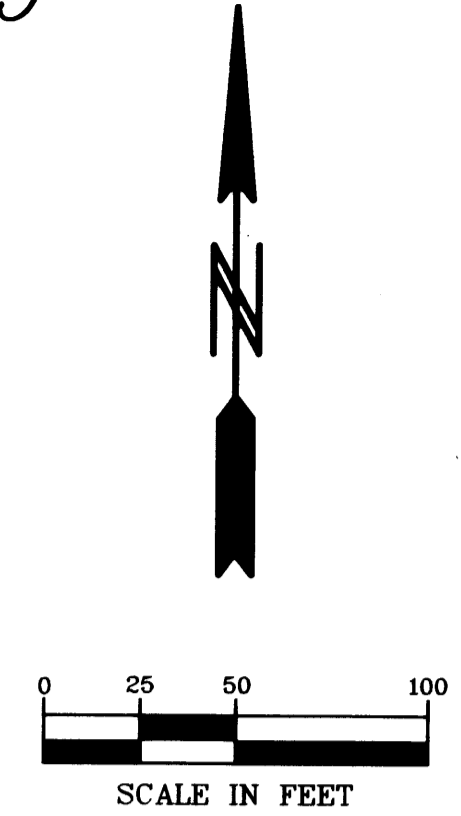
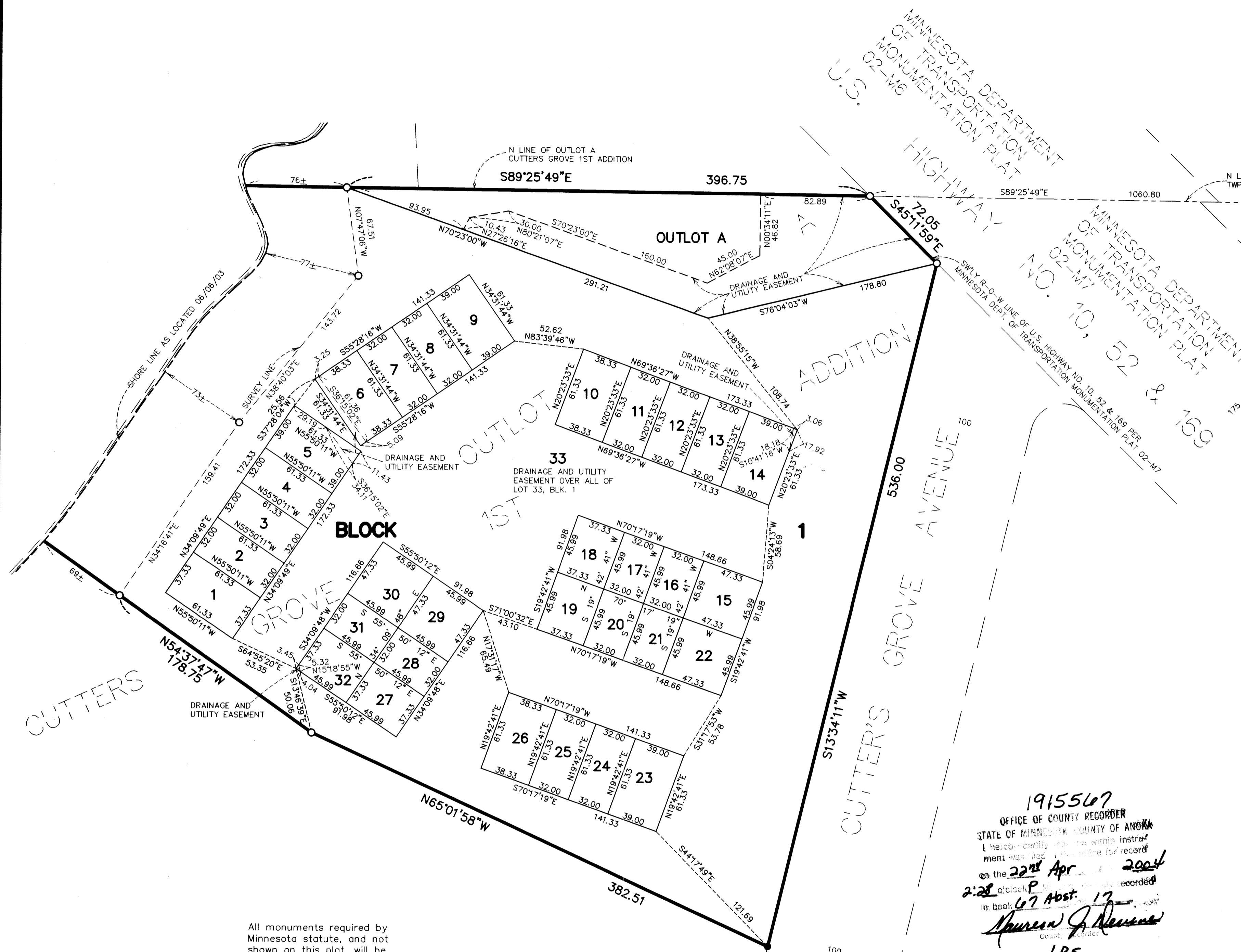


CUTTERS GROVE 3RD ADDITION



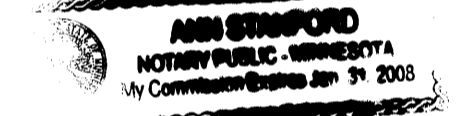
KNOW ALL PERSONS BY THESE PRESENTS: That GM Land Company, Inc., a Minnesota corporation, fee owner of the following described property situated in the County of Anoka, State of Minnesota, to wit: Outlot A, CUTTERS GROVE 1ST ADDITION, according to the recorded plat thereof, Anoka County, Minnesota. Has caused the same to be surveyed and platted as CUTTERS GROVE 3RD ADDITION and does hereby donate and dedicate to the public for public use forever the easements as shown on this plat for drainage and utility purposes only.

IN WITNESS WHEREOF said GM Land Company, Inc., a Minnesota corporation, has caused these presents to be signed by its proper officer this 9 day of April, 2004.

SIGNED: GM Land Company, Inc.
By: Gene Skellevud its Pres.

STATE OF MINNESOTA
COUNTY OF Dak

The foregoing instrument was acknowledged before me this 9 day of April, 2004, by Gene Skellevud as Pres. of GM Land Company, Inc., a Minnesota corporation, on behalf of the corporation.



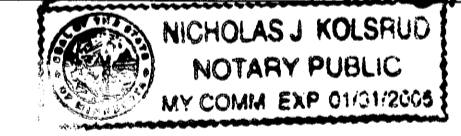
Notary Public Dakota County, Minnesota
My Commission Expires Jan 31, 2005

I hereby certify that I have surveyed and platted the property described on this plat as CUTTERS GROVE 3RD ADDITION; that this plat is a correct representation of said 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 correctly 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 as defined in MS 505.02 Subd. 1, or public highways to be designated other than as shown.

John C. Larson
John C. Larson, Land Surveyor
Minnesota License No. 19828

STATE OF MINNESOTA
COUNTY OF Dakota

The foregoing Surveyor's Certificate was acknowledged before me this 8th day of April, 2004, by John C. Larson, Land Surveyor, Minnesota License No. 19828.



Notary Public Dakota County, Minnesota
My Commission Expires 1-31-2005

ANOKA, MINNESOTA

This plat of CUTTERS GROVE 3RD ADDITION, was approved by the Planning Commission of the City of Anoka, Minnesota, at a regular meeting thereof held this 7th day of October, 2003.

PLANNING COMMISSION OF THE CITY OF ANOKA, MINNESOTA
Paul CHAIRMAN

This plat of CUTTERS GROVE 3RD ADDITION, was approved and accepted by the City Council of Anoka, Minnesota, at a regular meeting thereof held this 1st day of March, 2004. If applicable, the written comments and recommendations of the Commissioner of Transportation and the City 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 MN. Statutes, Section 505.03, Subd. 2.

CITY COUNCIL OF THE CITY OF ANOKA, MINNESOTA
Agit MAYOR
Amy J. Caldwell CITY CLERK

ANOKA COUNTY SURVEYOR
I hereby certify that this plat has been checked and approved this 22nd day of APRIL, 2004.
BY Larry D. Schi
Anoka County Surveyor

1915567
OFFICE OF COUNTY RECORDER
STATE OF MINNESOTA COUNTY OF ANOKA
I hereby certify that the within instrument was duly recorded and recorded on the 22nd Apr 2004
at 2:28 o'clock P
in book 67 Abst. 17
Maureen J. Nevens
County Recorder
By LBS
Deputy

I HEREBY CERTIFY THAT THE CURRENT AND DELINQUENT TAXES ON THE LANDS DESCRIBED WITHIN ARE PAID AND THE TRANSFER IS ENTERED
April 22, 2004
MAUREEN J. DUVILLE
PROPERTY TAX ADMINISTRATOR
BY S. Culver
DEPUTY PROPERTY TAX ADMINISTRATOR

All monuments required by Minnesota statute, and not shown on this plat, will be set within one year of the recording date of this plat, and shall be evidenced by a 1/2 inch x 14 inch iron pipe, marked by license number 19828.

- DENOTES FOUND IRON MONUMENT.
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT SET AND MARKED BY LICENSE NUMBER 19828.

FOR THE PURPOSES OF THIS PLAT THE NORTH LINE OF OUTLOT A CUTTERS GROVE 1ST ADDITION IS ASSUMED TO HAVE A BEARING OF S89°25'49"E.

Receipt 2004058877 # 1115.00





1975559.003

**COMMON INTEREST COMMUNITY NO. 210
PLANNED COMMUNITY
RIVER'S EDGE TOWNHOMES
DECLARATION**

THIS DECLARATION IS MADE THIS 25th day of April, 20 05, by GM Homes of Anoka, LLC, a Minnesota limited liability company (herein called "Declarant"), pursuant to the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes Sections 515B.1-101 through 515B.4-118 (the "Act"), as amended.


RECITALS

Declarant is the owner of the following described real estate located in Anoka County, Minnesota:

Lots 10 through 22, inclusive, and 33, all in Block 1, all in Cutters Grove 3rd Addition, together with, and subject to that certain Easement for Drainage, Ponding, Access, Utilities and Signs, filed April 22, 2004, as Anoka County Recorder Document Number 1915569.

together with any easements appurtenant thereto, all of which real estate is referred to herein as the "Real Estate".

Declarant intends to develop the Property as a residential development organized as a planned community under the Act.

NOW, THEREFORE, Declarant declares that the Property is and shall be divided, held, transferred, conveyed, sold, leased, occupied and developed subject to the Act and to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the Property and be binding upon all parties having any right, title or interest in the Property, their heirs, successors and assigns, and which shall inure to the benefit of each Unit Owner, and the heirs, successors and assigns of each Unit Owner. 

PRELIMINARY MATTERS

Note to Readers:

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

Index to Provisions Required by the Act

For the convenience of recording officers, title examiners and others reviewing this Declaration for conformance with the Act, the following is an index to the provisions required by sections 515B.2-105 and 515B.2-106. No provisions are required for this CIC under section 515B.2-107 (leasehold CIC).

Section 515B.2-105(a)

- (1) Section 2.01
- (2) Section 2.01
- (3) Section 4.01
- (4) Section 2.01
- (5) Sections 5.01 and 6.01
- (6) Sections 1.01(c), 8.01, and 8.03
- (7) not applicable to this CIC
- (8) Section 9.01
- (9) Sections 5.01 and 7.01
- (10) Section 18.09
- (11) principally, Sections 16.01-16.10, 17.01, and 18.01-18.11
- (12) Section 18.10
- (13) Sections 20.01, 8.01, 3.01, 10.01-10.09, and 11.01

Section 515B.2-106

- (1) Section 21
- (2) Section 21.1
- (3) Section 21.10
- (4) Section 21
- (5) Section 21.02
- (6) Section 21.03
- (7) Section 21.04
- (8) Section 21.05
- (9) Sections 21.06 and 21.07

1.00 DEFINITIONS

1.01 Words defined in the Act shall have the meaning ascribed to them in the Act. The following are supplemental definitions.

- (a) "Association" shall mean River's Edge Townhomes Homeowners Association, a Minnesota non-profit corporation.
- (b) "Board of Directors" or "Board" shall mean the board of directors of the Association.
- (c) "Common Elements" shall mean and refer to all real property and improvements owned by the Association for the common use and enjoyment of the Owners and as more fully described in Article 8 hereof.
- (d) "Dwelling" shall mean a part of a building consisting of one or more floors designed and intended for occupancy as a single family residence and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto, or otherwise included within the boundaries of the Unit in which the Dwelling is located.
- (e) "Governing Documents" shall mean this Declaration and the Articles of Incorporation and Bylaws of the Association, as amended from time to time.
- (f) "Member" shall mean any person or entity holding membership in the Association.
- (g) "Unit" shall mean a platted lot as shown on the CIC Plat, subject to this Declaration upon which a Dwelling is located or to be located, including all improvements thereon, but excluding Common Elements.
- (h) "Owner" shall have the same meaning as "Unit Owner" as set forth in Section 515B.1-103(35) of the Act but excluding contract for deed vendors, mortgagees and other secured parties within the meaning of Section 515B.1-103(29) of the Act. The terms "Owner" and "Unit Owner" may be used interchangeably.
- (i) "Property" shall mean the Real Estate and any other real property that becomes subject to the terms of this Declaration.

2.00 IDENTITY OF REAL ESTATE AND CIC

2.01 This Declaration establishes Common Interest Community No. 210, Anoka County, Minnesota, under the name River's Edge Townhomes. It is a planned community (and not a condominium or cooperative), and is not subject to a master association. The real estate included within this Common Interest Community is located in Anoka County, Minnesota and legally described as follows:

Lots 10 through 22, inclusive and 33, all in Block 1, all in Cutters Grove 3rd Addition, together with, and subject to that certain Easement for Drainage, Ponding, Access, Utilities and Signs, filed April 22, 2004, as Anoka County Recorder Document Number 1915569.

The project name for development and sales purposes is River's Edge Townhomes.

This Common Interest Community is not a conversion of existing buildings to a Common Interest Community within the meaning of 515B.1-106(c) of the Act and is therefore not subject to any ordinance of the type authorized or permitted by said statute.

3.00 CIC PLAT

3.01 The plat of Cutters Grove 3rd Addition recorded with the County Recorder for Anoka County, Minnesota, on April 22, 2004 as Document No. 1915569, pursuant to Minnesota Statutes Chapter 505, or portions thereof, constitutes the CIC Plat for this CIC (sometimes referred to herein as the "Plat" or "CIC Plat").

4.00 OWNERS ASSOCIATION

4.01 River's Edge Townhomes Homeowners Association has been incorporated as a Minnesota non-profit corporation under Minnesota Statutes Chapter 317A to act as the association of Unit Owners required by section 515B.3-101 of the Act.

5.00 UNITS AND UNIT IDENTIFIERS

5.01 This CIC consists of thirteen (13) Units. The Unit identifier and legal description of each Unit shall be the lot and block numbers of the CIC Plat.

6.00 BOUNDARIES

6.01 The Unit boundaries shall be the boundary lines of the lots as designated on the CIC Plat. The Units have no upper or lower boundaries.

7.00 UNITS ARE RESIDENTIAL

7.01 All Units are restricted to residential use, provided that any use permitted by this Declaration shall not be construed as a violation of this restriction.

8.0 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

8.01 Common Elements. The Common Elements shall mean all portions of the Common Interest Community other than the Units. Section 515B.2-102 (d) and (f) of the Act also defines certain improvements as Common Elements. The Common Elements to be owned by the Association at the time of the conveyance of the first Unit to an owner other than Declarant are located in Anoka County, Minnesota and are legally described as:

Lot 33, Block 1, Cutters Grove 3rd Addition, together with, and subject to that certain Easement for Drainage, Ponding, Access, Utilities and Signs, filed on April 22, 2004, as Anoka County Recorder Document Number 1915569.

subject to rights of the Declarant contained herein. The Association's easement rights are established in this Declaration.

8.02 Owner's Easement of Enjoyment. Subject to the provisions of Section 8.04, every Unit shall be the beneficiary of the following non-exclusive, appurtenant easements over any Common Elements consistent with the Association's rights therein:

- (a) Ingress and egress
- (b) Utilities as located and constructed by the Declarant.
- (c) Parking as located and constructed by the Declarant
- (d) Right of overhang and encroachment of improvements on a Lot or the Common Elements which are not inconsistent with the use of the Common Elements by other Owners.
- (e) Right and easement of enjoyment, of the Common Elements and Common Element improvements.
- (f) Party Walls and other easements.

Such easement rights are more specifically described in Article 12.

8.03 Allocation of Limited Common Elements. Certain portions of the Common Elements are allocated for the exclusive use of one or more but fewer than all of the Units as specified in Section 515B.2-102(d) and (f) of the Act. Limited Common Elements shall include, but shall not be limited to, driveways running between each Unit and the nearest private roadway, patios, decks, pads for air conditioners, stoops, steps, and fences, constructed as part of the original construction to serve a single Unit, and authorized replacements and modifications thereof, to the extent located outside the Unit's boundaries. Air conditioner units shall be considered part of the Unit. The Declarant anticipates that the sewer and water lines serving the Unit are maintained by the municipality in which the Property is located to a "curb stop." The Declarant anticipates

that the “curb stop” is located on the Unit boundary. As a result, portions of the sewer and water lines lying within the Unit boundaries and extending to the “curb stop” shall be considered part of the Unit. Limited Common Elements may be reallocated from one Unit to another in the manner described in Subsection 515B.2-109(c) of the Act.

8.04 Extent of Owners' Easements. Except as otherwise provided herein, the rights created hereby and the title of the Association to Common Elements shall be subject to the following:

- (a) The right of the Association, in accordance with the Governing Documents to improve the Property and to borrow money for such purposes, and in aid thereof to mortgage said Common Elements; provided, however, that the rights of such mortgagee in said Common Elements shall be subordinate to the rights of the Owners and the first mortgagees on the Units;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the Property against foreclosure;
- (c) The right of the Association to adopt rules and regulations concerning the Common Interest Community as allowed by the Act and to suspend the enjoyment rights of any Owner for reasonable periods of time and to impose reasonable fines and penalties for violations of the provisions of the Governing Documents; provided, however, that nothing contained in this Section 8.04(c) shall be deemed to deny an Owner’s easement for ingress and egress and utilities; and use and enjoyment of the Limited Common Elements;
- (d) The right of Owners to use the parking spaces, subject, however, to regulation by the Association;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility for such purposes as provided by the Act;
- (f) Temporary easements for access and utilities reserved by the Declarant in Section 21.11 of this Declaration for the benefit of lots not yet added to the Common Interest Community and the right to create permanent easements for lots which are not added as a reserved in said Section 21,11;
- (g) Special Declarant Rights established in this Declaration or the Act;
- (h) Utility and drainage easements shown on the Plat;
- (i) Any Development Agreement with the City of Anoka.
- (j) Terms of that Easement for Drainage, Ponding, Access, Utilities and Signs filed on April 22, 2004, as Anoka County Recorder Document No. 1915569.

- (k) Terms and conditions of Minnesota Department of Transportation Monument Plat 02-M7 for Highways Nos. 10, 52 and 169, recorded December 14, 1997, as Document Number 541044;
- (l) Terms, conditions, restrictions and rights in favor the State of Minnesota in and to that portion of the premises adjacent to Highway 10, 52 and 169 as reserved in; Final Certificate recorded as Document Number 96523.
- (m) A flood and overflow easement over the premises as shown in Document Number 98931, which was subsequently assigned to the Hennepin County Park Reserve District by assignment recorded January 5, 1970 as Document Number 331779. Water rights, claims or title to water.
- (n) Riparian rights incident to the land.
- (o) Rights of the municipality and/or county in and to the use and benefit of lift station located in Lot 33, Block 1, Cutters Grove, 3rd Addition.
- (p) Rights of the state and United States in and to any portion of the property lying below the natural high water mark of the Mississippi River.
- (q) Overhead electric, gas, sanitary sewer, water and telephone lines; force main; and lift station.
- (r) Existing fences.

8.05 Appurtenant Rights and Obligations/Delegation of Use. The ownership of a Unit shall include the voting rights and common expense obligations, and membership in the Association as described in this Declaration. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately. Any Owner may delegate, in accordance with the Governing Documents, an Owner's right of enjoyment to Common Elements to its tenants, members of the Owner's family, or contract purchasers who reside in the Unit. The Owner shall remain responsible for the conduct of such persons, and any invitees or guests.

8.06 Use of Common Elements. The Common Elements shall be used strictly in accordance with the provisions of this Declaration and rules and regulations adopted by the Association pursuant to the Act. Except as herein provided, no Owner shall obstruct or interfere whatsoever with the rights and privileges of other Owners in Common Elements, and nothing shall be planted, altered, constructed upon or removed by an Owner from Common Elements, except as provided in the Governing Documents. If an Owner shall violate any use provisions contained in the Governing Documents, the Association shall have the right to restore Common Elements and assess the cost thereof against the Owner who violates such provision, and such cost shall become a lien upon the Owner's Unit, and shall become due and payable upon demand. The Association shall have the same rights and powers to collect the cost of such restoration as provided for the collection of delinquent annual assessments. If an Owner interferes with the rights and privileges of another Owner in the use of Common Elements, except as herein

provided, the Association or the offended Owner may commence an action to enforce any violated covenant and shall be entitled to recover such reasonable attorneys' fees as the court may allow, together with all necessary costs and disbursements incurred in connection therewith, if it/he prevails.

8.07 Taxes and Special Assessments on Common Elements. Taxes and special assessments that are levied against any Common Elements by any governmental taxing authority shall be divided and levied against the Units as a Common Expense, if the same are not required to be paid directly to the governmental authority by the Owners of the Units.

9.00 ALLOCATED INTERESTS

9.01 Each of the Units is hereby allocated an equal portion of the common expenses, and one vote in the Association. However, certain expenses may be assessed against a certain Unit or Units under Section 515B.3-115 of the Act. In addition, and not in limitation of the foregoing, the Association is specifically authorized to levy and collect assessments against different styles of Units, if any, which include different amounts for reserves and maintenance, repair and replacement of the different Unit styles. Any such difference shall be equitably assessed on the basis of (a) equality among similar Unit styles; (b) square footage of the area maintained, repaired or replaced; or (c) the actual cost incurred with respect to the each Unit. Insurance costs may be assessed in proportion to risk or coverage, and utilities in proportion to usage.

10.00 ASSESSMENTS

10.01 General Provisions. Section 515B.3-115 of the Act specifies how assessments are assessed and collected. Section 515B.3-116 specifies how the lien for assessments is created and enforced, and to which interests it is either superior or subordinate.

10.02 Annual Assessments. Annual assessments shall be established and levied by the Board, subject to limitations set forth herein. Each annual assessment shall cover all of the anticipated common expenses of the Association for that year. Annual assessments shall provide, among other things, for contributions to a reserve fund as provided by the Act.

Until the termination of the period of Declarant Control described in Section 20, any increase in the annual assessment for a year shall not exceed the greater of (i) the increase in the U.S. Department of Labor Revised Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items for Minneapolis/St. Paul for the prior year; or (ii) five percent (5%) of the total annual assessment for the Association's previous fiscal year, unless such increase is approved by a vote of sixty-seven percent (67%) of the Members other than Declarant, voting in person or by proxy, at a meeting called for that purpose.

10.03 Special Assessments. In addition to the annual assessments authorized above, 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 unforeseen or unbudgeted common expense, including without limitation the unexpected construction, reconstruction, repair or replacement of a capital improvement and including fixtures and personal property

related thereto, and the exterior maintenance of Units, provided that any such assessment must be approved by a vote of sixty-seven percent (67%) of the Members who are voting in person or by proxy, at a meeting duly called for this purpose.

Until the termination of the period of Declarant Control described in Section 20, any such assessment must be approved by a vote of sixty-seven percent (67%) of the Members, other than Declarant, who are voting in person or by proxy, at a meeting duly called for this purpose.

10.04 Maintenance Assessments/Initial Contribution. In addition to annual and special assessments, the Association may levy in any assessment year a maintenance assessment, without a vote of the Owners, for the purpose of defraying in whole or in part the cost of maintenance, repair or replacement of any exterior part or appurtenance of any one or more Dwelling and any improvements on a Unit or Units. The assessments provided for in this Section are intended to provide funding for (i) "staged" maintenance programs whereby the Association implements the overall maintenance and repair of the Property in a series of stages from year to year and (ii) maintenance required by a single or limited number of Units. Maintenance assessments shall be levied in any manner permitted by Section 515B.3-115(e) of the Act against only the Unit or Units benefited. The assessment shall be a personal obligation of the Owner and a lien against the Unit with the same priority and enforceability as any lien for annual or special assessments.

There shall be contributed by each purchaser of a Unit from the Declarant at the closing of such purchase an amount equal to two months of the estimated annual common expense assessment for the Unit being conveyed. This amount is not in prepayment of or substitution for monthly assessments, but is intended as a contribution to the Association's initial working capital and reserves. It may not be used by the Declarant to defray any of its expenses, reserve contributions or construction costs or make up any budget deficit while Declarant is in control of the Association. However, upon the closing of an unsold Unit, Declarant may reimburse itself from funds collected at the closing for funds which it contributed to the working capital fund with respect to that Unit. In addition, the purchaser at a closing of a sale of a Unit from the Declarant shall be obligated to pay a pro-rata amount of the monthly assessment for the month in which the Unit is closed, and all of the next monthly assessment.

10.05 Commencement of Initial Annual Assessments. The annual assessments provided for herein shall commence as to all Units in each phase not later than 60 days after the conveyance of the first Unit in that phase to an Owner other than Declarant (the "first annual assessment"). The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

10.06 Commencement of Annual Assessments. The Board shall fix the amount of annual assessments against each Unit for the following fiscal year and shall send written notice thereof to each Owner. The due date for payment of annual assessments shall be as set by the Board. At the time the Board fixes the amount of annual assessments it shall adopt a budget for the following fiscal year and cause a copy of such budget in reasonable detail to be furnished to each Owner.

10.07 Interest on Delinquencies. The Board of Directors may, by resolution, require that Owners pay interest on delinquent installments from the first day of the month in which they are due at the highest rate allowed by law, but not in excess of eight per cent (8%) per annum. Such resolution shall be uniform and prospective in its application. Installments paid on or before ten (10) days after the first day of each month shall not result in any late charge, but the Board of Directors may, by resolution, impose a one time late charge. Such resolution shall be prospective and uniform in its application. Any such late charge shall be added to each installment thereof not paid on or before the tenth (10th) day of each month. The late charge shall not exceed five percent (5%) of the delinquent installment. All payments upon account shall be applied first to interest and then to late charges and then to the amount of assessment installments then due in the inverse order of their due dates. If any installment of assessment remains delinquent for thirty (30) days, the Board of Directors may, upon ten (10) days' written notice to any of the Owners responsible therefore, declare the entire amount of such assessment payable in the next twelve (12) months of that calendar year, immediately due and payable in full.

10.08 Association Funds. All sums collected by the Association from assessments may be commingled in a single fund, but they shall be held for and allocated to the Units in the respective shares in which they are paid and shall be credited to accounts from which shall be paid the common expenses. All assessments, both annual and special, shall become a lien on the Units on the first day of January in the year during which they are payable.

10.09 Lien Priority; Foreclosure. A lien under this Section is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration; (ii) any first mortgage encumbering the fee simple interest in the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if a first mortgage on a Unit is foreclosed, the first mortgage was recorded on or after June 1, 1994 and no Owner redeems during the Owner's period of redemption provided by Minn. Stat. Chapters 580, 581 or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to a lien in favor of the Association for unpaid assessments for common expenses levied pursuant to Sections 515B.3-115(a), (e)(1) to (3), (f), and (i) of the Act which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption.

11.00 DECLARANT'S ASSESSMENT PAYMENTS

11.01 As provided in Section 515B.3-115(b) of the Act, and subject to any restrictions contained therein, Declarant's liability, and the assessment lien, for assessments on any Units owned by Declarant, shall be limited to twenty-five percent (25%) of any assessment levied (after deduction of any reserves paid as required by the Act) until the Unit or any building located in it is substantially completed. Substantial completion shall be evidenced by a Certificate of Occupancy issued by the municipality in which the Unit is located. Replacement reserves referred to in Section 515B.3-114 of the Act shall be fully levied against a Unit, including a Unit owned by the Declarant, on the earlier of substantial completion of the exterior of the building containing the Unit or any building contained within the Unit.

12.00 PARTY WALL AND OTHER EASEMENTS

12.01 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Dwellings upon the Property placed on the dividing line between the Units, and which affect a similar wall on another Unit, shall constitute a party wall. To the extent not inconsistent with the provisions of this Declaration or the Act, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

12.02 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.

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

12.04 Weatherproofing. Notwithstanding any other provision of this Declaration, an Owner who by the Owner's 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.

12.05 Arbitration. In the event of any dispute arising under the provisions of Sections 12.01 to 12.05, 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 the demand of the Association or any Owner whose Dwelling shares the party wall. 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, intending hereby to invoke and apply the provisions of Minnesota Statutes Section 572.08 to 572.30. The arbitration hearing shall be held within Anoka County, Minnesota, and the initial application under the statute shall be to the District Court for the Tenth Judicial District in and for Anoka County, Minnesota.

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

12.07 Permanent Easements. Unless described otherwise, all easements established in this Declaration are permanent easements appurtenant, running with the land. They shall at all times inure to the benefit of and be binding on the Owner and the mortgagees, from time to time, of any Unit, and their respective heirs, successors, personal representatives or assigns.

12.08 Continuation and Scope of Easements. Notwithstanding anything in this Declaration to the contrary, in no event shall an Owner or tenant be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section shall supplement

and not limit any easements described elsewhere in this Declaration or recorded, and shall include reasonable access to the easement areas through the Units and the Common Elements for purposes of maintenance, repair, replacement and reconstruction.

12.09 Unit to Unit Easements. Each Unit, and the Owners and tenants thereof, whose Dwelling forms an integral part of a building including other Dwelling(s) shall have a permanent non-exclusive appurtenant right and easement over the Unit(s) with which it shares a party wall for lateral support, support, and where necessary, access for maintenance and upkeep of walls, fences and other improvements. In addition, in the event that any Dwelling or any improvements to any Unit authorized pursuant to the terms of this Declaration, encroach upon any part of another Unit or a Common Element, as a result of construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, then a permanent exclusive easement appurtenant to such encroaching Unit shall exist for the continuance of any such encroachment for so long as the encroachment shall exist.

12.10 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and tenants thereof, shall be subject to a permanent non-exclusive easement on and over the Units in favor of the Association for the purposes of maintenance, repair, replacement and reconstruction of the Units, and utilities serving the Units, to the extent necessary to fulfill the Association's obligations under the Governing Documents.

12.11 Utilities Easements. The Property shall be subject to permanent non-exclusive, easements for all utilities, water and sewer, and similar services, which exist from time to time, as constructed by Declarant, referred to in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Unit shall be subject to a permanent non-exclusive appurtenant easement in favor of the other Units and the Association for all such services, including without limitation any sewer or water lines servicing other Units. Each Unit shall also be subject to a permanent, non-exclusive easement in favor of the Association and all utility companies providing service to the Units for the installation and maintenance of utilities, including but not limited to, metering devices. The Association shall repair any damage to Common Elements or portions of the Unit which it is obligated to maintain which occurs during the normal course of maintenance and repair of utilities and which is not repaired by the utility provider exercising its rights under this paragraph.

12.12 Use and Enjoyment Easements. Each Unit, and the Owners and tenants thereof shall be the beneficiary of permanent non-exclusive appurtenant easements on and across the Common Elements for the use and enjoyment of 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 and consistent with the Association's rights therein.

12.13 Access and Parking Easements. Each Unit, and the Owners and tenants thereof, shall be the beneficiary of permanent non-exclusive appurtenant easements on or across the Common Elements for access to a public street or highway and for parking in areas located and constructed by the Declarant or as shown on the Plat, subject to any restrictions set forth in the Declaration.

It should be noted that the Common Elements include private streets which provide physical access from each Unit to public roads. Any such private streets are not public streets and no governmental entity has responsibility for their maintenance, nor does any governmental entity have any obligation or intent to accept the private streets as public streets at any time in the future.

It should also be noted that a portion of the private street serving the Common Interest Community is burdened by an easement in favor of the property to the north of the development for access and utilities as more fully set forth in the Easement for Drainage, Ponding, Access, Utilities and Signs filed as Anoka County Recorder Document No. 1915569.

13.00 ALLOCATION OF MAINTENANCE RESPONSIBILITY

13.01 The Exteriors. In order to preserve the uniform and high standard of appearance of the Property, the Association shall be responsible for the maintenance and repair of the Common Elements including, but not limited to, any private streets, private drives, permanent subdivision identification signs, and sidewalks located thereon, electrical service meters and lines from the meter to the exterior of a Dwelling unless maintained by the utility provider; and the exterior of all Dwellings located on Units, which responsibility shall include, but not be limited to, the following: the maintenance and repair of exterior surfaces of all buildings on the Property, including, without limitation, the painting of same as often as necessary, the replacement of trim and caulking, and the maintenance and repair of roofs, gutters, downspouts and overhangs. The Association shall also be responsible for the maintenance of the drainage pond located on the Common Elements. The Association's maintenance responsibilities for the permanent subdivision identification signs, portions of the boulevard adjoining Cutter's Grove Avenue, and the portion of the private street burdened by the Easement for Drainage, Ponding, Access, Utilities and Signs filed as Anoka County Recorder Document No. 1915569, are as specified in that document.

The Association shall not be responsible for washing windows; glass; maintenance of air conditioning equipment; the maintenance, painting, and repair of exterior windows and doors; the maintenance, painting and repair of Dwelling walls, floors, ceilings, foundations and foundation walls; necessary painting, staining, and repair, maintenance and replacement of patio or deck structures; and sewer and water lines associated with the use of a Unit, whether located inside or outside the Units boundaries, or any other items not specifically required to be maintained by the Association.

All maintenance and repair of the individual Dwellings shall be the sole obligation and expense of the individual Owner, except to the extent the exterior maintenance and repair is provided by the Association by this Section. The Association may, with the approval of a majority of votes in the Association, at a meeting duly called, undertake additional exterior maintenance to the Units or Dwellings. If any holder, insurer or guarantor of a first mortgage held by a first mortgagee requires that the Association maintain any improvement allocated to the Owners in the preceding paragraph as a condition of approving the development, the Association shall maintain any such improvement or portion thereof which is considered a Limited Common Element. In the event that the need for maintenance or repair is caused

through the willful or negligent act or omission of an Owner, the Owner's family, guests, tenants or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Unit is subject.

13.02 Lawn and Planting Maintenance. The Association shall mow, trim, water, rake and otherwise maintain, all to the extent the Board deems necessary or desirable, all lawns and exterior plantings except that the Association may elect not to maintain gardens and plantings established by individual Owners, but to the extent the Association undertakes to do so, it will not be responsible for any damage to such gardens and plantings due to overwatering, underwatering or improper watering. All plantings shall be subject in each instance to the Architectural Control Committee's (hereinafter described) right to disapprove plantings and locations which would be disharmonious.

14.00 OWNERS' MAINTENANCE

14.01 Upkeep and Maintenance. Each Owner shall be responsible for the upkeep and maintenance of the Owner's Unit, including, but not limited to, the Dwelling, garage and all other areas, features or parts of the Owner's Unit to the extent not otherwise maintained by the Association, and each Owner shall maintain the same free of hazardous substances, vermin, cockroaches, pests and debris which may pose a threat to the health or safety of occupants of other Units. The Association may require that any exterior maintenance to be performed by the Owner be accomplished pursuant to specific criteria established by the Association. The Association may require that an Owner restore any damage to the Common Elements caused Owner's maintenance. The Association may also undertake any exterior maintenance which the responsible Owner fails to, or improperly performs, and charge and assess the Unit for the cost thereof. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit. Every Owner must perform promptly all cleaning, maintenance and repair work within his or her Unit, which, if omitted, would affect another Unit or Units, being expressly responsible for the damages and liabilities that the Owner's failure to do so may engender. Without limiting the generality of the foregoing, the Association may require an Owner to remove offending items, or to use a professional exterminator, and upon failure of the Owner so to do, the Association, after reasonable notice, may enter the Unit with a professional exterminator or other appropriate contractor and take corrective action, charging the Owner of such Unit for the reasonable cost thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of a multi-family structure or an adjoining Dwelling, or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners. The Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain.

14.02 Heating of Dwellings. For the purpose of preventing damage to, and breakage of, water, sewer and other utility lines and pipes in a Dwelling, all Owners shall maintain the temperature in their Dwelling, at all times, at least at fifty-five (55) degrees Fahrenheit (or such other reasonable temperature or standard as the Board of Directors may from time to time specify by written rule), subject, however, to the inability to maintain such temperature due to causes beyond the Owner's reasonable control. Any damage resulting from the refusal or failure of an

Owner so to maintain such minimum temperature may be repaired by the Association and (unless due to causes beyond the Owner's reasonable control) the cost thereof assessed against the Unit of the refusing or failing Owner. However, if the failure to maintain such minimum temperature is due to causes beyond the Owner's reasonable control, the cost of such repair shall be a common expense. Nothing contained herein shall be construed to impose an obligation to undertake any such repairs (unless it is so obligated pursuant to another section of this Declaration). The Association may by rule require Dwellings which are unoccupied for substantial periods of time during winter to use alarms which will detect abnormally low temperatures.

15.00 INSURANCE, CASUALTY, CONDEMNATION AND REBUILDING

15.01 Association's Policies. Section 515B.3-113 of the Act requires the Association to maintain casualty insurance coverage on the Common Elements and, because this Common Interest Community contains Units or structures within Units which share or have contiguous walls, siding and roofs, also on those Units or structures within those Units. Section 515B.3-113 of the Act also requires general liability coverage, authorizes the Association to carry any other insurance it considers appropriate, specifies minimum notice from an insurer prior to cancellation, specifies other provisions for such insurance, requires the Association or an insurance trustee to adjust all losses, and describes the Association's duty with respect to repair or rebuilding after casualty to Common Elements or Units. The provisions of the Act described in this paragraph may not be varied or waived, but are hereby supplemented, as follows:

- (a) The Association shall carry worker's compensation insurance whenever it has eligible employees.
- (b) The Association shall make every reasonable effort to carry fidelity insurance.
- (c) The Association shall make every reasonable effort to carry Directors' and Officers' liability covering all directors, officers and committee members for their acts or omissions while acting within the scope of their duties on behalf of the Association.
- (d) The Association may enter into binding agreements with one or more holders, insurers or guarantors of mortgages obligating the Association to keep specified coverages in effect for specified periods and to notify a holder, insurer or guarantor of any changes to coverage.
- (e) The Association shall make every reasonable effort to carry insurance with additional endorsements, coverages and limits and against other hazards as may be required from time to time by the regulations of a holder, insurer or guarantor of a mortgage encumbering a Unit.
- (f) The Association shall make every reasonable effort to procure its insurance from an insurance carrier licensed to do business in the State of Minnesota with ratings of "B" or better general policyholder's ratings or a "6" or better financial performance index rating in Best's Insurance Reports, if such a company is available, or

if not available, its equivalent rating or the best rating possible.

- (g) The Association shall make every reasonable effort to procure its insurance with a deductible which does not exceed the maximum allowed from time to time by the regulations of a holder, insurer or guarantor of a mortgage encumbering a Unit.

15.02 Owners' Individual Policies. The property insurance coverage furnished by the Association may, but need not cover the following items within the Units: (i) ceiling or wall finishing materials, (ii) floor coverings, (iii) cabinetry, (iv) finished millwork, (v) electrical or plumbing fixtures serving a single Unit, (vi) built-in appliances, or (vii) other improvements or betterments, regardless of when installed. Each Owner should carry insurance for his or her own benefit insuring the Owner's personal liability and items not covered by the Association's policy, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

15.03 Improvements and Betterments. If any improvements and betterments are covered by the insurance procured by the Association, any increased cost may be assessed against the Units affected. If the Trustee or mortgagee undertakes the reconstruction or remodeling of a Dwelling as above provided, the same need be restored only to substantially the same condition as the Dwelling was as of the completion of original construction.

15.04 Condemnation and Eminent Domain. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of the Act shall govern. Notice shall be given to first Mortgagees as provided in Section 19.02 of this Declaration. Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act or Governing Documents, as their interests may appear.

15.05 Premiums; Deductibles. Insurance premiums paid by the Association shall be assessed as a Common Expense and may be assessed in proportion to risk or coverage among different Units. The Association may, in the case of a claim of damage to a Unit, (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.

16.00 ARCHITECTURAL RESTRICTIONS

16.01 Architectural Control Committee Authority. Except for alterations made by Declarant in consideration of its initial sale of a Unit or in its development of the Common Elements, no residential or other building, and no fence, wall, patio, garage, outbuilding or other structure, nor any wire, pipe, cesspool, septic tank, well, path, walkway, tree, hedge, driveway, aerial, antenna, or exterior ornament or improvement of any kind, nor any addition, removal, alteration, raising, lowering, or remodeling thereof, including change of color, repainting or redecorating of the exterior, shall be made, erected, altered, placed or permitted to remain on any portion of the Property unless and until detailed plans and specifications and proposals, including plans which show the external design, the colors and color scheme, the decoration, the construction, and the

materials to be used in construction, the dimensions, and the location and approximate cost of the same shall have been submitted to and approved in writing by an Architectural Control Committee (hereinafter described) as to harmony of the external design and location in relation to surrounding buildings in the subdivision and as to general appearance and quality.

In the event said Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it (in such reasonable detail as the Committee may require), said plans and specifications shall be deemed approved. If no submission has been made to the Architectural Control Committee, or if the Architectural Control Committee disapproves such design and location, a suit to enjoin or remove such additions, alterations or changes may be instituted at any time by the Association or any Owner; provided, however, that, in any event, no such suit may be commenced if unapproved improvements have been completed for a period of one hundred eighty (180) days and thereafter a deed to a purchaser with no actual notice of the violation is filed. The Architectural Control Committee, on request, will issue a certificate as to the state of compliance or noncompliance of a particular Unit, and any such certificate will be binding as to third parties. Any deviation from said plans and specifications as approved which in the judgment of the said Committee is a substantial change or a detriment to the appearance of the structure or of the surrounding area shall be corrected to conform to the plans and specifications as submitted.

Any improvements or alterations to a Unit must, in any event, be made in compliance with the provisions of applicable law and must not impair the structural integrity or mechanical systems, affect the Common Elements or impair the support of any portion of the Common Interest Community. Any Owner making improvements or alterations must make prior arrangements with the Association to ensure that other Unit Owners are not disturbed and that the Common Elements and other Units are protected against Mechanic's Liens.

16.02 Prompt Completion. Except for improvements made or to be made by Declarant pursuant to its rights under this Declaration or the Act, every structure must be erected and completed within eighteen (18) months of approval, or new approval obtained. If any structure is begun, and is not completed within eighteen (18) months after the commencement of construction, and in the judgment of the Architectural Control Committee is by reason of its incomplete state of offensive or unsightly appearance, the Committee, at its discretion after ten (10) days written notice to the Owner of the Unit, may take such steps as may be necessary, in its judgment, to improve the appearance so as to make the Unit harmonious with neighboring properties, including entering upon the Unit, completion of the exterior of the structure, screening or covering of the structure, or any combination thereof or similar operation, and the amount of any expenditure made in so doing shall be a lien on the Unit enforceable in like manner as assessments hereunder.

16.03 Declarant's Rights. Nothing herein contained shall be deemed to prohibit Declarant from making changes to the plans, specifications, and appearance of buildings constructed from time to time on vacant Units, but all buildings shall be consistent in terms of quality and harmonious in general appearance with previously constructed buildings. So long as Declarant owns a Unit, or has the right to add Units, the decisions of the Architectural Control Committee must have the written approval of the Declarant.

16.04 Composition of Committee. The Architectural Control Committee shall be the Board of Directors of the Association, or a committee of three or more persons so designated by the Board; provided that, so long as Declarant owns a Unit, or has the right to add Units, the members of the Architectural Control Committee shall be designated by Declarant.

16.05 Restoration in Accordance with Original Plans. Any restoration or repair of the exterior of the Dwelling after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by the Architectural Control Committee and by owners and mortgagees holding mortgages on Units as provided in the Governing Documents.

16.06 Removal and Abatement. The Architectural Control Committee or after expiration of the Declarant's rights to name members of the Architectural Control Committee, the Board shall have the right to order an Owner to remove or alter any structure on any Unit erected in violation of the terms of this Declaration, and to employ appropriate judicial proceedings to compel the alteration or demolition of any nonconforming construction or other violation; or take whatever steps are deemed necessary to cure such violation. Any cost incurred by the Architectural Control Committee shall be levied as a Maintenance Assessment as provided in Section 10.04 above.

16.07 Exterior Lighting. All exterior lighting fixtures and standards shall be shown on submitted plans and shall comply with the overall lighting plan of the Declarant. All forms of exterior lighting shall be subject to approval of the Architectural Control Committee.

16.08 Exterior Ornaments. Exterior ornaments, including, but not limited to, pre-cast concrete, plastic or wood figurines, wishing wells and windmills shall be prohibited unless approved by the Architectural Control Committee prior to installation or construction.

16.09 Awnings. No awnings or shades shall be erected over and outside of the windows, nor shall any articles or structures be hung or placed on any outside window sills without the prior written consent of the Architectural Control Committee.

16.10 Antennae. Except with prior written approval of the Architectural Control Committee, no exterior television, radio or satellite or microwave antenna of any sort shall be erected or maintained upon any Unit. The Architectural Control Committee may adopt rules or regulations regulating and placement of such antenna and may change its rules or regulations from time to time, all in its discretion.

No such regulation shall, however, unreasonably delay, prevent or increase the cost of installation, maintenance or use of an antenna that is one meter or less in diameter measurement, as defined in 47 CFR 1.400 (a) (1) (Small Antennae") upon any portion of a Unit which is in the exclusive use or control of the Owner, or preclude reception of an acceptable quality signal by such an antenna, unless necessary in the Architectural Control Committee's discretion, to prevent (i) interference with access by fire or other emergency services, personnel or vehicles, or delivery of such services; (ii) damage or unreasonable wear and tear on the Units or Common

Elements; or (iii) a safety hazard to owner, occupants or the public. All regulations of Small Antennae must be applied to the extent practicable, in a non-discriminatory manner to other appurtenances, devices, and fixtures that are comparable in size, weight and appearance to such Small Antennae.

16.11 Rules and Regulations Governing Improvements. The Board of Directors and Architectural Control Committee may promulgate rules and regulations to enforce the terms of this Article 16; provided, however, that the Architectural Control Committee must approve any regulation promulgated by the Board of Directors in writing so long as the Declarant has the right to name the members of the Architectural Control Committee.

Nothing contained in this Declaration shall, however, prohibit an Owner from making, at its expense, improvements or alterations to the Unit necessary for the full enjoyment of the Unit by any person residing in the Unit who has a handicap or disability, as provided in the Fair Housing Amendments Act, 42 U.S.C. § 3601 et seq., and the Minnesota Human Rights Act, Minnesota Statutes Chapter 363, et seq., and any amendments thereto. (“Accommodations”). The Board of Directors and Architectural Control Committee may, however, regulate the type, style, and quality of the Accommodations as they relate to health, safety and architectural standards. The Accommodations must also be made in compliance with the provisions of applicable law and must not impair the structural integrity or mechanical systems, affect the Common Elements or impair the support of any portion of the Common Interest Community. Any Owner making improvements or alterations must make prior arrangements with the Association to ensure that other Unit Owners are not disturbed and that the Common Elements and other Units are protected against Mechanic’s Liens.

17.00 RENTAL RESTRICTIONS

17.01 Any lease between an Owner and a tenant shall provide that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents, and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease. A lease must be for an entire Dwelling, not a portion thereof. All leases shall be in writing. All leases shall be deemed to include, for the term of the lease, all of the Owner’s rights to use the Common Elements of the common interest community, and no Owner shall be permitted the use thereof unless in residence in a Unit. Other than the foregoing, there shall be no restrictions on the right of any Owner to lease his or her Unit. No Unit, or any part thereof, shall be leased, sublet, or otherwise used for hotel or transient purposes. A lease or sublease for less than thirty (30) days, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for hotel or transient purposes. The Association may impose reasonable rules and regulations as may be necessary to implement procedures for leasing of Units, consistent with this Section.

18.00 GENERAL RESTRICTIONS

18.01 Unit Restrictions. No more than one Dwelling shall be erected or maintained on each Unit, and no Unit as originally platted shall be further subdivided or partitioned. No Dwelling shall be used for purposes other than as a single residential Unit, nor shall any trade or business

of any kind be carried on within a Dwelling or upon a Unit, provided that none of the following activities shall be considered a violation of this covenant:

- (a) The maintenance of a business and sales office and model Units by Declarant on Units during the construction and sales periods.
- (b) The maintenance of an office by the Association or its designated manager for purposes of management of the Real Estate.
- (c) Lease or rental of a Dwelling on terms and for purposes consistent with this Declaration.
- (d) The use of a Unit by an Owner for home office or studio uses which are incidental to the principal residential use of the Unit; comply with all governmental laws, ordinances and regulations; do not invite or generate regular or frequent visits by clients, customers, delivery persons, employees, co-workers or the public; do not involve physical alteration of the Unit visible from the exterior, and which do not alter the residential character of the Property.

18.02 Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Unit or any part thereof which would increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Board. Nothing shall be done or kept on any Unit or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Dwelling or the Unit shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused to the Association or other Owners by such Owner or the Owner's invitees. No noxious, destructive or offensive activity shall be allowed on any Units or any part thereof, nor shall anything be done thereon which may be or may become a nuisance to any other Owner or to any other person at any time lawfully residing on the Property. No heating devices, refrigeration equipment, or other machinery which causes vibrations detectable from outside the Unit, is fuel-fired, or is otherwise inherently dangerous, noxious, or noisy, shall be installed or operated within any Unit (except for such devices installed by Declarant as part of its initial construction).

18.03 No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind, or other articles not commonly used as window treatments shall be hung out on any portion of a Unit so as to be visible from outside the Unit. The Architectural Control Committee shall determine the acceptability of such articles visible from the exterior. All parts of a Unit visible from outside the Unit, shall be kept free and clear of all rubbish, debris and other unsightly materials.

18.04 Animals. No animals shall be permitted to be kept on the Property by any Owner or occupant except conventional domesticated animals generally recognized as household pets and/or statutorily authorized "service animals" used by handicapped persons. No kennel, dog house or outside run shall be constructed or maintained on the Property without approval of the

Architectural Control Committee and may be prohibited by the Architectural Control Committee, in its discretion. No animal shall be kept for any commercial purpose nor shall animals be bred for a commercial purpose upon the Property.

Any animals, whenever outside of a Dwelling, must be kept under the direct control of the animal's owner or another person able to control the pet. The person in charge of the pet must clean up after it. The Board may adopt more specific rules and penalties not inconsistent with the foregoing. Upon the petition of seventy-five percent (75%) of the Owners of Units located within one hundred fifty (150) feet of the Unit in which resides a specified animal, the Board may order the removal of a particular dog for constant and uncontrolled barking, or of any particular animal for repeated instances of wandering unleashed or other repeated behavior reasonably offensive to others, provided that the Owner of the Unit harboring the animal shall first have thirty (30) days' written notice in which to correct the offensive behavior.

18.05 Prohibited Structures. No structure of a temporary character, trailer, boat, camper-bus, basement, tent, or shack shall be maintained on any Unit nor shall any garage or other building, except a permanent residence, be used at any time as a residence or sleeping quarters, either temporarily or permanently. Exterior basketball hoops may only be maintained with the prior written approval of the Architectural Control Committee, and may be prohibited by the Architectural Control Committee in its discretion.

18.06 General Storage. Outside storage of any items (other than patio-type furniture and not more than one cooking grill per Unit if allowable by ordinance), including but without limiting the generality of the foregoing, sporting equipment, toys, yard and garden tools and equipment, and trash and garbage containers, shall not be allowed unless effectively screened from view from outside the Unit by enclosures. The design of such screened enclosure must be approved by the Architectural Control Committee in accordance with the architectural control provisions hereof. The storage or collection of rubbish of any character whatsoever, any material that emits foul or obnoxious odors, the growing of any noxious weed or plant, and the harboring of the source of any noise or activity which disturbs the peace, comfort or serenity of residents is prohibited. Usual household trash and garbage shall be regularly collected and may be kept outside only if in sanitary containers which are so screened. No stores of coal or any combustible, flammable, hazardous or offensive goods, provisions or materials shall be kept on any part of the Property except for reasonable quantities and kinds of usual household materials and reasonable quantities of fireplace wood.

18.07 Vehicle Storage. Notwithstanding the foregoing, no boats, snowmobiles, trailers, camping vehicles, buses, camper tops, "all-terrain vehicles", tractor/trailers, trucks in excess of nine thousand (9,000) pounds gross weight, or un-licensed or inoperable vehicles shall at any time be stored or parked on any Unit outside of a Dwelling without the express written approval of the Board of Directors, which may be withheld without stated reason.

18.08 Signs. No sign of any kind shall be displayed to the public view on any Unit, except:

- (a) Designations, in such styles and materials as the Architectural Control Committee shall by regulation approve, of street addresses and names of occupants.

- (b) A "For Sale" sign may be displayed provided that it is in such styles and materials as the Architectural Control Committee shall by regulation approve.
- (c) Declarant shall be permitted to erect and maintain upon the Property such signs as it deems necessary to advertise the development during the construction and sale periods.

18.09 No Additional Units. Neither the Declarant nor any other Unit Owner is permitted to create any additional Units by subdivision or conversion under Section 515B.2-112 of the Act.

18.10 No Time Shares. Time shares, as defined in the Act, are not permitted in this CIC.

18.11 Rules and Regulations. Unless authority is granted to the Architectural Control Committee in this Declaration, the 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 Board in its reasonable discretion deems desirable or necessary to implement the intent of the Governing Documents.

19.00 FIRST MORTGAGEES

19.01 Precedence. The provisions of this Article take precedence over any other conflicting provisions of this Declaration.

19.02 Notice of Action. Any mortgagee and any insurer or guarantor of a first mortgage on a Unit who has advised the Association in writing of its name and address and the address of the Unit covered by such mortgage, and in said writing has requested the Association to notify it of any of the following, will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Unit on which there is a first mortgage held, insured, or guaranteed by such mortgage holder or insurer or guarantor, as applicable.
- (b) Any delinquency in the payment of assessments or charge owed, or any other default in the performance of any obligation under the Governing Documents by an Owner of a Unit subject to a first mortgage held, insured, or guaranteed by such holder or insurer or guarantor, which remains uncured for a period of 60 days.
- (c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of mortgage holders as specified in Section 22.03 below.

19.03 Examination of Books and Records. First mortgagees and holders, insurers and guarantors of first mortgages shall have the right to examine the books and records of the Association, as set forth more fully in the Bylaws upon reasonable notice during normal business hours and to receive copies of the Association's annual reports and other financial statements.

19.04 Designation of Representative. Any holder of a first mortgage on a Unit may designate a representative to attend meetings of members.

20.00 SPECIAL DECLARANT RIGHTS

20.01 Special Declarant Rights. Declarant hereby reserves the following rights (referred to in the Act as Special Declarant Rights) for its benefit:

- (a) The right to create Units, add Additional Real Estate, if any, and amend or consent to amendments of this Declaration granted herein.
- (b) The right to maintain sales offices, management offices, signs advertising the Common Interest Community, and models.
- (c) The right to appoint or remove any officer or director of the Association during the period of Declarant control, which shall expire on the earliest of the following events:
 - 1. Surrender of the right of control by the Declarant;
 - 2. Sixty (60) days after the conveyance of seventy-five percent (75%) of the Units to Owners other than Declarant; and
 - 3. Five (5) years from the first conveyance of a Unit to an Owner other than Declarant.
- (d) Declarant has an easement through the Common Elements for the purpose of discharging Declarant's Special Declarant rights. Declarant further reserves the right to complete all the Units and other improvements indicated on the CIC Plat, add any Additional Real Estate allowed by the Declaration and to make alterations in the Units or Common Elements.

20.02 Sales Offices, etc. Until the date upon which all of the Units are sold by the Declarant, the Declarant may maintain a business and sales office, model Units and other development and sales facilities within one or more Units owned by Declarant from time to time or elsewhere on the Property, and shall have temporary easements for itself and prospective purchasers for ingress, egress, parking and enjoyment in connection therewith, and may display signs offering the same for sale. The Declarant may also lease or rent Units owned by it without restriction within the time period specified above, and may sell or lease any additional garages constructed by it to the Owners or tenants without restriction.

21.00 OPTION TO ADD TO COMMON INTEREST COMMUNITY

Declarant shall have the option without the consent or joinder of the Unit Owners, the Association, any holder of any interest as security for an obligation or any other person or entity, to add to Common Interest Community No. 210, River's Edge Townhomes, Anoka County, Minnesota, any one or more of the following described parcels of land located in Anoka County, Minnesota:

Lots 1 through 9, inclusive, and Lots 23 through 32, inclusive, all in Block 1, all in Cutters Grove 3rd Addition.

the ("Additional Real Estate").

Declarant reserves the right to add all or a portion of the above described land in at least one (1) but not more than nineteen (19) parcels. The description of said parcels shall be determined by Declarant. Declarant makes no assurances as to the order in which such parcels will be added nor assurances as to the boundary lines of such parcels.

Such Option shall be subject to the terms and conditions hereinafter set forth.

21.01 Duration of Option. The Option will expire on that date which is seven (7) years after the date upon which this Declaration is recorded, provided that the time limit may be extended by an amendment to this Declaration approved in writing by the Declarant, its successors, or anyone to whom Declarant has assigned said Option as hereinafter set forth, and by the vote or written agreement of Owners, other than Declarant or Declarant's successor or assignee or an affiliate of the Declarant to whose Units are allocated at least sixty-seven percent (67%) of the votes in the Association. There are no circumstances that will terminate the Option before the expiration of said seven (7) year period. However, the Declarant or anyone to whom Declarant has assigned said Option as hereinafter set forth, may terminate said Option as to any one or more parcels of the Additional Real Estate above described by executing a writing to such effect and recording the same in the same manner as a deed to any one or more of the parcels of the Additional Real Estate so affected.

21.02 Timing. Portions of the parcels of the Additional Real Estate may be added, at different times and in any order, subject to the terms hereof.

21.03 Maximum Number of Units. The maximum number of Units that may be created upon the Additional Real Estate is nineteen (19). All of the Units added will be restricted exclusively to residential use.

21.04 Buildings. Any buildings and units that may be erected upon any parcel of the Additional Real Estate which is added to the Common Interest Community will be compatible with the buildings and Units originally constituting a part of the Common Interest Community in terms of architectural style, quality of construction, principal materials employed in construction, and size, subject to any changes required by governmental authorities or lenders and to any interior or exterior changes made by Declarant to meet changes in the market.

21.05 Applicability of Restrictions. All restrictions in this Declaration affecting the use, occupancy and alienation of Units will apply to Units created in the Additional Real Estate.

21.06 Improvements in Common Elements. No improvements are presently contemplated as a part of the Common Elements of the various parcels of the Additional Real Estate and it is presently contemplated that the Common Elements will be substantially comparable to those originally constituting a part of the Common Interest Community. Declarant reserves the right to construct such other, additional improvements as a part of the Common Elements of one or more parcels of the Additional Real Estate as Declarant may hereafter determine, but in no event shall Declarant have any obligation to construct any improvements to the Common Elements or any parcel of the Additional Real Estate except as are specifically described in this Section 21.06.

21.07 No Assurances. Nothing herein contained shall bind the Declarant to add any of the Additional Real Estate to the Common Interest Community or to adhere to any particular plan of development or improvement for any portion of the Additional Real Estate not added to the Common Interest Community. None of the assurances set forth in Sections 21.03, 21.04, 21.05 or 21.06 above will apply to any part of Additional Real Estate which is not added to the Common Interest Community.

21.08 Exercise of Option. Declarant may exercise its option to add one or more parcels of the Additional Real Estate by securing the execution, giving notice and recording of one or more amendments to this Declaration in the manner specified in Section 515B.2-111 of the Act. Such Amendment shall allocate one vote in the Association to each Unit formed in the part of the Additional Real Estate being added and shall reallocate the fraction of the Common Expenses of the Association among the Units according to the proportion of one divided by the number of Units created in the Declaration and any Additional Real Estate as has been added to the Common Interest Community. Contemporaneously with the filing of such Amendment, the Declarant shall record a supplemental plat in accordance with the provision of Section 515B.2-110(e) of the Act. Any improvements labeled "MUST BE BUILT" must be substantially completed prior to the annexation.

21.09 Assignment of Option. The Option described in this Section may be assigned by Declarant insofar as it affects any Additional Real Estate herein described to the owner of any such real estate, if other than the Declarant. Any such assignment shall be in writing, executed by the transferor and transferee, shall be recorded among the real estate records in the same manner as conveyance of the Additional Real Estate and shall be subject to all of the terms and conditions of this Section.

21.10 Limitations. There are no limitations on Declarant's rights to add the additional real estate other than as set forth in this Declaration or created by or imposed pursuant to law.

21.11 Reservation of Easements. Declarant hereby reserves the right, to the temporary non-exclusive easements appurtenant to the additional Real Estate and for the following purposes and to create the following perpetual, non-exclusive easements appurtenant to the Additional Real Estate which are not added (or not yet added) to the Common Interest Community in, over, upon

and under portions of the Common Elements and within such Additional Real Estate as have or may be added pursuant to this Article 21.

- (a) Non-exclusive easements for the following purposes: i) to connect any improvements constructed on the Additional Real Estate which are not added to the Property (hereinafter referred to as the "Excluded Parcels," whether one or more) to any natural gas, storm sewer, water, sanitary sewer, electrical, telephone or other utility lines, pipe, wire or other facilities, including the right to connect any improvements constructed on the Excluded Parcels into, and the right to utilize, such utility lines, pipes, wire or other facilities which are or may be located within and/or which may serve the Property and/or any such Additional Real Estate as have or may be added to the Property; ii) to obtain natural gas, water electricity, telephone and other utility services from, and to discharge storm and sanitary waste into, all such lines, pipes, wires or other facilities; and iii) to install, repair, maintain, operate and replace all such natural gas, storm sewer, water, sanitary sewer, electrical, telephone or other utility facilities to serve any improvement constructed or to be constructed on the Excluded Parcels, provided, however, that Declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easements hereby reserved shall be responsible for the restoration of any damage done or sustained in connection with the use of such easements.

- (b) Non-exclusive easements for the purposes of: i) affording the Excluded Parcels and any improvements constructed or to be constructed thereon with access to and from a public road; ii) installing, repairing, maintaining, surfacing, re-surfacing, grading, replacing and extending any private drives, lanes, streets, roads, or rights-of-way over which the easements hereby reserved are or may be located; and iii) to do such other acts or things as are necessary in order to afford any improvement constructed or to be constructed on the Excluded Parcels with access to a public road provided, however, that Declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easement hereby reserved, shall be responsible for the restoration of any damage done or sustained in connection with the use of such easements, and provided further, however, that the location of the easements hereby reserved shall, to the extent practicable, be limited to the location of the private drives, lanes, streets, roads, and rights-of-way existing within the Common Elements at the time or times that the easements hereby reserved are created.

The temporary easements reserved shall continue until the Excluded Parcel(s) are added to the Common Interest Community or the Declarant's right to add the Additional Real Estate terminates, whichever is earlier.

The permanent easements herein reserved may be created in the event that, and from time to time as, one or more Excluded Parcels are not added to the Common Interest Community due to lapse of time or termination pursuant to this Article 21 or not yet added to the Common Interest Community. As evidence of the creation of one or more of the permanent easements reserved in this Section 21.11, the then owner or owners of the Excluded Parcels for whose benefit the easement is created shall execute and cause to be filed for record a Declaration of

Easement setting forth a description of the easements thereby created and a description of the Excluded Parcels so benefited by the easements thereby created. No consent or joinder of the Association or any Unit Owner or any mortgagee or other holder of an interest in any Unit or Excluded Parcel as security for the performance of an obligation, nor any release therefrom, shall be required to effect or to evidence the creation of the easements hereby reserved. In addition, the owner of an Excluded Parcel or of a platted lot within an Excluded Parcel may at any time waive or terminate any easement hereby reserved or hereafter created for the benefit of such owner's Excluded Parcel or platted lot within an Excluded Parcel, as the case may be, by the execution and recording of an instrument specifying such waiver or termination, and without the necessity of any consent or joinder by the Association, any Unit Owner, or any mortgagee or other holder or an interest in any Unit or Excluded Parcel or platted lot within an Excluded Parcel as security for the performance of an obligation, nor any release therefrom.

In the event that the permanent easements reserved in this Section 21.11 are created, the Unit Owners and the owner or owners of the Excluded Parcels benefited by such easements shall so long as the easements reserved herein are in existence, share all expenses of maintaining, repairing and replacing the private drives, lanes, streets, roads, or rights-of-way, and the utility lines, pipes, wires and other facilities, which may be commonly used pursuant to the easements herein reserved in the following manner. A portion of any such costs and expenses equal to a fraction, the numerator of which is the number of Units subject to this Declaration and the denominator of which is the total number of Units subject to this Declaration and the total number of units, lots or other individual parcels within the Excluded Parcels benefited by such easements shall be paid by the Unit Owners. The balance of any such costs or expenses shall be paid by the owner or owners of the Excluded Parcels benefited by such easements. Any portion of the costs and expenses to be paid by the Owners shall be paid by the Association as Common Expense. Notwithstanding the foregoing, if one or more Excluded Parcels benefited by such easements are used for other than residential purposes, (except for Declarant's exercise of its Special Declarant rights set forth in this Declaration or in the Act), then such costs and expenses shall be apportioned to, and shared by the Owners and the owner or owners of such Excluded Parcel or Parcels on a fair and equitable basis.

22.00 AMENDMENTS

22.01 Amendment. The Act specifies the requirements for amending the Declaration.

22.02 Declarant's Joinder. In addition to the other requirements for amendment of this Declaration, the written joinder and consent of the Declarant shall be required for any amendment of either this Declaration or the Bylaws which shall abolish, diminish or restrict Declarant's rights hereunder to complete improvements, to maintain signs and management offices and models or to maintain signs and advertise the project, until the last conveyance of a Unit to an Owner other than Declarant. This right may be waived in whole or part at any time by recording a written waiver executed and acknowledged by Declarant. The Declarant reserves the right to correct clerical errors in the Governing Documents by a recordable instrument executed by Declarant within two (2) years of the date hereof.

22.03 Mortgagee Approval. Except as permitted in this Declaration, in addition to all other requirements set forth herein, and except when a higher percentage is required by the Act or this Declaration, amendments to this Declaration of a material nature must be agreed to by Unit Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Association and by mortgage holders who have submitted a written request to the Association to be notified of any proposed action requiring consent of mortgage holders, who represent at least fifty-one percent (51%) of the votes ascribed to Units that are subject to mortgages held by such mortgage holders. A change to any of the provisions governing the following matters would be considered material:

- (a) Voting rights.
- (b) Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the 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 Limited Common Elements (if any), or rights to their use.
- (f) Convertibility of Units into common elements or vice versa.
- (g) Expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project.
- (h) Hazard or fidelity insurance requirements.
- (i) Imposition of any restrictions on the leasing of Units.
- (j) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit.
- (k) Restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in this Declaration.
- (l) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.
- (m) A decision by the Association to establish self-management if professional management had been previously required by this Declaration or by a first mortgage holder.

Unless otherwise required by law, if any first mortgagee fails to submit a response to any written proposal for any such amendment within thirty (30) days after receipt of notice delivered to the address supplied by the first mortgagee by certified or registered mail with return receipt requested, said non-responding first mortgagee shall be deemed to have consented to said amendment.

22.04 Consent to Certain Actions. Except where a higher percentage is required by law or this Declaration, the written consent of the first mortgage holders referred to in Section 22.03 above representing at least sixty-seven percent (67%) of the Units that are subject to said mortgages shall be required to:

- (a) Abandon or terminate the common interest community.
- (b) Change the allocations of voting rights, Common Expense obligations or interest in the Common Elements.
- (c) Partition or subdivide a Unit, except as permitted by statute.
- (d) Abandon partition, subdivide, encumber, sell, dedicate or transfer the Common Elements.
- (e) Use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property.

Unless otherwise required by law, if any first mortgagee fails to submit a response to any written proposal for any such amendment within thirty (30) days after receipt of notice delivered to the address supplied by the first mortgagee by certified or registered mail with return receipt requested, said non-responding first mortgagee shall be deemed to have consented to said amendment.

22.05 FHA/U.S.D.V.A. Approval. As long as the Declarant is in control of the Association, and has sought approval of the development by the Federal Housing Administration/U.S. Department of Veterans Affairs, which shall be conclusively determined by an affidavit by an officer of Declarant, the following actions will require the prior approval of the Federal Housing Administration/U.S. Department of Veterans Affairs: annexation of additional properties, mergers and consolidations, mortgaging of Common Elements, dedication of Common Elements, dissolution and amendment of the Governing Documents.

23.00 MISCELLANEOUS

23.01 Abatement and Enjoinment of Violation by Owners. The violation of any rule or regulation adopted by the Board or the breach of any provision of the Declaration shall give the Association the right, in addition to any other rights set forth in the Declaration or by law provided:

- (a) To enter the Unit in which, or as to which, such violation or breach exists and

summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association shall not thereby be deemed guilty in any manner of trespass provided that legal proceedings must be instituted before any items of construction can be altered or demolished.

- (b) To enjoin, abate or remedy by appropriate legal proceedings the continuance of any such breach.
- (c) To impose reasonable fines on the Owner or occupant of a Unit after notice and an opportunity to be heard.

In addition to all other remedies and rights set forth in the Act, the Association, and any one or more aggrieved Owners, shall have the right of action against Owners who fail to comply with the provisions of the Declaration or the decisions of the Association, and one or more Owners shall also have such rights of action against the Association for any failure to comply with or enforce such provisions.

23.02 Association Acts through Board. The power and authority of the Association as provided in the applicable statutes, the Governing Documents and regulations shall be vested in a Board of Directors elected by the Owners in accordance with the Bylaws of the Association. The Association shall act through the Board of Directors and the officers elected by the Board.

23.03 Services. The Association may obtain and pay for the services of any persons or entities, to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of the Governing Documents. The Association may arrange with others to furnish trash collection and other common services to each Unit.

If entered into prior to expiration of the period of Declarant Control established pursuant to Section 515B.3-103 of the Act, (i) any management contract, employment contract or lease of recreational facilities, units, garages or other parking facilities, (ii) any contract, lease or license binding the association to which a Declarant or an affiliate of a Declarant is a party or (iii) any contract, lease or license binding the association or any unit owner other than the Declarant or an affiliate of the Declarant which is not bona fide or which was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the Association at any time after the expiration of the Declarant Control upon not less than ninety (90) days notice to the other party.

23.04 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. Such beneficial interest shall not be transferable except with the transfer of title to a Unit, provided that an Owner may delegate his or her right of enjoyment of

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River's Edge TH Decl. rev. 04-22-05.rtf

ANOKA COUNTY MINNESOTA

Document No.: 1975559.003 ABSTRACT

I hereby certify that the within instrument was filed in this
office for record on: 05/31/2005 1:37:00 PM

Fees/Taxes In the Amount of: \$36.50

MAUREEN J. DEVINE

Anoka County Property Tax

Administrator/Recorder/Registrar of Titles

MLE, Deputy

Record ID: 1557029