consideration is hereby acknowledged, it is agreed and declared as follows:

1. OWNERS. The following parties are owners in interest of the lands conveyed by this Declaration of Trust:

- A. SQUIRES GROVE, INC., a Wisconsin Corporation
- B. M. D. DEVELOPMENT, INC.
- C. SQUIRES GROVE HOME OWNERS ASSOCIATION, INC.
- D. SQUIRES GROVE CONDOMINIUM OWNERS ASSOCIATION, INC.
- E. SQUIRES GROVE MANAGEMENT ASSOCIATION, INC.
- F. PAUL FECHNER and BARBARA L. FECHNER, his wife.
- G. TERRY R. GRAY and CAROL A. GRAY, his wife.
- H. THOMAS J. HUHN and LUCY HUHN, his wife,
- I. MOMCILO G. STEJIC and MIRJANA STEJIC, his wife, and
- J. JOSEPH A. PANGALLO.

2. LANDS ENCOMPASSED HEREIN: Annexed hereto and made a part hereof is Exhibit N-1 containing descriptions of all real estate which may be served by the water system herein created.

3. DOCUMENTS INCORPORATED HEREIN. Incorporated herein, by reference and made a part hereof, as though set forth fully herein, are the following:

2.

A. Declaration of Condominium executed by Squires Grove, Inc., under date of the 31st day of October, 1975, and recorded in the Office of the Register of Deeds of Waukesha County, Wisconsin, as Document No. 929282.

B. Declaration of Covenants and Restrictions executed by Squires Grove, Inc., under date of the 27th of May, 1975, and recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, as Document No. 913587.

C. Open Space Easements for Outlots 4, 5 and 6, executed by Squires Grove, Inc., under date of the 27th of May, 1975, and recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, as Document No. 913588

D. Open Space Easements for Outlot 3 executed by Squires Grove, Inc., under date of the 27th of May, 1975, and recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, as Document No. 913589.

E. Subdivision Development Agreement executed by Squires Grove, Inc., and M.O. Development, Inc., to the Village of Elm Grove under date of May 27th, 1975, and recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, as Document No. 912242.

4. WELL AND WATER SUPPLY EQUIPMENT. Heretofore Squires Grove, Inc., has caused to be constructed a well and water supply equipment upon the premises described as:

Outlot 1 in Squires Grove, Inc., being a Subdivision of the Northwest One-quarter (NW 1/4) of the Northwest One-quarter (NW 1/4) of Section Twenty-six (26), Township Seven (7) North, Range Twenty (20) East, Waukesha County, Wisconsin,

however, only that part of said Outlot with the well and water supply equipment thereon is for the mutual benefit of all parties in interest under this Declaration of Trust, and M.O. Development, Inc., by these presents does hereby convey to the trustees hereinafter named an easement to maintain the well, water supply equipment, water mains and laterals as herein more particularly set forth, on the conditions and terms of this Declaration.

5. VENDEES TO TAKE SUBJECT TO THE TERMS HEREIN. All owners of real estate referred to in Exhibit N-1 shall be subject to the terms and conditions of this instrument, so that all of the aforesaid parties in interest shall have the right to take water from this water system upon the terms and conditions herein described.

6. OWNERSHIP OF WATER SYSTEM. Each party participating in the execution of this Declaration of Trust and each assignee of any such party shall become the owner of an undivided interest in and to the well, water supply equipment and water mains.

7. TRUSTEES. The directors of Squires Grove Management Association, Inc., are hereby designated as the trustees to operate the water system under this Declaration of Trust. The manner in which such directors shall be elected, appointed or removed shall be as is provided in the By-Laws of that corporation.

The trustees shall be responsible for the management and operation of the water system and shall promulgate such rules and regulations governing their internal affairs as the majority of such trustees from time to time shall determine.

8. CHARGES. The owner of each lot, when developed, and the owner of each condominium unit, when occupied, shall be considered one unit. The initial charge per unit for the upkeep of said water system shall be at the rate of \$15.00 per quarter payable within fifteen (15) days after billing by the trustees. Based upon an experience of operation and maintenance, the trustees are empowered to reduce said initial charge without notice to the parties being served by the water system; in the event the trustees determine it is necessary to increase the unit charges, they shall notify, by first class mail, each party being served by the water system at least ten (10) days prior to a meeting called for that purpose, of the time and place for the holding of such hearing, which shall be reasonably convenient for the transaction of business at a place in the Village of Elm Grove. Each unit being served shall be entitled to one (1) vote, and a majority of such units must ratify and confirm any said increase in charges before such increased charge shall take effect.

9. OBLIGATIONS OF SQUIRES GROVE, INC., AND TRUSTEES. Within the lands referred to in Exhibit N-1, Squires Grove, Inc. and M.O. Development, Inc. shall provide the following:

A. Extension of the water system to abutting properties by laying water pipe in public right-of-way, or in water easements to the exterior lot limits.

B. Laterals to each lot line.

C. Fire hydrants available to the Fire Department and Public Works Department of the Village of Elm Grove.

D. A well or wells producing sufficient volume of water to meet the requirements of the State Board of Health for domestic service and the requirements of the Fire Insurance Rating Bureau necessary to qualify the area for 8th class fire insurance rates. It shall be the duty of the trustees thereafter to maintain the system to such capacity.

E. To install water treatment equipment as may be necessary to provide water quality to U.S.P.H.S. drinking water standards, together with chlorination equipment, if necessary. Thereafter the trustees shall have the duty to maintain such water quality.

F. The components of the system shall be constructed in accordance with the Subdivision Development Agreement, and thereafter maintained in accordance with said specifications by the trustees.

10. RIGHTS OF THE VILLAGE OF ELM GROVE.

A. Until such time as the said water system becomes a part of a municipal water utility, said system shall be under full control of the trustees, at no cost to the Village. The trustees shall operate the water system and such responsibility shall include the collecting of all fees and charges and repairing of leads.

B. The Village of Elm Grove shall have the option of assuming ownership and complete control of all the physical items of the water system, including the well and reservoir sites, when it is deemed in the best interests of the Village of any water utility established by it. Such acquisition shall be subject to the Village giving the trustees six (6) months' prior written notice of the Village's intent to assume such ownership unless otherwise agreed to by the Village and the trustees. In the event the Village shall assume ownership as herein provided, conveyance and bill of sale, if necessary, shall be executed by the trustees for a consideration of One (\$1.00) Dollar and such transfer of ownership shall include all physical property and easements in lands, but shall not include cash or accounts receivable.

C. In the event the Village of Elm Grove assumes ownership of the water system, the Village shall be obligated to withhold water rights to new developments seeking use of the Squires Grove Water System, subject to the approval of such use by Squires Grove, Inc., or its assigns, or until such time as 90% of the lots and condominium units within Squires Grove Sub-Division have been sold, or until four (4) years from the date of the Subdivision Development Agreement, whichever is earlier.

11. RIGHTS AND OBLIGATIONS OF THE TRUSTEES.

A. The trustees shall promulgate rules and regulations relating to the use of water supplied by the water system.

B. The trustees may adjust the charges as hereinbefore provided so as to assure sufficient funds to cover all expenses of operation and establish an adequate reserve for replacement.

C. The trustees initially shall serve without compensation, and thereafter the compensation of the trustees and/or of any individual trustee shall be determined by a vote of the majority of the units.

5.

D. The trustees shall have the right to require individual metering, and to restrict the use of water for the health and welfare of the users of the entire system.

E. The trustees shall have the right to enter upon any portion of premises carrying water pipes, mains and laterals for the purpose of making inspection, repairs, upkeep and any and other purpose which may be incidental to or necessary to maintaining the water system.

F. In the event of failure to pay arrearages by any user of the system for a period exceeding sixty (60) days, the trustees shall have the right to shut off water service to such delinquent user, and to continue such shut-off until all arrearages have been paid. Prior to shutting off such service, the trustees shall give five (5) days prior written notice by first class mail to the delinquent user of the system. Such service shall be reinstated upon payment of all charges in arrears, together with the cost of disconnecting and connecting the service.

G. The trustees shall have the right to determine the method of connection to the water system by any user, including the laying and connecting of any lateral pipes. The cost of connecting to the system shall be at the expense of the user of the system.

H. The trustees shall have the right to engage the services of such personnel as necessary to carry out the purposes of this Declaration of Trust.

I. The trustees shall have the right to designate a successor trustee for the balance of the term in the event of death or resignation of any individual trustee.

J. The trustees shall have such other rights and powers as are necessary to efficiently operate and manage the water system.

12. JURISDICTION OF THE TRUST. The Circuit Court of Waukesha County, Wisconsin, shall have jurisdiction over this trust and any user of the system or the trustees may apply to said Court and petition for instructions relating to this trust or any matter in connection with the operation of said water system.

13. TERMINATION OF TRUST.

A. The trustees may transfer the within water system, facilities and easements to a governmental authority in accordance with the provisions and limits of section 10-B hereof. The term 'transfer' as used herein shall include, but is not limited to, transfer by sale or as a result of condemnation proceedings. Thereupon this trust shall terminate after orderly liquidation as herein-after provided.

B. In the event that other adequate water service is provided through means other than the within water supply system and facilities by a governmental authority, this trust shall thereupon terminate and the trustees shall dispose of the within water system in a manner determined by the then trustees, in their sole discretion, subject to orderly liquidation as hereinafter provided.

C. Upon the termination of this trust, the trustees shall pay all outstanding obligations, and the balance of cash reserves, if any, shall be divided and distributed to users of the system in proportion to the unit charges as reflected on the last prior billing date. Upon payment of such cash reserves the trust shall terminate and the trustees shall be relieved from any further liability herein.

14. PARTIES BOUND. This Declaration of Trust shall be construed as covenants running with the land, and each conveyance of any of the lands described in Exhibit N-1 hereof shall be deemed to create easements in the land affected thereby, and shall inure and be binding upon the owners, their heirs, executors, administrators and assigns.

15. AMENDMENTS. This Declaration of Trust may be amended in the manner provided by law at the time of the amendment subject to approval by the Village of Elm Grove.

IN WITNESS WHEREOF the undersigned have caused these presents to be executed on the day and date indicated by the verification of each.

SQUIRES GROVE, INC.,
By *Alois E. Fons, Jr.* President
Larry Ratzel Secretary

M.O. DEVELOPMENT, INC.
By *Stephen H. Brandon* President
Carol A. Brandon Secretary

SQUIRES GROVE HOME OWNERS ASSOCIATION, IN
By *Alois E. Fons, Jr.* President
Larry Ratzel Secretary

STATE OF WISCONSIN)
Milwaukee COUNTY) (SS

Personally came before me this 14 day of October, 1975,
the above named Momcilo G. Stejic and Mirjana Stejic, his wife,
to me known to be the persons who executed the foregoing instrument
and acknowledged the same.

John J. Robinson
Notary Public, Milwaukee County, Wisconsin
My commission expires: August 8, 1977

STATE OF WISCONSIN)
Milwaukee COUNTY) (SS

Personally came before me this 17 day of October, 1975,
the above named Joseph A. Pangallo, to me known to be the persons
who executed the foregoing instrument, and acknowledged the same.

John J. Robinson
Notary Public, Milwaukee County, Wisconsin
My commission expires: August 8, 1977

This instrument was drafted by Larry Ratzel.

EXHIBIT N-1

The following real estate shall be served by the water system herein created:

Outlots One (1), Two (2) and Three (3), in SQUIRES GROVE SUBDIVISION, being a subdivision of the Northwest One-quarter (1/4) of the Northwest One-quarter (1/4) of Section Twenty-six (26), Township Seven (7) North, Range Twenty (20) East, in the Village of Elm Grove, Waukesha County, Wisconsin.

Lots One (1) through Thirty-four (34), in SQUIRES GROVE SUBDIVISION, being a subdivision of the Northwest One-quarter (1/4) of the Northwest One-quarter (1/4) of Section Twenty-six (26), Township Seven (7) North, Range Twenty (20) East, in the Village of Elm Grove, Waukesha County, Wisconsin,

and

Lots One (1) through Eight (8) From the Terrace, being a Resubdivision of a part of Lot 1 and all of Lot 2, Block 10 of Loftus Assessment Plat No. 1, of a part of Lot 8 and all of Lots 9, 10, 11 of Glendale Subdivision, an unrecorded plat, said lands being in the Northeast One-quarter (1/4) of the Northwest One-quarter (1/4) of Section Twenty-six (26), and the Southeast One-quarter (1/4) of the Southwest One-quarter (1/4) of Section Twenty-three (23), all in Township Seven (7) North, Range Twenty (20) East, in the Village of Elm Grove, Waukesha County, Wisconsin.