

OFFICIAL PLAT

THE PONDS SECOND ADDITION

1787735
 OFFICE OF COUNTY RECORDER
 STATE OF MINNESOTA, COUNTY OF ANOKA
 I hereby certify that the within instrument was filed in this office for record on the 15 APR A.D., 2003
 at 2:30 o'clock P.M., and was duly recorded in book 64 page 42
MAUREEN J. DEVINE
 County Recorder
 By MLE Deputy

CITY OF OAK GROVE
 COUNTY OF ANOKA
 SEC. 4, TWP. 33, RGE. 24
 Book 64 Page 42

KNOW ALL MEN BY THESE PRESENTS: That Turtle Moon, Inc., a Minnesota Corporation, owner and proprietor of the following described property situated in the County of Anoka, State of Minnesota, to wit:

Outlot H, THE PONDS, Anoka County, Minnesota

Has caused the same to be surveyed and platted as THE PONDS SECOND ADDITION and does hereby donate and dedicate to the public for public use forever the parkway, lane, and easements for drainage and utility purposes only. In witness whereof said Turtle Moon, Inc., a Minnesota Corporation, has caused these presents to be signed by its proper officer this 28th day of JANUARY, 2003.

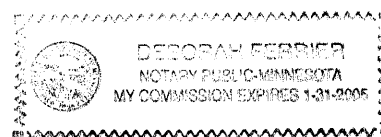
TURTLE MOON, INC.

David G. Schulte, as President

I HEREBY CERTIFY THAT THE CURRENT AND DELINQUENT TAXES ON THE LANDS DESCRIBED WITHIN ARE PAID AND THE TRANSFER IS ENTERED
April 15, 2003
MAUREEN J. DEVINE
 PROPERTY TAX ADMINISTRATOR
 BY S. Culver
 DEPUTY PROPERTY TAX ADMINISTRATOR

STATE OF MINNESOTA
 COUNTY OF ANOKA

The foregoing instrument was acknowledged before me this 28th day of January, 2003 by David G. Schulte, as President of Turtle Moon, Inc., a Minnesota Corporation, on behalf of said corporation.



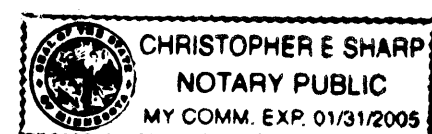
Deborah Fenner
 Notary Public, ANOKA County, Minnesota
 My Commission Expires January 31, 2005

I hereby certify that I have surveyed and platted the property described on this plat as THE PONDS SECOND ADDITION; that this plat is a correct representation of the survey; that all distances are correctly shown on the plat in feet and hundredths of a foot; that all monuments have been correctly placed in the ground as shown or will be placed as required by the local governmental unit; that the outside boundary lines are correctly designated on the plat; and that there are no wetlands, in accordance with Section 505.02 Subdivision 1, or public highways to be designated other than as shown.

Terrence E. Rothenbacher
 Terrence E. Rothenbacher, Land Surveyor
 Minnesota License Number 20595

STATE OF MINNESOTA
 COUNTY OF ANOKA

The foregoing Surveyor's Certificate was acknowledged before me this 28th day of JANUARY, 2003, by Terrence E. Rothenbacher, Land Surveyor, Minnesota License No. 20595.



Christopher E. Sharp
 Notary Public, ANOKA County, Minnesota
 My Commission Expires January 31, 2005

OAK GROVE, MINNESOTA

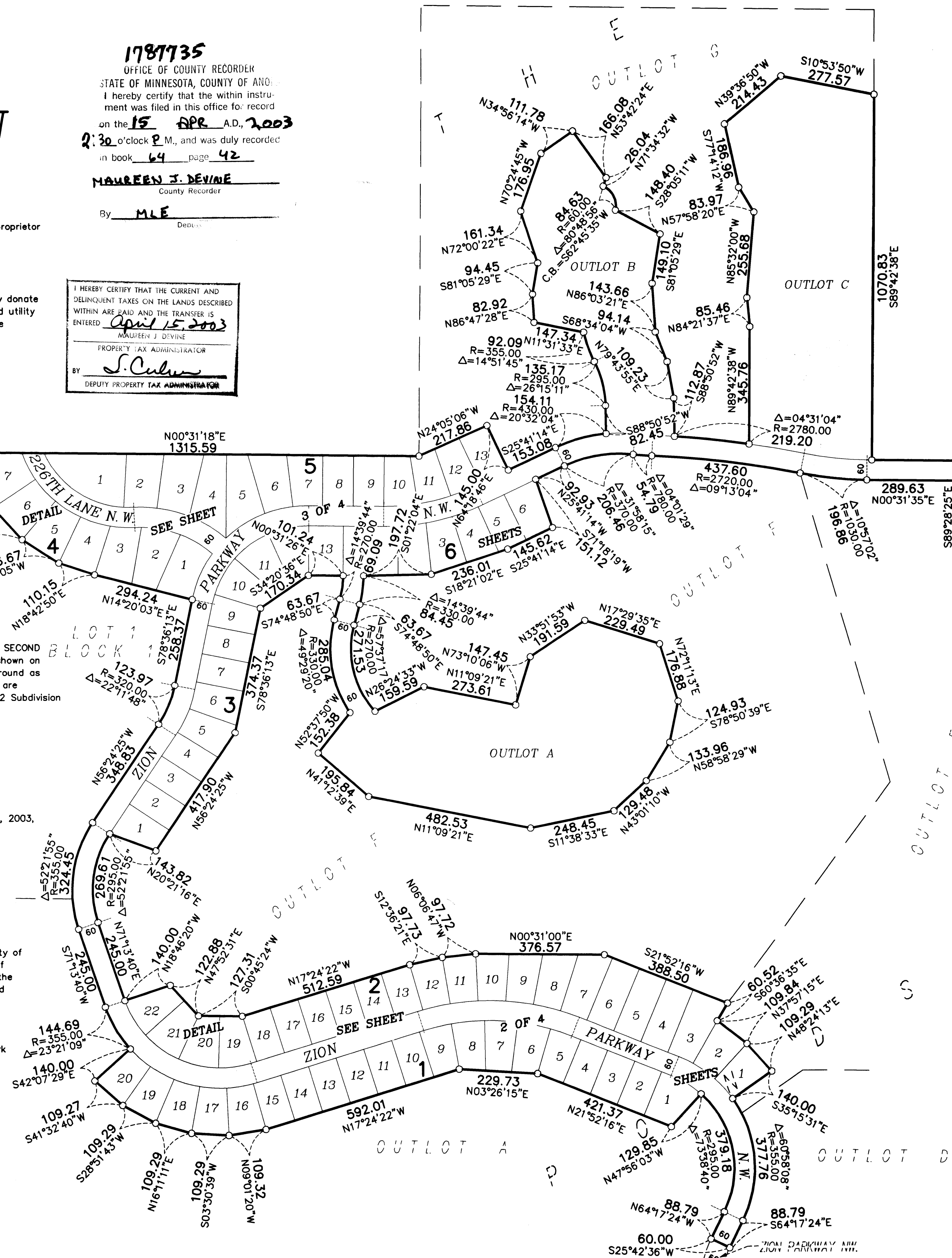
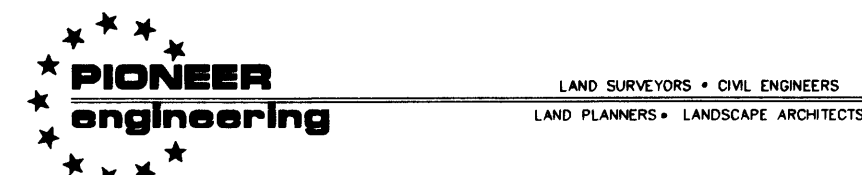
This plat of THE PONDS SECOND ADDITION was approved and accepted by the City Council of the City of Oak Grove, Minnesota, at a regular meeting thereof held this 31st day of March, 2003. If applicable, the written comments and recommendations of the Commissioner of Transportation and the County Highway Engineer have been received by the City or the prescribed 30 day period has elapsed without receipt of such comments and recommendations, as provided by Minnesota Statutes Section 505.03, Section 2.

By [Signature] Mayor

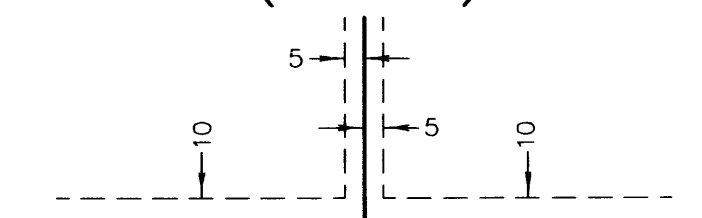
By Janice M. Reese Clerk

Checked and approved this 15th day of April, 2003.

By [Signature] Deputy
 Anoka County Surveyor



DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS: (No Scale)

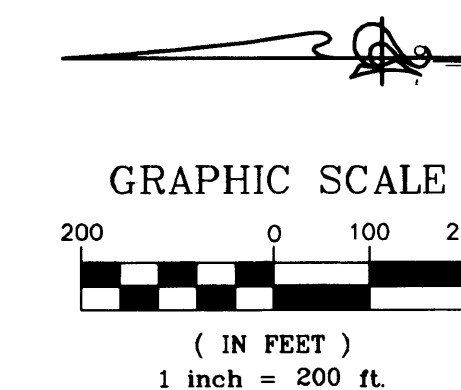


being 5 feet in width, and adjoining lot lines, and 10 feet in width and adjoining right of way lines and rear lot lines unless otherwise shown on the plat.

All monuments required by Minnesota Statute, whether shown on this plat or not, will be set within one year on the recording date of this plat and shall be evidenced by a 1/2 inch by 14 inch iron monument marked by RLS 20595.

O Denotes 1/2 inch by 14 inch iron monument set and marked with license number 20595

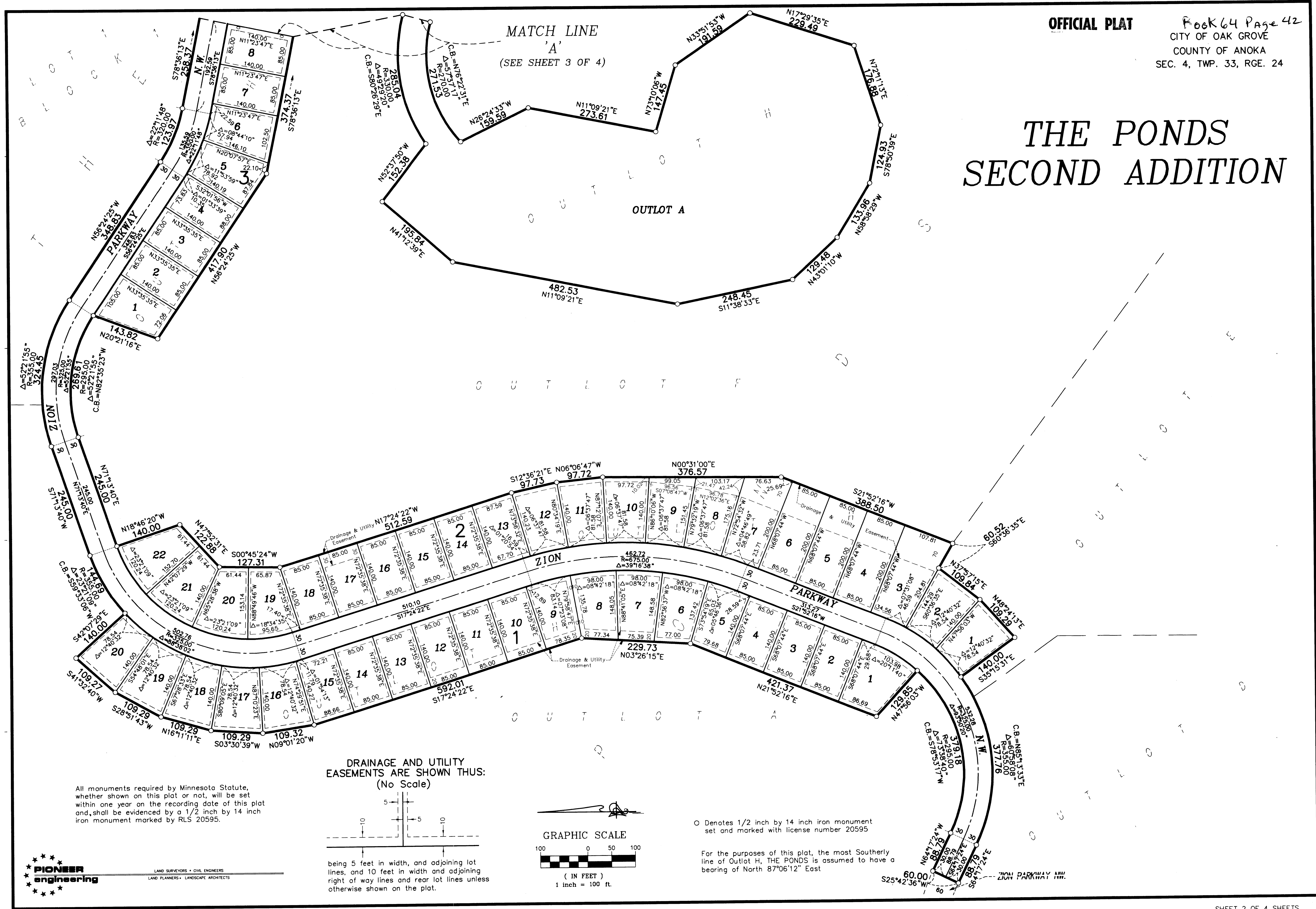
For the purposes of this plat, the most Southerly line of Outlot H, THE PONDS is assumed to have a bearing of North 87°06'12" East



RECEIPT # 2003049111 / \$ 3206.50

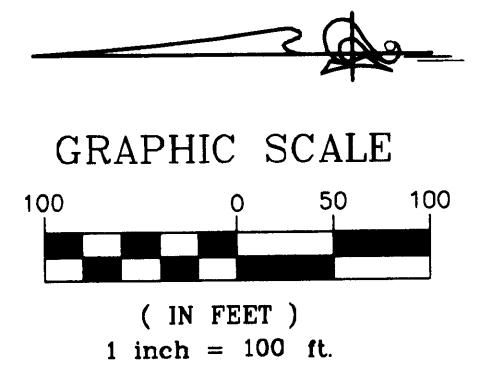
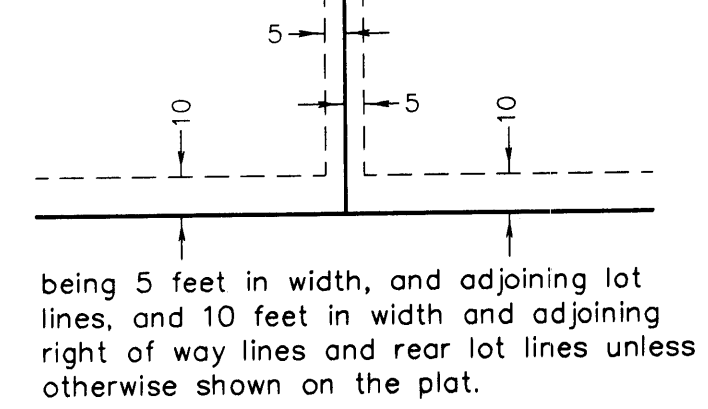
THE PONDS SECOND ADDITION

MATCH LINE
'A'
(SEE SHEET 3 OF 4)



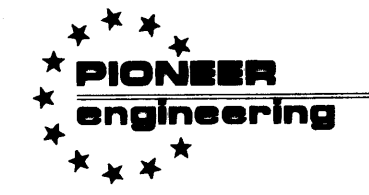
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(No Scale)



○ Denotes 1/2 inch by 14 inch iron monument set and marked with license number 20595

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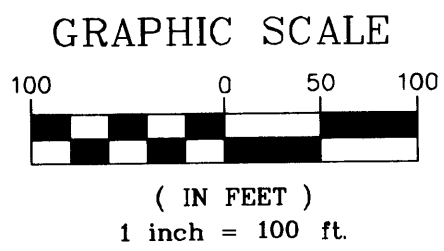
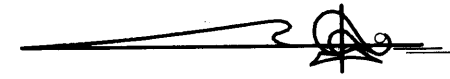
LAND SURVEYORS • CIVIL ENGINEERS
LAND PLANNERS • LANDSCAPE ARCHITECTS

THE PONDS SECOND ADDITION

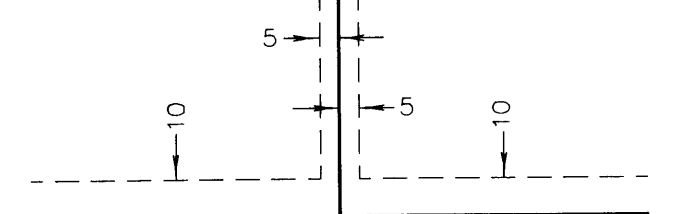
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For the purposes of this plat, the most Southernly line of Outlot H, THE PONDS is assumed to have a bearing of North 87°06'12" East

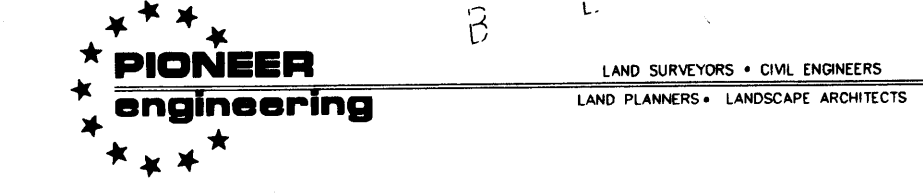
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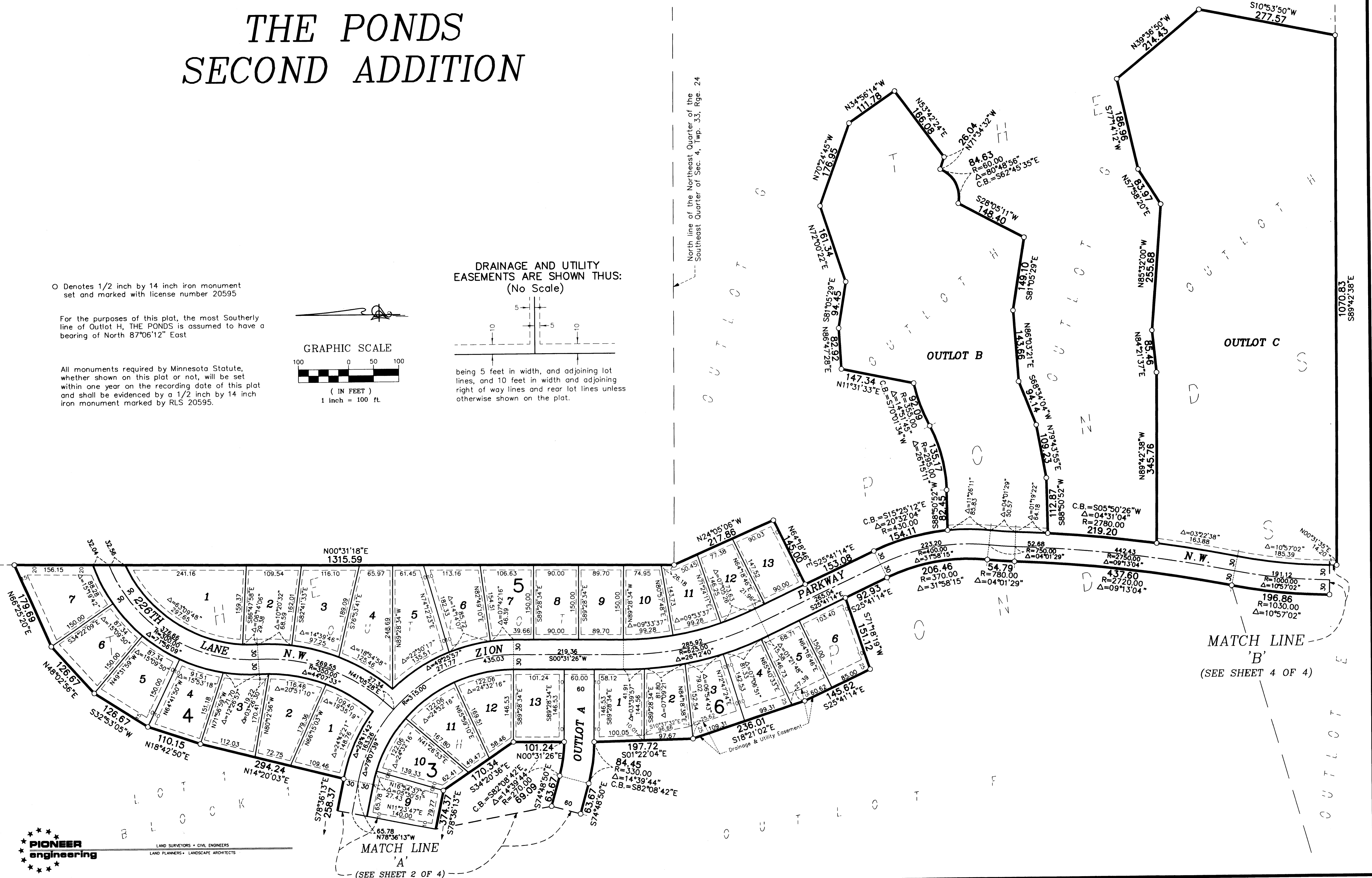
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(No Scale)



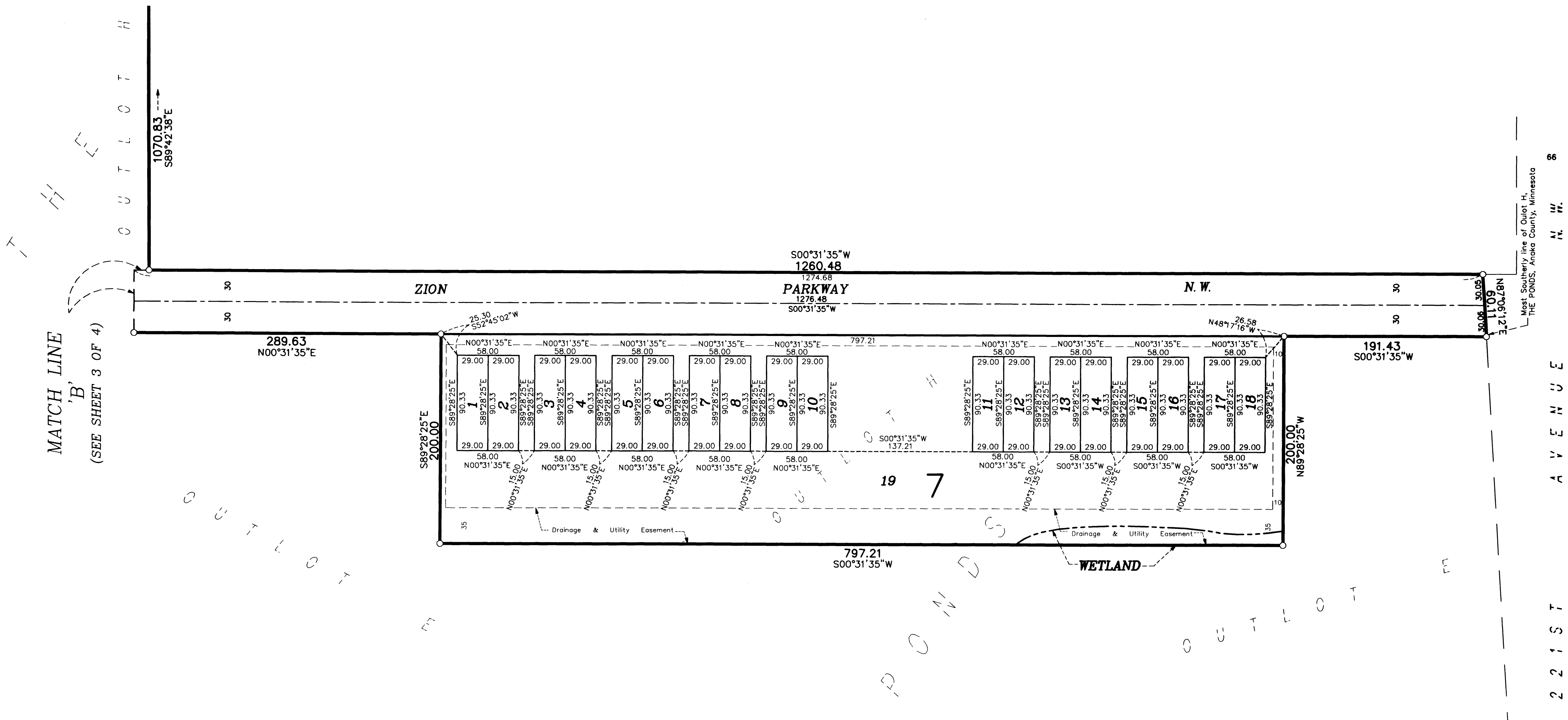
being 5 feet in width, and adjoining lot lines, and 10 feet in width and adjoining right of way lines and rear lot lines unless otherwise shown on the plat.



North line of the Northeast Quarter of the Southeast Quarter of Sec. 4, Twp. 33, Rge. 24



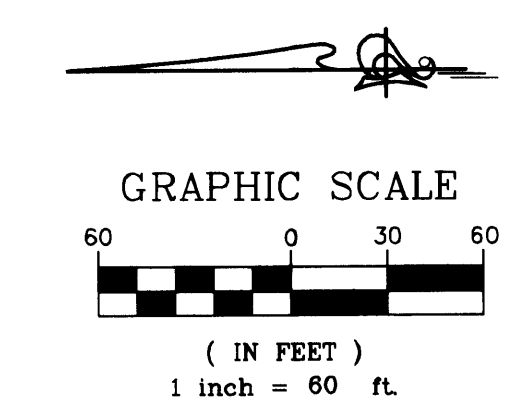
THE PONDS SECOND ADDITION



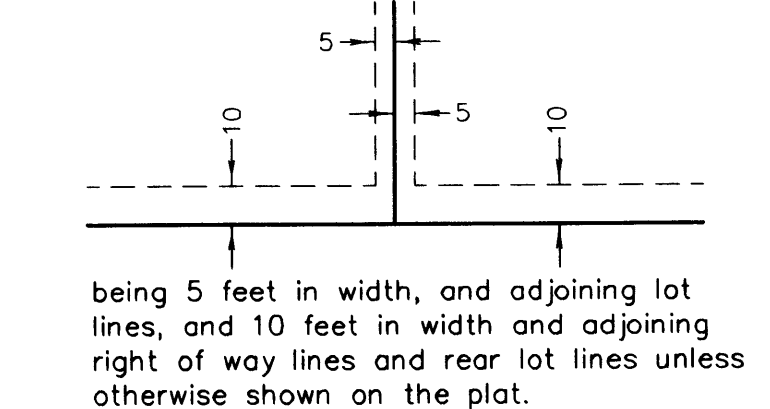
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DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:
(No Scale)



1787735

THIS DOCUMENT NUMBER REPRESENTS A PLAT

ALL PLATS ARE MAINTAINED ON A SEPARATE MICROFICHE IN A SEPARATE SECTION RESERVED FOR PLATS. FULL SIZE COPIES OF PLATS ARE STILL AVAILABLE FOR VIEWING.

MUNICIPALITY: Oak Grove CERTIFIED BY: Ac ON 4-15-03

MAP # 2867 PLAT BOOK: 64 OF Abst PAGE 42

DOC DATE: 1-28-03 NO OF PAGES: 4 TRACT BOOK: _____ PAGE _____

PLAT SHORT NAME: The Ponds 2nd Add

LONG NAME: The Ponds Second Addition

A/T	PARENT PINS	KEY	RES?	GRANTORS (Fees, C/Ps, Mortgagees)	Marital Status
A	04.33.24.31.0006	1509772	N	Turtle Moon Inc.	(fee)

FILED BY: Turtle Moon PHONE: 763-785-0185

TAXPAYER NAME: Turtle Moon

ADDRESS: 3812 Coon Rapids Blvd

CITY: Coon Rapids STATE: Mn ZIP: 55433

NEW PARCELS

LOT	BLOCK	LOT	BLOCK	LOT	BLOCK
1-20	1	1-13	5	B, C	0/c
1-22	2	1-6	6		
1-13	3	1-19	7		
1-7	4	A	0/c		103

DELT & CURRENT TAXES ARE PAID:

INITIALS: ME DATE: 4-15-03

DIV NO: _____ DIV. FEE. \$ 3,130

ABSTRACT

Receipt #	48111 / 3206.50	<input type="checkbox"/> Incorrect/No Reference #
Date/Time	4/15, 14 30	<input type="checkbox"/> Non-standard Document
Document Order	1 of	<input type="checkbox"/> Certified Copy/
PINs	MG	
Recordability	MG	
Filing Fees	Plot fee \$76.50	<input type="checkbox"/> Tax Lien/Release
Copy/Additional Pg Fees	\$3130	<input type="checkbox"/> Transfer
Well Cert Fees	Div fee \$	<input checked="" type="checkbox"/> Division
<input type="checkbox"/> Incomplete Form		<input type="checkbox"/> Status
<input type="checkbox"/> Missing Attachment		<input type="checkbox"/> New legal Description
<input type="checkbox"/> No Legal Description		<input type="checkbox"/> GAC
<input type="checkbox"/> Non-existent Legal Description		<input type="checkbox"/> Deferred Specials
<input type="checkbox"/> Part(s) Illegible		<input type="checkbox"/> No Change

DOCUMENT NO 1787735 0 ABSTRACT
ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE
FOR RECORD ON APR 15 2003
AT 2.30 PM AND WAS DULY RECORDED
FEES AND TAXES IN THE AMOUNT OF \$3206.50 PAID
2003048111

RECEIPT NO

MAUREEN J DEVINE

ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES
MLE

BY _____
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

DECLARATION FOR NEW CIC

THIS PAGE IS NOT PART OF THE ORIGINAL DOCUMENT PRESENTED FOR RECORDING

Added by Anoka County Recorder for posting only.

MUNICIPALITY OAK GROVE CHECKED BY: A ON 11-5-03

MAP # 3011 PLAT BOOK TYPE. _____

DOC. DATE: 11-4-03 NO OF PAGES _____ TRACT BOOK: _____ PAGE _____

CIC SHORT NAME: CIC NO 154 The Ponds 2ND

LONG NAME BY DECLARATION

A/T	PARENT PINS	THRU
A	04-33-24-43-0007	0012
A	43-0021	

A/T	PARENT PINS	THRU

DATE: 11-5-03

DIV. NO _____

1870632

COMMON INTEREST COMMUNITY NUMBER 154

A Planned Community

THE PONDS OF OAK GROVE TWIN HOMES

DECLARATION

THIS DECLARATION, made on this 4th day of November, 2003, by S W Wold Construction, Inc , a Minnesota corporation, hereinafter referred to as "Declarant", pursuant to the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes Sections 515B.1-101 to 515B.4-118, (hereinafter referred to as the "Act"), as amended.

WHEREAS, Declarant is the owner of certain property in the City of Oak Grove, County of Anoka, State of Minnesota, which is more particularly described as

Lots 5, 6, 7, 8, 9, 10 and 19, Block 7, The Ponds Second Addition

(the "Property" or "Properties"), which Declarant intends to develop for residential uses, and

WHEREAS, Declarant desires that all of the Property shall be subject to certain uniform covenants, conditions and restrictions; and

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold, and conveyed subject to the Act and the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

This common interest community is a Planned Community and is not subject to a master association.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to The Ponds of Oak Grove Twin Homes Association, Inc., a corporation formed under Chapter 317A, Minnesota Statutes, its successors and assigns

Section 2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Where any such Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered to be the owner of the Lot if: a the rights of the contract vendor hereunder are delegated to the vendee under such contract for deed; and b. the vendee shall furnish proof of such delegation to the Association.

Section 3 "Properties" shall mean and refer to that certain real property heretofore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4 "Lot" shall mean and refer to any separately identified plot of land shown upon any recorded subdivision map or plat of the Properties which is intended to be sold to the ultimate buyer as a separate property Where appropriate, reference to "Lot" shall include all structures located upon a Lot The boundaries of each Lot and the unit identifier of each Lot shall be as shown on the Plat.

Section 5. "Declarant" shall mean and refer to S W. Wold Construction, Inc , a Minnesota corporation, its successors and assigns

Section 6 "Common Elements" shall mean all parts of the Property, except the Units and all improvements on the Units. The initial Common Elements shall refer to the following described real property in Anoka County, Minnesota

Lot 19, Block 7, The Ponds Second Addition

Section 7. "Eligible Mortgagee" shall mean any person owning a mortgage on any Lot, which mortgage is first in priority to any other mortgages that encumber such Lot, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees

Section 8 "Act" shall mean the Minnesota Common Interest Ownership Act, Minn Stat Sec 515B 1-101, et seq.

Section 9 "Plat" shall mean the plat of Lots 1 through 19, Block 7, The Ponds Second Addition recorded in the office of the County Recorder, Anoka County, Minnesota.

Section 10 "Common Expenses" shall mean all expenditures made or liabilities incurred by or on behalf of the Association that are incident to its operation, including without limitation,

allocations to reserves and those items specifically identified as Common Expenses in the Declaration or Bylaws.

Section 11 "Private Driveway" shall mean that part of a Lot and Limited Common Elements paved to connect the Dwelling situated on such Unit to the Private Common Roadway.

Section 12. "Private Yard Area" shall mean that part of a Lot not covered by a Dwelling or a Private Driveway.

Section 13 "Twinhome Lot" shall mean and refer to any Lot included within a building with two (2) units therein, as shown on the plat and supplemental plats of The Ponds Second Addition

Section 14. Definitions Incorporated. Except as otherwise specified in this Declaration, the terms used in this Declaration which are defined in the Act shall have the same meaning as they have in the Act

Section 15. Statutory Requirements In accordance with the requirements of Section 515B.2-105 of the Act, the Declarant hereby states the following

- a. The number of the Common Interest Community created hereby is the number set forth on the first page of this Declaration.
- b. The name of the Association is The Ponds of Oak Grove Twin Homes Association, Inc The Association has been incorporated pursuant to the provisions of Minnesota Statutes Chapter 317A
- c. The common interest community created hereby is a Planned Community. It is not subject to a master association.
- d. The legal description of the Property included within the common interest community created hereby (including all appurtenant easements) is set forth on the attached **Exhibit A**.
- e. The description of the boundaries of each Lot created by this Declaration, including the unit identifier number for each Lot, is set forth on the Plat, which plat has been filed for record with the office of the Anoka County Recorder and is hereby incorporated herein by reference.
- f. The allocated interests are assigned equally to each Lot, subject to the provisions of this Declaration Each Lot shall have one vote in the affairs of the Association. Except as provided in Article III, Section 6 (relating to the Alternative Assessment Program) or as permitted in the Act, each Lot shall share the Common Expenses equally.
- g. The common interest community created hereby shall consist of six (6) Lots, all of which shall be restricted to residential use and one common area Lot

- h No additional units may be created by the subdivision or conversion of Lots.
- i The use restrictions to which the Lots are subject are located in Articles VI and VII hereof. There is no restriction on the sale price of a unit. The amount to be received upon the condemnation, casualty loss or termination of the common interest community is set forth in Article XIV, Section 10; Article X, Section 5, and Article XIV, Section 11, respectively.
- j Time shares are not permitted.
- k Matters relating to Special Declarant Rights are contained in Article XII hereof. Matters relating to the use of the Common Elements are contained in Article VII hereof. Matters relating to the care and maintenance of the Common Elements are contained in Article IV hereof. Matters relating to assessments for Common Expenses are contained in Article III hereof. Matters relating to Limited Common Elements are contained in Article XIV, Section 9.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. When more than one person is an Owner of a Lot, all such persons shall be members of the Association, but multiple ownership of a Lot shall not increase the voting rights allocated to such Lot nor authorize the division of the voting rights.

Section 2. Voting rights and Common Expense obligations are allocated equally among the Lots, except that special allocations of Common Expenses shall be permitted as provided in this Declaration, except for the alternative assessment program as provided in this Declaration, and except that only townhome units shall have voting rights with regard to maintenance and assessment issues upon all Townhome Lots and the common area Lots surrounding the Townhome Lots.

Section 3. The ownership of a Lot shall include the voting rights and Common Expense obligations described in Article II, Section 2. Said rights, obligations and interest, and the title to the Lots, shall not be separated or conveyed separately. The allocation of the rights, obligations and interests described in this Section may not be changed except in accordance with this Declaration, the Bylaws and the Act.

Section 4. The Owner, or some natural person designated as proxy on behalf of the Owner, and who need not be an owner, may cast the vote allocated to such Lot at meetings of the Association; provided, that if there are multiple Owners of a Lot, only the Owner or other person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more specifically described in the Bylaws.

ARTICLE III
COVENANT FOR COMMON EXPENSE
AND INSURANCE PREMIUM ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract for deed therefor, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association:

- a. general annual assessments or charges,
 - 1 a common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on basis of (A) equality, (B) square footage of the area being maintained, repaired or replaced, or (C) the actual cost incurred with respect to each Lot.
- b. assessments for master insurance premiums and other insurance premiums, if any, which may be assessed in proportion to value, risk or coverage
- c. special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.
- d. assessments levied under Section 515B.3-116 of the Act to pay a judgment against the Association, which assessments may be levied only against the Lots existing at the time the judgment was entered, in proportion to their Common Expense liabilities
- e. assessments for fees, charges, late charges, fines and interest
- f. If any damage to the Common Elements or another Lot is caused by the act or omission of any Owner, the guests of an Owner or the occupant of any Lot, assessments for the costs of repairing the damage may be assessed exclusively against the Owner's Lot to the extent not covered by insurance

The assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and if more than one person was an Owner then such obligation shall be joint and several. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the purposes of the Association as set forth in Article IV.

Section 3. Limitation on Assessments Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to an Owner and the Owner's Lot shall be \$ _____ per Lot (\$ _____ per month)

- a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership of the Association.
- b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased by ten percent (10%) or more by a vote of Owners representing sixty-seven percent (67%) of the Lots who are voting in person or by proxy, at a meeting duly called for this purpose
- c. The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto

Section 4. Special Assessment for Capital Improvements In addition to the annual general assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Owners representing sixty-seven percent (67%) of the Lots who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4 Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of an annual meeting or not less than seven (7) days nor more than thirty (30) days in advance of a special meeting. At the first such meeting called, the presence of members or of proxies entitled to cast more than fifty percent (50%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be 1/2 of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment, Alternative Assessment Program. Both general annual and special assessments on all Lots must be fixed at a uniform rate, except vacant Lots which shall be assessed at twenty-five percent (25%) of the established assessment rate, except

- a. no assessments shall be made against any Lot which is a parcel of real estate which is not intended for separate ownership or occupancy
- b. any Lot owned by Declarant and which is not exempt from assessment by Article III, Section 6a. shall be assessed at twenty-five percent (25%) of the established assessment rate, until such time as a certificate of occupancy is issued by the City

of Oak Grove, Minnesota. The alternative assessment rate on lots with constructed buildings shall not apply to that portion of the uniform assessment allocated for reserves. Declarant shall pay 100% of any assessments for reserves for future repairs on constructed buildings

- c. This alternative assessment program shall have no effect on the level of services for items set forth in the Association's budget.

Annual and/or special assessments may be collected on a monthly basis at the discretion of the Association.

Section 7 Date of Commencement of Assessments, Due Dates. The general annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance by the Declarant of a Lot. Notwithstanding the foregoing to the contrary, any Lot owned by Declarant shall be assessed pursuant to the alternative assessment program set forth in Article III, Section 6

The first general annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of such assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of such assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8 Effect of Nonpayment of Assessments; Remedies of the Association Any assessment to any Member not paid within 30 days after the due date shall bear interest from the due date at a rate of 8% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the Lien against the Property. Such Lien may be foreclosed in the same manner as a mortgage pursuant to Minnesota Statutes, Chapters 580, 581 or 582, as amended, and the Association shall be entitled to recover interest at the rate of 8% per annum and its costs, expenses and disbursements, including reasonable attorney's fees, incurred in such foreclosure. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of the Owner's Lot. If the Association has provided for monthly installment payments of assessments, the Association may accelerate and the Owner shall pay the unpaid balance of an annual installment if the Owner has failed to pay any monthly installment within thirty (30) days after the due date of a monthly installment. To the extent permissible, the Association may deny services to any Member who is more than thirty (30) days delinquent in the payment of any assessment or installment of an assessment.

Section 9 Subordination of the Lien to Mortgage The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage, except as provided in Section 515B.3-116 of the Act. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IV
DUTIES OF ASSOCIATION

Section 1. General Duties In addition to maintenance upon the driveways and Common Elements, including the maintenance of water and sewer services from any public mains, the Association shall provide for maintenance upon each Lot which is subject to assessment hereunder, snow removal for driveways and sidewalks, trees, shrubs, grass, walks, driveways, sidewalks, irrigation systems and other exterior improvements. Exterior maintenance shall not include paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, glass, windows, front unit entrance doors, patio doors, or electricity for exterior garage lights.

Section 2. Other Duties.

- a The Association shall enforce the covenants, conditions and restrictions set forth herein and any amendments hereto and any rules and regulations adopted by the Association
- b The Association may provide for trash removal services in accordance with the provisions of Article IX hereof and shall provide a policy of liability and other insurance coverage for the Association as described at Article X, Sections 1 and 8.
- c The Association may provide a master or common policy of property insurance for all Twinhome Lots within the Association.
- d. The Association shall undertake, at its discretion, such further duties as determined by the Board of Directors.

Section 3 Miscellaneous In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, invitee, or lessees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE V
PARTY WALLS

Section 1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use

Section 3. Destruction by Fire or Other Casualty If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts of omissions.

Section 4. Weatherproofing Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Lot and shall pass to such Owner's successors in title

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Structures No building, fence, wall, deck or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Since the Association is not responsible for siding, roof or exterior building surfaces, any repair or replacement of siding, roof or exterior building surfaces must match with the adjoining unit and, therefore, must be submitted to and be approved in writing as to color, material and design by the Board of Directors of the Association or by the architectural committee described above

Section 2. Approval. In the event said Board of Directors, or its designated architectural committee, fails to approve or disapprove such design and location, or planting, within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with

ARTICLE VII ADDITIONAL RESTRICTIONS, RULES AND REGULATIONS

Section 1. Additional Restrictions

- a. No lot shall be used except for residential purposes, except that Declarant shall be entitled to maintain model homes and other sales facilities upon the Lots

- b No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot and one sign of not more than five (5) square feet advertising the property for sale, except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertising the Property until the Declarant conveys the last Lot.
- c The Association, through its Board of Directors, may in its discretion adopt rules and regulations prohibiting or permitting the keeping of animals on the Lots.
- d. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, including pet or household waste. Garbage, rubbish and trash shall not be kept on said premises except in covered sanitary containers. All incinerators or other equipment used or kept for the storage or disposal of such material shall be kept in a clean and sanitary condition
- e No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood
- f No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any Lot at any time as a residence, either temporarily or permanently.
- g No trailers, boats, buses, motor homes, campers, snowmobiles or other types of recreational vehicles shall be parked on any Lot for more than forty-eight (48) consecutive hours unless such vehicle is parked within a garage; provided that the Board of Directors of the Association may grant permits to park such vehicles on Lots for limited periods of time not to exceed fourteen (14) days in any twelve-month (12) period. No such vehicles shall be parked on any Common Element
- h No aerial, antenna or satellite dish which is (i) over four feet in height, as measured from the point on any structure to which the aerial, antenna or satellite dish is affixed, (ii) more than one meter in diameter; (iii) not attached to a dwelling unit, or (iv) of a color not approved by the Association, shall be permitted on any Lot
- i. No abandoned motor vehicle as defined in Minnesota Statutes Section 168B 02, subdivision 2, as amended from time to time, shall be permitted to remain upon the streets or driveways or on any Lot or parking area. The Association shall have the right to remove any such vehicle at any time, and assess the costs of such removal against the Lot which is owned or occupied by the person in control or possession of such vehicle.
- j. No fences shall be erected on any Lot
- k Except as herein permitted for Declarant, no business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot, except. (i) an Owner or occupant

residing in a Lot may keep and maintain his or her business or professional records in such Lot and handle matters relating thereto by telephone or correspondence therefrom, provided that such uses are incidental to the residential use of the Lot, and (11) the Association may maintain offices on the Property for management and related purposes

- l. No Lot may be leased for transient or hotel purposes. Any lease of any lot shall be in writing which shall be expressly subject to the Act, this Declaration and any Rules and Regulations adopted by the Association and which provide that any violation of the Act, this Declaration and any Rules and Regulations shall be a default under the lease. No time shares shall be created with respect to any Lot
- m. The Association, through its Board of Directors, may in its discretion adopt rules and regulations prohibiting or permitting
 - i. the outside storage of personal property,
 - ii. construction and placement of outside storage sheds, garden sheds, and storage structures,
 - iii. exterior lighting (as to architectural style, location, direction of light cast, shielding, and glare), and
 - iv. exterior ornamentation or yard ornaments (excluding seasonal use of religious ornamentation or lights, as permitted by law)

Section 2 Rules and Regulations The Association may adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation, this Declaration or the Bylaws of the Association, as follows:

- a. regulating the use of the Common Elements,
- b. regulating the use of Lots and the conduct of living unit occupants which may jeopardize the health, safety and welfare of other occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other living units,
- c. regulating or prohibiting animals,
- d. regulating changes in the appearance of the Common Elements and conduct which may damage the common interest community;
- e. regulating the exterior appearance of the common interest community, including, by way of illustration and not limitation, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a living unit,
- f. implementing the Articles of Incorporation, this Declaration or the Bylaws of the Association, and

- g. other rules facilitating the operation of the common interest community.

After notice and an opportunity to be heard, the Association may impose reasonable sanctions, including the levying of reasonable fines and reasonable restrictions on services and use of Common Elements, for violations of this Declaration, the Bylaws and the Rules and Regulations of the Association

ARTICLE VIII EASEMENTS

Section 1. General In addition to the easements, covenants, restrictions and conditions herein, all Lots shall be subject to easements and covenants hereinafter specifically described for the benefit of the Properties or for the limited benefit of specified adjoining Lots, all as more fully set forth hereinafter in this Article. Within such easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of any utilities or trails or which may change the flow or drainage channels within the easements or which may obstruct, retard or change the flow of water through drainage easements. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for improvements which are the responsibility of the Association, a public authority or utility company.

Section 2. Utility Easements All Lots and Common Elements are hereby subjected to easements in favor of the Association and the Owners of the Lots for the installation and maintenance of utilities, including gas, water, sewer, telephone, electric and cable TV. The Association or its proper representatives shall have the right of free access to any Lot or living unit for the purpose of maintaining any utility service to any Lot on the Properties. In addition, each Lot over which a utility is in fact installed or constructed as part of the original utility system shall be subject to an easement for utility purposes over the portion of the Lot upon which such utility service is constructed.

Section 3. Easements for Encroachment In the event that any buildings or other structures originally constructed by the Declarant or constructed or erected thereafter on any Lot in accordance with this document encroaches upon any other Lot or Common Area, or, if any such encroachment shall hereafter arise because of settling or shifting of the building or other cause, an exclusive easement appurtenant to said encroaching Lot for such encroachment and the maintenance thereof shall exist.

Section 4. Easement for Maintenance Declarant hereby grants an easement in favor of the Association over and across each Lot for the purposes of the Association performing its duties.

Section 5. Emergency Vehicles Declarant hereby grants a perpetual, non-exclusive easement in favor of the City of Oak Grove, a municipal corporation under the laws of the State of Minnesota, on, over and across the Common Elements for the purpose of ingress and egress for police, fire, rescue and other emergency calls, animal control, health and prospective inspection and to provide to the Owners other public services deemed necessary by the City of Oak Grove and for the purposes set forth herein.

Section 6. Use and Enjoyment Easements. Each Unit shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, and for use and enjoyment of any limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Declaration.

Section 7. Recorded Easements. The Property shall be subject to such other easements as may be recorded against it or otherwise shown on the Plat

ARTICLE IX TRASH REMOVAL

Section 1. Master Contract. The Association may contract with a single provider for the removal and disposal of garbage, trash and other solid waste from all Lots in accordance with this Declaration. Each Owner shall be obligated to purchase such services from the provider designated by the Association upon the terms, conditions and rates negotiated by the Association.

Section 2. Charges. Any charges imposed by the provider designated by the Association shall be paid by the Association and shall be included in the general assessments to Owners. In the event that any Owner requests any services not included within the basic/general charges of the provider, the Owner, upon written demand by the Association, shall reimburse the Association for any charges for such services, plus all related costs, including interest, attorney fees and administrative charges of the Association, and if not paid by Owner, such charges shall be a lien against the Lot. Any charge, lien or claim pursuant to this Article shall not be subject to any maximum increase in general assessments.

ARTICLE X INSURANCE AND RECONSTRUCTION

Section 1. Liability Insurance; Fidelity Bonds. The Board of Directors of the Association, or its duly authorized agent, shall obtain a broad form of public liability insurance insuring the Association, with such limits of liabilities as the Association shall determine to be necessary, against all acts, omissions to act and negligence of the Association, its employees and agents.

Section 2. Property Insurance. Each Owner, by acceptance of a deed or contract for deed on a Lot, covenants to cooperate with the Association to maintain and timely pay the Owner's share of premiums on a master insurance policy, including fire, extended coverage, vandalism and malicious mischief, with all risk endorsements insurance, and such additional insurance as may be required by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, if applicable. The Association, through its Board of Directors, may obtain and continue in effect master property insurance in form and amounts satisfactory to cover a minimum of the entire replacement cost for all of the living units located on each Lot of the Properties, but without prejudice to the right of the Owner of said Lot to obtain additional individual living unit insurance. Each Owner shall join in said master policy and pay a share of the premiums thereon in such manner as determined by the Association. Any such master policies and coverage shall be purchased and carried by the Association on the Properties, and

the proceeds thereof shall be used exclusively for the repairs, replacement and reconstruction of the Properties. Any insurance shall cover a minimum of the entire replacement cost of any improvements located on the Property. Said master policy shall be issued in the name of the Association as insurance trustee for the Owners, and shall provide that losses shall be payable to the trustee and first mortgagee of record, if any. Any such master insurance shall cover loss by damage and fire and such hazards as are covered under standard extended coverage provisions and may include such other and additional coverages as the Association, through its Board of Directors, deems necessary or desirable

All policies, whether obtained by an Owner or the Association, shall prohibit cancellation or substantial modification without at least thirty (30) days prior written notice to all insureds, the Association, all first mortgagees of record and the FHA or FNMA, if applicable. All said insurance policies shall contain a cost of replacement endorsement.

Section 3 Insurance Premiums If so determined by the Board of Directors, insurance premiums for any master insurance coverage and other insurance coverages shall be a common expense paid by monthly assessments levied by the Association; such payments shall be held in a separate escrow account of the Association and used solely for the payment of master property insurance premiums and other insurance premiums as such premiums become due. An Owner by acceptance of a deed or contract for deed thereof, conveys, covenants, constitutes and appoints the Association or its Board of Directors as the Owner's true and lawful Attorney-In-Fact to act in connection with all matters concerning the purchase and maintenance of all types of property and liability insurance pertaining to the properties, the ownership of any respective Lot and living unit thereto with any insurance company or group of insurance companies. Without limitation on the generality of the foregoing, the Association, as insurance trustee, has full power and authority to purchase and maintain such insurance, to collect proceeds and to distribute the same

Section 4 Lien For Premiums. The Association may, but shall not be required to, make payment of insurance premiums on behalf of any Owner who becomes delinquent in such payment or the first mortgagees of any Lot may, but shall not be required to, make such payments. In the event that the Association or the first mortgagee does make such payment, then such payment and the cost hereof shall be treated as if it is part of the common expense assessment and shall be a charge and a continuing lien on the Lot for whose benefit such premium payment is made, and the personal obligation of the Owner of such Lot, from the time when such premium payment is made

Section 5 Use of Proceeds. In the event of destruction or damage by causes covered by insurance referred to in this Article X, all proceeds of said insurance coverage shall be payable to the Association as insurance trustee for the Owner or Owners of the damaged Lots. Said insurance proceeds shall be applied and administered as follows

- a In the event of an insured loss to a Lot, all insurance proceeds paid to the trustee and the first mortgagee of record of the damaged Lot shall be deposited with a title insurance company acceptable to them to be held in escrow for restoration.
- b In the event of an insured loss to a Lot, the Owner of such Lot with respect to which the insurance loss occurs shall, within thirty (30) days after the insurance

proceeds are deposited with a title insurance company in accordance with paragraph a above, enter into a firm contract with a qualified builder providing for the reconstruction of the improvement, in substantially the same condition as existed immediately prior to the insured loss, provided, however, that no contract shall be entered into by such Owner for an amount in excess of the insurance proceeds then held by the title insurance company until additional funds are deposited in escrow as above provided by such Owner sufficient to cover all construction as determined by the title insurance company. Said reconstruction shall be commenced and completed with due diligence and in no event shall said work be completed later than one-hundred-eighty (180) days after said insurance proceeds are deposited in escrow as aforesaid. The Association and first mortgagee of record of the Lot affected shall have the right, but not the obligation, to deposit said additional funds in excess of the insurance proceeds as may be required to permit construction as herein provided, provided that if such additional funds are deposited by the Association, the Association shall reimburse itself by a special general assessment against all Lot owners in such annual installments as the Association may determine.

- c. In the event such Owner fails to enter into a contract as provided in paragraph b. above for the reconstruction of the improvement as provided above or, in the event that reconstruction is not commenced or completed as provided above, then the Association as trustee, with the consent of the first mortgagee of record, or the first mortgagee of record with the consent of the trustee, shall have the right, but not the obligation to enter into those contracts which it deems necessary to complete said reconstruction of the improvement on the Lot; and the Association as trustee or first mortgagee shall have the right to have said insurance proceeds applied in satisfaction of any obligations incurred pursuant to said contract, without liability of any kind to the Owner. The Association or the first mortgagee may employ any bonded party or parties as its agent exercising those functions given to it in this Article. The Association or the first mortgagee shall be empowered to pay said agent a reasonable fee for the services rendered by said agent and collect said charge from the Owner, and in the manner as that which is provided in Article X, Section 3, for the collection of an insurance premium paid by the Association.
- d. Disbursement of funds on deposit pursuant to Article X, Section 5 b and c. shall be made by the title insurance company selected as hereinabove provided, subject to the following
 - 1. Receipt by the title insurance company of a written consent of any party holding a lien or encumbrance on said Lot
 - 11. Receipt by the title insurance company of such construction statements, lists of subcontractors, lien waivers and receipts as it shall determine to be appropriate. Disbursements may be periodic or progress payments, and the title insurance company may make such inspections and withhold such payments as it deems necessary to insure completion with the plans and specifications. The title insurance company shall be entitled to charge and

the trustee shall be empowered to pay a reasonable fee for the services rendered by the title insurance company, and the Association as trustee may collect such charge from the Owner, and in the same manner as that which is provided for in Article X, Section 3 for the collection of insurance premiums paid by the Association.

- 111. In the event a contract is entered into pursuant to Article X, Section 5 b., the written consent of such Owner to said payment must be obtained
- e Nothing contained in this Article shall be construed to make the Association or the first mortgagee of record responsible for collection or noncollection of any insurance proceeds, said Association or first mortgagee being responsible solely for the insurance proceeds which come into their hands. Such Owner of a Lot damaged or destroyed by causes referred to above shall collect or cause to be collected from the insurance carrier involved the proceeds of the policy covering his Lot for the use of the trustee and the first mortgagee as herein provided
- f In the event that a reconstruction contract is for any reason not entered into pursuant to the provisions of Article X, Section 5 b and c within one hundred-eighty (180) days after the deposit of insurance proceeds with the title insurance company as herein provided, said title insurance company shall disburse said proceeds to all mortgagees of record of the affected Lots as its interest appears to retire the indebtedness secured under said mortgage, and disburse the remaining deposits, if any, to such Lot Owner, as the interests may appear.

Section 6 Waiver of Subrogation. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of the invalidity arising from acts of the insured and it shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice to all insureds, the Association, and all of the mortgagees of record of the Lots, and to the FHA or FNMA, if applicable.

Section 7. Insufficient Proceeds If the proceeds of the insurance are not sufficient to defray the estimated cost of reconstruction or repair of damaged properties and/or the Common Elements by the Association or if at any time during the reconstruction or repair or upon completion of such reconstruction or repairs, the funds for the payment of costs thereof are insufficient, assessments shall be made against the Owners who own the damaged properties or who have assigned their rights in sufficient amounts to provide funds to pay the estimated costs of repairs. The Association shall have a lien on any funds advanced on behalf of such Owners.

Section 8. Other Insurance. The Association shall procure and maintain the following additional insurance coverage

- a. Fidelity coverage against dishonest acts on the part of Directors, Managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than the amount required by the Act

or the estimated maximum amount of funds (including reserves), in the custody of the Association or management agent at any given time. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if said policy would not otherwise cover volunteers.

- b. A comprehensive policy of public liability insurance covering the Common Elements in an amount not less than one million dollars. Such insurance shall contain a "severability of insurance" endorsement which shall preclude the insurer from denying the claim of the Owner because of negligent acts of the Association or other owners. The policy shall include such additional coverages, endorsements or limits as may be required by regulations of the Federal Housing Administration, ("FHA"), or the Federal National Mortgage Association, ("FNMA"), as a precondition to their insuring, purchasing or financing a mortgage on a Lot
- c. Workers Compensation insurance as required by law.
- d. Directors and officers liability insurance with such reasonable limits and overages as the Board of Directors may determine from time to time
- e. Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the Owners or as may be required by the Act

Section 9 Deductibles As to any deductibles under any insurance overages obtained by the Association, the Board of Directors may

- a. pay the deductible as a general common expense;
- b. assess the deductible amount against any Lots affected in a reasonable manner; or
- c. assess the deductible against any Owner and the Owner's Lot if the loss was caused by the act or omission of the Owner, or the Owner's agents, employees, invitees, guests or any one occupying the Lot with the expressed or implied permission of the Owner

Section 10 Additional Owner Insurance Obligation In the event that property insurance through a master insurance policy is not reasonably available to the Association, then the Owner shall obtain and maintain the property insurance required under Article X, Sections 1 and 2, above, in the amount of the full insurable value of the Owner's property (dwelling and improvements within the Unit), and naming the Association as an additional insured, providing further

- a. The insurance shall be written on a form and a company reasonably acceptable to the Association.
- b. The Owner shall provide a Certificate of Insurance (or similar assurance) upon each renewal of the insurance, or upon the issuance of new coverage.

- c The policy shall contain the usual and customary loss payable and notice provisions providing minimum 30 day notice to the Association of any cancellation or substantial modification of the policy
- d Upon renewal, and at least annually, Owner shall review the policy limits and adjust the coverage to continue the coverage at the full insurance value of the Owner's property.
- e. In the event that Owner fails or refuses to maintain the insurance at full insurable value, Association may obtain the necessary insurance coverage (including through Owner's insurance carrier) and charge the Owner for the cost and expense of obtaining said coverage. Assessment of the cost and expense shall be governed by Section 6 hereinaabove.
- f The Association shall give notice to Owner in the event that Owner shall be obligated to obtain and maintain the insurance coverage herein

The Association shall use its best efforts to obtain hazard insurance through a master insurance policy for the Townhome Lot, but the Twinhome Lots may obtain hazard insurance in accordance with this Section X

ARTICLE XI RIGHTS OF ELIGIBLE MORTGAGEES

Section 1 Consent to Certain Amendments The written consent of eligible mortgagees representing at least fifty-one percent (51%) of the Lots that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned), shall be required for any amendment to this Declaration, Articles of Incorporation or Bylaws of the Association which causes any change in the following

- a voting rights;
- b. increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or priority of assessment liens;
- c. reductions in reserves for maintenance, repair and replacement of Common Elements;
- d responsibility for maintenance and repairs,
- e reallocation of interests in the Common Elements or right to their use;
- f redefinition of any Lot boundaries,
- g convertability of Lots into Common Elements or vice versa;

- h expansion of the Property or the addition or withdrawal of property to or from the Property,
- i hazard or fidelity insurance requirements;
- j. leasing of Lots,
- k imposition of any restrictions on the leasing of Lots;
- l restoration or repair of the Property (after hazard damages or partial condemnation), in a manner other than that specified in this Declaration;
- m any action to terminate the legal status of the common interest community after substantial destruction or condemnation occurs, or
- n. any provisions that expressly benefit mortgage holders, or insurers or guarantors of mortgages.

Notwithstanding the foregoing, implied approval of a proposed amendment shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided that the notice was delivered by certified mail with a return receipt

Section 2. Consent to Certain Actions The written consent of Eligible Mortgagees representing at least sixty-seven percent (67%) of the Lots that are subject to first mortgages (based upon one vote per first mortgage owned) shall be required to abandon or terminate the common interest community, subject to any greater requirements contained in the Act.

Section 3. Consent to Subdivision No Lot may be partitioned or subdivided without the prior written approval of the Owner, Eligible Mortgagee thereof, and the Association.

Section 4. No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Lot shall not be subject to any right of first refusal or similar restrictions

Section 5. Priority of Lien. Any holder of a first mortgage on a Lot or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Lot by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Lot free of any claims for unpaid assessments or other charges or liens imposed against the Lot by the Association which have accrued against such Lot prior to acquisition of possession of the Lot by said first mortgage holder or purchaser,

- a except as provided in Article III, Section 9 and the Section 515B.3-116 of the Act, and
- b except that any unpaid assessments or charges with respect to the Lot may be reallocated among all Lots in accordance with their interests in Common Elements

Section 6 Priority of Taxes and Other Charges All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Lots and not the Property as a whole.

Section 7 Priority for Condemnation Awards. No provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association shall give an owner, or any other party, priority over any rights of the Eligible Mortgagee of the Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Lot and/or the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

Section 8. Management Agreements The term of any agreement for professional management of the Property may not exceed one (1) year. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party.

- a. with cause upon thirty (30) days prior written notice, and
- b. without cause, upon ninety (90) days prior written notice.

Section 9 Access to Books and Records Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. If a request is made by FNMA or any institutional guarantor or insurer of a mortgage loan against a Lot for an audit of the Association's financial statements, the Association shall cause an audit to be made and shall deliver a copy to the requesting party, subject to the Bylaws of the Association.

Section 10 Notice Requirements. Upon written request to the Association, identifying the names and address of the holder, insurer or guarantor of a mortgage on a Lot, and the Lot number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

- a. a condemnation loss or any casualty loss which affects a material portion of the Lot securing the mortgage
- b. a sixty (60) day delinquency in payment of assessments or charges owed by the Owner of a Lot on which it holds a mortgage.
- c. a lapse, cancellation or material modification of any insurance policy maintained by the Association
- d. a proposed action which requires the consent of a specified percentage of Eligible Mortgagees

ARTICLE XII
SPECIAL DECLARANT RIGHTS

Section 1. Period of Declarant Control Notwithstanding anything in this Declaration or the Association Bylaws to the contrary, the Declarant shall have the right to control the management and affairs of the Association until the earlier of the following events:

- a. sixty (60) days after the conveyance of seventy-five percent (75%) of the Lots to Lot Owners other than the Declarant, or
- b. five years from the date of the recording of this Declaration

During this period of Declarant Control, the Declarant, subject to the Bylaws, shall have the sole right to appoint, remove and replace the officers and directors of the Association. Notwithstanding the foregoing, the Owners other than the Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent (33 1/3%) of the directors at a meeting of the Owners which shall be held within sixty (60) days following the conveyance by Declarant of fifty percent (50%) of the Lots authorized to be included in the Common Interest Community.

Section 2. Maintenance of Sales Offices Notwithstanding anything herein to the contrary, so long as the Declarant owns an interest in a Lot, the Declarant may maintain advertising signs on any part of the Common Elements and sales offices, management offices and model units in any Lots or in or on any part of the Common Elements and such sales offices and model units may be relocated by Declarant from time to time. There shall be no limit on the number or location of such offices or model units.

Section 3. Easements in Favor of Declarant. Notwithstanding any provisions contained herein to the contrary, so long as construction and initial sale of Lots shall continue, Declarant shall have an easement over and across the Common Elements for the purpose of carrying out its sales activities and for the purpose of completing the construction on any Lots, including without limitation the right of vehicular ingress and egress, vehicular parking, material storage, and the maintenance of business offices, signs, model units, and sales offices, and Declarant shall have an easement for access to such facilities, provided, however, that Declarant shall promptly restore any damage to the Common Elements by reason of any construction incident to the foregoing. This Section may not be amended without the express written consent of the Declarant.

ARTICLE XIII
FLEXIBLE ASSOCIATION

Section 1. Flexible Association. This Association is a flexible common interest community. Declarant may add additional real estate to the Association at any time or times within ten (10) years from the date of recording of this Declaration.

Section 2. Additional Real Estate. Declarant may add to the Common Interest Community all or any part of the real estate described in **Exhibit B** attached hereto, at any time or times within ten (10) years after the recording of this Declaration. The real estate to be added

to the Common Interest Community shall be restricted to residential uses. The total number of Lots to be added to the Common Interest Community shall not be more than twelve (12) residential lots. All restrictions contained in the Declaration relating to the use, occupancy and alienation of Lots shall be applicable to the Lots added to the Common Interest Community. Such restrictions shall not apply to any additional real estate which is not added to the Common Interest Community. Any buildings and living units erected upon the additional real estate, when and if added, shall be compatible with the other buildings and living units in the Common Interest Community in terms of architectural style, quality of construction, principal materials employed in construction and size.

ARTICLE XIV GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall be perpetual. This Declaration may be amended by an instrument signed by the Owners representing Lots to which not less than sixty-seven percent (67%) of the total votes have been allocated. Any amendment must be recorded.

Section 4. Annexation. Additional residential or commercial property and Common Elements may be annexed to the property with the consent of the Declarant or Owners who represent seventy-five percent (75%) of the Lots.

Section 5. FHA/VA. If the Common Interest Community has received approval from the Federal Housing Administration or the Department of Veterans Affairs, the following actions will require the prior approval of the Federal Housing Administration or the Department of Veterans Affairs, during any period of Declarant control: annexation of additional properties, dedication of Common Elements and amendment of this Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association.

Section 6. Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against the Declarant for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

Section 7. Conflicts Among Documents. In the event of any conflict among the provisions of the Act, this Declaration, the Bylaws of the Association or any Rules and

Regulations adopted by the Association, the documents shall control in the following order of priority

- a. the Act,
- b. this Declaration;
- c. the Bylaws, and
- d. the Rules and Regulations.

Section 8 Interpretation As appropriate, each reference to a masculine pronoun shall include the feminine and neutral pronoun and each reference to a singular pronoun shall include the multiple pronoun and vice versa

Section 9. Limited Common Elements All portions of the Property other than the Lots are Common Elements. Certain portions of the Common Elements designed to serve a single Lot are, by operation of Section 515B.2-102(d) and (f) of the Act, Limited Common Elements allocated for the exclusive use by the respective Lots served thereby to the exclusion of other Lots. In addition, the driveways adjacent to and serving each Townhome Lot are Limited Common Elements allocated for the exclusive use of the respective Lots to the exclusion of the other Lots. Additionally, the entry area and air conditioning equipment serving each Townhome Lot and the stairs and/or the patio/deck area, if any, which are accessible from each Townhome Lot are Limited Common Elements allocated for the exclusive use of such Townhome Lot to the exclusion of the other Lots. The air conditioning equipment which is a Limited Common Element allocated to each Townhome Lot shall be maintained, repaired and replaced by the Owner of each such Townhome Lot at such Owner's sole cost and expense. All other portions of the Limited Common Elements shall be maintained as Common Elements under and pursuant to the provisions of Article IV hereof. The expense of any such maintenance and repair shall be charged to the Townhome Lot as a Common Expense under and pursuant to the provisions of Article III hereof.

Section 10 Condemnation In the event of the taking of any of the Common Elements by eminent domain or any action or proceeding in lieu of eminent domain (hereinafter, "condemnation"), the Association shall represent the Owners in any such condemnation, or in negotiations, settlements and agreements with the condemning authority, and each Owner hereby appoints the Association as his attorney-in-fact, irrevocably, for such purposes. If deemed necessary by the Association, it may obtain the services of a trustee to act on behalf of the Owners in carrying out any functions under this Section. In the event of a condemnation of part or all of the Common Elements, the award of proceeds of settlement shall be payable to the Association. All proceeds payable with respect to any condemnation of Common Elements shall be applied to the restoration or repair of such Common Elements remaining after such condemnation or to such other purposes as may be in accordance with the functions and powers of the Association and the welfare of the Owners.

If all of a Lot is taken through condemnation, or if so much of a Lot is taken that the remaining property cannot reasonably be used for a purpose allowed by this Declaration, then the

EXHIBIT A TO DECLARATION
COMMON INTEREST COMMUNITY NUMBER 154
THE PONDS OF OAK GROVE TWIN HOMES

Legal Description

Lots 5, 6, 7, 8, 9 and 10, Block 7, The Ponds Second Addition, according to the recorded plat thereof, Anoka County, Minnesota

EXHIBIT B TO DECLARATION
COMMON INTEREST COMMUNITY NUMBER 154
THE PONDS OF OAK GROVE TWIN HOMES

Additional Real Estate

Lots 1, 2, 3, 4, 11, 12, 13, 14, 15, 16, 17 and 18, Block 7, The Ponds Second Additon, according to the recorded plat thereof, Anoka County, Minnesota

ABSTRACT

Receipt # <u>155348/31.00</u>	<input type="checkbox"/> Incorrect/No Reference #
Date/Time <u>11/5/03</u>	<input type="checkbox"/> Non-standard Document
Document Order <u>2</u> of <u>3</u>	<input type="checkbox"/> Certified Copy/
PINs <u>Bc</u>	<i>26 pgs</i>
Recordability <u>Bc</u>	
Filing Fees \$ <u>20.00</u>	
Copy/Additional Pg Fees \$ <u>11.00</u>	
Well Cert Fees \$ _____	<input type="checkbox"/> Tax Lien/Release
<input type="checkbox"/> Incomplete Form	<input type="checkbox"/> Transfer
<input type="checkbox"/> Missing Attachment	<input checked="" type="checkbox"/> Division
<input type="checkbox"/> No Legal Description	<input type="checkbox"/> Status
<input type="checkbox"/> Non-existent Legal Description	<input type="checkbox"/> New legal Description
<input type="checkbox"/> Part(s) Illegible	<input type="checkbox"/> GAC
	<input type="checkbox"/> Deferred Specials
	<input type="checkbox"/> No Change

DOCUMENT NO 1870632 0 **ABSTRACT**
ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE
 FOR RECORD ON NOV 05 2003
 AT 3.29 PM AND WAS DULY RECORDED
 FEES AND TAXES IN THE AMOUNT OF \$ 31.00 PAID
2003155348

RECEIPT NO

MAUREEN J DEVINE

ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

BMC

BY _____
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES