

321185

THIS DOCUMENT NUMBER REPRESENTS A PLAT

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

MUNICIPALITY: Blaine CERTIFIED BY: De ON 10/14/98

MAP # 2081 PLAT BOOK: 16 OF TORRENS PAGE 2

DOC. DATE: 9/10/98 NO. OF PAGES: 1 TRACT BOOK: 12 PAGE 253

PLAT SHORT NAME: Homestead Acres

LONG NAME: Homestead Acres

A/T	PARENT PINS	KEY	RES?	GRANTORS (Fees, C/Ps, Mortgagees)	Marital Status
T	05-31-23-31-0001	122 860	N	Eighty Seven LLC	(fee)
				Village BANK	(mortgagee)

FILED BY: Kraig Domogalla PHONE: 323-6271

TAXPAYER NAME: Eighty Seven LLC

ADDRESS: 12800 Central Ave. NE

CITY: Blaine STATE: Mn. ZIP: 55434

NEW PARCELS

LOT	BLOCK	LOT	BLOCK	LOT	BLOCK
1-35	1				

DELT & CURRENT TAXES ARE PAID: INITIALS: NMA DATE: 10-14-98

DIV. NO.: _____
DIV. FEE: \$1090.

TORRENS

Receipt # <u>13281/1149.50</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>10/14/98, 16:00</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: Recordability: <u>Jag</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Filing Fees: <u>599,</u>	<input checked="" type="checkbox"/> Division <input type="checkbox"/> GAC
Well Certificate Received this Date: _____	<input type="checkbox"/> Status <input type="checkbox"/> Def. Spec
Refund Rec't # _____	<input type="checkbox"/> Other <input type="checkbox"/> No Change
From Cert. # <u>84622</u> A # of <u>0</u> New Certs.: <u>0</u>	Notes: _____
Tract Updated: _____ / _____	Comp. Entry _____
Typed _____	Comp. Complete _____

BK 266 PG 84622 NO 84622

DOCUMENT NO. 321185.0 TORRENS

ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON **OCT 14 1998**

AT **4:00 PM** AND WAS DULY RECORDED.
FEES AND TAXES IN THE AMOUNT OF **\$1149.50** PAID.

RECEIPT NO. **98113281**

EDWARD M. TRESKA

ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

MLO

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

copy of original

321185.0 TORRENS
EIGHTY SEVEN LLC
18530 ULYSSES STREET
EAST BETHEL, MN 55011

COMMUNITY INTEREST COMMUNITY NO. 74
PLANNED COMMUNITY
HOMESTEAD ACRES
DECLARATION

THIS DECLARATION is made as of this ~~21st~~ day of Dec., 1999, by Eighty Seven, 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 1 through 4, inclusive; and Lot 35, all in Block 1, all in Homestead Acres

all of which real estate is referred to herein as the "Real Estate".

Declarant intends to develop the Real Estate as a residential "townhouse" 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"), 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), 8.02, 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 Homestead Acres Homeowners Association, Inc., 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. The Common Elements to be owned by the Association at the time of the conveyance of the first Lot located in Anoka County, Minnesota and are legally described as:

Lot 35, Block 1, Homestead Acres.
- (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.

2.00 IDENTITY OF REAL ESTATE AND CIC

2.01 This Declaration establishes Common Interest Community No. 74, Anoka County, Minnesota, under the name Homestead Acres. 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 CIC located in Anoka County, Minnesota and is legally described as follows:

Lots 1 through 4, inclusive; and Lot 35, all in Block 1, all in Homestead Acres (the "Property").

The project name for development and sales purposes shall be Homestead Acres Townhomes.

This CIC is not a conversion of existing buildings to a CIC 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 Homestead Acres recorded with the Registrar of Titles for Anoka County, Minnesota, on 10/14/1998 as Document No. 321/85, pursuant to Minnesota Statutes Chapter 505, constitutes the CIC Plat for this CIC (sometimes referred to herein as the "Plat" or "CIC Plat").

4.00 OWNERS ASSOCIATION

4.01 Homestead Acres Homeowners Association, Inc. 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 four (4) 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 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.

8.00 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

8.01 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 the 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.
- (f) Party Walls and other easements.

Such easement rights are more specifically described in Article 12.

8.02 Title to Common Elements. The Declarant shall convey and record marketable title to the Common Elements to the Association prior to the first conveyance of any Lot.

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, patios, decks, pads for air conditioners and fences, to the extent located outside the Unit's boundaries. Air conditioner units 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.

Decks or patios constructed as a part of the original construction of improvements, and authorized replacements and modifications thereof, if located outside the unit's boundaries, are specifically defined as Limited Common Elements allocated exclusively to that Unit.

8.04 Extent of Owners' Easements. Except as otherwise provided herein, the rights created hereby and the title of the Association to the 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;
- (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 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; and
- (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.

8.05 Delegation of Use. Any Owner may delegate, in accordance with the Governing Documents, an Owner's right of enjoyment to the Common Elements to its tenants who reside in the Unit and to members of its family and guests, but the Owner shall remain responsible for the conduct of such persons.

8.06 Use of the Common Elements. The Common Elements shall be used strictly in accordance with the provisions of this Declaration. 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 the 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 the Common Elements to its prior condition 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 the 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 the Common Elements by any governmental taxing authority shall be divided and levied against the Units as the Association shall direct, which levies shall be a lien against said Units and shall be collectible by the Association as part of the annual assessment if the same are not required to be paid directly to the governmental authority.

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(h) of the Act.

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(h) of the Act against only the Unit or Units benefitted. 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.

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 each 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. Owners shall pay interest on delinquent installments from the first day of the month in which they are due at the highest rate allowed by law. Installments paid on or before ten (10) days after the first day of each month shall not result in any late charge, but there shall be added to each installment thereof not paid on or before the tenth (10th) day of each month a one time late charge of 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 therefor, 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 on 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 525, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (h)(1) to (3), (i), and (l) 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 ALTERNATIVE ASSESSMENT PROGRAM

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 25 percent of any assessment levied 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.

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 Real Estate and placed on the dividing line between the Units shall constitute a party wall, and 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, 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. All easements described 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 mortgagee, from time to time, of any Unit, and their respective heirs, successors, personal representatives or assigns.

12.08 Unit to Unit Easements. Since each Dwelling forms an integral part of a building including other Dwelling(s), the Owner of each Unit shall have a non-exclusive 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 encroach upon any part of another Unit, as a result of construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, then a perpetual easement appurtenant to such encroaching Unit shall exist for the continuance of any such encroachment for so long as the encroachment shall exist.

12.09 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and tenants thereof, shall be subject to the rights of the Association to an exclusive, appurtenant easement on and over the Units 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.

12.10 Utilities Easements. The Property shall be subject to non-exclusive, appurtenant easements for all utilities, water and sewer, and similar services, which exist from time to time, as constructed or referred to in the Plat, or as otherwise described in this Declaration or any

other duly recorded instrument. Each Unit, and the rights of the Owners and tenants thereof, shall be subject to a 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 an 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.

12.11 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.

12.12 Use and Enjoyment Easements. Each Unit shall be the beneficiary of appurtenant easements for the use and enjoyment on and across the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Declaration and consistent with the Association's rights therein.

12.13 Access and Parking Easements. Each Unit shall be the beneficiary of 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 this Declaration.

It should be noted that the Common Elements include private streets which provide physical access from each Unit to public roads. These 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.

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, the private streets located thereon, and 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, the maintenance and repair of roofs, gutters, downspouts and overhangs, the maintenance and repair of exterior windows and doors, and necessary painting, staining and repair of patio or deck structures on a Unit as originally built but not (at Association's option) of additions thereto made by an Owner. The painting and decorating of the exterior surface of exterior doors and exterior window sashes shall be the responsibility of the

Association. The Association shall not be responsible for washing windows, or maintenance of air conditioning equipment. 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. 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 Board of Directors' right to disapprove plantings and locations which would be disharmonious.

13.03 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 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.

The term of any agreement for professional management of the property may not exceed three years, but may be renewable by agreement of the parties for successive terms. Any such professional management agreement must provide at a minimum for termination without penalty or termination fee by either party on ninety (90) days or less written notice.

13.04 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 such personal property to residents of his or her Unit. A transfer of title to a Unit shall transfer to the transferee Ownership of the transferor's beneficial interest in such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Unit.

13.05 Utilities. The Association shall maintain, replace and repair sewer and water lines on Units from the street to the foundation of each Dwelling.

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 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. Every Owner must perform promptly all cleaning, maintenance and repair work within his or her Dwelling, 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.

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 which might result in damage to the adjoining Dwelling, all Owners shall maintain the temperature in their Dwelling, at all times, at least at 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 Units in this CIC share contiguous walls, siding and roofs, also on the Units. The same section 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 may carry fidelity insurance and shall do so whenever required by a holder, insurer or guarantor of a mortgage.
- (c) 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.
- (d) The Association shall also 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.
- (e) The Association shall make every effort to procure its insurance from an insurance carrier licensed to do business in the State of Minnesota with ratings of A-Xi as established by Best's Insurance Reports, if such a company is available, or if not available, its equivalent rating or the best rating possible.
- (f) The Association shall make every 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 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. 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. 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 fifteen (15) days after said plans and specifications have been submitted to it (in such reasonable detail as the Committee may require), or if no suit to enjoin the making of such construction, removal, additions, alterations, or changes has been commenced within thirty (30) days of such submission, such approval will be deemed to have been given. If no such submission has been made to the Architectural Control Committee or its representatives, suit to enjoin or remove such additions, alterations or changes may be instituted at any time by the Association or any Owner. The Board of Directors, 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. 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. During the period of Declarant control, 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.

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 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) pose 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.

17.00 RENTAL RESTRICTIONS

17.01 Any lease between an Owner and a lessee 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 lessee 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. No lease may be for a period of less than seven (7) days. Other than the foregoing, there shall be no restrictions on the right of any Owner to lease his or her Unit.

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, nor shall any Unit or any part thereof be leased, sublet, assigned or suffered to be used for hotel or transient occupancy, 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, which do not invite or generate regular or frequent visits by clients, customers, delivery persons, employees, co-workers or the public, 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.

18.03 No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out on any portion of a Unit so as to be visible from outside the Unit. 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 pets shall be permitted to be kept on the Property by any Owner or occupant except conventional domesticated animals. No kennel, dog house or outside run shall be constructed or maintained on the Property. No pet shall be kept for any commercial purpose nor shall pets be bred for a commercial purpose upon the Property. Any pet, whenever outside of a Dwelling, must be kept under the direct control of the pet 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 75% of the Owners of Units located within 75 feet of the Unit in which resides a specified pet, 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 Board, and may be prohibited by the Board 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), 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 9,000 pounds' gross weight, or unlicensed 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 Board shall by regulation approve, of street addresses and names of occupants;
- (b) A "For Sale" sign may be displayed provided that is in such styles and materials as the Board shall by regulation approve; and
- (c) Declarant shall be permitted to erect and maintain upon the Real Estate such signs as it deems necessary to advertise the development during the construction and sale periods.

Without limiting the generality of the foregoing, the Board of Directors may by resolution prohibit the distinctive and particular "For Sale" signs used by real estate brokers and agents.

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. 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 21.03 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 and add Additional Real Estate, if any, granted by this Declaration;

- (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. 60 days after the conveyance of 75% of the Units to Owners other than Declarant; and
 3. five 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. The Declarant may maintain a business and sales office, model Townhouses 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, until the earlier of the date upon which all of the Units are sold by the Declarant, or the expiration of the period of Declarant control, 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. 74, Homestead Acres, any one or more of the following described parcels of land located in the City of Blaine, County of Anoka, State of Minnesota:

Lots 5 through 34, inclusive; all in Block 1, all in Homestead Acres.

Declarant reserves the right to add all or a portion of the above described land in at least one (1) but not more than thirty (30) 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 thirty (30). All of such units 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.

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 of 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 pursuant to this Section other than as set forth in this Declaration or created by or imposed pursuant to law.

22.00 AMENDMENTS

22.01 Amendment. The Act specifies the requirements for amending this 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 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 law or this Declaration, amendments to this Declaration of a material nature must be agreed to by Unit Owners who represent at least 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 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 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; or
- (l) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

22.04 Consent to Certain Actions. The written consent of said mortgage holders representing at least 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; or
- (e) use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property.

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; or
- (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 Notices. Any notice required to be sent to any member of the Association (or Owner) under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such member appearing on the records of the Association at the time of such mailing. In the case of multiple Owners of a Unit, notice to any one of such Owners shall be deemed notice to all.

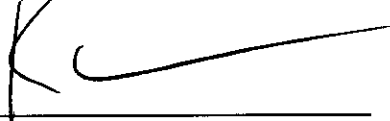
23.04 Captions. The Article and Section headings are intended for convenience only and shall not be given any substantive effect.

23.05 Construction. In the event of an apparent conflict between this Declaration and the Bylaws, the provisions of this Declaration shall govern. The use of pronouns such as "his", "he" and "him" are for literary purposes and mean whenever applicable the plural and female forms.

If all or any portion of this Declaration shall be determined to violate any law, ordinance or regulation, the Declaration shall be deemed enforceable to the extent allowed by any such law, ordinance or regulation.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year recited on the first page hereof.

Eighty Seven, LLC

By: 

Kraig Domogalla
Its Chief Manager

STATE OF MINNESOTA)

COUNTY OF Ramsey) ss.

The foregoing instrument was acknowledged before me this 21st day of December, 1999 by Kraig Domogalla, the Chief Manager of Eighty Seven, LLC, a Minnesota limited liability company, as his free act and deed on behalf of the company.



Eileen R. Dorsey
Notary Public

THIS INSTRUMENT DRAFTED BY:
Peterson Fram & Bergman, P.A. (PWF)
Suite 300, 50 East Fifth Street
St. Paul, MN 55101

F:\users\CAROL\KATHY\PWF\Eighty Seven LLC\homestead dec.wpd

**UNANIMOUS WRITING IN LIEU OF ORGANIZATIONAL
MEETING OF THE INITIAL BOARD OF DIRECTORS OF
HOMESTEAD ACRES HOMEOWNERS ASSOCIATION, INC.**

We, the undersigned, being all of the initial Board of Directors of Homestead Acres Homeowners Association, Inc., do hereby duly adopt the following actions, in writing, on behalf of said corporation, without a meeting pursuant to the authority of Minnesota Statutes Sections 317A.171, subd. 2 and 317A.239, subd. 5, effective 12/21/99.

ELECTION OF OFFICERS:

RESOLVED: The following persons are elected officers of the corporation, said officers to serve without compensation and said officers shall hold office until the first annual meeting of Directors and until their successors are duly elected and qualified.

Kraig Domogalla -- President/Treasurer
Mark Strandlund-- Vice President/Secretary

CORPORATE RECORDS:

RESOLVED: That the Articles of Incorporation and Certificate of Incorporation, presented by the corporation's legal counsel, be, and they hereby are, accepted and approved. The appropriate officers are directed to insert the Articles and original receipt showing payment of filing fees in the corporate minute book.

ADOPTION OF BYLAWS:

RESOLVED: That the corporate Bylaws, as presented by counsel, are hereby adopted and that said Bylaws be signed and inserted in the corporate minute book by the secretary.

ADOPTION AND RATIFICATION:

RESOLVED: That the Board of Directors, on behalf of the corporation hereby ratifies, approves, confirms and adopts the actions taken by the promoters and incorporator prior to the formation of the corporation. The corporation shall hereafter be bound by the activities of the promoters and of all agreements, arrangements, negotiations and contracts, which have been

negotiated on behalf of the corporation by the promoters and incorporators, including, but not limited to, a Management Agreement dated 12/21/99 with Personal Touch Management.

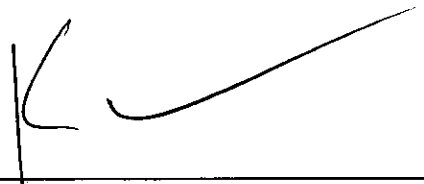
BANKING RESOLUTION:

RESOLVED: That the _____, hereinafter sometimes called "the Bank", be and it hereby is designated as a depository for the funds of this corporation and that the printed resolutions supplied by the Bank, as completed at this meeting, be attached to this writing and deemed resolutions of this corporation duly adopted by the Board.

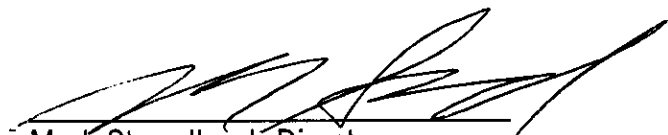
DIRECTORS' MEETINGS:

RESOLVED: That in addition to the regular meeting set forth in the Bylaws, the Directors shall meet at least once every two months on such day of the month, time and place as further determined by the Directors.

Dated this 21 day of Dec. 1999.



Kraig Domogalla, Director



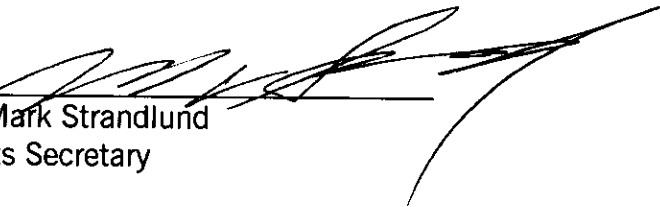
Mark Strandlund, Director

CERTIFICATION

I, Mark Strandlund, do hereby certify that I am the Secretary of Homestead Acres Homeowners Association, Inc., a corporation organized under the laws of the State of Minnesota, and that the attached are true, correct and complete copies of the resolution adopted by the Board of Directors of said corporation, duly and properly effective the 21 day of DECEMBER 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21 day of DECEMBER 1999.

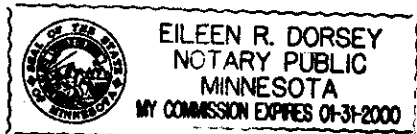
HOMESTEAD ACRES
HOMEOWNERS ASSOCIATION, INC.

By: 
Mark Strandlund
Its Secretary

STATE OF MINNESOTA)

COUNTY OF Ramsey ss.

On this 21 day of December 1999, before me, a Notary Public in and for said county, personally appeared Mark Strandlund, Secretary of Homestead Acres Homeowners Association, Inc., to me known to be the person described in and who executed the foregoing instrument and acknowledged that the instrument was signed on behalf of said corporation by authority of the Board of Directors, and further acknowledged said instrument to be the free act and deed of said corporation.




Notary Public

TORRENS

Receipt # <u>26666/1950</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time <u>4/6/00, 15:00</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: Recordability: <u>JB</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Filing Fees: <u>19.50</u>	<input checked="" type="checkbox"/> Division <input type="checkbox"/> GAC
Well Certificate Received this Date: _____	<input type="checkbox"/> Status <input type="checkbox"/> Def. Spec
Refund Rec't # _____	<input type="checkbox"/> Other <input type="checkbox"/> No Change
From Cert. # <u>84622 A</u> # of New Certs.: <u>0</u>	Notes: _____
Tract Updated: _____ / _____	Comp. Entry _____
Typed _____	Comp. Complete _____

BK 266 PG 84622 NO 84622

DOCUMENT NO. 351830.0 TORRENS

ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE
FOR RECORD ON APR 06 2000
AT 3:00 PM AND WAS DULY RECORDED.
FEES AND TAXES IN THE AMOUNT OF \$19.50 PAID.

RECEIPT NO. 2000026666

EDWARD M. TRESKA

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

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

351830.0 TORRENS
EIGHTY SEVEN LLC
18530 ULYSSES ST.
EAST BETHEL, MN 55011