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STEARNS COUNTY, MINNESOTA**

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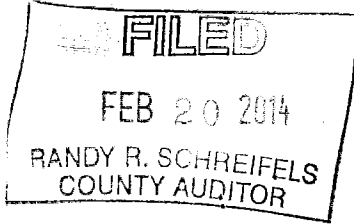


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DIANE GRUNDHOEFER, REGISTRAR OF TITLES

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**COMMON INTEREST COMMUNITY NUMBER 112
(Planned Community)**

RIVER LINKS PATIO HOMES NEIGHBORHOOD

DECLARATION

THIS Declaration of covenants, conditions, restrictions and easements (the "Declaration") is made in the County of Stearns, State of Minnesota, on this 13th day of February, 2014, by DJP Properties, Inc., a Minnesota Corporation (the "Declarant"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating River Links Patio Homes Neighborhood as a Planned Community under the Act.

RECITALS

A. Declarant is the owner of certain real property located in Stearns County, Minnesota, legally described as on the attached Exhibit A, and Declarant desires to submit said real property and all improvements thereon (collectively the "Property") to the Act as a Planned Community.

B. Declarant desires to establish on the Property, a plan for a permanent residential community to be owned, occupied and operated for the use, health, safety and welfare of its Owners and Occupants, and for the purpose of preserving the value, the amenities, the structural quality, and the original architectural and aesthetic character, of the Property.

C. The Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act, governing conversions to common interest ownership.

D. The Property is subject to a Master Association known as River Links Master Association, Inc. The Property is subject to a Master Declaration for River Links, and the Master Governing Documents as defined herein.

E. It is Declarant's intention that River Links Patio Homes Neighborhood will be a "Planned Community" as that term is defined in the Act (not a Condominium or Cooperative).

F. River Links Patio Homes Neighborhood is a "Flexible Common Interest Community," as that term is defined in the Act, to which Additional Real Estate may be added.

G. Declarant has incorporated River Links Patio Homes Neighborhood Owners Association, Inc., under the laws of the State of Minnesota as a non-profit corporation for the purpose of acting as the association with the duty and power of maintaining, administering and enforcing the covenants and restrictions, and collecting and enforcing the assessments and charges hereinafter created and imposed.

H. River Links Patio Homes Neighborhood may contain Shoreland as defined in Minnesota Statutes 103F.205, and is subject to State, County, and Municipal laws, ordinances or rules affecting the development and use of the Shoreland area.

THEREFORE, Declarant makes this Declaration and submits the Property to the Act as a Planned Community under the name "River Links Patio Homes Neighborhood," consisting of the Units referred to in Section 2 and declaring that this Declaration shall constitute covenants to run with the Property, and that the Property, shall be owned, used, occupied, and conveyed subject to the covenants, restrictions, easements, charges, and liens set forth herein and the Master Declaration and Governing Documents, all of which shall be binding upon all Persons owning or acquiring any right, title or interest herein, and their heirs, personal representatives, successors and assigns.

Many provisions of the Act which governs this Common Interest Community ("CIC"), and of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317A under which the Association is formed, are not repeated in this Declaration. This Declaration should be read in conjunction with both statutes.

SECTION 1 DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

- 1.0 Act means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended (MCIOA).
- 1.1 Additional Real Estate means real estate that may be added to a Flexible Common Interest Community. The Additional Real Estate is legally described in Exhibit D.

- 1.2 Assessments means and includes all assessments levied by the Association pursuant to Section 6 of this Declaration.
- 1.3 Association means the River Links Patio Homes Neighborhood Owners Association, Inc., a non-profit corporation which has been created pursuant to Chapter 317A of the laws of the State of Minnesota and Minnesota Statutes Section 515B.3-101, whose members consist of all Owners as defined herein.
- 1.4 Board means the Board of Directors of the Association as provided for in the By-Laws.
- 1.5 By-Laws means the By-Laws governing the operation of the Association, as amended from time to time.
- 1.6 CIC means the Common Interest Community herein designated as Common Interest Community Number 112, a Planned Community, River Links Patio Homes Neighborhood.
- 1.7 City means the City of Cold Spring, Minnesota.
- 1.8 Common Elements means all parts of the Property except the Units, including all Master Improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. The Common Elements are legally described in Exhibit B attached hereto.
- 1.9 Common Expenses means and includes all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including without limitation allocations and to reserves those items specifically identified as Common Expenses in this Declaration or By-Laws.
- 1.10 Declarant means DJP Properties, Inc., its successors and assigns and any person who succeeds to any Declarant Rights.
- 1.11 Declaration means this Declaration and any amendments hereto.
- 1.12 Dwelling means a building or a part of a building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit, and the Limited Common Elements assigned to the Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

- 1.13 Governing Documents means this Declaration, and the Articles of Incorporation and By-Laws and Rules and Regulations of the Association, as amended from time to time, all of which shall govern the use and operation of the Property. The phrase shall also include the Master Declaration and the documents referred to therein as the "Governing Documents."
- 1.14 Improvements Dwelling, addition, out-building or other structure, enclosure, fence, wall or other visible exterior improvement to a Unit
- 1.15 Limited Common Elements means those parts of the Common Elements reserved for the exclusive use of the owners and occupants of the Units to which they are allocated or are contiguous with the adjoining Units.
- 1.16 Majority means for voting purposes the holders of more than fifty percent (50%) of the votes present and entitled to vote in accordance with the provisions of this Declaration or the By-laws.
- 1.17 Management Agent means the professional management agent, if any, hired by the Association to manage the Property from time to time.
- 1.18 Master Association means the Master Association referred to in the Master Declaration.
- 1.19 Master Developer means the Master Developer referred to in the Master Declaration.
- 1.20 Master Declaration means the Master Declaration for River Links, recorded with the Stearns County Registrar of Titles.
- 1.21 Master Governing Documents shall mean the Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association and the Master Rules, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.22 Master Improvement shall mean and refer to all structures or improvements of any kind which the Master Association is obligated to operate or maintain or on or under any pond or wetland bordering the Property, including without limitation any building, wall, fence, sign, enclosure or screening, utilities system, communications system, irrigation system, roadway, pathway, planting, landscaping, grading, or any other type of structure or physical improvement, whether the purpose is decorative or otherwise, and any addition or changes thereto.

- 1.23 Member means all persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.
- 1.24 Occupant means any person or persons, other than an Owner, in possession of or residing in a Unit.
- 1.25 Owner means a person who owns a Unit, but excluding contract for deed vendors, mortgagees and other secured parties within the meaning of Section 515B.1-103(31) of the Act. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.
- 1.26 Person means a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.
- 1.27 Plat means the recorded plat depicting the Property pursuant to the requirements of Section 515B.2-110(d) of the Act, including any amended or supplemental plat recorded from time to time in accordance with the Act.
- 1.28 Property means all of the real property submitted to this Declaration, including the Dwellings and all other structures and improvements located thereon now or in the future. The Property as of the date of this Declaration is legally described in Exhibit A attached hereto.
- 1.29 Rules means the Rules of the Association as approved from time to time.
- 1.30 Special Declarant Rights means those rights granted to Declarant pursuant to Section 515B.1-103(33b) of the Act and as otherwise may be granted herein.
- 1.31 Unit means any platted Lot subject to this Declaration upon which a Dwelling is located or intended to be located, as shown on the Plat, including all improvements thereon, but excluding the Common Elements.

Any terms used in the Governing Documents, and defined in the Act and not in this Section, shall have the meaning set forth in the Act.

SECTION 2
DESCRIPTION OF UNITS AND APPURTENANCES

2.1 Units. This CIC consists of eight (8) Units as described on Exhibit A . Units are restricted exclusively to residential use and restricted to parking and storage in accordance with this Declaration. Each Unit constitutes a separate parcel of real estate. Additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference, and a schedule of Units is set forth on Exhibit C. The Unit identifier for a Unit shall be its Lot and Block numbers and the subdivision name of the Plat. Hereinafter the terms “Unit” and “Lot” may be used interchangeably.

2.2 Unit Boundaries. The front, rear and side boundaries of each Unit shall be the boundary lines of the platted Lot upon which the Dwelling is located or intended to be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section 2 and Section 3.2, all spaces, walls and other improvements within the boundaries of a Unit are a part of the Unit.

2.3 Access Easements. Each Unit shall be the beneficiary of an appurtenant easement for access to a public street or highway on or across the Common Elements as shown on the Plat, subject to any restrictions set forth in this Declaration.

2.4 Use and Enjoyment Easements. Each Unit shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by this Declaration.

2.5 Utility and Maintenance Easements. Each Unit shall be subject to and shall be the beneficiary of perpetual appurtenant easements for all services and utilities servicing the Units and the Common Elements and any Limited Common Elements allocated to the Unit, and for maintenance, repair and replacement as described in this Declaration.

2.6 Encroachment Easements. Each Unit shall be subject to and shall be the beneficiary of the appurtenant easements for encroachments as described in this Declaration.

2.7 Declarant’s Easements. Declarant shall have and be the beneficiary of easements for construction and sales activities as described in this Declaration, and to any other easement reserved to Declarant in this Declaration.

2.8 Recorded Easements. The Property shall be subject to such other easements as may be recorded against it or otherwise shown on the Plat.

2.9 Easements are Appurtenant. All easements and similar rights burdening or benefiting a Unit or any other part of the Property shall be appurtenant thereto, and shall be permanent, subject only to termination in accordance with the Act or the terms of the easement. Any recorded easement benefiting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration.

2.10 Impairment Prohibited. No person shall materially restrict or impair any easement benefiting or burdening the Property, subject to this Declaration and the right of the Association to impose reasonable Rules and Regulations governing the use of the Property.

2.11 Benefit of Easements. All easements benefiting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests. However, an Owner who has delegated the right to occupy the Unit to an Occupant or Occupants, whether by lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except as a guest of an Owner or Occupant or in connection with the inspection of the Unit or recovery of possession of the Unit from the Occupant pursuant to law.

2.12 Personal Property for Common Use. The Association may acquire and hold for the use of all the Members tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in such property shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Member may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Members. The Association shall have the authority to impose reasonable rules, regulations and charges upon the use of such property.

2.13 Interests Subject to Ordinances and Agreements. The Property is subject to City of Cold Spring Ordinances and Agreements as may be adopted.

SECTION 3 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

3.1 Common Elements. The Common Elements and their characteristics are as follows:

- a. All of the property not included within the Units constitutes Common Elements. The Common Elements include those parts of the Property described in Exhibit B or designated as Common Elements on the Plat or in the Act. The Common Elements are owned by the Association for the benefit of the Owners and Occupants. There are Master Common Elements that are owned by the Master Association for the benefit of the Owners and Occupants.
- b. The Common Elements shall be subject to (i) appurtenant easements for services, public and private utilities, access, use and enjoyment in favor of each Unit and

its Owners and Occupants; (ii) certain easements as described in Section 2; (iii) the rights of Owners and Occupants in Limited Common Elements appurtenant to their Units; and (iv) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property.

- c. Subject to Sections 5, 6 and 9, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association.
- d. Common Expenses and Master Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements and Master Common Elements shall be assessed and collected from the Owners in accordance with Section 6.

3.2 Limited Common Elements. The Limited Common Elements are those parts of the Common Elements reserved or designed for the exclusive use of the Owners and Occupants of the Units to which they are allocated, and the rights to the use and enjoyment thereof are automatically conveyed with the conveyance of such Units, subject to the Association's easement for maintenance, repair and replacement of said Limited Common Elements together with an easement for all reasonable services and utilities servicing said Limited Common Element. The Limited Common Elements are described and allocated to the Units as follows:

- a. Those items or areas designated as Limited Common Elements on the Plat or by the Act.
- b. Any chute, flue, duct, wire, pipe, conduit, bearing wall, bearing column, or other fixture or improvement: (i) that serves one or more but fewer than all units and is located wholly or partially outside the Unit boundaries, is a Limited Common Element allocated solely to the Unit or Units served; (ii) that serves all Units or any portion of the Common Element is a part of the Common Elements; or (iii) that serves only the Unit and is located wholly within the Unit boundaries is a part of the Unit.
- c. Improvements such as shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, perimeter doors and windows, and their frames, constructed as part of the original construction to serve a single Unit or Units, and authorized replacements and modifications thereof, if located wholly or partially outside the Unit boundaries, are Limited Common Elements allocated solely to the Unit or Units served.

3.3 Common Element License. The Declarant may grant to a Unit Owner an exclusive license for the use of a Common Element originally designed and constructed to serve as an accessory building, a garage, storage building, dock area or other similar Common Element space, in which case the Common Element License shall be deemed to be appurtenant to the Unit

Owner's Unit, subject to transfer if so provided by the Declaration. The Declarant shall, at the time the license is granted, provide to the Association a Common Element License evidenced by a separate instrument signed by the Declarant, that, at a minimum, identifies the Licensed Common Element, the Unit identifier of the Unit to which it is appurtenant, and a reference to this Section of the Declaration governing Common Element licenses. The Declarant may require a one-time payment to the Declarant as consideration for the grant of a license.

- a. No interest in the Common Element License may be held or transferred separate from the Unit, and the purported transfer of any interest in the license other than to another Unit Owner shall be void.
- b. The right of any Declarant to grant a Common Element License shall terminate at the earlier of (i) the conveyance of all Units to persons other than the Declarant or (ii) ten years after the recording of the Declaration.
- c. The document granting the Common Element License shall not be recorded. The Association shall maintain records of all Common Element Licenses including originals or copies of the Common Element Licenses and transfers of Common Element Licenses authorized by this Declaration.
- d. A Common Element License granted pursuant to this Section shall not be subject to the approval requirements of the Unit Owners.

SECTION 4 ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.1 Membership. Each Owner shall be a member of the Association by virtue of his or her ownership of a Unit, and the membership shall be transferred with the conveyance of the Owner's interest in the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be members of the Association, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.

4.2 Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Units as set forth on Exhibit C, subject to Sections 6.5 and 6.7, below.

4.3 Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights and Common Expense obligations described in Section 4.2. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately. The

allocation of the rights, obligations and interests described in this Section may not be changed, except in accordance with the Governing Documents and the Act.

4.4 Authority to Vote. The Owner, or some other natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association; provided, that if there are multiple Owners of a Unit, only the Owner or other Person designated pursuant to the provisions of the By-Laws may cast such vote. The voting rights of Owners are more fully described in the Bylaws.

SECTION 5 ADMINISTRATION

The administration and operation of the Association and the Property, including but not limited to the acts required by the Association, shall be governed by the following provisions:

5.1. General. The operation and administration of the Association and the Property, shall be governed by the Governing Documents, the Rules and Regulations, and the Act. The Association shall, subject to the rights of the Owners set forth in the Governing Documents, Master Governing Documents and the Act, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents, Master Governing Documents, the Act and the statute under which it is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents, Master Governing Documents or the Act. All references to the Association means the Association acting through the Board unless specifically stated to the contrary.

5.2 Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and Rules and Regulations; (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible; and (iii) preserving the value and architectural uniformity and character of the Property.

5.3 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties as defined in the Act.

5.4 By-Laws. The Association shall have By-Laws. The By-Laws and any amendments thereto shall govern the operation and administration of the Association.

5.5 Management. The Board may delegate to a manager or managing agent the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act; provided, however, that such delegation shall not relieve the officers

and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and by law.

5.6 Rules and Regulations. The Board shall have exclusive authority to approve and implement such reasonable Rules and Regulations as it deems necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property; provided that the Rules and Regulations shall not be inconsistent with the Governing Documents, Master Governing Documents or the Act. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules and Regulations shall be effective only after seven (7) days written notice thereof has been given to the Owners.

5.7 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future assessments or added to reserves, as determined by the Board.

5.8 Relation to Master Association. The Association shall be a Member in the Master Association. All contact and activities with respect to the Master Association by the Association shall be conducted by and to the Board of Directors. It is specifically understood that the Owners shall not be individual Members of the Master Association. It is further specifically acknowledged that the Master Association may levy and collect assessments against the Lots which are owned by the Owners. Any such assessments shall be separate from the assessments which are levied pursuant to this Declaration. All powers are hereby delegated to the Master Association necessary to fulfill the intent of the Master Association as set forth in Section 3.2.3 (et al) of the Master Declaration and MCIOA.

SECTION 6 ASSESSMENTS

6.1 General. Assessments shall be determined and assessed against the Units by the Board, in its discretion; subject to the limitations set forth in this Section, the Master Governing Documents and the requirements of the By-Laws. Assessments shall include Annual Assessments and may include Special Assessments and Limited Assessments. Annual and Special Assessments shall be allocated among the Units equally, in accordance with the allocation formula set forth in Section 4.2, above. Limited Assessments under Section 6.5 shall be allocated to the Units as set forth in that Section. Master Assessments shall be added to and be included in the appropriate Assessments levied by the Association.

6.2 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject only to the limitations set forth hereafter. Each Annual Assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared

equally by all Units, in accordance with Section 4.2, above. Annual Assessments shall be payable in equal monthly installments. Annual Assessments shall provide, among other things, for contributions to a separate reserve fund sufficient to cover the periodic cost of maintenance, repair and replacement of the Common Elements and those parts of the Units for which the Association is responsible. Master Annual Assessments shall be included in the Annual Assessments and shall be levied against the Units promptly following levy by the Master Association.

- a. Until a Common Expense assessment is levied, Declarant shall pay all accrued expenses of the Common Interest Community.
- b. After a Common Expense assessment is levied, the Annual Assessment may be subsequently increased by the Board, subject to Section 6.2.c.
- c. Until the termination of the period of Declarant control described in Section 14, and except for the variations authorized by Section 6.5 and premiums on insurance carried by the Association, the increase in the Annual Assessment for any year shall not exceed the greater of (i) five percent (5%) of the total Annual Assessment for the Association's previous fiscal year or (ii) the percentage increase in the National Bureau of Labor Statistics Consumer Price Index for the Minnesota Twin City Metropolitan Area (or comparable index if not available) for the most recent available year, multiplied by the total Annual Assessment for the Association's previous fiscal year. Notwithstanding the foregoing, a larger increase in the Annual Assessment will occur where it is approved by the vote of sixty-seven percent (67%) of those Owners voting, in person or by proxy, at a meeting called for that purpose. Written notice of the meeting shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of the meeting. The foregoing restriction shall apply only during the period of Declarant control of the Association, as described in Section 14.

6.3 Special Assessments. After an Assessment has been levied by the Association, Assessments shall be levied annually, based upon an annual budget approved by the Association. In addition to and not in lieu of Annual Assessments, the Association may levy Special Assessments against all Units in the Common Interest Community based upon the same formula required by this Declaration for levying Annual Assessments. Special Assessments may be levied only (i) to cover expenditures of any emergency nature, (ii) to replenish underfunded replacement reserves, (iii) to cover unbudgeted capital expenditures or operating expenses, or (iv) to replace certain components of the Common Interest Community described in Section 515B.3-114(a) (or Section 515B.3-1141(a) after January 1, 2012) of the Act, if such alternative method of funding is approved under Section 515B.3-114(a)(5) (or Section 515B.3-1141(a)(5) after January 1, 2012). Any Master Special Assessment shall be levied against the Units promptly following levy by the Master Association.

6.4 Working Capital Fund. There shall be established a Working Capital Fund to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The Board shall include in each subsequent annual budget a reasonable amount of working capital, based upon the anticipated needs of the Association for the year in question. The funds shall be deposited into the Association's account, and Declarant may not use the funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficit while Declarant is in control of the Association.

6.5 Limited Assessments. In addition to Annual Assessments and Special Assessments, the Board may, at its discretion, levy and allocate Limited Assessments among only certain Units in accordance with the following:

- a. Any Assessment associated with the maintenance, repair, or replacement of a Limited Common Element undertaken by the Association may be assessed exclusively against the Unit or Units to which that Limited Common Element is assigned, on the basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Unit.
- b. Any Assessment or portion thereof benefiting fewer than all of the Units may be assessed exclusively against the Units benefited, on the basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Unit, as appropriate.
- c. The costs of insurance may be assessed in proportion to value or risk of coverage per Unit, and the costs of utilities may be assessed in proportion to usage.
- d. Reasonable attorneys fees and other costs incurred by the Association in connection with (i) the collection of Assessments and (ii) the enforcement of the Governing Documents, the Act, or the Rules and Regulations, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.
- e. Fees, charges, late charges, fines and interest may be assessed as provided in Section 515B.3-116(a) of the Act.
- f. Assessments levied under Section 515B.3-116 of the Act to pay a judgment against the Association may be levied against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.
- g. If any damage to the Common Elements, Limited Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, their guests or their pets, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

- h. If any installment of an Assessment becomes more than sixty (60) days past due, then the Association may, upon ten (10) days written notice of the Owner, declare the entire amount of the Assessment immediately due and payable in full.
- i. If Common Expense liabilities are reallocated for any purpose authorized by the Act, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Assessments under Section 6.5 a-g shall not be considered Special Assessments as described in Section 6.3, and may, at the Board's discretion, be assessed as part of, or in addition to, the Assessments levied under Section 6.

6.6 Liability of Owners for Assessments. The obligation of an Owner to pay Assessments shall commence at the later of (i) the time at which the Owner acquires title to the Unit, or (ii) the due date of the first Assessment levied by the Board, subject to the Alternative Expense Plan described in Section 6.7. The Owner at the time an Assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. The liability is absolute and unconditional. No Owner is exempt from liability for payment of his or her share of Common Expenses by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act. The Association may invoke the charges, sanctions and remedies set forth in Section 13 in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

6.7 Declarant's Alternative Expense Plan. If a Common Expense Assessment has been levied by the Association, all Unit Owners, including the Declarant, shall pay the Assessments levied against their Units, except as follows:

- a. The Declarant hereby establishes an Alternative Expense Plan of the type described in Section 515B.3-1151(a)(2) of the Act whereby the Declarant's Common Expense liability, and the corresponding assessment lien against the Units owned by the Declarant, is limited to: (A) paying when due, in compliance with section 515B.3-1151(b) of the Act, an amount equal to the full share of replacement reserves allocated to Units owned by the Declarant, as set forth in the Association's Annual Budget approved as provided in the Act, and (B) paying when due all accrued expenses of the Common Interest Community in excess of the aggregate assessments payable with respect to Units owned by persons other than a Declarant; provided, that the Alternate Common Expense plan shall not affect a Declarant's obligation to make up any operating deficit pursuant to

Section 515B.3-1151(a)(2)(iv) of the Act, and shall terminate upon the termination of any period of Declarant Control unless terminated earlier pursuant to Section 515B.3-1151(a)(2)(iii) of the Act.

There are no assurances that this Alternative Expense Plan will have no effect on the level of services for items set forth in the Association's budget.

6.8 Assessment Lien. The Association has a lien on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, liens and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as Assessments, under this Section 6. Recording of this Declaration constitutes record notice and perfection of any lien under this Section 6, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

6.9 Foreclosure of Lien; Remedies. A lien for Assessments may be foreclosed against a Unit under the laws of the State of Minnesota (i) by action, or (ii) by advertisement as a lien under a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Owner and any other Person claiming an interest in the Unit, by the acceptance or assertion of any interest in the Unit, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any Assessment or charge against the Unit.

6.10 Lien Priority; Foreclosure. A lien under this Section 6 is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before this Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and their governmental assessments or charges against the Unit. Notwithstanding the foregoing, if a first mortgage on a Unit recorded on or after the date of the recording of the Declaration is foreclosed and no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes, Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid Assessments for Common Expenses levied pursuant to Section 515B.3-1151 of the Act which became due, without acceleration, during the six (6) months immediately preceding the first day following the end of the Owner's period of redemption.

6.11 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit the purchaser shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the purchaser, unless expressly assumed by the purchaser. However, the lien of such Assessments shall remain against the Unit until satisfied or released, and may be foreclosed

or otherwise enforced. Any seller or purchaser shall be entitled to a statement in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and purchaser.

SECTION 7 RESTRICTIONS ON USE OF PROPERTY

All Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Master Governing Documents or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

7.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master Governing Documents and the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

7.2 Subdivision Prohibited. No Unit nor any part of the Common Elements (if any) may be subdivided or partitioned without the prior written approval of the Master Board, the Owners at an Association meeting, any governmental authorities having jurisdiction over the Property, and any secured parties holding first mortgages on any Units affected. The dedication or de-annexation of a portion of the Property pursuant to Section 3 shall not be deemed a subdivision or partition. Notwithstanding the above, the Declarant shall have the right to subdivide or combine Units pursuant to Section 14.

7.3 Residential Use. Except as provided in Section 7.4, the Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential Units. Nothing in this Section 7 shall be deemed to restrict the rental of Dwellings; provided, that such activity shall be conducted in such a manner as to maintain the character of the Property, and shall not unreasonably interfere with the use and enjoyment of the Property by other Owners and Occupants and their invitees.

7.4 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Unit or the Common Elements (if any) except:

7.4.1 An Owner or Occupant may maintain a home occupation in a Unit and handle matters relating to such home occupation by telecommunications or correspondence therefrom, but only if the use (i) is incidental to the residential use of the Unit, (ii) does not involve physical alteration of the Unit visible from the exterior of the Unit, (iii) does not involve

any observable business activity such as signs, advertising displays, frequent deliveries, or use of the Unit by customers or employees, and (iv) complies with any additional requirements contained in the Rules and the Governing Documents, or in any governmental laws, codes, rules, statutes and ordinances.

7.4.2 Notwithstanding anything to the contrary in Section 7, a small, Owner-operated day care facility may be operated in a Dwelling if the facility is licensed with the State of Minnesota and approval by the City (if required).

7.4.3 Declarant or Master Developer, or a builder authorized by one of them, may maintain offices, sales facilities, model homes and other business facilities on the Property in connection with the exercise of its construction or sales activities.

7.5 Delegation of Use. An Owner may delegate, in accordance with the Master Governing Documents and the Governing Documents, the Owner's right of use and enjoyment of the Unit to persons living in the Unit pursuant to a legal right of possession; provided, that such persons shall be subject to the Master Governing Documents, the Governing Documents and the Rules.

7.6 Vehicles, Trailers, Watercraft and Other Personal Property. The outside storage, parking, repair or restoration of passenger vehicles, trucks, trailers, motor homes, watercraft, snowmobiles, recreational vehicles and other personal property is subject to regulation by the Master Board through the Master Rules. Notwithstanding the foregoing, no commercial vehicle, trailer or equipment shall be parked, stored, or kept outside any Dwelling, except for temporary parking by construction vehicles or delivery vehicles.

7.7 Traffic Regulations. All vehicular traffic on the Property shall be subject to federal, state and local laws and regulations. All vehicles operated on the Property shall be operated in a careful, prudent, and safe manner; and with due consideration for the rights of all Owners and Occupants.

7.8 Pets. Only dogs, cats, small birds and fish, and other animals generally recognized as domestic pets (collectively referred to as Pets) may be kept on the Property, subject to the conditions set forth in this Section.

7.8.1 Rules may be adopted by the Association to regulate Pets on the Property.

7.8.2 Pets shall be kept solely as domestic household pets and/or as statutorily authorized Service Animals used by handicapped persons, and not for any other purpose. No animal of any kind shall be raised or bred, or kept for business or commercial purposes by any Person upon any part of the Property.

7.8.3 No Pet shall be allowed to make an unreasonable amount of noise, nor to become a nuisance or a threat to the safety of others.

7.8.4 Pets may be housed only within the Dwellings or structures approved by the ARC or allowed by the Rules. No structure, fence or enclosure for the care, housing or confinement of any Pet shall be constructed or maintained on any part of the Property, except as approved pursuant to Section 8.

7.8.5 Pets shall be under control at all times when outside the Dwelling.

7.8.6 An Owner shall be liable to the Association for the cost of repair of any damage to the Property, or the expenses associated with any personal injury, caused by animals kept within that Owner's Unit.

The word Animal shall be construed in its broadest sense and shall include all living creatures except humans.

7.9 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units. The Property shall be occupied and used in such a manner as will not cause a nuisance, nor unduly restrict, or interfere with the use and quiet enjoyment of the Property by other Owners and Occupants and their invitees.

7.10 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Master Association, the Association or any Owner or Occupant.

7.11 Improvements. Except for those made by Declarant or authorized builders in connection with the sale of a Unit or construction of the first Dwelling thereon, no Improvements (as defined in Section 8) shall be made, or caused or allowed to be made, in any part of the Common Elements (if any), or in any part of a Unit which is visible from the exterior of the Unit, without approval pursuant to Section 8.

7.12 Ponds, Wetlands and Trees. Ponds, marshes, wetland areas, wetland signage, vegetation and trees, whether located on a Unit or on Common Elements (if any), and whether natural or otherwise, shall be maintained in substantially the same condition as originally established, subject only to (i) changes authorized by the Master Association consistent with all statutes, requirements, rules and regulations imposed on such areas and items by governmental authorities having jurisdiction over the Property and (ii) the prior approval of any such governmental authorities, if required. No cutting, mowing, trimming, draining, dredging or other alteration of such areas and items shall be permitted, except as authorized by this Section 7.12, it being the intention that such areas and items remain and be maintained in a substantially natural

condition, and subject to natural changes. Wetlands which the Master Association is obligated to monitor pursuant to the Master Declaration shall be subject to the exclusive control of the Master Association.

7.13 Time Share Ownership. No Unit may be sold under or subjected to any time-sharing, time-interval or similar right-to-use programs.

7.14 Access to Units. In case of emergency, all Units (except the Dwelling located thereon) are subject to entry, without notice at any time, by an officer or member of the Board and by the management agent of the Association. In case of an emergency, the entire Unit is subject to entry without notice by any public safety personnel. Reasonable access is also authorized for maintenance purposes under Sections 9 and 12 and for enforcement purposes under Section 13.

SECTION 8 ARCHITECTURAL STANDARDS

One of the purposes of this Declaration is to ensure that the Units and exteriors of the Dwellings located thereon be kept architecturally attractive in appearance. Therefore, except as expressly provided in Section 7 of this Declaration and the Master Declaration, no Dwelling, addition, out-building or other structure, enclosure, fence, wall or other visible exterior improvement to a Unit (collectively referred to as Improvements), shall be commenced, erected or maintained, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the Improvements shall have been approved in writing by the Architectural Review Committee (ARC) established and administered pursuant to the Master Declaration. Applications for approval of Improvements shall be submitted to the ARC in accordance with the procedures established by the Master Declaration. Notwithstanding the foregoing, Master Developer's written consent shall also be required for Improvements so long as Master Developer owns a Unit for sale, or has the unexpired right to subject Additional Real Estate to the Master Declaration.

SECTION 9 MAINTENANCE

9.1 Maintenance by Association of Common Elements and Units. The Association shall provide for all maintenance, repair or replacement (collectively referred to as "Maintenance") of the Common Elements. The Association shall have Easements as described in Section 12 to perform its obligations under this Section 9. The Association shall (1) provide for maintenance, care and construction of roadways (that are not maintained or constructed by the City) and amenities located in the Common Elements, (2), snow removal on the roadways (that are not maintained by the City) and driveways (as agreed to by the Association), (3) snow removal on trails and sidewalks as determined by the City, (4) maintain, repair and replace Common Elements including entrance signs, trails, lighting, drainage and ponds, (5) lawn care in the Common Area and such parts of the Unit as agreed to by the Association, (6) any

maintenance as required by City Ordinance, (7) maintenance of wetland and wetland buffer areas, (8) maintenance of storm water ponding areas, (9) rain gardens, and (10) such other maintenance or services that the Association shall determine from time-to-time will be provided by the Association. THE ASSOCIATION SHALL NOT BE LIABLE TO THE OWNER OR ANY THIRD PARTY FOR IMPROPER OR INADEQUATE SNOW REMOVAL. THE OWNER WILL RELEASE, DEFEND AND INDEMNIFY THE ASSOCIATION AND HOLD THE ASSOCIATION HARMLESS FROM ALL CLAIMS

9.2 Services. The Association may contract with a professional property management company to manage its affairs, or any part thereof, as necessary or desirable for the proper operation of the Neighborhood. The Declarant, during the period of Declarant Control or the majority of the Mortgagees any time, may require that the affairs of the Association be managed by a professional property management company. These services shall include, but are not limited to, the following:

- a. Annual inspection of the property to monitor and update the working capital fund established herein;
- b. Responsibility for the financial/accounting functions of the Association, including collection of assessments, preparing quarterly financial statements, reconciling bank statements, and preparing an annual budget and report; and
- c. Assisting the Association with hiring of vendors to provide for snow removal and lawn care, and general maintenance of the Common Elements and Limited Common Elements and other common services to each Unit.

9.3 Personal Property and Real Estate for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and real estate and may dispose of the same by sale or otherwise. Such beneficial interest shall not be transferable except with the transfer of title to a Unit, provided that an Owner may delegate the right of enjoyment of such property to lawful occupants of such Unit. A transfer of title to a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Unit.

9.4 Utilities. The Association shall maintain, replace, and repair sewer and water lines on the Common Elements except to the extent such maintenance is undertaken by a separate utility provider. The individual Owner of the Units shall be responsible to maintain, replace and repair sewer and water lines from the Common Elements to the foundation of each Dwelling.

9.5 Optional Maintenance by Association. In addition to the Maintenance described in this Section, the Association may, with the approval of a majority of votes cast in person or by proxy at a meeting called for such purposes, undertake to provide additional Maintenance to the Units.

9.6 Maintenance by Owner. All maintenance of the Dwellings and Units not provided for by the Association shall be the sole responsibility and expense of the Owners thereof. The Limited Common Elements allocated to a Unit or Units not maintained by the Association shall be maintained by the Owner or Owners of the affected Unit or Units. The Owners and Occupants shall have a duty, to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain. The Association may undertake any exterior maintenance of Units which the responsible Owner fails to or improperly performs and assess the Unit and the Owner for the cost thereof, which such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit.

9.7 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Section, if, in the judgment of the Association, the need for Maintenance of any part of the Property is caused by the willful or negligent act or omission of an Owner or Occupant, their guests or pets, or by a condition in a Unit which the Owner or Occupant has willfully or negligently allowed to exist, the Association may cause such damage or condition to be repaired or corrected and enter upon any Unit, but not the Dwelling, to do so, and the cost thereof may be assessed against the Unit of the Owner responsible for the damage.

SECTION 10 INSURANCE

10.1 Required Coverage. If deemed prudent, the Association shall obtain and maintain a master policy or policies of insurance in accordance with the insurance requirements set forth in the Act and the additional requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the State of Minnesota, as follows:

10.1.1 Property insurance in broad form covering all risks of physical loss for the full insurable replacement costs of the Master Improvements on the Common Element, less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned by the Association and shall name the Association as the named insured. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverages, deductibles and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the FHA or Federal National Mortgage

Association (“FNMA”) as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board of Directors may also, on behalf of the Association enter into binding written agreements with a mortgagee, insurer or servicer, including without limitation the FHA or FNMA, obligating the Association to keep certain specified coverages or endorsements in effect.

10.1.2 Comprehensive public liability insurance covering the ownership, existence, use, operation or management of the Property, with minimum limits of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location, and use to the Property insuring the Board of Directors, the Association, the management agent and their respective employees, agents and all persons acting as agents. The Declarant shall be included as an additional insured in its capacity as a Unit Owner or board member. Unit Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, operation or management of the Common Element. The policy shall contain a “severability of interest” endorsement which shall preclude the insurer from denying the claim of an Owner or occupant of a Unit because of the negligent acts of the Association or other Owners or occupants and shall cover claims of one or more insured parties against other insured parties. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.

10.1.3 Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to or administered by the Association if deemed to be advisable by the board or required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured and shall, if required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit, be written in an amount equal to the greater of (i) the estimated maximum of Association funds, including reserves, in the custody of the Association or management agent at any given time while the bond is in force, or (ii) a sum equal to three months aggregate assessments on all Units plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

10.1.4 Worker’s compensation insurance, as required by law.

10.1.5 Policies carried pursuant to subsections 10.1.1 and 10.1.2 shall provide that:

- a. each Unit Owner and any secured party is an insured person under the policy with respect to liability arising out of the Unit Owner’s interest in the Common Element or membership in the Association;

- b. the insurer waives its rights to subrogation under the policy against any Unit Owner (or members of Owner's household) and against the Association and Directors;
- c. no act or omission by any Unit Owner or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy; and
- d. the Association's policy shall be the primary insurance if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the Association's policy.

10.2 Association Coverage of Units. In addition to property insurance on the Common Element, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate broad-form blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the Dwellings, including the structural portions and fixtures thereof but exclusive of land, footings, excavation and other items normally excluded from coverage, owned by such Owners. Insurance premiums for any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be an expense of the Association to be included in the regular Annual Assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Dwellings shall be written in the name of, and the proceeds thereof shall be payable to the Association as trustee for the Owners.

10.3 Replacement or Repair of Property. Any portion of the Property that has been damaged or destroyed by a loss covered by the Association's insurance shall be promptly repaired or replaced by the Association unless (i) the Community is terminated; (ii) such repair or replacement would be illegal; or (iii) Members holding at least eighty percent (80%) of the voting power of the Association (including every Owner and first mortgagee on a Unit which shall not be rebuilt) vote not to rebuild. If less than the entire Property is repaired or replaced, the insurance proceeds attributable to the damaged Common Element shall be used to restore the damaged area to a condition compatible with the remainder of the Community, the proceeds attributable to Units which are not rebuilt shall be distributed to the owners of those Units and the secured parties of those Units, as their interests may appear, and the remainder of the proceeds shall be distributed to all Unit Owners and secured parties as their interests may appear, in proportion to their common expense liability. The cost of repair or replacement of Common Element in excess of insurance proceeds and reserves shall be paid as a common expense, and the cost of repair of a Unit in excess of insurance proceeds shall be paid by the respective Unit Owner.

10.4 Cancellation; Notice of Loss. All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be cancelled or substantially modified, for any reason, without at least 30 days prior written notice to the Association, all of the insureds, and all mortgagees of Units (including, if applicable, the FHA or FNMA).

10.5 Review Of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

10.6 Blanket Casualty and Personal Property Insurance by Owner. If the Association does not elect to maintain blanket casualty and fire insurance pursuant to Section 10.2 of this Article, then any Owner of a Unit shall carry, maintain, and timely pay the premium or premiums on a policy of fire, extended coverage, vandalism, and malicious mischief, with all risk endorsement insurance. Said insurance shall cover a minimum of the entire replacement cost of the Improvements on such Unit and shall provide for at least ten (10) days' notice to the Board of Directors of the Association before cancellation or material change in such insurance.

Each Owner shall be responsible for and shall secure insurance coverage on the Owner's personal property and Unit contents. Each Owner shall be responsible for and shall secure comprehensive public liability insurance covering the ownership, existence, use, operation or management of the Owners Unit against claims for death, bodily injury and property damage and such other risks as are customarily covered by such policies.

10.7 Reallocation of Interests for Destroyed Units. If, pursuant to Section 10.3, a Unit is not rebuilt after a casualty, that Unit's entire interest in the Common Element, votes in the Association and common expense liability are automatically reallocated upon the vote as if the Unit had been condemned, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

SECTION 11 RECONSTRUCTION AND EMINENT DOMAIN

11.1 Reconstruction. In the event a casualty on or to any portion of the Property, the obligations and procedures for the repair, reconstruction or disposition of the damaged Improvements shall be governed by the following provisions:

11.1.1 All repair and reconstruction of the damaged Improvements shall be commenced by the Owner promptly following the casualty and shall be carried through diligently to conclusion.

11.1.2 All repair and reconstruction shall be approved pursuant to Section 8. The repair and reconstruction by the Owner shall be in accordance with the requirements of all applicable zoning, subdivision, building, and other governmental regulations.

11.1.3 Notice of substantial damage or destruction to any portion of the Property shall be promptly given by the Owner to the Association.

11.1.4 Notwithstanding the foregoing, all such repair and reconstruction need not be undertaken if the Association, the Owner and the Owner's mortgagee agree in writing that the damaged Improvements need not be repaired and reconstructed. If such an agreement is made, the ruins and debris of any damaged Improvements or vegetation shall promptly be cleared away and the damaged portion of the Property shall be left in an orderly, safe and sightly condition.

11.2 Eminent Domain. In the event of a taking of any part of the Common Elements by condemnation or eminent domain, the provisions of the Act shall govern; provided (i) that notice shall be given First Mortgagees, (ii) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements and (iii) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

11.3 Notice. All mortgagees shall be entitled to receive notice of any condemnation proceedings or substantial destruction of the Property, and the Association shall give written notice thereof to a mortgagee.

11.4 Termination and Liquidation. The termination of the Common Interest Community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the original purchase price of the Units without Improvements as compared to the total purchase price of all Units without Improvements, and shall be made to Owners and their mortgage holders in proportion, as their interests may appear and as provided in the Act.

11.5 Association's Authority. In all cases involving reconstruction, condemnation, eminent domain, termination or liquidation of the Common Interest Community, the Association shall have the authority to act on behalf of the Owners in all proceedings, negotiations and settlement of claims. All proceeds shall be payable to the Association to hold and distribute for the benefit of the Owners and their mortgage holders in proportion, as their interests may appear, and in accordance with the Act.

SECTION 12 EASEMENTS

Each Unit and the Common Elements (if any), and the rights of the Owners and Occupants therein, shall be subject to (i) the appurtenant easements and rights granted and reserved in the Master Declaration and (ii) the appurtenant easements and rights granted and reserved in this Section 12.

12.1 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants thereof, shall be subject to the rights of the Master Developer, Declarant and Association to an exclusive, appurtenant easement on and over

the Units and Common Elements for the purposes of maintenance, repair, replacement and reconstruction in the Units, and utilities serving the Units, to the extent necessary to fulfill the Association's obligations under the Governing Documents. Each Owner is granted an easement over the area of the Common Elements as is needed to access, repair, maintain and replace the Limited Common Elements which are assigned to such Owner's Unit.

12.2 Utility Easements. The Property shall be subject to non-exclusive, appurtenant easements in favor of all public utility companies and other utility providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV and other electronic communications, water, sewer, septic systems, wells, and similar services, and metering and control devices, which exist from time to time, as constructed or referred to in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive easement in favor of the other Units for all such services; provided, that the utilities and services shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and the Occupants, nor affect the structural or architectural integrity of the Units or Dwellings.

12.3 Continuation and Scope of Easements. Notwithstanding anything in this Declaration to the contrary, in no event shall an Owner or an Occupant be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section shall supplement and not limit any easements described elsewhere in this Declaration or recorded, and shall include reasonable access to the easement areas through the Unit and the Common Elements for purposes of maintenance, repair, replacement and reconstruction.

12.4 Roadway Access Easements. The Common Elements shall be subject to an appurtenant easement for roadway access in favor of the Owners, Occupants, their guests and invitees over those parts of the Common Elements which are paved or otherwise designated as drives, lanes, streets, roads or right of ways ("Roadways"). The Roadways shall be private to the Owners, Occupants, guests and invitees. The maintenance of the Roadways shall be the responsibility of the Association as provided for in this Declaration.

12.5 Emergency Access to Units. In case of emergency, all Units and Limited Common Elements are subject to an easement for access, without notice and at any time, by any public safety personnel.

12.6 Project Easements. Declarant and Association shall have the right to erect and maintain monument signs identifying the Common Interest Community and related decorative Master Improvements on the Common Elements. Those parts of the Property on which monument signs or related decorative Master Improvements are located shall be subject to appurtenant, exclusive easements in favor of the Association and Declarant for the continuing use, maintenance, repair and replacement of said signs and Master Improvements. In exercising its rights under said Easements, the Association and Declarant shall take reasonable care to avoid damaging the Improvements to the Property.

12.7 Declarant Rights. An exclusive easement as granted in the Act in favor of Declarant for the exercise of its Special Declarant Rights, which easements shall terminate when Declarant no longer owns a Unit.

12.8 Association Access. An exclusive easement in favor of the Association, including without limitation any management agent or service vendor retained by the Association, for access on and across any Property and the yard area of any Unit, for the purpose of performing the Association's obligations under the Governing Documents. Except in the event of emergencies, this easement shall be exercised only during normal business hours.

12.9 Environmental Compliance. A non-exclusive easement in favor of the Association and other applicable governmental authorities, and their respective agents, employees, successors, and assigns, on and across the Property, the Common Elements and the yard areas of Units for the purpose of taking any action necessary to effect compliance with environmental laws, and related rules, regulations or procedures promulgated by the Board of or by any governmental authority. Such easement shall include without limitation the right to implement erosion control procedures, the right to drain and redirect water, the right to control access, and the right to correct any condition on the Property which violates any governmental controls. The exercise of these easement rights shall be in strict compliance with all applicable environmental laws and regulations.

12.10 Encroachments. An exclusive easement for encroachments for the benefit of the encroaching Improvement in the event that a Dwelling or any part of the Dwelling or any other Improvement now or hereafter constructed encroaches upon a Unit or the Common Elements due to minor inaccuracies in survey, construction, reconstruction, settlement, movement or otherwise. The easement shall continue for as long as the encroachment exists and shall not affect the marketability of title. This easement for encroachments shall also include an easement for the maintenance and use of the encroaching Improvements.

12.11 Continuation and Use of Easements. The rights and easements granted or reserved by this Section shall be appurtenant, unless otherwise indicated. The easements shall supplement and not limit any easements described elsewhere in this Declaration or any recorded instrument, and shall include reasonable access over and across the Property to maintain, repair, replace and reconstruct any Improvements installed or constructed in such easement areas. Persons exercising easement rights under this Section shall take reasonable care to avoid damaging the Property or any area which the Association is obligated to maintain, and shall promptly repair damage which they or their employees or agents have caused.

12.13 Perpetual Easement. Unless otherwise stated herein all Easements granted shall be perpetual in nature and run with the land.

SECTION 13 COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property shall be governed by and comply with the provisions of the Act, the Master Governing Documents, the Governing Documents, the Rules and Master Rules, the decisions of the Association, and such amendments thereto as may be made from time to time. A failure to comply shall entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

13.1 Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Governing Documents or available at law or in equity. Legal relief may be sought by the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Governing Documents, the Rules and Regulations, the Act or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association, or take (or omit) other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

13.2 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants, and/or their guests, who violate the provisions of the Governing Documents, the Rules and Regulations or the Act:

- a. Commence legal action for damages or equitable relief in any court of competent jurisdiction.
- b. Impose late charges of up to the greater of Twenty and 00/100 Dollars (\$20.00) or fifteen percent (15%) (as permitted by law) of the amount due for each past due Assessment or installment thereof, and interest at up to the highest rate permitted by law.
- c. In the event of default of more than thirty (30) days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. At least fourteen (14) days written notice of the effective date of the acceleration shall be given to the defaulting Owner.
- d. Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules and Regulations of the Association.

- e. Restore any portions of the Common Elements or Limited Common Elements damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant, or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Units.
- f. Enter any Unit or Limited Common Element, but not the Dwelling in which, or as to which, a violation or breach of the Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Dwelling or other part of the Property or the property of the Owners, Occupants and/or their guests, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit or Limited Common Elements which is causing the violation; provided, that any Improvements which are a part of a Unit may be altered or demolished only pursuant to a court order or with the agreement of the Owner.
- g. Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the foreclosure of mortgages by action or under a power of sale by advertisement.

13.3 Rights to Hearing. In the case of imposition of any of the remedies authorized by this Section, the Board of Directors shall, upon written request of the offender, grant to the offender a fair and equitable hearing as contemplated by the Act. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least ten (10) days within which to request a hearing. The hearing shall be scheduled by the Board of Directors and held within thirty (30) days of receipt of the hearing request by the Board of Directors, and with at least ten (10) days prior written notice to the offender. If the offending Owner fails to timely request a hearing or to appear at the hearing then the right to a hearing shall be waived and the Board of Directors may take such action as it deems appropriate. The decision of the Board of Directors and the rules for the conduct of hearings established by the Board of Directors shall be final and binding on all parties. The Board of Director's decision shall be delivered in writing to the offender within ten (10) days following the hearing, if not delivered to the offender at the hearing. A party may be represented in any hearing by legal counsel; however, parties may not refuse to directly respond to requests for information or questions addressed to them by members of the Board of Directors except on grounds of self-incrimination, on other grounds deemed by the Board of Directors to be appropriate. In this connection, the Board of Directors need not accept the statements of counsel as being the statements of counsel's client if the Board of Directors desires direct testimony. The parties shall be held responsible for the conduct of their counsel. Formal rules of evidence and formal court-type procedures need not be followed by the Board of Directors. The Board of Directors may consider any evidence, testimony or matter it

deems to be relevant. The Board may delegate the foregoing hearing authority to a committee of three or more disinterested Owners, who shall conduct the hearing and make a recommendation to the Board regarding disposition of the matter.

13.4 Lien for Charges, Penalties, Etc. Any Assessments, charges, fines, penalties or interest imposed under this Section shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.

13.5 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Act, Governing Documents or Rules and Regulations, whether or not finally determined by a court arbitrator, the Association may assess the violator and his or her Unit with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association.

13.6 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants, or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

13.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, the Rules and Regulations, and the Act as provided therein.

SECTION 14 SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following Special Declarant Rights within the meaning of Section 515B.1-103 of the Act for as long as it owns a Unit or Additional Real Estate Parcels, or for such shorter period as may be specifically indicated, including the following Special Declarant Rights:

14.1 Complete Improvements. To complete Master Improvements indicated on the Plat planned by the Declarant consistent with the Disclosure Statement or authorized by the municipality in which the CIC is located;

14.2 Add Additional Real Estate. To add Additional Real Estate to the Common Interest Community, as provided for in this Declaration and the Act;

14.3 Create Units and Common Elements. To create Units, Common Elements and Limited Common Elements and subdivide or combine Units or convert a Unit or Units into Common Elements, Limited Common Elements and/or Units and to relocate boundaries between Units and to otherwise alter Units by it without need of consent of the Owners, Associations, or Mortgagee pursuant to Section 515B.2-112 of the Act;

14.4 Sales Facilities. To construct, operate and maintain a sales office, management office, model Units and other development, sales and rental facilities within the Common Elements and any Units owned by Declarant from time to time, located anywhere on the Property;

14.5 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by Declarant and on the Common Elements;

14.6 Easements. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Property for the purpose of exercising its Special Declarant Rights and Easement Rights as set forth in Section 12 herein, as permitted by MCIOA; as required and necessary to exercise Special Declarant Rights and to complete Declarant's plans for the Development of the Property;

14.7 Declarant's Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the officers or directors of the Board pursuant to Section 515B.3-103 of the Act. The period of Declarant control begins on the date of creation of the Common Interest Community and terminates upon the earliest of the following events: (i) five (5) years after the date of the first conveyance of Unit to a Unit Owner other than a Declarant in the case of a flexible Common Interest Community or three (3) years in the case of any other Common Interest Community, (ii) the Declarant's voluntary surrender of control by giving written notice to the Unit Owners pursuant to Section 515B.1-115 of the Act, or (iii) the conveyance of seventy-five percent (75%) of the Units to Unit Owners other than a Declarant. If the period of Declarant Control has terminated pursuant to Section 515B.3-103(c) of the Act (i) a meeting of the Unit Owners shall be called and held within sixty (60) days after said termination, at which the Board shall be appointed or elected by all Unit Owners, including Declarant, subject to the requirements of Section 515B.3-103(4)(e) of the Act. If fifty percent (50%) of the Units that Declarant is authorized by this Declaration to create has been conveyed prior to the termination of Declarant control period, a

meeting of the Unit Owners shall be called and held within sixty (60) days thereafter, at which not less than 33-1/3% of the members of the Board shall be elected by Unit Owners other than Declarant or an affiliate of Declarant.

14.8 Declarant's Alternate Common Expense Plan. To utilize an Alternative Common Expense Plan as provided in Section 515B.3-1151(a)(2).

14.9 Common Element Licenses. To grant Common Element Licenses as provided in Section 515B.2-109(e).

14.10 Design. To review and approve or disapprove, the exterior design, materials, size, site location and other exterior features of buildings and other structures, landscaping and other exterior Improvements, located within the Common Interest Community and any modifications or alterations thereto.

14.11 Consent to Certain Amendments. As long as Declarant or Master Developer owns any unsold Unit or Additional Real Estate Parcels, Declarant's and Master Developer's written consent shall be required for any amendment to this Declaration, the Articles of Incorporation or the Bylaws of the Association or Rules and Regulations which directly or indirectly affects or may affect Declarant's or Master Developer's rights under this Declaration, or the Articles of Incorporation or Bylaws of the Association or Master Governing Documents.

14.12 Termination of Special Declarant Rights. A Special Declarant Right held by a Declarant terminates upon the earlier of: (i) that Declarant's voluntary surrender of the Special Declarant Right by giving written notice to the Unit Owners pursuant to Section 515B.1-115 of the Act; or (ii) the conveyance, whether voluntary or involuntary, by the Declarant, of all of the Units and Additional Real Estate owned by the Declarant, unless immediately after the conveyance the Special Declarant Right is transferred to a grantee. All Special Declarant Rights terminate ten (10) years after the date of the first conveyance of a Unit to a person other than a Declarant unless extended by the vote or written agreement of Unit Owners entitled to cast at least sixty-seven percent (67%) of the votes allocated to Units not owned by a Declarant.

SECTION 15 SPECIAL PROVISIONS – MORTGAGEE RIGHTS

15.1 Overriding Provisions. The provisions of this Section take precedence over any other conflicting provisions of this Declaration.

15.2 Notice of Default. A First Mortgagee of a Unit, upon request, is entitled to a written notification from the Association of any default in the performance by the Owner of any obligation under the Governing Documents known to the Association which is not cured within sixty (60) days.

15.3 Liability for Unpaid Assessments. Any First Mortgagee of a Unit who obtains title to a Unit pursuant to the remedies provided in its mortgage or by foreclosure of its mortgage shall not be liable for the unpaid assessments of the Unit which accrue prior to the acquisition of title to such Unit by the mortgagee, except as set forth in Section 15.8 and Section 515B.3-116 of the Act.

15.4 Restricted Activities. Until the Association has received written approval from all of the First Mortgagees of Units and all Owners other than the Declarant, the Association shall not be entitled to:

- a. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements owned, directly or indirectly, by the Association for the benefit of the Units. The granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this subsection.
- b. Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner.
- c. By act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Dwellings or the maintenance of the Common Elements.
- d. Fail to maintain first and extended coverage on insurable Common Elements on a current replacement cost basis in the amount not less than one hundred percent (100%) of the insurable value, based on current replacement costs; or
- e. Use hazard insurance proceeds received for losses to any Common Elements other than for the repair, replacement or reconstruction of such Common Elements.

15.5 Examination of Books and Records. First Mortgagees shall have the right to examine the books and records of the Association.

15.6 Right to Cure Default. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements and may pay overdue premiums in hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

15.7 Priority of First Mortgagees. No provision of the Declaration or By-Laws shall be construed as giving to the Owner or to any other party priority over any rights of First Mortgagees or Units pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Common Elements.

15.8 Foreclosure of First Mortgages and Contracts. The sale or transfer of any Unit pursuant to the foreclosure of a First Mortgage, or pursuant to any other proceeding or arrangement in lieu of such foreclosure or cancellation, shall extinguish the lien of all other Assessments as to the installments which became due prior to the effective date of such sale, transfer or acquisition by the Mortgagee by the Mortgagee to the end that no Assessment liability shall accrue to an acquiring Mortgagee except with respect to installments of Assessments becoming due after possession has passed to such acquiring Mortgagee, whether such possession has passed at the termination of any period of redemption or otherwise; provided, however, that if a first mortgage on a Unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes Chapters 580, 581 or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid Assessments for Common Expenses levied pursuant to Sections 515B.3-1151 of the Act, which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption. In the event of the extinguishment of such Assessment lien as aforesaid, the entire amount of such unpaid Assessment shall be reallocated and assessed against, and payable by the Owners of, all other Units in the Association, exclusive of such encumbered Unit. No such sale, transfer or acquisition of possession shall relieve an Owner of a Unit from liability for any Assessments thereafter becoming due or from the lien thereof, nor shall it relieve the person personally obligated to pay the Assessments which were levied prior to the transfer of such Unit from the personal obligation to pay the same.

SECTION 16 ADDITIONAL REAL ESTATE

16.1 Reservation of Rights to Add Additional Units. The Declarant hereby reserves the right to add all or any portion of the Additional Real Estate to the Planned Community. The Declarant's right to add any portion of the Additional Real Estate to the Planned Community will terminate ten (10) years following the date of recording of this Declaration, unless extended pursuant to Section 515B.2-106 of the Act. Portions of the Additional Real Estate may be added at different times. Declarant's good faith estimate of the total number of Patio Home Units that may be created within the Additional Real Estate is fifty-six (56) Units for a total of sixty-four (64) Patio Home Units. Creating Units from the Additional Real Estate will depend on demand, and market conditions. No representation is made by Declarant that Additional Units or a certain number of Additional Units will be created. All Dwellings built and Units created on the Additional Real Estate shall be restricted to residential use and shall be compatible with the Units constructed on the Property in terms of architectural style, quality of construction, and principal materials employed in construction. Notwithstanding any provision set forth in this Declaration to the contrary, Units constructed on the Additional Real Estate may vary in size (including the number of stories) from Units constructed on the Property. All restrictions contained in this Declaration affecting use, occupancy, ownership and alienation of Units will apply to units on the Additional Real Estate that may be made subject to this Declaration. None of the assurances regarding the Property contained in this Declaration shall apply to any portion of the Additional Real Estate not added and subjected to this Declaration pursuant to this

Section. The Declarant makes no other assurances with regard to the Additional Real Estate pursuant to Minn. Stat. § 515B.2-106. The Additional Real Estate is legally described on Exhibit D.

16.2 Amended Declaration. The Declarant may add all or any portion of the Additional Real Estate to the Planned Community at any time within the time limit set forth in Section 515B.2-106 of the Act by recording a Supplemental Declaration identifying that portion of the Additional Real Estate that is being subjected to this Declaration.

16.3 Architectural Control Committee. The Additional Real Estate shall not be subject to the provisions of this Declaration unless and until added to the Planned Community by the filing of a Supplemental Declaration as described in this Section, but once added, shall be treated in the same manner as the Property.

SECTION 17 GENERAL PROVISIONS

17.1 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this instrument or exhibits.

17.2 Construction. Where applicable the masculine gender of any word used herein means the feminine or neutral gender, or vice versa, and the singular of any word used herein means the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statute amending or replacing the Act, and the comparable sections thereof.

17.3 Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

17.4 Notices. Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board of Directors, the Association officers or the Owner or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail or by form of electronic communication if consent to receive notice by electronic communication is designated by the recipient in writing to the Secretary of the Association and not revoked; except that registrations pursuant to the By-Laws shall be effective upon receipt by the Association.

17.5 Conflicts Among Documents. In the event of any conflict among the provisions of the Act, this Declaration, the By-Laws or any Rules or Regulations approved by the Association, the Master Governing Documents, the Act shall control. As among the Declaration, By-Laws and Rules and Regulations, this Declaration shall control, and as between the By-Laws and the Rules and Regulations, the By-Laws shall control. If any provision of the Act, Declaration, By-Laws, or Rules and Regulations is referred to herein by a wrong Section number, the correct provision of the Act, Declaration, By-Law, or Rules and Regulations shall govern, regardless of the erroneous reference. The Master Governing Documents shall control over any corresponding documents of this Neighborhood.

17.6 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this declaration shall be perpetual, subject only to termination as provided in this Declaration and the Act, and shall run with and bind the land and shall inure to the benefit of, and be enforceable by the Declarant, the Association or the Owner of any Unit, their respective legal representatives, heirs, successors and assigns.

17.7 Enforcement. The Declarant, the Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

17.8 Rules and Regulations. The Association may make reasonable Rules and Regulations governing the use of the Units and of the Common Elements, which rules shall be consistent with the rights and duties established in this Declaration and the Master Governing Documents. The Declaration shall supersede any conflicting rules by the Association.

17.9 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

17.10 Amendment. Except for amendments by Declarant pursuant to Sections 515B.2-111 and 515B.2-112(c) of the Act, this Declaration may be amended pursuant to Section 515B.2-118 of the Act and only by the approval of (i) Owners of Units to which are allocated at least sixty-seven percent (67%) of the votes in the Association, (ii) the percentage of Mortgagees (based upon one vote per first mortgage owned) required by Section 15 as to matters prescribed by said Section, and (iii) the consent of Declarant to certain amendments as provided in Section 14. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the By-Laws. Consents of Mortgagees and the Declarant shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Act. The amendment shall be effective when recorded as provided in the Act. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

THIS INSTRUMENT WAS DRAFTED BY:

Gray, Plant, Mooty, Mooty & Bennett, P.A.
Robert J. Walter
1010 West St. Germain
Suite 500
St. Cloud, MN 56301
Telephone: (320) 252-4414

COMMON INTEREST COMMUNITY NUMBER 112
RIVER LINKS PATIO HOMES NEIGHBORHOOD
EXHIBIT A TO DECLARATION

LEGAL DESCRIPTION OF PROPERTY

Lots 6 through 9, Block 1, Lots 5 through 8, Block 2, River Links Second Addition, Stearns
County, Minnesota

COMMON INTEREST COMMUNITY NUMBER 112
RIVER LINKS PATIO HOMES NEIGHBORHOOD
EXHIBIT B TO DECLARATION

Common Elements:

None at this time

COMMON INTEREST COMMUNITY NUMBER 112
RIVER LINKS PATIO HOMES NEIGHBORHOOD
EXHIBIT C TO DECLARATION

SCHEDULE OF UNITS/ALLOCATION OF VOTING RIGHT AND COMMON EXPENSES

Schedule of Units:

<u>Unit</u>	<u>Fractional Interest In River Links Patio Homes Neighborhood Owners Association and Common Expenses Liability</u>
Lot 6, Block 1, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 7, Block 1, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 8, Block 1, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 9, Block 1, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 5, Block 2, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 6, Block 2, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 7, Block 2, River Links Second Addition, Stearns County, Minnesota	1/8
Lot 8, Block 2, River Links Second Addition, Stearns County, Minnesota	1/8

COMMON INTEREST COMMUNITY NUMBER 112
RIVER LINKS PATIO HOMES NEIGHBORHOOD
EXHIBIT D TO DECLARATION

LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE

Outlots A, B, C, D and G, River Links Second Addition, Stearns County, Minnesota

