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✓ Gray Plans - Moody
Paul Steil

MASTER DECLARATION

FOR

RIVER LINKS

This Master Declaration for River Links (the “Master Declaration”) is made and executed this ~~17th~~ day of February, 2014, by DJP Properties, Inc., a Minnesota Corporation (the “Master Developer”).

WHEREAS, Master Developer (the “Owner”) is the owner of certain real property located in Stearns County, Minnesota, legally described in Exhibit A attached hereto (collectively the “Property”), and generally referred to as “River Links”. Master Developer also owns or has identified adjoining real property legally described on Exhibit C attached hereto that may be added to the Property and now identified as Additional Real Estate (“Additional Real Estate”); and

WHEREAS, Master Developer intends to establish a general plan and uniform scheme of development and improvement for the Property, as described in the Master Declaration, as a single-family residential development containing initially both single-family detached and single-family patio homes. In the future, the Property may contain Neighborhoods with other styles of homes; and

WHEREAS, Master Developer has established the Master Association, as defined in this Master Declaration, below, to act as a “Master Association” within the meaning of Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B as amended (“MCIOA” or the “Act”) for the purpose of administering and providing certain limited services for the benefit of the Property; and

WHEREAS, Master Developer desires to establish on the Property, and any Additional Real Estate, a plan for a governance of the Property 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 structural quality, and the original architectural and aesthetic character of the Property, and to that end wishes to subject the Property to this Master Declaration

THEREFORE, Master Developer subjects the Property to this Master Declaration, declaring that this Master Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, operated, occupied and conveyed subject to the covenants, restrictions, reservations, easements, charges, assessments and liens described in this Master Declaration, all of which shall be binding upon all Persons owning or acquiring any, right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1 DEFINITIONS

The definitions in this Master Declaration are for reference only, and shall not affect any apparently similar or related definitions contained in any governmental law, ordinance or regulation. Terms not otherwise defined shall have the meanings ascribed to them in MCIOA. The following terms, as used in this Master Declaration, shall have the following meanings:

1.1. Additional Real Estate shall mean the real property legally described in Exhibit C, including all improvements located thereon now or in the future, and all easements and rights appurtenant thereto, which property Master Developer has the right to add to the Community.

1.2. Annual Assessment shall mean and refer to a Master Assessment levied annually against all Units under Section 6.2 of this Master Declaration.

1.3. Architectural Guidelines shall mean the guidelines, standards and rules adopted by the Master Board for the design, construction, installation and alteration of Dwellings and other improvements within each Neighborhood. The Architectural Guidelines are part of the Master Rules.

1.4. Architectural Review Committee or "ARC" shall mean the permanent committee of the Master Association created for the purpose of establishing and enforcing architectural standards for the construction and modification of improvements.

1.5. Articles of Incorporation shall mean and refer to the Articles of Incorporation of the Master Association as they may exist from time to time.

1.6. City shall mean the City of Cold Spring, Minnesota.

1.7. Common Elements shall mean the Common Elements as defined herein and the Neighborhood Declaration and designated in the Neighborhood plat.

1.8. Community or River Links shall mean the real property legally described in Exhibit A attached hereto and those portions of the Additional Real Estate that are annexed thereto.

1.9. Dwelling shall mean and refer to a part of a building consisting of one or more floors, designed and intended for occupancy as a single-family residence, and located in a Neighborhood. Dwellings may include attached or detached single family homes. The Dwelling

includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

1.10. Master Assessments shall mean and refer, collectively, to all assessments levied by the Master Association under Section 6 of this Master Declaration.

1.11. Master Association shall mean and refer to River Links Master Association, Inc., a nonprofit corporation created pursuant to Minnesota Statutes Chapter 317A, and Section 515B.2-121 of MCIOA, and its successors and assigns. The Master Association is a "Master Association" as defined in MCIOA.

1.12. Master Board or Master Board of Directors shall mean and refer to the Board of Directors of the Master Association, which is the governing body of the Master Association.

1.13. Master Bylaws shall mean and refer to the Master Bylaws governing the operation of the Master Association, as amended from time to time.

1.14. Master Common Elements shall mean and refer to all portions of the Property, or interests therein, now or hereafter owned by the Master Association and intended for the common use and enjoyment of the Owners and Occupants and their invitees. The Common Elements are described in Section 2.1 of this Master Declaration and set forth on Exhibit B.

1.15. Master Common Expenses shall mean and include all expenditures lawfully made or incurred by or on behalf of the Master Association and incident to its operation, including without limitation, allocations to reserves.

1.16. Master Developer shall mean and refer to DJP Properties, Inc., a Minnesota Corporation, and its successors and assigns, and any person who succeeds to any Developer Rights.

1.17. Master Developer Control Period The time period during which Master Developer has the exclusive right to appoint the members of the Master Board, as described in Section 12 of this Master Declaration and MCIOA.

1.18. Master Developer Rights shall mean and refer to the exclusive rights reserved to Master Developer to control the Master Association and complete the development of the Developer, as described in Sections 12 and 13 of this Master Declaration and MCIOA.

1.19. Master Declaration shall mean and refer to this instrument and all Exhibits hereto, as amended from time to time, recorded in the Office of the Stearns County Recorder or Registrar of Titles (as applicable).

1.20. Master Improvement shall mean and refer to all structures or improvements of any kind which the Master Association is obligated to operate or maintain 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.

1.21. Master Governing Document shall mean and refer to this Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association and any Rules and Regulations adopted by the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.22. Master Rules shall mean and refer to rules relating to the Master Association's affairs, as approved from time to time by the Master Board, which apply to the entire Property.

1.23. Member shall mean and refer to a member of the Master Association, as defined in Section 3.4 of this Master Declaration.

1.24. Mortgagee shall mean and refer to a Person which is the holder of a loan secured by a mortgage on any portion of the Property, and its successors and assigns.

1.25. Neighborhood shall mean and refer to a group of two or more Units, and their related Neighborhood Property (if any), which are designated as a Neighborhood in accordance with Section 3.3 of this Master Declaration.

1.26. Neighborhood Assessment shall mean and refer to an Assessment levied against all the Units in a certain Neighborhood or Neighborhoods, but not all Neighborhoods, in accordance with Section 6.5 of this Master Declaration.

1.27. Neighborhood Association or Neighborhood Associations shall mean and refer to the Owners' Association or Associations governing a certain Neighborhood or Neighborhoods.

1.28. Neighborhood Board or Neighborhood Board of Directors shall mean and refer to the Board of Directors of a Neighborhood Association.

1.29. Neighborhood Common Expenses shall mean and refer to all expenditures lawfully made or incurred by the Master Association or the Neighborhood Association for the benefit of a particular Neighborhood or Neighborhoods, and incident to the operation of such Neighborhood or Neighborhoods, including without limitation any allocation to reserves.

1.30. Neighborhood Director shall mean and refer to a member of a Neighborhood Board.

1.31. Neighborhood Governing Document shall mean and refer to the Articles of Incorporation, Bylaws and Declaration governing a particular Neighborhood or Neighborhoods.

1.32. Neighborhood Plat shall mean and refer to the recorded plat or part thereof depicting a Neighborhood pursuant to the requirements of Minnesota Statutes Chapters 505, 508, 508A or 515B, or other applicable law, including any amended plat, supplemental plat or replat recorded from time to time.

1.33. Neighborhood Property shall mean and refer to all real property subject to the Neighborhood Governing Documents of a certain Neighborhood or Neighborhoods.

1.34. Neighborhood Rule shall mean and refer to Master Rules approved from time to time by a Neighborhood Board which apply only to a particular Neighborhood or Neighborhoods.

1.35. Occupant shall mean and refer to any person or persons, other than an Owner, in possession of or residing in a Unit or a portion thereof.

1.36. Owner shall mean and refer to the 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 MCIOA. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.

1.37. Person shall mean and refer to a natural person, corporation, limited liability company, partnership, limited liability partnership, trust/trustee, or other legal entity capable of holding title to real property.

1.38. Property shall mean and refer to the real property subject to this Master Declaration, or other property which is subjected to this Master Declaration from time to time pursuant to this Master 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 Master Declaration is legally described in Exhibit A attached hereto.

1.39. Special Assessment shall mean and refer to Master Assessments levied against all Units in accordance with Section 6.3 of this Master Declaration.

1.40. Unit shall mean and refer to any Unit or Lot as defined in the Declaration of any Neighborhood subject to this Master Declaration and shown on the plat of that Neighborhood, including all improvements thereon, but excluding Common Elements.

1.41. Trail. It is anticipated that all trails in River Links will be public trails. References to Trails in this document shall mean and refer to the land shown and designated as such on any plat or CIC plat of all or any portion of the Property or described as such in any recorded instrument which is not dedicated to the public.

SECTION 2 PROPERTY

2.1 Property. The Property subject to this Master Declaration is described in Exhibit A attached hereto and may be amended from time to time to include Additional Real Estate, as authorized by Section 2.2. Common Elements are described on Exhibit B. The total number of Units intended for private ownership and use that are subject to this Master Declaration as initially recorded is seventeen (17). The total number of Units intended to be added by annexation of the Additional Real Estate or by the subdivision of Units or other parcels of real estate is fifty-six (56) Additional Units of Patio Homes and/or one hundred fifty-six (156) Additional Units of Single Family. These numbers may vary between Patio Homes and Single Family and may include other styles of homes depending on demand and market conditions. There may also be a Multi-Family Residential neighborhood containing up to 76 Units. There are intended to be at least two (2) Neighborhoods created to be Members of the Master Association.

2.2 Annexation of Other Property. Additional Real Estate may be added to the Property and subjected to this Master Declaration with the prior written approval of (i) the Master Board, and (ii) Master Developer so long as Master Developer owns an unsold Unit for sale or has the unexpired right to subject Additional Real Estate to this Master Declaration. The Additional Real Estate so annexed may be designated as a Neighborhood or added to a Neighborhood or otherwise. In connection with the annexation of such property, the Master Governing Documents shall be amended as necessary to fairly allocate Common Expense obligations, voting rights, and memberships. Additional Real Estate that may be added to the Property is set forth on Exhibit C.

2.3 De-Annexation of Property. Portions of the Property may be de-annexed and withdrawn from this Declaration subject to the following requirements: (i) the Property must be owned by Master Developer, (ii) the de-annexation shall be approved by the Master Board and (iii) an amendment to this Declaration describing the de-annexation and the parcel being de-annexed shall be executed by Master Developer and the Master Association, consented to by any mortgagee of the de-annexed parcel, and recorded. Upon such recording, the de-annexed parcel shall no longer be subject to this Master Declaration.

2.4 Interests Subject to Plan of Development. Every Owner and any secured party or other Person holding an interest in a Unit, shall take title or hold such interest subject to Declarant's rights pursuant to this Master Declaration. Notwithstanding anything to the contrary in this Master Declaration, Master Developer's rights or obligations under the Master Governing Documents may not be changed in whole or in part without prior written consent of Master Developer, which consent may be granted or denied in Master Developer's sole and absolute discretion.

2.5 Interest Subject to Ordinances and Agreements. The Property is subject to City Ordinances.

SECTION 3
MASTER ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

3.1 Formation/Purposes/Powers. Master Developer has caused the Master Association to be formed by the filing of Articles of Incorporation with the State of Minnesota. The Master Association is formed, and shall have the power, (i) to monitor and maintain the Master Common Elements (ii) to administer and enforce the covenants, conditions, restrictions, and other obligations set forth in the Master Governing Documents and the Master Rules, and (iii) to preserve and enhance the architectural and environmental character and value of the Property.

3.2 Authority and Administration. The operation and administration of the Master Association shall be governed by the Master Governing Documents, the Rules, MCIOA and the Minnesota Non-Profit Corporation Act, Minnesota Statutes Chapter 317A (the "Corporate Act"). The Master Association shall, subject to the rights of the Members set forth in the Master Governing Documents, be responsible for the operation, management and control of the Property to the extent provided herein. Subject to the provisions of this Declaration:

3.2.1 The Master Association shall have the powers described in the Master Governing Documents, MCIOA, the Corporate Act and any other applicable laws.

3.2.2 All power and authority of the Master Association shall be vested in the Master Board, unless action or approval by the Members is specifically required by the Master Governing Documents or MCIOA. All references to the Master Association shall mean the Master Association acting through the Master Board unless specifically stated to the contrary.

3.2.3 The Master Association shall act as a "Master Association" within the meaning of Section 515B.2-121 of MCIOA. As such, the Master Association shall have the power to exercise all powers to fulfill its obligations contained in this Master Declaration, or as otherwise delegated to it pursuant to the Master Governing Documents or Neighborhood Governing Documents. The Master Developer intends that the Master Association will be responsible for the maintenance, repair and replacement of the Common Elements all as more fully set forth in this Master Declaration. In addition to, and not in limitation of any specific grant or delegation of power to the Master Association in the Master Governing Documents, the Master Association shall have all the powers necessary or incident to the fulfillment of the duties delegated to or assumed by it as provided in the Master Governing Documents, including, but not limited to, maintenance and insurance on the Common Elements, and regulation of the use of Common Elements as provided in this Master Declaration. All Neighborhood Governing Documents shall contain provisions delegating the powers of the Neighborhood Associations to the Master Association to the extent necessary to fulfill the intent as stated above. No Neighborhood Governing Documents shall be amended or changed in any way without the prior written approval of the Master Developer so long as it owns an unsold Unit for sale, or has the right to add Additional Real Estate.

3.2.4 The Master Association may undertake or delegate responsibility for maintenance and repair of the Common Elements.

3.2.5 It is recognized that while the Master Association's primary purposes relate to the operation and maintenance of the Common Elements, the interests of the Members may be served by sharing services with the owners of adjoining property which is not subject to the Master Declaration. Accordingly, the Master Association may contract to engage in joint undertakings with, and to provide services to or share services with, the owners and users of adjoining property which is not subject to this Master Declaration and grant easements when such arrangements benefit the Master Association.

3.2.6 It is recognized that, while the Master Association's powers are limited by this Master Declaration, the interests of the Members may be served in the future by expanding such powers. Accordingly, the powers of the Master Association may be expanded by amending this Master Declaration, and the applicable provisions of the Declarations governing all Neighborhoods which are affected by the expansion of powers. No Neighborhood Governing Documents shall be amended to change the Master Association powers in any way without the prior written approval of (i) the Master Board, and (ii) the Master Developer so long as it owns an unsold Unit for sale or has the unexpired right to subject any Property to this Master Declaration.

3.3 Neighborhoods. Each parcel of land designated and intended for development as one housing group under a single Neighborhood Association shall be designated as a Neighborhood and may be a separate Common Interest Community. Two or more Units which share physical characteristics or other common interests may be included in a Neighborhood. Every Unit shall be located within one and only one Neighborhood. By way of illustration and not limitation, a condominium, planned community, cooperative, or single family-detached housing group may be designated as a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type. New, additional Neighborhoods may be created on the Property and added pursuant to Section 2.2. Neighborhoods are subject to division or combination into more or fewer Neighborhoods in accordance with the Master Governing Documents. Certain limited powers accruing to a Neighborhood under its Neighborhood Governing Documents shall be delegated to the Master Association as provided in Section 3.2.

3.3.1 A Neighborhood shall be created by, and the Units within a Neighborhood shall be subject to, a recorded Neighborhood Declaration containing covenants, conditions, restrictions and easements consistent with the Master Governing Documents. Master Developer shall ensure that the Neighborhood Governing Documents delegate to the Master Association the powers described in this Master Declaration and are otherwise consistent with the Master Governing Documents. Following the creation of a Neighborhood, this Master Declaration may be amended to (i) redesignate Neighborhood boundaries, (ii) change the number of Units in a Neighborhood or (iii) combine or divide two or more Neighborhoods, as provided in Section 12 and Section 13; provided that the Neighborhood Governing Documents shall be amended as necessary to properly reflect such changes, and to fairly reallocate voting rights, Common Expense obligations and memberships.

3.3.2 One or more Neighborhoods may petition the Master Board for a combination or a division of the Neighborhood or Neighborhoods. Such change may be made only with the written approval of (i) the Neighborhood Boards of the affected Neighborhoods, (ii) the Master Board, and (iii) the Master Developer so long as it owns a Unit for sale. The petition shall include specific details of the proposed combination or division, together with whatever additional information may be required by the Master Board. The Neighborhood or Neighborhoods making the petition shall be responsible for the payment of all fees and costs in connection with the petition and implementation of the combination or division, The Master Governing Documents and Neighborhood Governing Documents shall be amended as necessary to properly reflect the combination or division, and to fairly reallocate voting rights, Common Expense obligations and memberships.

3.3.3 Any Neighborhood Association may petition the Master Association to provide special services for Units in the Neighborhood or Neighborhood Common Elements. Upon receipt of a petition, the Master Association may provide the requested services if it wants to do so. The cost for such services shall be assessed either as a Neighborhood Assessment or a Limited Assessment.

3.3.4 Each Neighborhood Board shall be elected by the Owners of Units which are located in that Neighborhood. The Neighborhood Board shall represent the Owners in the Neighborhood in all matters with respect to the Master Association, including voting, as more fully described in this Section 3 and the Master Bylaws.

3.4 Membership. Membership in the Master Association shall be governed by the following qualifications:

3.4.1 Each Neighborhood Association shall have one (1) membership in the Master Association, subject to the qualifications set forth in this Section 3.4. The membership shall attach to a Neighborhood Association at the time the Neighborhood Declaration governing the Neighborhood is recorded. Except as expressly provided in this Master Declaration, a membership shall be appurtenant to and shall not be separated from the Neighborhood Association to which it is attached, and shall be automatically transferred to any successor Neighborhood Association.

3.4.2 Rights with respect to a membership shall be exercised by the Neighborhood Board on behalf of the Owners whose Units are located in the Neighborhood.

3.4.3 No Person holding a security interest in any part of the Property shall be a Member solely by reason of such interest.

3.4.4 Additional memberships in the Master Association may be created only by (i) subjecting Additional Real Estate to this Master Declaration, and designating the annexed property as one or more Neighborhoods, or (ii) by subdividing a Neighborhood, all in accordance with this Master Declaration.

3.4.5 Memberships may be combined upon the combination or division of one or more Neighborhoods as provided in Section 3.3.2. One membership shall attach to each surviving Neighborhood Association.

3.5 Member Voting. The Neighborhood Associations shall constitute the sole class of voting Members. With respect to matters on which the Members are entitled to vote, each Member shall be entitled to the number of votes, as provided in the Master Bylaws. The vote shall be exercised by the Member as provided in the Master Bylaws.

3.6 Master Bylaws. The Master Association shall have Master Bylaws. The Master Bylaws shall govern the operation and administration of the Master Association, subject to this Master Declaration in the event of a conflict. The Master Bylaws shall be binding upon all Members, Owners and Occupants, and their invitees, all secured parties and all other Persons holding or acquiring any interest in the Property.

3.7 Master Board of Directors. The Master Associations affairs shall be administered and managed by the Master Board of Directors, as provided in the Master Bylaws. Directors shall be elected, serve and exercise their powers as provided in the Master Bylaws.

3.8 Scope and Binding Effect of Actions. All agreements and determinations made by the Master Association in accordance with the powers and purposes established by the Master Governing Documents shall be binding upon all Persons having any interest in or using the Property.

3.9 Management. The Master Board may delegate to a manager or managing agent the management duties imposed upon the Master Association's Officers and Directors by the Master Governing Documents. However, such delegation shall not relieve the Officers and Directors of the ultimate responsibility for the performance of their duties as prescribed by the Master Governing Documents and by law. Master Developer and/or an affiliate of the Master Developer may be employed as the manager in all or any part of the Community, Master Association or any Neighborhood Association pursuant to a separate agreement, the terms of which may extend beyond the expiration or surrender of the Master Developer Control Period.

3.10 Master Rules. The Master Board shall have exclusive authority to approve and implement such reasonable Master Rules as it deems necessary from time to time for the purpose of exercising and implementing its powers; provided that the Master Rules shall be consistent with the Master Governing Documents, Neighborhood Governing Documents or MCIOA. The Master Board shall have the right to review and approve all Neighborhood Rules; and all Neighborhood Rules shall be consistent with the Master Governing Documents and Neighborhood Governing Documents. The inclusion in other parts of the Master Governing Documents of authority to approve Master Rules shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Master Rules shall be effective only after reasonable notice thereof has been given to the Members and Owners.

3.11 Appointment of Officers and Directors by Declarant. Notwithstanding anything to the contrary in the Master Governing Documents from and after the date of recording of this

Master Declaration, Master Developer shall have the exclusive right to appoint the Officers and Directors of the Master Association for the Master Developer Control Period as set forth in Section 12.

SECTION 4 OWNERS' PROPERTY RIGHTS

4.1 General. Although the Memberships in the Master Association are attached to the Neighborhood Associations, the rights and obligations created by the Master Governing Documents are primarily intended to benefit the Owners and Occupants of the Units, and their invitees. Except as expressly provided in this Master Declaration, the rights and obligations attributable to a Unit shall pass with the title to the Unit as an appurtenance thereto, whether or not specifically described.

4.2 Acquisition of Property by Master Association. The Master Association shall have the power and authority to acquire and hold title to such interests in real and personal property as it may deem beneficial to its Members, without subjecting such property to this Master Declaration. Such interests may include fee simple or other ownership interests, liens, leaseholds, easements, licenses, or any other possessory or use interests.

4.3 Title to Common Elements. Title to any portion of the Property constituting Common Elements shall be conveyed by a Quit Claim Deed to the Master Association or to the Neighborhood Association when the Common Elements are specifically associated with that Neighborhood.

4.4 Members' Rights and Obligations. Subject to the provisions of this Master Declaration, all Members, Owners and Occupants shall have the rights, obligations and easements described in the Master Governing Documents and their respective Neighborhood Governing Documents, all of which rights, obligations and easements shall be appurtenant to and pass with the title to each Unit in the respective Neighborhood. The rights, obligations and easements shall be for the benefit of the Members, Owners, Occupants and invitees of the Unit Owners.

All Units, and the rights of the Members, Owners and Occupants shall be subject to the following:

4.4.1 The rights of the Master Association and Master Developer under the Master Governing Documents, the Rules, MCIOA and other applicable law.

4.4.2 The rights of the Master Association and Neighborhood Associations to operate and maintain those parts of the Property for which it is responsible.

4.4.3 The right of the Master Association to borrow money for the purpose of improving the Common Elements or any portion thereof, and, in connection therewith, to mortgage or otherwise encumber the Common Elements; provided, that the lien of such a Mortgage shall be subject and subordinate to this Master Declaration.

4.4.4 The rights of the Master Association to take such steps as are reasonably necessary to protect the Common Elements against foreclosure.

4.4.5 The rights of the Master Association to suspend the rights of any Owner (except the right to vote), as described in Section 11; provided, that this limitation shall not be construed to deny or limit access by an Owner to his or her Unit, or utilities serving the same.

4.4.6 The rights of the Master Association to transfer title to all or any portion of the Common Elements, or to grant easements, leases and licenses through, over or under the Common Elements, as provided in the Master Governing Documents.

4.4.7 Restrictions, easements or conditions referred to in this Master Declaration or contained in any plat of all or any portion of the Property or any Additional Real Estate.

4.4.8 The rights of fire, police, health, sanitation and other public service personnel and vehicles to have access to the Property for the purpose of performing their authorized duties.

4.4.9 The rights of the Master Association to levy Master Assessments, and Neighborhood Association to levy Neighborhood Assessments, including fines and charges, or to pursue other remedies, in accordance with this Master Declaration and Neighborhood Declarations.

4.4.10 The rights of the holder of any Mortgage which is prior or superior to the rights, interests, options, licenses, easements, and privileges reserved or established by this Master Declaration by reason of having been recorded prior to the recording of this Master Declaration or as otherwise provided by this Master Declaration.

4.5 Dissolution or Liquidation. Effective immediately upon any dissolution or liquidation of the Master Association, the Members shall hold title to the Common Elements as tenants in common and shall collectively provide for the continued operation and maintenance thereof in accordance with the Master Governing Documents. Alternatively, the Master Association may, incident to such dissolution or liquidation, convey some or all of the Common Elements to a governmental agency, a nonprofit or municipal corporation, or any other legal entity, having as one of its primary purposes the maintenance and preservation of real or personal property similar to that within the Property. Any dissolution or liquidation shall be accomplished in accordance with applicable law.

SECTION 5 EASEMENTS

The following appurtenant easements and rights are hereby granted or reserved:

5.1. Master Association Access for Maintenance. An exclusive easement in favor of the Master Association, its Directors, Officers, agents, and employees, including without

limitation any management agent or service vendor retained by the Master Association, for reasonable access on and across any Neighborhood Property for the purpose of fulfilling the maintenance obligations of the Master Association under the Master Governing Documents. The Master Association shall take reasonable care to avoid damaging the property on which the easement is located and shall repair any property damage arising out of the exercise of the easement rights.

5.2 Project Easements. An exclusive easement in favor of the Master Developer and the Master Association for reasonable access on and across any Neighborhood Property to erect and maintain monument signs and related improvements, identifying the Property or specific Neighborhoods or features and all other Master Improvements as required under the Master Governing Documents. In exercising their rights under said easements, Master Developer and the Master Association shall take reasonable care to avoid damaging the property on which the easement is located, and shall repair any damage arising out of the exercise of the easement rights.

5.3 Restriction on Easement Grants. No Owner or Member shall grant any easement or similar rights upon any portion of the Property without prior written approval of the Master Board; provided, that such approval shall not be unreasonably withheld if the easement is for a purpose consistent with this Master Declaration and does not prejudice the rights of any Owners or the Master Developer.

5.4 Continuation and Scope of Easements. The rights and easements granted or reserved under this Section 5 shall be appurtenant, unless otherwise indicated. The easements shall supplement and not limit any easements described elsewhere in this Master Declaration, Neighborhood Declaration or any recorded instrument.

5.5 Utilities. A perpetual non-exclusive easement in favor of Master Developer, the Master Association, Neighborhood Associations, and any public authority or agency, or public or private utility (as applicable) for the installation, maintenance, repair and replacement of storm and sanitary sewers, drainage systems, retention ponds and related facilities, and electrical, gas, cable, telephone and water lines, on, under and across those parts of the Common Elements designated for such easements and for access to all public utility facilities located on land adjacent to the Common Elements. Persons exercising these easement rights shall take reasonable care not to damage surrounding improvements, and shall promptly repair any damage caused during the exercise of any easement rights. In addition, Master Developer reserves the right (but shall have no obligation) to grant other general or specific easements for utilities of any type throughout the Common Elements. Owners are reminded that any structures or objects placed on an easement may be required to be removed, without compensation, by the owner of the easement

5.6 Governmental Authority. A perpetual non-exclusive easement in favor of the City and other applicable governmental authority or agency as shall from time to time have jurisdiction over the Common Elements, upon and across the Common Elements for purposes of performing such duties related to law enforcement, fire protection, life safety, health and sanitation as shall be required from time to time.

5.7 Special Master Developer Rights. Exclusive easements in favor of Master Developer for the exercise of its Special Master Developer Rights, which easements shall terminate when Master Developer no longer owns a Unit or has the right to subject any Additional Real Estate to the Community.

5.8 Use and Enjoyment. A perpetual non-exclusive appurtenant easement in favor of Owners, Occupants and their invitees for access to and the use of enjoyment of the Common Elements unless otherwise restricted as set forth in the Master Governing Documents.

5.9 Trail. A perpetual non-exclusive easement in favor of the Owners, Master Developer, Neighborhood Declarant, Master Association, and Neighborhood Association, their guests and invitees on and over non-public Trails located on the Property to pass on foot, and with customary and common non-motorized transportation and such motorized vehicles as permitted by this Master Declaration and by the Master Association. The Trails shall be used exclusively for recreational purposes.

5.10 Perpetual Easement. Unless limited herein all easements granted shall be perpetual in nature and run with the land.

5.11 Declarant Easements. Master Developer is granted easements for access, utilities and drainage over the Common Elements and yard area of the Units.

SECTION 6 ASSESSMENTS FOR COMMON EXPENSES

6.1 General. Master Assessments for Common Expenses shall be determined and assessed against the Members by the Master Board, in its discretion, subject to the requirements and procedures set forth in this Section 6, and the requirements of the Master Bylaws. Master Assessments shall include Annual Assessments under Section 6.2, and may include Special Assessments under Section 6.3 and Neighborhood Assessments under Section 6.4. Subject to Section 6.5, Annual and Special Assessments shall be allocated among all Members substantially in proportion to the number of Units in the Member Neighborhood Association. Master Assessments allocated to a Neighborhood Association shall be reallocated by the Neighborhood Association among the Units in the Neighborhood as provided by the Neighborhood Governing Documents for that Neighborhood. Notice of Master Assessments shall be given to the Members as provided in the Master Bylaws.

6.2 Annual Assessments. Annual Assessments shall be established and levied by the Master Board, subject to the following requirements and qualifications:

6.2.1 Each Annual Assessment shall cover all of the anticipated Master Common Expenses of the Associations for that year which are to be shared by all Members. Annual Assessments shall be payable in monthly, quarterly or annual installments, as determined by the Master board. Annual Assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and

replacement of those parts of the Property and Master Improvements located outside of the Property for which the Master Association is responsible.

6.2.2 The increase in the Annual Assessment for any fiscal year shall not exceed twenty-five percent of the Annual Assessment levied for the previous fiscal year, unless the increase is approved by a vote of the Members. Notice of the vote shall be sent to all Members and Owners not less than twenty-one nor more than thirty days in advance of the voting date.

6.3 Special Assessments. In addition to Annual Assessments, and subject to the limitations set forth hereafter, the Master Board may levy, at any time, a Special Assessment against all Members. Special Assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Master Common Expense. Notwithstanding the prior sentence, a Special Assessment shall be subject to approval by a vote of the Members. Notice of the vote shall be sent to all Members and Owners not less than twenty-one days nor more than thirty days in advance of the voting date.

6.4 Neighborhood Assessments. In addition to Annual Assessments and Special Assessments, the Master Board may levy and allocate Neighborhood Assessments among only certain Neighborhood Associations in accordance with the following requirements and procedures:

6.4.1 Except as otherwise expressly authorized by the Declaration, any Master Common Expense or portion thereof benefiting fewer than all of the Neighborhood may be assessed only against the Neighborhood Associations whose members are benefited.

6.4.2 A Neighborhood Assessment levied by the Master Board shall be allocated among the Units located in each Neighborhood as provided by the Neighborhood Governing Documents for that Neighborhood.

6.4.3 Neighborhood Assessments may be levied at any time by the Master Board; however, to the extent that the Neighborhood Assessments can be budgeted prior to the start of the Master Association fiscal year, they shall be levied at the same time as the Annual Assessments.

6.5 Master Assessment Procedures. The following procedures shall govern the levying of Master Assessments:

6.5.1 In accordance with the Master Bylaws, the Master Board shall annually approve a Master Association budget, and shall levy the Master Assessment against the respective Neighborhood Associations. A Master Assessment may be prorated for a partial year.

6.5.2 Annual Assessments and Special Assessments shall be allocated among the Neighborhood Associations substantially in proportion to the number of Units in each Neighborhood Association; provided, that the Master Board may allocate a reduced share of the Master Assessment among certain Neighborhood Associations, to take into

consideration those Units which do not contain completed or occupied Dwellings and which are not receiving full services from the Master Association.

6.5.3 Each Neighborhood Association shall pay its share of the Master Assessment to the Master Association in advance, monthly, quarterly or annually, as determined by the Master Board. The share of each Master Assessment levied against a Neighborhood Association shall be levied and assessed by the Neighborhood Association among the Units in the Neighborhood as provided by the Neighborhood Governing Documents.

6.6 Liability for Master Assessments. Each Member/Neighborhood Association shall be liable for the share of the Master Assessments levied against it following its creation.

6.6.1 Except as provided in Section 6.6.2, the liability for Master Assessments is absolute and unconditional. No Member is exempt from liability for payment of the Master Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by reason of its failure to collect Neighborhood Common Expenses from its members, by waiver of any rights, or by reason of any claim against the Master Association or its officers, directors or agents for their failure to fulfill any duties under the Master Governing Documents or MCIOA.

6.6.2 Notwithstanding anything to the contrary in the Master Governing Documents or any Neighborhood Governing Documents and pursuant to Section 515B.2-121(c)(1) of the MCIOA, Master Developer shall not be liable to pay any Master Assessments with respect to any Unit owned by it during the period of Master Developer's control until the date on which a Dwelling constituting or located within the Unit has been substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in a jurisdiction that issues such certificate.

6.7 Powers. Notwithstanding any other provision contained in this Section 6, the Master Association shall have the power to levy assessments for Common Expenses of the Master Association against Property subject to this Master Declaration, and have and foreclose liens securing the Assessments pursuant to Section 515B.2-121 of the Act.

6.8 Voluntary Conveyances; Statement of Master Assessments . In a voluntary conveyance of a Unit the buyer shall not be personally liable for any part of any unpaid Master Assessments due and payable by the seller prior to the time of conveyance of title to the buyer. However, any lien included in an Neighborhood Association's assessment levied against the Unit, shall remain against the Unit until satisfied or released. The Master Association shall furnish to the Seller of a Unit, upon request, a statement as to the current status of Master Assessments against the Unit. The Master Association, as permitted by the MCIOA, may charge a reasonable fee for such services.

SECTION 7 MAINTENANCE

7.1 Maintenance by Master Association. The Master Association shall provide for and be responsible for: (i) maintaining the median areas, boundary landscaping, drainage ponds,

paths, water gardens, greenspace, signs and entrance monuments, Common Elements, easements and related irrigation and electrical systems, (ii) any other areas it is responsible for under this Master Declaration and Neighborhood Declarations, and (iii) any areas as required by City Ordinance. Notwithstanding the foregoing, the expense of any maintenance, repair or reconstruction of the Property necessitated by the acts or omission of any Owner or Occupant shall be borne solely by the Owner.

7.2 Neighborhood Association and Owner Responsibilities. The responsibilities of the Owners and Neighborhood Associations are as follows:

7.2.1 A Neighborhood Association (i) shall maintain, repair or replace the Common Elements exclusive to that Neighborhood, to the extent required by its Neighborhood Governing Documents, and all islands and medians located within the public streets directly serving the Neighborhood Property.

7.2.2 Owners shall maintain, repair and replace their Units to the extent required by the Neighborhood Governing Documents for the Neighborhood in which the Unit is located.

7.2.3 The Master Developer may initially install certain limited landscaping and the Neighborhood Associations shall thereafter maintain such landscaping in good repair on public areas consisting of street islands, entrance monuments, parkways, boulevards, if any, and portions of public right-of-way lying contiguous to the street's adjacent to or within the plats of River Links. In the event the Neighborhood Association fails to maintain the public areas in accordance with the applicable rules and regulations of the City of Cold Spring and in the event the City of Cold Spring incurs any expenses relating to the maintenance of the public areas or the enforcement of its rules and regulations then the City of Cold Spring shall have the right to charge the Neighborhood Association.

7.2.4 The Master Association shall be empowered and at its sole option may elect to contract with private vendors for the collection of garbage. If the Master Association so elects, then Owners will cease their individual engagement of a refuse vendor and will be assessed as a Master Assessment or billed individually as determined by the Master Association.

SECTION 8 RESTRICTIONS ON USE OF PROPERTY

The Development is intended to be a residential development for the use and enjoyment of the Owners and Occupants. The use restrictions contained in this Section are designed to facilitate the various residential uses of the Property, and to preserve and protect the physical environment of the Property. Accordingly, the following restrictions shall apply to the Property:

8.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Master Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master 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.

8.2 Subdivision or Partition. Subdivision or partition of a Unit or Common Elements is only permitted pursuant to the requirements of MCIOA.

8.3 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single-family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, subject to the respective Neighborhood Governing Documents, and to applicable governmental laws, regulations and ordinances.

8.4 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 except:

8.4.1 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 home occupation (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 Neighborhood Rules, the Master Rules, the Neighborhood Governing Documents, the Master Governing Documents, or in any governmental laws, codes, rules, statutes or ordinances. However, home daycare facilities complying with municipal ordinances shall be allowed.

8.4.2 The Master Association and the Neighborhood Associations may maintain offices on the Property for management and related purposes.

8.4.3 Master Developer and Neighborhood Declarants may maintain offices, sales facilities and other business facilities in the Community in connection with the exercise of their rights as permitted by this Master Declaration, MCIOA or the Neighborhood Governing Documents.

8.5 Architectural Matters. Physical changes or improvements to Units or Dwellings located thereon shall be made only as authorized by the Architectural Review Committee ("ARC" as defined in Section 9).

8.6 Project Signs/Monuments. Any and all project signs, monuments and related landscaping located at the entrances to the Property shall be regulated and maintained exclusively by the Master Association. No modifications shall be made to these areas without prior approval of the Master Board.

8.7 Pets. No animals of any kind shall be raised or bred, or kept for business or commercial purposes, by any Person in any part of the Community. Only animals generally

recognized as domestic household pets may be kept in the Community, subject to the following conditions:

8.7.1 Master Rules may be adopted by the Master Association to regulate pets, or to prohibit or remove pets which engage in dangerous or disturbing behavior. Newly adopted Master Rules shall contain “grandfathering provisions” for pets that were acceptable under the prior Master Rules.

8.7.2 Pets shall be kept solely as domestic household pets and/or as statutorily authorized “service animals”, and not for any other purposes.

8.7.3 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.

8.7.4 No structure, fence or enclosure for the care, housing or confinement of any pet (for example, dog houses, outdoor kennels and fenced dog runs) shall be constructed or maintained in the front yard or side yard of any Unit. Pet structures, fences and enclosures are subject to review and approval by the Architectural Review Committee.

8.7.5 Pets shall be under leash or equivalent control at all times when walked or exercised in the Community. Owners shall be responsible to clean up any pet waste that may be left on any Units or Common Elements.

8.7.6 The Master Board shall have authority, following a hearing, to determine in its sole and absolute discretion whether a particular pet should be expelled from the Community based upon the pet’s behavior or the failure of the pet owner to comply with this Section 8.7 or any additional restrictions approved by the Master Board.

8.7.7 Owners and Occupants shall be liable to the Master Association for the cost of repair of any damage to the Community, or any personal injury, caused by pets kept by them or upon their Unit.

Neighborhood Boards may adopt Neighborhood Rules governing pets, but those rules must be at least as stringent as the foregoing rules and any Master Rules governing pets.

8.8 Parking/Vehicles/Personal Property. Vehicles may be parked or kept within the Owners or Occupant’s garage or Driveway. All boats, trailers and other personal property (collectively “personal property”) owned or used by Owners or Occupants, other than by temporary guests, shall be parked or kept only within the Owners or Occupant’s garage or Dwelling, except for seasonal furniture and related items which may be kept on decks and patios. Garages shall not be used for general storage or other purposes so that they become unavailable for parking vehicles and incidental personal property. The Master Association and the Neighborhood Associations shall have the authority to promulgate Rules to further govern or prohibit outside storage of other personal property or parking. No Person shall repair or restore any vehicle of any kind in the Community except: (i) within enclosed garages or workshops; or (ii) for emergency repairs necessary to enable the movement thereof to a proper repair facility.

The Master Association has the authority to designate portions of the Master Common Elements, if any, as parking areas for vehicles, and to have illegally parked or stored vehicles or other personal property towed or otherwise removed at the Owner's expense.

8.9 Temporary Structures; Signs. No structure or other improvement of a temporary character shall be erected, kept or maintained in the Community, except as authorized by the Master Board. This restriction shall not apply to temporary structures authorized or used by Master Developer or Neighborhood Declarants for development, construction or sale of Units in the Community. Without limiting the rights of Master Developer or Neighborhood Declarants, no sign shall be placed on any Unit or within the Property without the express written consent of the ARC, except election signs, referendum signs placed no more than ninety (90) days prior to such election or vote, and one "for sale" sign may be placed on a Unit by an Owner without ARC approval. A "For Sale" sign for a Unit may not exceed three feet by four feet, exclusive of posts, and a "For Sale" sign for a model home may not exceed four feet by four feet. "For Sale" signs on any Unit shall be removed within seven days after the closing of the sale. Election signs and referendum signs shall be removed within seven days after the election or referendum.

8.10 Outside Lighting. The location, size, color and design of all lighting fixtures or similar equipment used outside of Dwelling or other structures must be approved by the ARC.

8.11 Additional Protective Covenants. In connection with the creation or development of the Neighborhood or the annexation of the Additional Real Estate, Master Developer may require the imposition on a Neighborhood or portion of a Neighborhood additional protective covenants and use restrictions not inconsistent with those contained in the Master Declaration.

8.12 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.

8.13 Mailboxes. Each Owner shall maintain a mailbox of the design and type required by the ARC. The mailboxes shall be on the public right-of-way, and shall be located in groups of two (2) or more where designated by the ARC or Postmaster. The Association reserves the right to levy a Special Assessment against a Unit if an Owner fail to maintain his or her mailbox.

8.14 Garbage Cans. The types and sizes of garbage cans may be determined by the ARC. Garbage cans shall be kept in garages, until the pick up day, at which time they may be placed at the curb for up to 24 hours.

8.15 Satellite Dishes. The Federal Communications Commission ("FCC") regulates satellite dishes by residential developers and homeowners associations. All satellite dishes and other exterior antennas shall be as small as possible and shall be located in the area of the Unit least visible from the street and within that area they shall be in the place least visible to neighbors.

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

8.17 Ponds, Wetlands and Trees. Ponds, marshes, wetland area, wetland signage, vegetation and trees located on a Unit, whether natural or otherwise, shall be maintained in substantially the same condition as at the completion of the construction of the Dwelling or other improvements on the Unit, subject only to (i) changes authorized by the Neighborhood Association consistent with all statues, requirements, rules and regulations imposed on such areas and items by governmental authorities having jurisdiction over the Neighborhood 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 the Master Board, it being the intention that such areas and items remain and be maintained in a substantially natural condition, subject to natural conditions that may occur.

8.18 Timeshare Ownership. No Unit may be sold under or subject to any timesharing, time-interval or similar right-to-use program.

8.19 Trails. The Master Developer shall construct sidewalks and public trails throughout the Community in accordance with plans that have been approved by the Master Developer and the City. The Master Association shall maintain in first-class condition all private Trails throughout the Community, if any, Unit Owners will be responsible for maintaining sidewalks directly in front of and encompassing their Unit in accordance with applicable local ordinances, except in Neighborhoods in which the Neighborhood Associations have that responsibility.

8.20 Lawn Fertilizer. Lawn fertilizers shall be used according to best management practices and shall follow all State and local requirements.

8.21 Leasing. Leasing of Units shall be allowed, subject to the following conditions: (i) that no Unit shall be leased for transient or hotel purposes, (ii) that no Unit may be subleased without the written consent of the Master Association, (iii) that all leases shall be in writing, and (iv) that all leases shall provide that they are subordinate and subject to the provisions of the Master Governing Documents and the Rules, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Master Association may impose such reasonable Rules as may be necessary to implement procedures for the leasing of Units, consistent with this Section.

8.22 Delegation of Use. An Owner may delegate, in accordance with the Master 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 provisions of the Master Governing Documents and the Rules. If Tenants, or other persons other than the Owner or the Owner's family, have been given the legal right to possess the Owner's

Unit, then those persons shall have the right to use any common facilities and other amenities on the Property. The right to use any common facilities and other amenities shall be appurtenant with the right to occupy the Unit.

8.23 Nuisances. No weeds, or other unsightly growths shall be permitted to grow or remain upon the Premises. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Firewood shall be stored only to the rear of the Dwelling and shall be concealed by screening acceptable to the ARC. In the event that an Owner of any Unit shall fail or refuse to keep such premises free from weeds, or refuse piles or other unsightly growths or objects, then the ARC may enter upon such lands and remove the same at the expense of the Owner and such entry shall not be deemed a trespass and in the event of such a removal, a lien shall arise and be created in favor of the Master or Neighborhood Association and against such Unit for the full amount chargeable to such Unit and such amount shall be due and payable within thirty days after the Owner is billed therefore. No Unit shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Unit to appear in an unclean or untidy condition, will foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. The outside storage of an unlicensed motor vehicle upon the premises shall also be considered a nuisance.

8.24 Storage. Trash containers, except for dumpsters used in conjunction with construction, shall not be allowed unless effectively screened from view outside the Unit. The design of any screening enclosures must be approved by the ARC. Household trash and garbage shall be regularly collected and until day of collection shall be kept in the garage. No boats, inoperable automobiles, snowmobiles, trailers, camping vehicles, recreational vehicles, tractor/trailers, or trucks in excess of 9,000 pounds gross weight shall at any time be stored, parked or be visible outside of or protruding from any Unit, garage or on public streets within River Links without the express written approval of the ARC, which approval may be withheld without stated reason. The Master Board shall have the authority to promulgate rules and regulations to govern or prohibit outside storage or parking upon any Unit of any mobile home, trailer (either with or without wheels) motor home, tractor, truck (other than pick-up), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices.

8.25 Traffic Regulations and On Street Parking. 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 right of all Owners and Occupants. Currently, the City has allowed parking on both sides of the street. However, this could change and the City could restrict parking to one side of certain streets if the City determines public safety requires a change.

8.26 Rules and Regulations. The Master Board from time to time shall adopt such other rules and regulations governing the use, maintenance and enjoyment of the Property, and the conduct of persons using the Property, as the Master Board in its reasonable discretion deems desirable or necessary to implement the intent of the Master Governing Documents; provided,

however, that such rules and regulations shall not interfere with the rights of the Master Developer or any Neighborhood Declarant to exercise any rights of the Master Developer or any Neighborhood Declarant.

SECTION 9 ARCHITECTURAL REVIEW COMMITTEE (“ARC”)

9.1 Overview. The Master Developer intends to create a general plan and uniform scheme of development for the Community and to create within the Community a residential community of high quality and harmonious improvements. Accordingly, the ARC has been established as a permanent committee of the Master Association to oversee, review and regulate all architectural and design matters involving the Community. The ARC shall have the following general powers:

9.1.1 The ARC shall have the exclusive right to approve or disapprove the size, exterior design, color, materials, landscaping and location with respect to all proposed improvements anywhere in the Community, including Dwellings, Master Common Elements and Neighborhood Common Elements.

9.1.2 The ARC shall have the exclusive right to approve or disapprove all proposed additions, alterations, changes and any other type of remodeling to the exterior of any Dwelling or other improvement.

The Master Board may, in its sole discretion, adopt Architectural Guidelines that are more stringent than those imposed by the Master Governing Documents or by applicable building, zoning, or other governmental laws, codes, or regulations; provided that the Architectural Guidelines for each Neighborhood shall be consistent with the architectural character of the Neighborhood as part of the Community. The primary procedures and regulations governing the ARC are set forth in this Section 9.

9.2 Architectural Review Committee.

9.2.1 The ARC shall be a permanent committee of the Master Association, and shall administer and perform the architectural and landscape review and control functions for the entire Community.

9.2.2 The ARC shall initially consist of at least three (3) natural persons, who need not be Owners. During The Master Developer Control Period, all members of the ARC shall be appointed by the Master Developer and shall hold office at the pleasure of the Master Developer. Thereafter, the Master Developer shall have the right to appoint the majority of the members of the ARC so long as the Master Developer has the unexpired right to subject Additional Real Estate to the Declaration or owns any unsold Unit for sale, and the Master Board shall have the right to appoint the remainder of the members of the ARC. Thereafter, the Master Board shall appoint all members of the ARC, and members of the ARC shall include at least one Owner from every Neighborhood in the Community.

9.2.3 Until the expiration of Master Developer's right to appoint a majority of ARC members, meetings of the ARC may be called by Master Developer or by the chair of the ARC. A majority of the ARC shall constitute a quorum to transact business at any meeting, and the action of a majority of those present shall constitute the action of the ARC.

9.3 Architectural Approval.

9.3.1 No improvement shall be constructed, erected, removed, placed or maintained, nor shall any addition to or any change, replacement or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color schemes and the location of same shall have been submitted to and approved in writing by the ARC. As part of the application process, two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person found to be qualified by the ARC shall be submitted for approval by written application on such form as may be provided or required by the ARC. The ARC may require submission of samples of building materials and colors proposed to be used. All submissions made to the ARC shall also, simultaneously, be made to the appropriate official of the Building Department of the City of Cold Spring.

9.3.2 In the event the information submitted to the ARC is, in the ARC's opinion, incomplete or insufficient in any manner, the ARC may request and require the submission of additional or supplemental information.

9.3.3 The ARC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole and absolute discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the ARC shall consider the suitability of the proposed improvements, the materials of which the same are to be built, the site upon which such improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property.

9.3.4 Construction of all improvements for which the approval of the ARC is required under this Declaration shall be completed within the time period specified by the ARC.

9.3.5 Upon approval by the ARC of any plans and specifications submitted to the ARC, the ARC shall notify the applicant in writing, which notification shall set forth any qualifications or conditions of approval. In the event that the ARC disapproves any plans and specifications submitted to the ARC, the ARC shall so notify the applicant in writing, stating the grounds upon which such disapproval is based. The ARC shall have ten (10) days after submission of all required information to approve or disapprove of the plans and specifications. Any applicant may appeal the decision of the ARC to the Master Board of Directors within forty-five (45) days of the ARC's decision. The determination of the Master Board of Directors shall be final and binding upon the applicant; provided, however, that no improvement shall be erected or shall be allowed to

remain which violates any of the covenants, conditions or restrictions contained in this Declaration, or which violates any zoning or building ordinance or regulation.

9.3.6 There is specifically reserved unto the ARC, and to any agent or member of the ARC, the right of entry and inspection upon any portion of the Property for the purpose of determination by the ARC whether there exists any construction of any improvement which violates the terms of any approval by the ARC or the terms of this Declaration or any amendments thereto, or of any other covenants, conditions and restrictions to which any deed or other instrument of conveyance makes reference. If any improvement of any nature shall be constructed or altered without the prior written approval of the ARC, the Owner shall, upon demand of the Master Board, cause such improvement to be removed, or restored in order to comply with the plans and specifications originally approved by the ARC. The Owner shall be liable for the payment of all costs of such removal or restoration, including all costs and attorneys' fees incurred by the Master Board. Such costs may also be the basis for a Neighborhood Limited Assessment. The Master Board is specifically empowered to enforce the architectural and landscaping provisions of this Declaration by any legal or equitable remedy, and in the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvement, the Master Board shall be entitled to recovery of court costs, expenses and attorneys' fees in connection therewith and, in the event of any action by the Master Board for injunctive relief, no bond shall be required of the Master Board. All costs, expenses, and attorneys' fees of the Master Board, including those incurred in connection with its enforcement or other powers, as provided herein, shall be borne by the Owner; provided, however, that nothing provided herein shall be deemed to negate the Master Board's right to an award of the Master Board's attorneys' fees and costs if the Master Board is the prevailing party in any administrative or judicial proceeding. In the event that any Owner fails to comply with the architectural and landscape provisions contained herein or other rules and regulations promulgated by the Master Association, the Master Board may, in addition to all other remedies contained herein, record against that Owners' Unit in the public records of Stearns County a Certificate of Noncompliance stating that the improvements on the Unit fail to meet the requirements of the Master Association.

9.3.7 The ARC may, in its sole discretion, grant variances from the requirements contained herein or as elsewhere promulgated by the ARC, on a case-by-case basis; provided, however, that the variance sought is reasonable and does not impose a hardship upon other Owners. The granting of such a variance by the ARC shall not nullify or otherwise affect the ARC's right to require strict compliance with the requirements set forth herein on any other occasion.

9.3.8 Notwithstanding anything contained herein to the contrary, any Master Improvements of any nature at any time made or to be made by the Master Developer, including, without limitation, Master Improvements made or to be made on any Unit or any Additional Property, shall not be subject to the review or other procedures of the ARC under this Declaration.

9.3.9 The ARC may adopt a schedule of reasonable fees for processing requests for approval. Such fees, if any, shall be payable to the Master Association at the time that the plans and specifications and other documents are submitted to the ARC.

9.3.10 Neither the Master Developer, its officers, directors and employees, the members of the ARC, Master Association, Master Board of Directors, Neighborhood Declarants, Neighborhood Association or Neighborhood Board of Directors, nor any person acting on behalf of any of them, shall be liable for any costs or damages incurred by any Owner within the Property or any other party whatsoever, due to any mistakes in judgment, negligence or any action of the Master Developer ARC, Master Association, Master Board of Directors, Neighborhood Declarants, Neighborhood Association, Neighborhood Board of Directors in connection with the approval or disapproval of plans and specifications. Each Owner and occupant of any Lot within the Property agrees, as do their successors and assigns by acquiring title thereto or an interest therein, or by assuming possession thereof, that they shall not bring any action or suit against the Master Developer or Neighborhood Declarants, the directors or officers of the Master Developer, the members of the ARC, or their respective agents, in order to recover any damages caused by the actions of the ARC. Neither the Master Developer, Master Association, Master Board of Directors, Neighborhood Declarants, Neighborhood Association, Neighborhood Board of Directors, its officers, directors and employees, the members of the ARC, nor any person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

9.4 Landscaping Approval. To preserve the aesthetic appearance of the Property, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented or installed by any Owner, other than the Master Developer, unless and until the plans therefore have been submitted to and approved in writing by the ARC. No hedge or shrubbery planting or tree which obstructs site-lines of streets shall be placed or permitted to remain on any Unit where such hedge, shrubbery planting or tree interferes with traffic site-lines, including site-lines at the intersection of a driveway and a street. Unless located within ten (10) feet of a building, no Owner, other than Master Developer, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6) inches or more at a point of four (4) feet above ground level, without obtaining the prior approval of the ARC, except as otherwise specifically set forth in this Section, and provided further that dead or diseased trees which are inspected and certified as dead or diseased by the ARC or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation shall be cut and removed promptly from any Unit, as the case may be, unless such trees, bushes, shrubs, or other vegetation are dead but not diseased and are located in wooded areas that existed at the time of the first conveyance of the Unit to an Owner other than Master Developer.

9.5 Approval Not a Guarantee. No approval of plans and specifications and no publication of guidelines or standards by the ARC shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed

improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling or other improvement built in accordance therewith was built in a good and workmanlike manner. Neither Master Developer nor the ARC, Master Association, Master Board of Directors, Neighborhood Declarants, Neighborhood Association, Neighborhood Board of Directors shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article, any loss or damages to any person arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plans and specifications.

9.6 Building Restrictions. All Dwellings and other structures shall be constructed in compliance with any and all applicable state, county and municipal zoning and building restrictions. All improvements constructed on a Unit must be completed within twelve (12) months of commencement of construction. All builders, Owners and contractors shall be responsible for promptly clearing from public streets any soil or other debris resulting from the construction work. All grading, clearing, construction of impervious surfaces, buildings, and other construction activity performed on Units shall be conformed in accordance with: (i) such rules, regulations, guidelines and restrictions; (ii) any plan filed with the City of Cold Spring; and (iii) the Architectural Guidelines promulgated by the ARC. To make sure that Dwellings and other structures will be located so that the maximum view, privacy, and breeze will be available to each Dwelling or structure, Dwellings and structures will be located with regard to the topography of each Unit or Dwelling taking into consideration the location of trees and vegetation and other aesthetic and environmental considerations, as well as the precise site and location of any other Dwelling or structure within the Development. In addition, all residential structures constructed on a Unit shall be located not nearer to a front lot line, a rear lot line, an interior lot line or nearer to a side street right-of-way line, if any, than the applicable ordinances of the City of Cold Spring shall allow.

9.7 Permitted Improvements; Standards.

9.7.1 No improvements of any nature whatsoever shall be constructed, altered, or maintain upon any parts of the Property, except: (i) for Dwellings and other improvements which are constructed by Declarant; (ii) such improvements as are approved by the ARC in accordance with this Article; (iii) improvements which pursuant to this Article do not require the consent of the ARC; or (iv) Master Improvements.

9.7.2 The ARC is hereby authorized to promulgate from time-to-time written architectural standards, policies, and guidelines (the "Architectural Guidelines") governing the construction, location, landscaping, and design of improvements, the contents of submission of plans and specifications, and other information required to evidence compliance with the terms hereof. Any such Architectural Guidelines published by the ARC shall be binding and enforceable on all Owners with the respect to all improvements in the Property requiring the approval of the ARC.

9.8 Fences, Walls and Hedges. Boundary walls and fences are inconsistent with the intended plan of development for the Property. No wall or fence shall be constructed or hedge planted on any Unit until the height, type, design materials and location have been approved in writing by the ARC. Chain link fences shall not be permitted. Under no circumstances shall a boundary wall, fence or hedge be permitted with a height of more than six (6) feet. The height or elevation of any wall, fence or hedge shall be measured from the existing elevations on the property at or along the applicable point or lines. Any question as to such heights may be decided by the ARC. The height limitations as set forth in this paragraph shall not be applicable to tennis court enclosures and swimming pool fences, provided such enclosures have been approved by the ARC. A refusal by the ARC to allow or permit a fence, wall or hedge (including tennis court enclosures and swimming pool fences) on any particular Unit or in any particular location shall not be construed to be an abuse of discretion.

9.9 Temporary Structures. No structure of temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any Unit at any time as a "residence," either temporarily or permanently.

9.10 Auxiliary Structures. No detached dog kennels, runs or enclosures shall be permitted unless design and location of same shall be approved by the ARC. No detached gazebos, arbors, screened porches, storage buildings or other similar structures shall be permitted except those approved by the ARC as conforming in design and appearance to the Dwelling, and which are located in the proximity of the dwelling or garage.

9.11 Driveways. Driveways must be constructed of concrete. Driveways may be constructed using alternative material such as paver blocks and asphalt upon approval of the ARC. Material and installation shall be subject to approval of the ARC. Driveways must be installed within three (3) months of the date of Certificate of Occupancy is issued for any Dwelling constructed upon a Unit, unless weather conditions prohibit completion within that time period and consent is received by the ARC.

9.12 Exterior Lighting. All exterior lighting fixtures and standards shall be shown on submitted plans and shall comply with the overall lighting plan of the Master Developer. All forms of exterior lighting shall be subject to approval of the ARC.

9.13 Exterior Ornaments. Exterior ornaments including but not limited to precast concrete, plastic or wood figurines, wishing wells and windmills shall be prohibited unless approved by the ARC prior to installation or construction.

9.14 Completion of Construction of Improvements. All construction work shall, upon approval of plans by the ARC, be carried on with dispatch; all improvements shall be constructed in conformity with the then existing building codes of the City of Cold Spring, Minnesota; and all building plans shall be prepared by or under the supervision of a registered architect, a builder or a qualified design professional. If any improvement is begun after approval of the plans as provided herein and is not completed within one year after the commencement of said construction, and in the judgment of the Master Developer or the ARC, it is offensive or

unsightly in appearance, the Master Developer or the ARC, may take such steps as may be necessary to make the Property harmonious with other properties, such steps including completion of the improvement or the exterior of the structure, screening or covering the structure or any combination thereof or similar operations. The amount of any expenditure made in so doing shall be the personal, joint and several obligation of the Owner or Owners and shall be a lien on the Unit and may be foreclosed in the same manner as provided in this Declaration. The lien herein shall not be valid as against a subsequent bona fide purchaser of the Unit in question unless a statement setting forth the claim had been filed for record in the office of the County Recorder or Registrar of Titles of Stearns County, whichever is appropriate, or unless a suit and appropriate Lis Pendens to foreclose the lien shall have been filed of record in the office of the County Recorder or Registrar of Titles of Stearns County, whichever is appropriate, prior to the recordation of the Deed conveying the Unit in question to said purchaser.

9.15 Minimum Landscape Plan. Owners shall be charged with the responsibility for the installation and maintenance of landscaping which shall include as a minimum the sodding or planting of the entire Unit (except on existing natural wetland, water gardens, tree and shrub areas, Dwellings and driveways), and the grouping of shrubs additional trees and natural ground cover material as approved by the ARC. Such plantings and other landscaping work must be completed within one (1) year after the issuance of a building permit for construction of a Dwelling. It shall be the responsibility of the Owner to maintain such plantings and landscaping, except such areas as may be agreed by the Master Association or Neighborhood Association to be maintained by the Master Association or Neighborhood Association. Should an Owner fail to plant and install or maintain such landscaping, the Master or Neighborhood Associations reserves the right to complete such work and levy a Special Assessment against such Unit for the costs incurred by the Association therein. All Units shall be subject to easements over and across such Units to permit the Association to carry out the work described in this Section. Owners are responsible for maintaining green healthy lawns; the Master Association or Neighborhood Association may require the installation of irrigation systems. The Master Association or Neighborhood Association shall be responsible for the installation and maintenance of the landscaping in the Common Areas. The Neighborhood Association may elect to maintain as a Common Expense the landscape areas of the Units.

SECTION 10 INSURANCE, RECONSTRUCTION AND CONDEMNATION

If deemed prudent, the Master Association will make every effort to obtain and maintain the following insurance relating to the Property:

10.1 Property Insurance. Property insurance in broad form insuring all insurable Master Improvements located on the Common Elements and such Master Improvements in the Neighborhoods as the Master Board deems appropriate after consultation with the respective Neighborhood Boards and any insurable Master Improvements on other real property owned or leased by the Master Association. Such insurance shall cover loss or damage by fire and other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief. Such insurance shall be in an amount sufficient to cover the full insurable replacement costs of such Master Improvements and other property, subject to such reasonable deductibles as

the Master Board shall determine. In making the election to cover improvements in the Neighborhood, the Master Association shall coordinate coverage with the Neighborhood Associations to assure that coverage required by MCIOA is maintained.

10.2 General Liability Insurance. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use of management of the Common Elements as the Master Board deems appropriate, and all damage or injury caused by the negligence of the Master Association or the Neighborhood Associations and their respective members, directors, and officers or agents as required by MCIOA. Such public liability policy shall provide such coverage, limits and deductibles as the Master Board deems reasonable.

10.3 Directors' and Officers' Liability Insurance. Directors' and officers' liability insurance covering all directors, officers and committee members of the Master Association for their acts or omissions while acting within the scope of their duties on behalf of the Master Association. The Master Association shall coordinate coverage with the Neighborhood Associations to assure coverage required by MCIOA is maintained.

10.4 Workers' Compensation Insurance. Workers' compensation insurance to the extent necessary to comply with any applicable laws.

10.5 Other Insurance. Such other types and amounts of insurance as may be determined by the Master Board to be necessary or desirable, including without limitation insurance or fidelity bonds covering dishonest acts by those Persons having control or custody of the Master Association's funds.

10.6 Master Association as Trustee/Premiums. All insurance coverage obtained by the Master Board shall be written in the name of the Master Association as trustee for the Owners or Neighborhood Associations, as applicable. The premiums for the insurance shall be a Common Expense, subject to allocate among the Units or the Neighborhood Associations, as applicable. The Master Board shall have exclusive authority to negotiate, settle and adjust losses under all policies obtained by the Master Association; provided, that any holder of a Mortgage on the Common Elements having an interest in such losses shall be kept informed and have input into any settlement negotiations materially affecting its interests.

10.7 Policy Requirements. Insofar as permitted by law, the Master Association shall be required to make every effort to secure insurance policies with the following provisions and endorsements:

10.7.1 All policies shall be written with a company licensed to do business in the State of Minnesota and holding a rating of A-X1 or better general policyholder's rating as established by *Best's Insurance Reports*, if such a company is available, or if not available, its equivalent rating or the best rating possible.

10.7.2 All property insurance policies (if any) on Units shall be for the benefit of the Owners and their mortgagees, as their interests may appear.

10.7.3 All policies shall contain a waiver by the insurer of its right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Master Association and to any mortgagee to which a mortgagee endorsement has been issued.

10.7.4 No insurance policy or coverage shall be brought into contribution with insurance purchased by the Owners or the Neighborhood Associations and all policies shall contain appropriate provisions to that effect.

10.7.5 All policies shall contain a waiver of subrogation by the insurer as to any claims against the Master Association or the Neighborhood Associations and their directors and officers, and the Owners, including without limitation the Master Association's manager.

10.7.6 All policies shall contain a provision that no policy may be canceled, invalidated, or suspended on account of the conduct of one or more of the Owners or the Neighborhood Associations, or on account of the acts of any director, officer, employee, or agent of the Master Association or of its manager, without prior demand in writing delivered to the Master Association to cure the defect and the allowance of a reasonable time thereafter within which to cure the defect.

10.7.7 All liability insurance shall contain cross-liability endorsements to cover liability of the Master Association to an Owner and shall also name the Master Developer as an additional insured for so long as Master Developer owns any part of the Property.

10.8 Individual Insurance. Each Owner may carry, at his or her expense, public liability, title, and other insurance with respect to the Owner's Unit. The Master Association may require that any Owner carry additional insurance or endorsements to cover risks unique to the Owner's Unit. The Master Association may require such Persons to furnish copies or certificates of their insurance to the Master Association.

10.9 Damage or Destruction. Immediately after any damage or destruction by fire or other casualty to all or any part of the Common Elements covered by the Master Association's insurance, the Master Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 10, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the casualty.

10.9.1 The Master Association shall, as expeditiously as possible, restore or replace the damaged Master Improvements on property insured under its policies, unless within sixty (60) days following the damage or destruction (i) Master Developer during the Master Developer Control Period and (ii) at least eighty percent (80%) of the total votes of the Members of the Master Association, shall otherwise agree.

10.9.2 If the insurance proceeds are not sufficient to defray the cost of repair and reconstruction and such deficiency cannot be appropriated from any reserve fund

established for such purpose, the Master Board may levy a Special Assessment or other Assessments in an amount sufficient to pay the excess cost of repair or reconstruction. Master Assessment proceeds shall be held for the benefit of the Master Association and its Members together with the insurance proceeds.

10.9.3 Insurance proceeds and Master Assessments shall be disbursed by the Master Association in payment for such repair or reconstruction in accordance with such commercially reasonable methods of distribution as are established by the Master Board. The Master Board may retain such professional assistance as it deems necessary in handling the reconstruction work and disbursement of funds. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Master Association.

10.9.4 If it is determined that the damage or destruction shall not be repaired or reconstructed, the funds shall be retained by and for the benefit of the Master Association. Any ruins and debris on the Property shall be cleared and the Property shall be left in a clean, orderly, safe and sightly condition.

10.10 Condemnation of Common Elements. If all or any part of the Common Elements shall be taken by any authority having the power of condemnation or eminent domain or is conveyed in lieu thereof by the Master Association, the award or proceeds for such taking shall be payable to the Master Association and shall be disbursed or held as follows:

10.10.1 If the taking involves a portion of the Common Elements on which Master Improvements have been constructed, then the Master Association shall restore or replace such Master Improvements, to the extent practicable, on the remaining Common Elements in accordance with plans approved by the Master Board, the ARC, and by Master Developer if the taking occurs while Master Developer holds the Unit, or the right to add Units. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from any reserve fund established for such purpose, the Master Board may levy a Master Assessment to pay such excess cost of repair or reconstruction. If the damaged Master Improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Master Association and its Members.

10.10.2 If the taking or sale in lieu thereof does not involve any Master Improvements to the Common Elements, or if there are net funds remaining after any repair or reconstruction of the Master Improvements is completed, then such funds shall be retained by and for the benefit of the Master Association and its Members.

SECTION 11 COMPLIANCE AND REMEDIES

11.1 Entitlement to Relief. The Master Association may commence legal action to recover sums due, for damages, for injunctive relief, or any combination thereof, or an action for any other relief authorized by the Master Governing Documents or available at law or in equity.

Legal relief may be sought by the Master Association against any Member or Owner, or by a Member against the Master Association or another Member or another Owner, to enforce compliance with the Master Governing Documents, the Master Rules, MCIOA or the decisions of the Master Association. However, no Owner may withhold any Assessments payable, or take or omit other action in violation of the Master Governing Documents, the Master Rules, as a measure to enforce such Person's position, or for any other reason.

11.2 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Master Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners or Members which violate the provisions of the Master Governing Documents, the Master Rules, or MCIOA:

11.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

11.2.2 Impose late charges of up to fifteen percent (15%), or twenty dollars (\$20.00), whichever is greater, as permitted by law, of each payment past due of an Assessment or installment thereof, and impose interest at the highest rate permitted by law on all such unpaid amounts.

11.2.3 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 Member may be accelerated by the Master Association, and shall then be payable in full together with all costs of collection and late charges. Reasonable advance written notice, of at least ten (10) days, of the effective date of the acceleration shall be given to the defaulting Person,

11.2.4 Impose reasonable fines, penalties or charges for each violation of the Master Governing Documents, the Master Rules or MCIOA.

11.2.5 Restore any portions of the Property damaged or altered, or allowed to be damaged or altered, by any Owner or Member in violation of the Master Governing Documents, and to assess the cost of such restoration against the responsible Unit and Owner.

11.2.6 Enter any part of the Property on which, or as to which, a violation or breach of the Master Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of the other Persons using the Property, or the safety or soundness of any Dwelling or other part of the Property or the property of other Persons, and to summarily abate and remove, at the expense of the offender, any structure, thing or condition which is causing the violation.

11.2.7 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 in the State of Minnesota.

11.3 Rights to Hearing. In the case of imposition of any of the remedies authorized by this Section, the Master Board shall, upon written request of the offender, grant to the offender a fair and equitable hearing. 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 Master Board and held within thirty (30) days of receipt of the hearing request by the Master Board, and with at least ten (10) days prior written notice to the offender. If the offender fails to appear at the hearing then the right to a hearing shall be waived and the Master Board may take such action as it deems appropriate. The decision of the Master Board and the rules for the conduct of hearings established by the Master Board shall be final and binding on all parties. The Master Board's decision shall be delivered in writing to the offender within ten days following the hearing, if not delivered, to the offender at the hearing.

11.4 Liability for Owners' and Members' Acts. A member or Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Member's or Owner's acts or omissions, to the extent that such expense is not covered by the proceeds of insurance. Any insurance deductible amount and/or increase in insurance rates resulting from the acts or omissions may be assessed against the Person responsible for the condition and against his or her Unit.

11.5 Costs of Proceeding and Attorneys Fees. With respect to any collection measures, or action, legal, administrative, or otherwise, which the Master Association takes to enforce the provisions of the Master Governing Documents, Master Rules, MCIOA, the offender shall promptly pay or reimburse the Master Association for any expenses incurred in connection with such enforcement, including without limitation lines or charges previously imposed by the Master Association, reasonable attorneys' fees and fees for other professionals, court costs, collection agency contingent fees and interest (at the highest rate allowed by law).

11.6 Alternative Dispute Resolution. In the event of a dispute between or among Owners, Members and/or the Master Association with regard to the enforceability of any part of the Master Governing Documents, Rules, Neighborhood Governing Documents or MCIOA (except those parts relating to the imposition or collection of Master Assessments and related remedies), and if the same is not resolved within thirty (30) days of the event causing the dispute, the matter shall be submitted to binding arbitration upon demand of the party to the dispute. Each party shall chose one arbitrator, and such arbitrator shall choose one additional arbitrator, and the decision shall be by a majority of the arbitrators, intending hereby to invoke and apply the provisions of Minnesota Statutes Sections 572.08 to 572.30. The arbitration hearing shall be held within Stearns County, Minnesota.

11.7 Lien/Liability for Charges, Etc.. Any Master Assessments, charges, fines, penalties, attorney's fees, costs or interest imposed under this Section shall be a lien against the Unit owned by the Person against whom the same are imposed and shall be the personal obligation of such Person in the same manner as Master Assessments. 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 Master 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 Master Association's right to pursue any others.

SECTION 12
SPECIAL MASTER DEVELOPER RIGHTS

Master Developer hereby reserves exclusive and unconditional authority to exercise the following Special Master Developer Rights for so long as it owns a Unit or has the right to subject any Additional Real Estate to the Community, or for such shorter period as may be specifically indicated:

12.1 Complete Improvement. To complete all Master Improvements included in the Master Developer's development plans consistent with the Disclosure Statement or authorized by the City of Cold Spring, and to make alterations in the Common Elements or other parts of the Property owned by Master Developer to accommodate Master Developer activities.

12.2. Sales Facilities. To construct, operate and maintain a sales office, management office, models and other development, sales and rental facilities within any part of the Property owned by Master Developer.

12.3 Signs. To erect and maintain signs and other sales displays offering parts of the Property for sale or lease, in or on any part of the Property owned by the Master Developer or subject to Master Developer's easement rights.

12.4 Easements. To have and use easements for access and use, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Property, for the purpose of exercising its Special Master Developer Rights and easement rights as set forth in Section 5 herein, as permitted by MCIOA, and as required and necessary to exercise complete Master Developer's plans for development of the Property;

12.5 Control of Master Association. To control the operation and administration of the Master Association, including without limitation the power to appoint and remove the officers and members of the Master Board during any period of Master Developer Control, as permitted by MCIOA.

12.5.1 The period of Master Developer Control begins on the date of the recording of the Master Declaration and terminates upon the earliest of the following events:

- (i) the voluntary surrender of the right to appoint directors;
- (ii) the date ten (10) years after the date the Master Declaration is recorded, unless extended by an amendment to the Master Declaration approved in writing by the Master Developer, and by sixty-seven percent (67%) of the votes of Members other than the Master Developer;
- (iii) the termination date, if any, in the Master Declaration; or
- (iv) the date when at least seventy-five percent (75%) of the total Units and other parcels of real estate referred to in Section 515B.2-121(e)(1)(vii) MCIOA have

been conveyed to persons other than a Master Developer, Master Association, Declarant, or Association.

12.6 Approval of Certain Amendments. As long as Master Developer owns any part of the Property, or has the unexpired right to subject Additional Real Estate to this Master Declaration, Master Developer's written consent shall be required for any amendment to the Master Governing Documents or Master Rules which directly or indirectly, affects or may affect, Master Developer's rights under the Master Governing Documents and Neighborhood Governing Documents or MCIOA.

12.7 Relocate Boundaries; Add to Property, Subdivided Property and Alter Units. To relocate boundaries between Units owned by it; to add Additional Real Estate and to combine or subdivide parts of the Property as set forth in Section 13; to convert Units into Common Elements and/or Common Elements into Units pursuant to Section 515B.2-112 MCIOA.

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

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

12.10 Assessments. To except from liability Units or other parcels of real estate owned by the Master Developer, all or a portion of Master Association's pursuant to Section 515B.2-121 MCIOA or as otherwise permitted by MCIOA.

SECTION 13
RIGHTS TO ADD PROPERTY, RELOCATE AND SUBDIVIDE
AND TRANSFER OF DEVELOPER RIGHTS

13.1 Master Developer Rights to Add Additional Real Estate. Master Developer hereby expressly reserves the exclusive right to add Additional Real Estate to the Property, by unilateral action, subject to the following conditions:

13.1.1 The right of Master Developer to add Additional Real Estate to the Property shall terminate ten years after the date of recording of this Master Declaration or upon earlier express written withdrawal of such right by Master Developer or a successor Master Developer; provided, that said rights may be extended by the vote or written agreement of the Unit Owners entitled to cast at least sixty-seven percent (67%) of the votes allocated to the Units not owned by the Developer.

13.1.2 The Additional Real Estate is described in Exhibit C. The Additional Real Estate may be added to the Property in parcels of any size and configuration determined by Master Developer, subject to any governmental requirements.

13.1.3 There are no assurances as to the times at which any part of the Additional Real Estate will be added to the Property, the order in which it will be added, the number of parcels per phase nor the size of the parcels. Master Developer has no obligation to add the Additional Real Estate to the Property, and may develop it for any purpose consistent with the applicable governmental requirements.

13.1.4 Any Dwellings and other structures, erected upon any Additional Real Estate which is added to the Property shall be compatible with the existing Dwellings and structures which are located in the same Neighborhood in terms of quality of construction and principal materials employed in construction; subject (i) to any changes required by governmental authorities or lenders and (ii) to any changes authorized by Master Developer or a Neighborhood Declarant to meet changes in the market.

13.2 Master Developer Rights to Change Neighborhoods and Units. Master Developer shall have the right to combine, subdivide or relocate boundaries between Units owned by it and to combine or subdivide Neighborhoods, as provided in this Section and MCIOA. Master Developer may unilaterally take such action while it owns the property in question, or thereafter as provided in this Section and MCIOA, subject to the following requirements:

13.2.1 Any relocation, combination, conversion or subdivision shall comply with all governmental laws, codes and regulations applicable to the transaction and MCIOA.

13.2.2 Any membership accruing to a Neighborhood shall be reallocated as determined by the Master Board.

13.2.3 The relocation, combination, conversion or subdivision shall be accomplished by an amendment to the Master Declaration, and shall be for purposes consistent with those set forth in the Master Governing Documents, and City of Cold Spring Ordinances.

13.2.4 If the change involves Neighborhood Property, then the approval of the Neighborhood Association and the Neighborhood Declarant as long as Neighborhood Declarant owns an unsold Unit in that neighborhood shall be required.

13.2.5 The Neighborhood Governing Documents of any affected Neighborhoods shall be amended, if necessary to reflect the changes.

13.3 Transfer of Developer Rights. Some or all of the Master Developer Rights may be voluntarily transferred by Master Developer by an amendment to this Master Declaration by a separate instrument signed by Master Developer and the transferee, and recorded against the portions of the development area affected.

13.4 Rights and Obligations of Master Developer. Upon transfer of any Master Developer Rights, the liability of Master Developer shall be as follows:

13.4.1 Master Developer shall remain liable for any obligation or liability arising before the transfer.

13.4.2 Master Developer shall remain liable for any obligation or liability relating to any Master Developer Rights retained by Master Developer.

13.4.3 Master Developer shall have no liability for any act or omission arising from the exercise of a Master Developer Right by the transferee of the Master Developer Right.

13.5 Rights and Obligations of Successor Master Developer. Any transferee of Master Developer rights shall be entitled to exercise such Master Developer Rights and shall be subject to all of the obligations with respect thereto; except (i) misrepresentations of Master Developer; (ii) warranty obligations of Master Developer; (iii) breach of fiduciary obligation by Master Developer or by any Officers of members of the Master Board appointed by Master Developer, (iv) any liability or obligation imposed on Master Developer as a result of Master Developer's acts or omissions after the transfer; and (v) any liability arising out of any Master Developer Rights retained by the Master Developer.

13.6 Rights and Obligations of Secured Parties. Subject to the requirements of Section 515B.3-1041 MCIOA, in the event of a foreclosure on any portion of the Property owned by Master Developer, the person acquiring title shall succeed to all those Master Developer Rights related to that portion of the Property; unless (i) the instrument creating the security interest; or (ii) a separate instrument signed by the secured party and recorded against the portion of the Property acquired within sixty (60) days after the acquiring of title by the secured party, provides for transfer of fewer than all Master Developer Rights. Master Developer shall cease to have or exercise any Master Developer Rights which are transferred. If the secured party has limited the transfer of certain Master Developer Rights as provided herein, then it and its successors' liability shall be limited, as follows:

13.6.1 If the secured party limits its rights and liabilities only to maintain models, sales offices and signs, it will not be subject to any liability or obligations of a Master Developer under MCIOA, and it may not exercise any other Master Developer Rights.

13.6.2 The secured party may declare its intention in any instrument recorded pursuant to this Section and MCIOA to acquire and hold the Master Developer Rights solely for transfer to another Person. Thereafter, until the Master Developer Rights are transferred to a Person acquiring title to any portion of the Property, or until a separate instrument is recorded permitting exercise of all of those rights, the secured party may not exercise any of those rights. So long as the secured party may not and does not exercise any Master Developer Rights, it is not subject to any liability or obligation of Master Developer other than liability arising from the acts or omissions of members of the Master Board which it may have appointed.

SECTION 14 AMENDMENTS

This Master Declaration may be amended by recording an appropriate amendment in the office of the applicable county recording officer, subject to the following requirements:

14.1 Approvals. The amendment shall have been approved as follows:

14.1.1 All amendments shall be approved by Members holding at least sixty-seven percent (67%) of the votes of all Members.

14.1.2 Any amendment which affects any Master Developer Right shall be approved in writing by Master Developer so long as Master Developer owns an unsold Unit or has the right to subject Additional Real Estate to this Master Declaration.

14.1.3 A majority of the Neighborhood Boards.

14.2 Binding Effect. All amendments shall be recorded and shall run with the Property and bind the Property for the same period and to the same extent as do the covenants and restrictions set forth herein.

14.3 Affidavit of Compliance. An Affidavit by the President or Secretary of the Master Association as to the outcome of the vote, or the execution of any written approvals, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 15 INDEMNIFICATION

The Master Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Master Association, to the extent permitted by Minnesota Statutes Chapter 317A.521.

SECTION 16 MISCELLANEOUS

16.1 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.

16.2 Construction. This Master Declaration and all Governing Documents shall be construed in accordance with the laws of the State of Minnesota. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to MCIOA shall be deemed to include any statutes amending or replacing MCIOA.

16.3 Notice. Unless specifically provided otherwise in the Master Governing Documents or MCIOA, all notices required to be given by or to the Master Association, the Master Board of Directors, the Master Association officers or the Owners 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 Master Association and not revoked.

16.4 Conflicts Among Documents. In the event of any conflict among the provisions of MCIOA, the Master Declaration, the Bylaws or any Master Rules approved by the Master Association, MCIOA shall control, unless provision in MCIOA allows for the Governing Documents to control. As among the Master Declaration, Bylaws and Master Rules, the Master Declaration shall control, and as between the Bylaws and the Master Rules, the Bylaws shall control. The Master Governing Documents shall control as against any Neighborhood Governing Documents or Neighborhood Rules.

16.5 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Master Declaration shall be perpetual, subject only to termination as provided in this Master Declaration or MCIOA.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year first set forth.

DJP PROPERTIES, INC., a Minnesota Corporation

By: Paul W. Steil
Its: Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF Stearns)

On this 13 day of February, 2014, before me a Notary Public within and for said County, personally appeared PAUL W. STEIL, to me known, who being by me duly sworn, did say that he is the Secretary of DJP PROPERTIES, INC., the corporation named in the foregoing instrument, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and said PAUL W. STEIL acknowledged said instrument to be the free act and deed of said corporation.



Shirley Carriveau
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Robert J. Walter

Gray Plant Mooty

1010 West St. Germain, Ste. 500

St. Cloud, MN 56301

Telephone: (320) 252-4414

EXHIBIT A TO MASTER DECLARATION

OF

RIVER LINKS

LEGAL DESCRIPTION OF REAL ESTATE

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

EXHIBIT B TO MASTER DECLARATION
OF
RIVER LINKS
COMMON ELEMENTS

None at this time

EXHIBIT C TO MASTER DECLARATION

OF

RIVER LINKS

LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE

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

