

# TURTLE RUN 3RD ADDITION

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

Outlots A and B, TURTLE RUN 1ST ADDITION

Have caused the same to be surveyed and platted as TURTLE RUN 3RD ADDITION and do hereby donate and dedicate to the public for public use forever the easements for drainage and utility purposes only. In witness whereof said Turtle Moon, Inc., a Minnesota Corporation, has caused these presents to be signed by its proper officer this 1 day of DECEMBER, 1997 and in witness whereof said, Century Bank National Association, a National Banking Association, has caused these presents to be signed by its proper officer this 1 day of DECEMBER, 1997.

TURTLE MOON, INC.

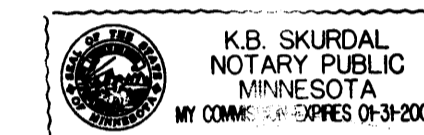
CENTURY BANK NATIONAL ASSOCIATION

David G. Schulte  
David G. Schulte, as President

Don McGuire  
Don McGuire, as Vice President

STATE OF MINNESOTA  
COUNTY OF ANOKA

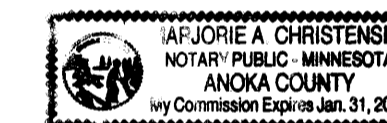
The foregoing instrument was acknowledged before me this 1 day of DECEMBER, 1997 by, David G. Schulte, as President of Turtle Moon, Inc. a Minnesota Corporation, on behalf of the corporation.



K.B. Skurdal  
Notary Public, ANOKA County, Minnesota  
My Commission Expires January 31, 2000

STATE OF MINNESOTA  
COUNTY OF ANOKA

The foregoing instrument was acknowledged before me this 24 day of NOVEMBER, 1997 by, Don McGuire, as Vice President of Century Bank National Association, a National Banking Association, on behalf of the corporation.



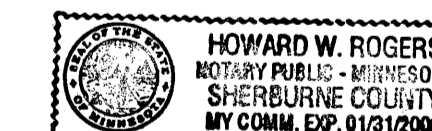
Marjorie A. Christensen  
Notary Public, ANOKA County, Minnesota  
My Commission Expires January 31, 2000

I hereby certify that I have surveyed and platted the property described on this plat as TURTLE RUN 3RD ADDITION; that this plat is a correct representation of the survey; that all distances are correctly shown on the plat in feet and hundredths of a foot; that all monuments have been correctly placed in the ground as shown or will be placed as required by the local governmental unit; that the outside boundary lines are correctly designated on the plat and there are no public highways to be designated on the plat.

Robert B. Sikich  
Robert B. Sikich, Land Surveyor  
Minnesota License Number 14891

STATE OF MINNESOTA  
COUNTY OF ANOKA

The foregoing Surveyor's Certificate was acknowledged before me this 24 day of NOVEMBER, 1997, by Robert B. Sikich, Land Surveyor, Minnesota License No. 14891.



Howard W. Rogers  
Notary Public, SHERBURNE County, Minnesota  
My Commission Expires January 31, 2000

ST. FRANCIS, MINNESOTA

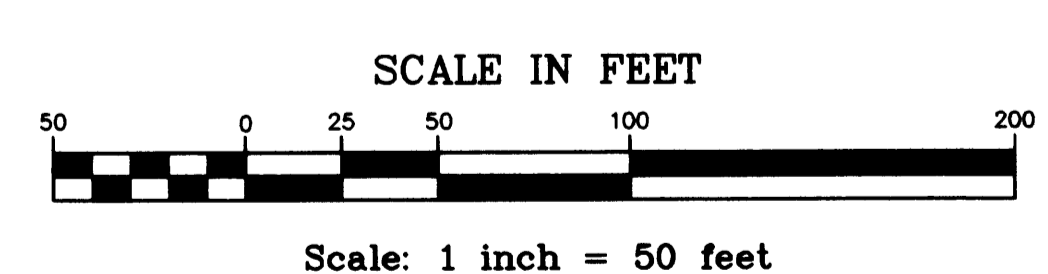
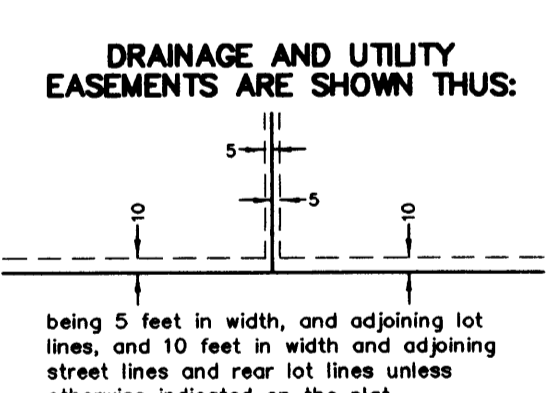
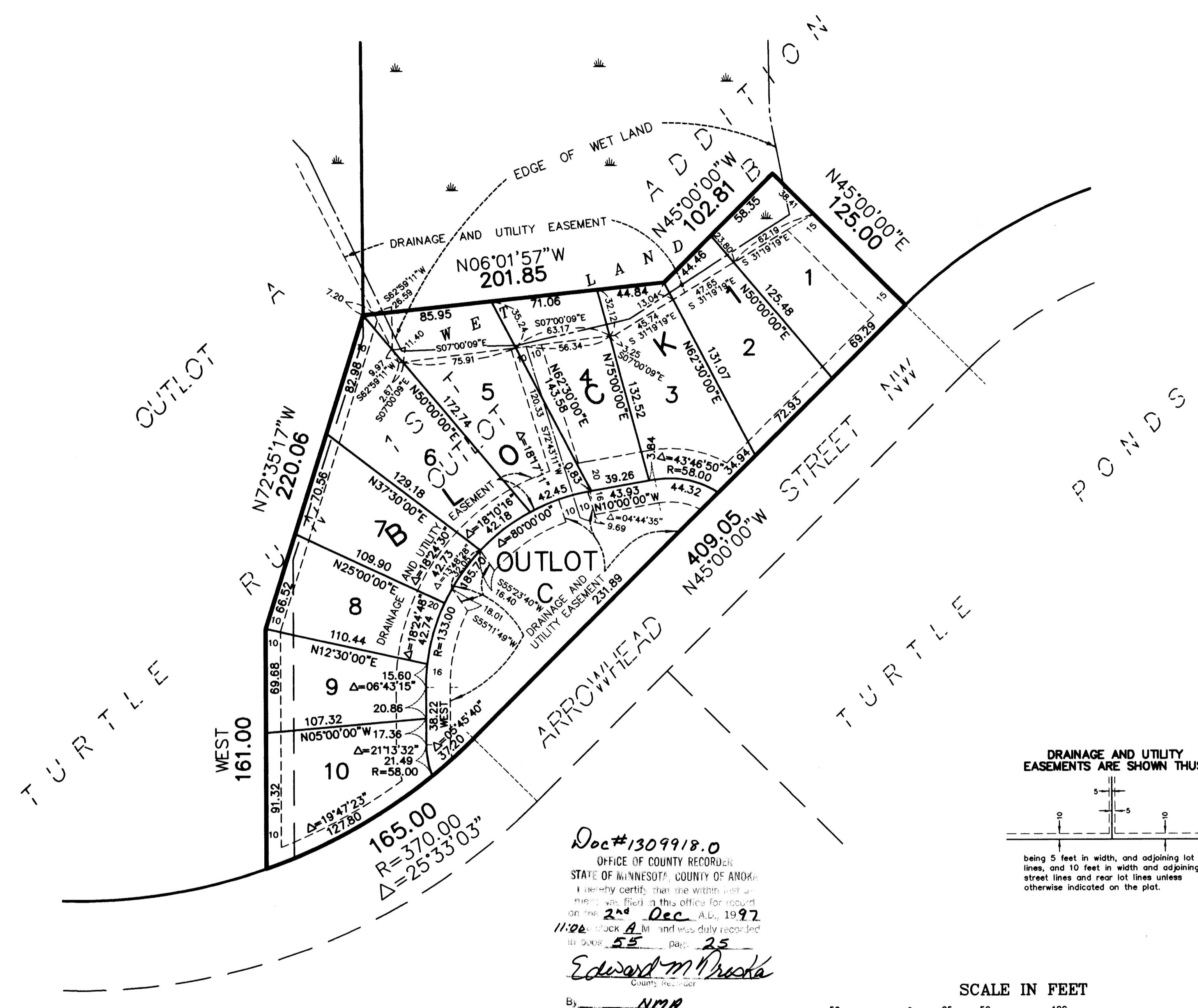
This plat of TURTLE RUN 3RD ADDITION was approved and accepted by the City Council of the City of St. Francis, Minnesota, at a regular meeting thereof held this 3 day of NOVEMBER, 1997. If applicable, the written comments and recommendations of the Commissioner of Transportation and the County Highway Engineer have received by the City or the prescribed 30 day period has elapsed without receipt of such comments and recommendation, as provided by Minnesota Statutes Section 505.03, Section 2.

By: Raymond E. Elms Mayor

By: Barbara J. Held Clerk

Checked and approved this 1<sup>st</sup> day of DEC., 1997.

By: MERLYN D. ANDERSON by Garry D. [Signature] deputy  
Anoka County Surveyor



Doc#1309918.0  
OFFICE OF COUNTY RECORDER  
STATE OF MINNESOTA, COUNTY OF ANOKA  
I hereby certify that the within plat and monuments were filed in this office for record on the 2<sup>nd</sup> day of Dec, 1997.  
11:02 a.m. Block A and was duly recorded by Book 55 page 25  
Edward M. Proská  
County Recorder  
By: N.M.R. Deputy

RECEIVED  
DEC 2 1997  
PROPERTY TAX ADMINISTRATOR

**PIONEER engineering**  
LAND SURVEYORS • CIVIL ENGINEERS  
LAND PLANNERS • LANDSCAPE ARCHITECTS  
2422 Enterprise Drive  
Mendota Heights, MN 55120  
(612) 681-1914 FAX: 681-9488  
625 Highway 10 N.E.  
Blaine, MN 55434  
(612) 783-1880 FAX: 783-1883

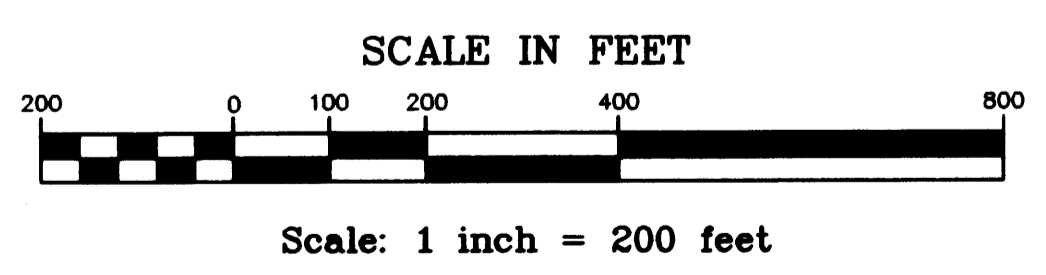
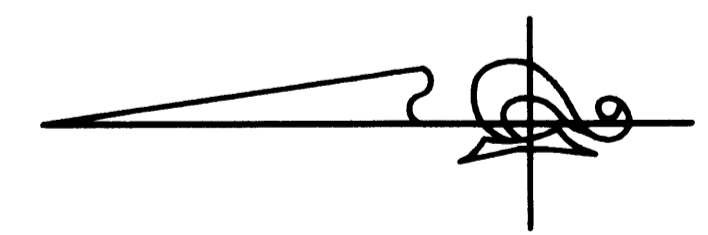
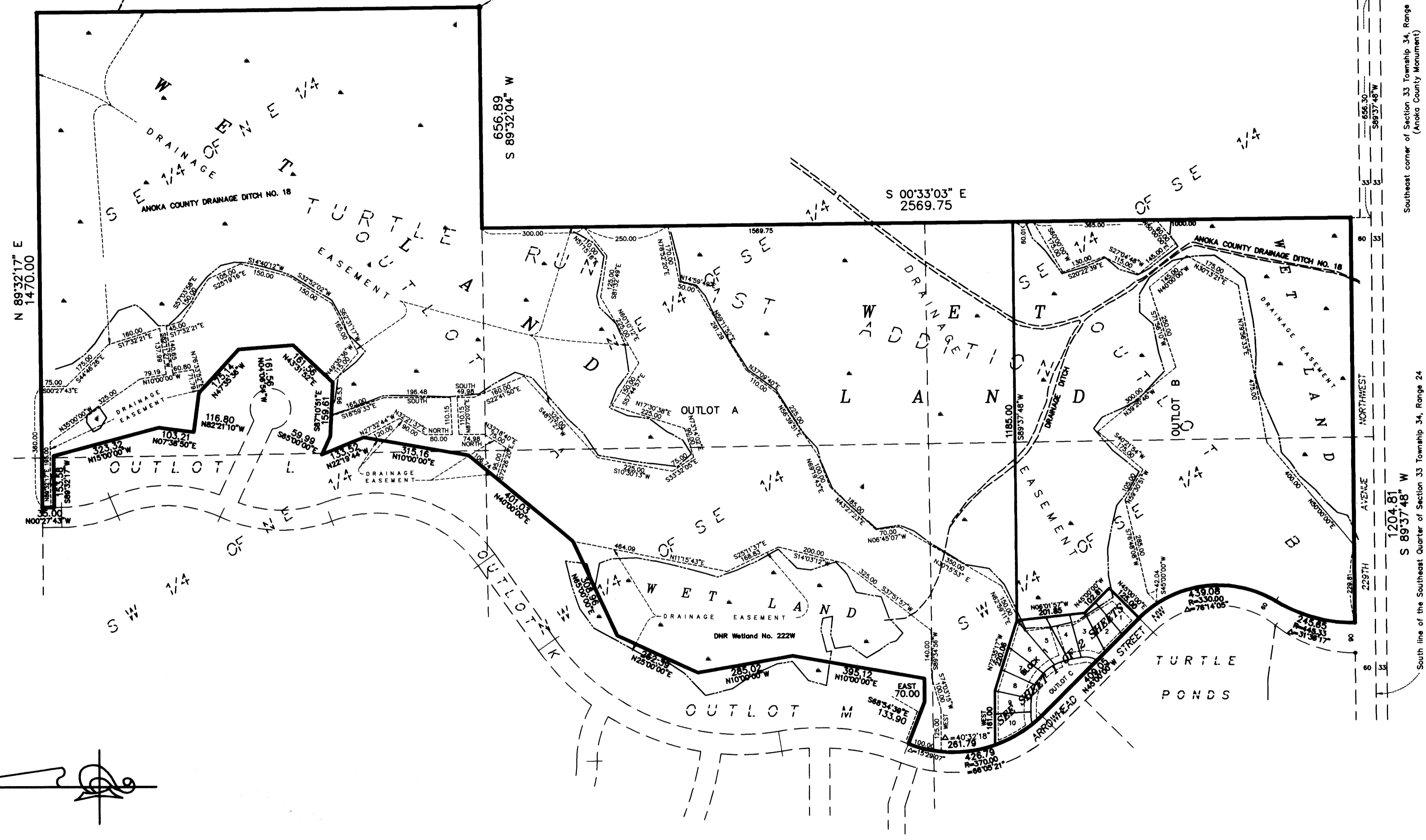
Receipt # 97079632 \$485.00

# TURTLE RUN 3RD ADDITION

East line of the NE 1/4 of Sec. 33, T34, R24  
also being the east line of Outlot A, TURTLE RUN 1ST ADDITION

S 00°33'33" E  
1309.62

Northeast corner of the NE 1/4 of the SE 1/4 of Sec. 33, T34, R24

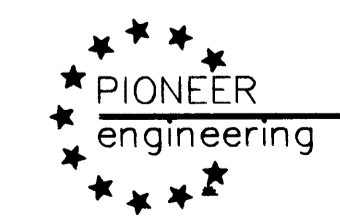
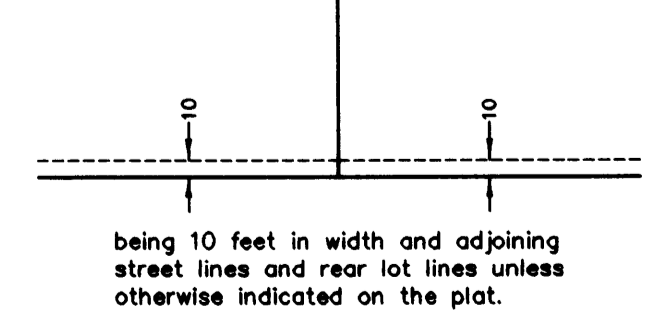


- ⊙ Denotes Anoka County monument
- Denotes 1/2 inch by 14 inch iron monument set and marked with license number 14891

No monument symbol shown on the plat indicates monuments to be set according to Minnesota Statutes and which shall be in place on or before the \_\_\_ day of \_\_\_\_\_, 199\_\_.

For the purposes of this plat, the south line of Outlot B, TURTLE RUN 1ST ADDITION has an assumed bearing of S 89°37'48" W

DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



LAND SURVEYORS • CIVIL ENGINEERS  
LAND PLANNERS • LANDSCAPE ARCHITECTS

2422 Enterprise Drive  
Mendota Heights, MN 55120  
(612) 681-1914 FAX: 681-9488  
625 Highway 10 N.E.  
Blaine, MN 55434  
(612) 783-1880 FAX: 783-1883

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

MUNICIPALITY: St. Francis CERTIFIED BY: R ON 12-2-97

MAP # 1966 PLAT BOOK: 55 OF Abst PAGE 25

DOC. DATE: 12-1-97 NO. OF PAGES: 2 TRACT BOOK: \_\_\_\_\_ PAGE \_\_\_\_\_

PLAT SHORT NAME: Turtle Run 3rd Add.

LONG NAME: Turtle Run 3rd Addition

A/T	PARENT PINS	KEY	RES?	GRANTORS (Fees, C/Ps, Mortgagees)	Marital Status
A	3334-24-14-0002	1284005	N	Turtle Moon, Inc	(fee)
A	3334-24-43-0003	1284014	N	Century Bank National Association	(mortgagee)

FILED BY: Ben PHONE: \_\_\_\_\_

TAXPAYER NAME: ~~8741~~ 8741 Central Ave. NE

ADDRESS: Blaine 55434

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

**NEW PARCELS**

LOT	BLOCK	LOT	BLOCK	LOT	BLOCK
1-10	1				
A	0/L				
B	0/L				
C	0/L				

DELT & CURRENT TAXES ARE PAID: INITIALS: NMA DATE: 12-2-97

DIV. NO.: \_\_\_\_\_ DIV. FEE: \$ 430

ABSTRACT

\$485.00

Receipt # <u>97079632</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>12/2 / 11:00</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>1</u> of <u>1</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Pins: <u>NA</u>	<input type="checkbox"/> Transfer
Recordability / Delqs: <u>NA</u>	<input type="checkbox"/> New Desc.
Filing Fees: <u>\$55<sup>00</sup></u>	<input checked="" type="checkbox"/> Division
Well Certificate Received this Date: _____	<input type="checkbox"/> GAC
Anoka County Recorder	<input type="checkbox"/> Def. Spec
	<input type="checkbox"/> Other
	<input type="checkbox"/> No Change
Notes:	

DOCUMENT NO. 1309918.0 ABSTRACT

**ANOKA COUNTY MINNESOTA**

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE  
 FOR RECORD ON DEC 02 97  
 AT 11:00 AM AND WAS DULY RECORDED.  
 FEES AND TAXES IN THE AMOUNT OF \$485.00 PAID.

RECEIPT NO. 97079632

EDWARD M. TRESKA

ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

NMA

BY \_\_\_\_\_  
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

1402562

DECLARATION FOR NEW CIC

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

Added by Anoka County Recorder for posting only.

MUNICIPALITY: St. Francis CHECKED BY: A ON 1-21-99

MAP # 2136 PLAT BOOK TYPE: \_\_\_\_\_

DOC. NO. OF TRACT  
DATE: 1-19-99 PAGES: \_\_\_\_\_ BOOK: \_\_\_\_\_ PAGE \_\_\_\_\_

CIC SHORT NAME: CIC NO 57, Turtle Run 3RD TH

LONG NAME: BY DECLARATION

A/T	PARENT PINS	THRU
	33.34.24.43.0087	0096
	43.0088	

A/T	PARENT PINS	THRU

DELINQUENT TAXES ARE PAID: INITIALS: EC DATE: 1-25-99

DIV. NO.: \_\_\_\_\_

**COMMON INTEREST COMMUNITY No. 57**

**A Planned Community**

**TURTLE RUN THIRD TOWNHOMES**

**DECLARATION**

THIS DECLARATION, made on this 14<sup>th</sup> day of January, 1999, by Turtle Moon, Inc., a Minnesota corporation, and Delmar Homes, Inc., a Minnesota corporation, hereinafter referred to as "Declarant,"

WHEREAS, Declarant Turtle Moon, Inc., a Minnesota corporation, is the owner of certain property in the City of St. Francis, County of Anoka, State of Minnesota, which is more particularly described as:

Lots 3, 4, 5, 6, 7, 8, 9 and 10, Block 1, and Outlot C, Turtle Run Third Addition, Anoka County, Minnesota

WHEREAS, Declarant Delmar Homes, Inc., a Minnesota corporation, is the owner of certain real property in the City of St. Francis, County of Anoka, State of Minnesota, which is more particularly described as:

Lots 1 and 2, Block 1, Turtle Run Third Addition, Anoka County, Minnesota

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

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

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold, and conveyed subject to the Act and the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest

in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

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

ARTICLE I.  
DEFINITIONS

Section 1. "Association" shall mean and refer to Turtle Run Third Townhomes Association, Inc., a corporation formed under Chapter 317A, Minnesota Statutes, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Where any such Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered to be the owner of the Lot if: (1) the rights of the contract vendor hereunder are delegated to the vendee under such contract for deed; and (2) the vendee shall furnish proof of such delegation to the Association.

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

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

Section 5. "Declarant" shall mean and refer to Turtle Moon, Inc., a Minnesota corporation, its successors and assigns, and Delmar Homes, Inc., a Minnesota corporation, its successors and assigns.

Section 6. "Common Elements" shall mean and refer to the following described real property in Anoka County, Minnesota:

Outlot C, Turtle Run Third Addition, Anoka County, Minnesota.

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

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

Section 9. "C.I.C. Plat" shall mean the plat of Turtle Run Third Addition recorded in the office of the County Recorder, Anoka County, Minnesota.

Section 10. Definitions Incorporated. Except as otherwise specified in this Declaration, the terms used in this Declaration which are defined in the Act shall have the same meaning as they have in the Act.

Section 11. Statutory Requirements. In accordance with the requirements of Section 515B.2-105 of the Act, the Declarant hereby states the following:

- (a) The number of the Common Interest Community created hereby is the number set forth on the first page of this Declaration.
- (b) The name of the Association is the Turtle Run Third Townhomes Association, Inc. The Association has been incorporated pursuant to the provisions of Minnesota Statutes Chapter 317A.
- (c) The common interest community created hereby is a planned community. It is not subject to a master association.
- (d) The legal description of the Property included within the common interest community created hereby (including all appurtenant easements) is set forth on the attached Exhibit A.
- (e) The description of the boundaries of each Lot created by the this Declaration, including the unit identifier number for each Lot, is set forth on the plat of Turtle Run Third Addition, Anoka County, Minnesota, which plat has been filed for record with the office of the Anoka County Recorder and is hereby incorporated herein by reference.
- (f) The allocated interests are assigned equally to each Lot, subject to the provisions of the Declaration. Each Lot shall have one vote in the affairs of the Association. Except as provided in Article III, Section 6 (relating to the Alternative Assessment Program) or as permitted in the Act, each Lot shall share the Common Expenses equally.
- (g) The common interest community created hereby shall consist of ten Lots and one Outlot, all of which shall be restricted to residential use.
- (h) No additional units may be created by the subdivision or conversion of Lots.
- (i) The use restrictions to which the Lots are subject are located in Articles VI and VII hereof. There is no restriction on the sale price of a unit. The amount to be received upon the condemnation, casualty loss or termination of the common interest community are set forth in Article XIII, Section 9; Article X; and Article XIII, Section 10, respectively.



- (j) Time shares are not permitted.
- (k) Matters relating to Special Declarant Rights are contained in Article V hereof. Matters relating to the use of the Common Elements are contained in Article VII hereof. Matters relating to the care and maintenance of the Common Elements are contained in Article IV hereof. Matters relating to assessments for Common Expenses are contained in Article III hereof. Matters relating to Limited Common Elements are contained in Article XIII, Section 8.

ARTICLE II.  
MEMBERSHIP AND VOTING RIGHTS

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

Section 2. Voting rights and Common Expense obligations are allocated equally among the Lots; except that special allocations of Common Expenses shall be permitted as provided in this Declaration and except for the alternative expense allocation as provided in this Declaration.

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

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

ARTICLE III.  
COVENANT FOR COMMON EXPENSE  
AND INSURANCE PREMIUM ASSESSMENTS;

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

- (a) general annual assessments or charges;
- (i) a common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on basis of (i)

equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Lot.

- (b) assessments for master insurance premiums, which may be assessed in proportion to value, risk or coverage;
- (c) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.
- (d) assessments levied under Section 515B.3-116 of the Act to pay a judgment against the Association, which assessments may be levied only against the Lots existing at the time the judgment was entered, in proportion to their Common Expense liabilities.
- (e) assessments for fees, charges, late charges, fines and interest.
- (f) If any damage to the Common Elements or another Lot is caused by the act or omission of any Owner, the guests of an Owner or the occupant of any Lot, assessments for the costs of repairing the damage may be assessed exclusively against the Owner's Lot to the extent not covered by insurance.

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

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

Section 3. Limitation on Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to an Owner and the Owner's Lot shall be \$1,152.00 per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership of the Association.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased by 5% or more by a vote of Owners representing 2/3 of the Lots who are voting in person or by proxy, at a meeting duly called for this purpose.

- (c) The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto.

Section 4. Special Assessment for Capital Improvements. In addition to the annual general assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Owners representing 2/3 of the Lots who are voting in person or by proxy at a meeting duly called for this purpose, other than the Declarant.

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

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

- (a) no assessments shall be made against any Lot which is a parcel of real estate which is not intended for separate ownership or occupancy.
- (b) any Lot owned by Declarant and which is not exempt from assessment by Section 6(a) shall be assessed at 25% of the established assessment rate, until such time as a certificate of occupancy is issued by the City of St. Francis, Minnesota.
- (c) This alternative assessment program shall have no effect on the level of services for items set forth in the Association's budget.

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

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

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

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment to any Member not paid within 30 days after the due date shall bear interest from the due date at a rate of 8% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the Lien against the Property. Such Lien may be foreclosed in the same manner as a mortgage pursuant to Minnesota Statutes 1978, Chapters 580, 581 or 582, as amended, and the Association shall be entitled to recover interest at the rate of 8% per annum and its costs, expenses and disbursements, including reasonable attorney's fees, incurred in such foreclosure. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of the Owner's Lot. If the Association has provided for monthly installment payments of assessments, the Association may accelerate and the Owner shall pay the unpaid balance of an annual installment if the Owner has failed to pay any monthly installment within 30 days after the due date of a monthly installment. To the extent permissible, the Association may deny services to any Member who is more than 30 days delinquent in the payment of any assessment or installment of an assessment.

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

#### ARTICLE IV. DUTIES OF ASSOCIATION

Section 1. General Duties. In addition to maintenance upon the private streets and driveways, including the maintenance of water and sewer services from any public mains, the Association shall provide for maintenance upon the Lots and Common Elements as follows: exterior maintenance upon each Lot which is subject to assessment hereunder, snow removal, paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, irrigation systems, light fixtures or light standards along private roads and other exterior improvements. Exterior maintenance shall not include glass, windows or electricity for exterior garage lights.

Section 2. Other Duties.

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

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

ARTICLE IV-A.  
PARTY WALLS

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

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

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

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

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

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

ARTICLE V.  
SPECIAL DECLARANT RIGHTS

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

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

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

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

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

ARTICLE VI.  
ARCHITECTURAL CONTROL

Section 1. Structures. No building, fence, wall, deck or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as

to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.

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

ARTICLE VII.  
ADDITIONAL RESTRICTIONS; RULES AND REGULATIONS

Section 1. Additional Restrictions

- (a) No lot shall be used except for residential purposes, except that Declarant shall be entitled to maintain model homes and other sales facilities upon the Lots.
- (b) No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot and one sign of not more than five (5) square feet advertising the property for sale, except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertising the Property until the Declarant conveys the last Lot.
- (c) No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that no more than two (2) dogs, neither of which may be larger than forty (40) pounds; one cat and one dog; or two (2) cats or two (2) other household pets may be kept. No animals, livestock, poultry or pets may be kept, bred or maintained for any commercial purposes. No fenced dog runs or dog houses shall be allowed on any Lot.
- (d) No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, including pet or household waste. Garbage, rubbish and trash shall not be kept on said premises except in sanitary containers. All incinerators or other equipment used or kept for the storage or disposal of such material shall be kept in a clean and sanitary condition.
- (e) No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- (f) No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any Lot at any time as a residence, either temporarily or permanently.
- (g) No trailers, boats, buses, motor homes, campers, snowmobiles or other types of recreational vehicles shall be parked on any Lot for more than 48 consecutive hours unless such vehicle is parked within a garage or storage shed located on such Lot;

provided that the Board of Directors of the Association may grant permits to park such vehicles on Lots for limited periods of time not to exceed fourteen (14) days in any twelve-month (12) period. No such vehicles shall be parked on any Common Element.

- (h) No aerial, antenna or satellite dish which is (i) over four feet in height, as measured from the point on any structure to which the aerial, antenna or satellite dish is affixed; (ii) more than four square feet in size; (iii) not attached to a dwelling unit, or (iv) of a color not approved by the Association, shall be permitted on any Lot.
- (i) No abandoned motor vehicle as defined in Minnesota Statutes Section 168B.02, subdivision 2, as amended from time to time, shall be permitted to remain upon the streets or driveways or on any Lot or parking area. The Association shall have the right to remove any such vehicle at any time, and assess the costs of such removal against the Lot which is owned or occupied by the person in control or possession of such vehicle.
- (j) Except as herein permitted for Declarant, no business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot, except: (i) an Owner or occupant residing in a Lot may keep and maintain his or her business or professional records in such Lot and handle matters relating thereto by telephone or correspondence therefrom, provided that such uses are incidental to the residential use of the Lot; and (ii) the Association may maintain offices on the Property for management and related purposes.
- (k) No Lot may be leased for transient or hotel purposes. Any lease of any lot shall be in writing which shall be expressly subject to the Act, these Declarations and any Rules and Regulations adopted by the Association and which provide that any violation of the Act, these Declarations and any Rules and Regulations shall be a default under the lease. No time shares shall be created with respect to any Lot.

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

- (a) regulating the use of the Common Elements;
- (b) regulating the use of Lots and the conduct of living unit occupants which may jeopardize the health, safety and welfare of other occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other living units;
- (c) regulating or prohibiting animals;
- (d) regulating changes in the appearance of the Common Elements and conduct which may damage the common interest community;



- (e) regulating the exterior appearance of the common interest community, including, by way of illustration and not limitation, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a living unit;
- (f) implementing the Articles of Incorporation, Bylaws or Declarations of the Association; and
- (g) other rules facilitating the operation of the common interest community.

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

## ARTICLE VIII. EASEMENTS

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

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

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

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

Section 5. Emergency Vehicles. Declarant hereby grants a perpetual, non-exclusive easement in favor of the City of St. Francis, a municipal corporation under the laws of the State of

Minnesota, on, over and across the Common Elements for the purpose of ingress and egress for police, fire, rescue and other emergency calls, animal control, health and prospective inspection and to provide to the Owner's other public services deemed necessary by the City of St. Francis and for the purposes set forth herein.

ARTICLE IX.  
TRASH REMOVAL

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

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

ARTICLE X.  
INSURANCE AND RECONSTRUCTION

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

Section 2. Property Insurance. Each Owner, by acceptance of a deed or contract for deed on a Lot, covenants to cooperate with the Association to maintain and timely pay the Owner's share of premiums on a master insurance policy, including fire, extended coverage, vandalism and malicious mischief, with all risk endorsements insurance, and such additional insurance as may be required by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, if applicable. The Association, through its Board of Directors, may obtain and continue in effect master property insurance in form and amounts satisfactory to cover a minimum of the entire replacement cost for all of the living units located on each Lot of the Properties, but without prejudice to the right of the Owner of said Lot to obtain additional individual living unit insurance. Each Owner shall join in said master policy and pay a share of the premiums thereon in such manner as determined by the Association. Any such master policies and coverage shall be purchased and carried by the Association on the Properties, and the proceeds thereof shall be used exclusively for the repairs, replacement and reconstruction of the Properties. Any insurance shall cover a minimum of the entire replacement cost of any improvements located on the Property. Said master policy shall be issued in the name of the Association as insurance trustee for the Owners, and shall provide that losses shall be payable to the trustee and first mortgagee of record, if any. Any such master insurance shall cover loss by damage and fire and such hazards as are covered under

standard extended coverage provisions and may include such other and additional coverages as the Association, through its Board of Directors, deems necessary or desirable.

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

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

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

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

- (a) In the event of an insured loss to a Lot, all insurance proceeds paid to the trustee and the first mortgagee of record of the damaged Lot shall be deposited in a title insurance company acceptable to them to be held in escrow for restoration.
- (b) In the event of an insured loss to a Lot, the Owner of such Lot with respect to which the insurance loss occurs shall, within thirty (30) days after the insurance proceeds are deposited with a title insurance company in accordance with paragraph (a) above, enter into a firm contract with a qualified builder providing for the reconstruction of the improvement, in substantially the same condition as existed immediately prior to the insured loss; provided, however, that no contract shall be entered into by such Owner for an amount in excess of the insurance proceeds then held by the title insurance company until additional funds are deposited in escrow as above provided by such Owner sufficient to cover all construction as determined by

the title insurance company. Said reconstruction shall be commenced and completed with due diligence and in no event shall said work be completed later than one-hundred-eighty (180) days after said insurance proceeds are deposited in escrow as aforesaid. The Association and first mortgagee of record of the Lot affected shall have the right, but not the obligation, to deposit said additional funds in excess of the insurance proceeds as may be required to permit construction as herein provided; provided that if such additional funds are deposited by the Association, the Association shall reimburse itself by a special general assessment against all Lot owners in such annual installments as the Association may determine.

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

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

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

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

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

- (a) Fidelity coverage against dishonest acts on the part of Directors, Managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times (1-1/2) the Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if said policy would not otherwise cover volunteers.
- (b) A comprehensive policy of public liability insurance covering the Common Elements in an amount not less than one million dollars. Such insurance shall contain a "severability of insurance" endorsement which shall preclude the insurer from denying the claim of the Owner because of negligent acts of the Association or

other owners. The policy shall include such additional coverages, endorsements or limits as may be required by regulations of the Federal Housing Administration, ("FHA"), or the Federal National Mortgage Association, ("FNMA"), as a precondition to their insuring, purchasing or financing a mortgage on a Lot.

- (c) Workers Compensation insurance as required by law.
- (d) Directors and officers liability insurance with such reasonable limits and coverages as the Board of Directors may determine from time to time.
- (e) Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the Owners or as may be required by the Act.

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

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

#### ARTICLE XI. RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. Consent to Certain Amendments The written consent of eligible mortgagees representing at least fifty-one (51.0%) percent of the Lots that are subject to first mortgages held by Eligible Mortgagees, (based upon one vote per first mortgage owned), shall be required for any amendment to the Declaration, Articles of Incorporation or Bylaws of the Association which causes any change in the following:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or priority of assessment liens;
- (c) reductions in reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Elements or right to their use;

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

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

Section 2. Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven (67.0%) percent of the Lots that are subject to first mortgages, (based upon one vote per first mortgagee) shall be required to abandon or terminate the common interest community, subject to any greater requirements contained in the Act.

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

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

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

- (a) except as provided in Article III, Section 9 and the Section 515B.3-116 of the Act; and

- (b) except that any unpaid assessments or charges with respect to the Lot may be reallocated among all Lots in accordance with their interests in Common Elements.

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

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

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

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

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

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

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



- (d) a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

ARTICLE XII.  
FLEXIBLE ASSOCIATION

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

Section 2. Additional Real Estate. Declarant may add to the Common Interest Community all or any part of the real estate described in Exhibit B attached hereto, at any time or times within ten (10) years after the recording of this Declaration. All Lots to be added to the Common Interest Community shall be restricted to residential uses. The total number of Lots to be added to the Common Interest Community shall not be more than twenty (20). All restrictions contained in the Declaration relating to the use, occupancy and alienation of Lots shall be applicable to the Lots added to the Common Interest Community. Such restrictions shall not apply to any additional real estate which is not added to the Common Interest Community. Any buildings and living units erected upon the additional real estate, when and if added, shall be compatible with the other buildings and living units in the Common Interest Community in terms of architectural style, quality of construction, principal materials employed in construction and size.

ARTICLE XIII.  
GENERAL PROVISIONS

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

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

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

Section 4. Annexation. Additional residential or commercial property and Common Elements may be annexed to the property with the consent of the Declarant or Owners represent 3/4 of the Lots.

Section 5. Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against the Declarant for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give

Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

Section 6. Conflicts Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws of the Association or any Rules and Regulations adopted by the Association, the documents shall control in the following order of priority:

- (a) the Act;
- (b) the Declaration;
- (c) the Bylaws; and
- (d) the Rules and Regulations.

Section 7. Interpretation. As appropriate, each reference to a masculine pronoun shall include the feminine and neutral pronoun and each reference to a singular pronoun shall include the multiple pronoun and vice versa.

Section 8. Limited Common Elements. All portions of the Property other than the Lots are Common Elements. Certain portions of the Common Elements designed to serve a single Lot are, by operation of Section 515B.2-102(d) and (f) of the Act, Limited Common Elements allocated for the exclusive use by the respective Lots served thereby to the exclusion of other Lots. In addition, the driveways adjacent to and serving each Lot are Limited Common Elements allocated for the exclusive use of the respective Lots to the exclusion of the other Lots. Additionally, the entry area and air conditioning equipment serving each Lot and the fenced yard and/or the patio/deck area, if any, which are accessible from each Lot are Limited Common Elements allocated for the exclusive use of such Lot to the exclusion of the other Lots. The air conditioning equipment which is a Limited Common Element allocated to each Lot shall be maintained, repaired and replaced by the Owner of each such Lot at such Owner's sole cost and expense. Also, each Unit has the ability to make a garden which abuts the rear wall of the Unit, which is no more than nine (9) feet long and extends no more than five (5) feet away from the Unit, which garden will then be a Limited Common Element allocated to the exclusive use of such Lot to the exclusion of other Lots. All other portions of the Limited Common Elements shall be maintained as Common Elements under and pursuant to the provisions of Article IV hereof. The expense of any such maintenance and repair shall be charged to the Lot as a Common Expense under and pursuant to the provisions of Article III hereof.

Section 9. Condemnation. In the event of the taking of any of the Common Elements by eminent domain or any action or proceeding in lieu of eminent domain (hereinafter, "condemnation"), the Association shall represent the Owners in any such condemnation, or in negotiations, settlements and agreements with the condemning authority, and each Owner hereby appoints the Association as his attorney-in-fact, irrevocably, for such purposes. If deemed necessary by the Association, it may obtain the services of a trustee to act on behalf of the Owners in carrying out any functions under this Section. In the event of a condemnation of part or all of the Common Elements, the award of proceeds of settlement shall be payable to the Association. All proceeds payable with respect to any condemnation of Common Elements shall be applied to the

restoration or repair of such Common Elements remaining after such condemnation or to such other purposes as may be in accordance with the functions and powers of the Association and the welfare of the Owners.

If all of a Lot is taken through condemnation, or if so much of a Lot is taken that the remaining property cannot reasonably be used for a purpose allowed by this Declaration, then the entire Lot shall be considered condemned and the Owner's interest in the Common Elements and Association shall be deemed to cease on the date such condemnation is completed.

If part of a Lot is taken through condemnation, but the Lot can still be used for a purpose allowed by this Declaration, then there shall be no effect on the Lot Owner's interest in the Common Elements or the Association.


Any proceeds of any condemnation with respect to a Lot shall belong and be paid to the Owner thereof and his mortgagee, as their interests may appear.

Section 10. Dissolution. The common interest community created by this Declaration may only be terminated with the assent given in writing and signed by not less than the Owners holding eighty percent (80%) of the votes of the Association and eighty percent (80%) of the Eligible Mortgagees (each mortgagee having one vote for each Lot financed).

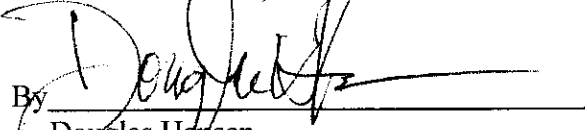
Upon termination of the common interest community, after payment of all the debts and obligations of the Association, all Lots, Common Elements, and Association property shall be administered in accordance with the provisions of the Act.

Section 11. FHA/VA. If the Common Interest Community has received approval from the Federal Housing Administration or the Department of Veterans Affairs, the following actions will require the prior approval of the Federal Housing Administration or the Department of Veterans Affairs, during any period of Declarant control: annexation of additional properties, dedication of Common Elements and amendment of this Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association.

TURTLE MOON, INC.

By   
David Schulte  
Its President

DELMAR HOMES, INC.

By   
Douglas Hansen  
Its President

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF Anoka )

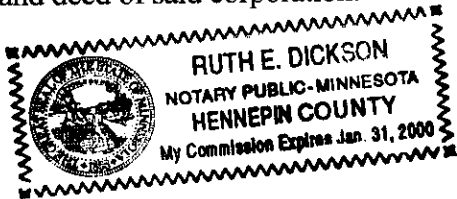
On this 14<sup>th</sup> day of January, 1999, before me, a Notary Public within and for said County, personally appeared David Schulte, to me personally known, who, being by me duly sworn did say he is the president of Turtle Moon, Inc., a Minnesota corporation, the corporation named in the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said David Schulte acknowledged said instrument to be the free act and deed of said corporation.



Charles M Seykora  
Notary Public

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF Anoka )

On this 19 day of January, 1999, before me, a Notary Public within and for said County, personally appeared Douglas Hansen, to me personally known, who, being by me duly sworn did say he is the president of Delmar Homes, Inc., a Minnesota corporation, the corporation named in the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said Douglas Hansen acknowledged said instrument to be the free act and deed of said corporation.



Ruth E. Dickson  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

BARNA, GUZY & STEFFEN, LTD.  
400 Northtown Financial Plaza  
200 Coon Rapids Boulevard  
Minneapolis, MN 55433  
(612) 780-8500 (CMS)

REGISTERED ABSTRACTERS, INC.  
2115 3rd Avenue North  
Anoka, Minnesota 55303  
(612) 427-3012  
T98-12237

32048\_1

**EXHIBIT A TO DECLARATION**  
**TURTLE RUN THIRD TOWNHOMES**  
**COMMON INTEREST COMMUNITY NUMBER 57**

Legal Description

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, Block 1, and Outlot C, Turtle Run Third Addition, Anoka County, Minnesota.

**EXHIBIT B TO DECLARATION**  
**TURTLE RUN THIRD TOWNHOMES**  
**COMMON INTEREST COMMUNITY NUMBER 57**

Additional Real Estate

Outlots   M   and   N  , Turtle Run 1<sup>st</sup> Addition, Anoka County, Minnesota

**ABSTRACT**

Receipt # <u>13060 / 29.50</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>1-25 / 1995</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>4</u> of <u>4</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Pins: <u>EC/SC</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Recordability / Delqs: <u>EC</u>	<input checked="" type="checkbox"/> Division <input type="checkbox"/> GAC
Filing Fees: \$ <u>29.50</u>	<input type="checkbox"/> Status <input type="checkbox"/> Def. Spec
Well Certificate Received this Date: _____ Anoka County Recorder	<input type="checkbox"/> Other <input type="checkbox"/> No Change
Notes: <u>25 pgs</u>	
<u>06-25 00</u> <u>09-4.50</u>	

DOCUMENT NO. 1402562.0 ABSTRACT

**ANOKA COUNTY MINNESOTA**

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE  
FOR RECORD ON **JAN 25 1999**  
AT **10:25 AM** AND WAS DULY RECORDED.  
FEES AND TAXES IN THE AMOUNT OF **\$29.50** PAID.

RECEIPT NO. 1999013060

EDWARD M. TRESKA

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

BY \_\_\_\_\_  
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES