

OFFICIAL PLAT

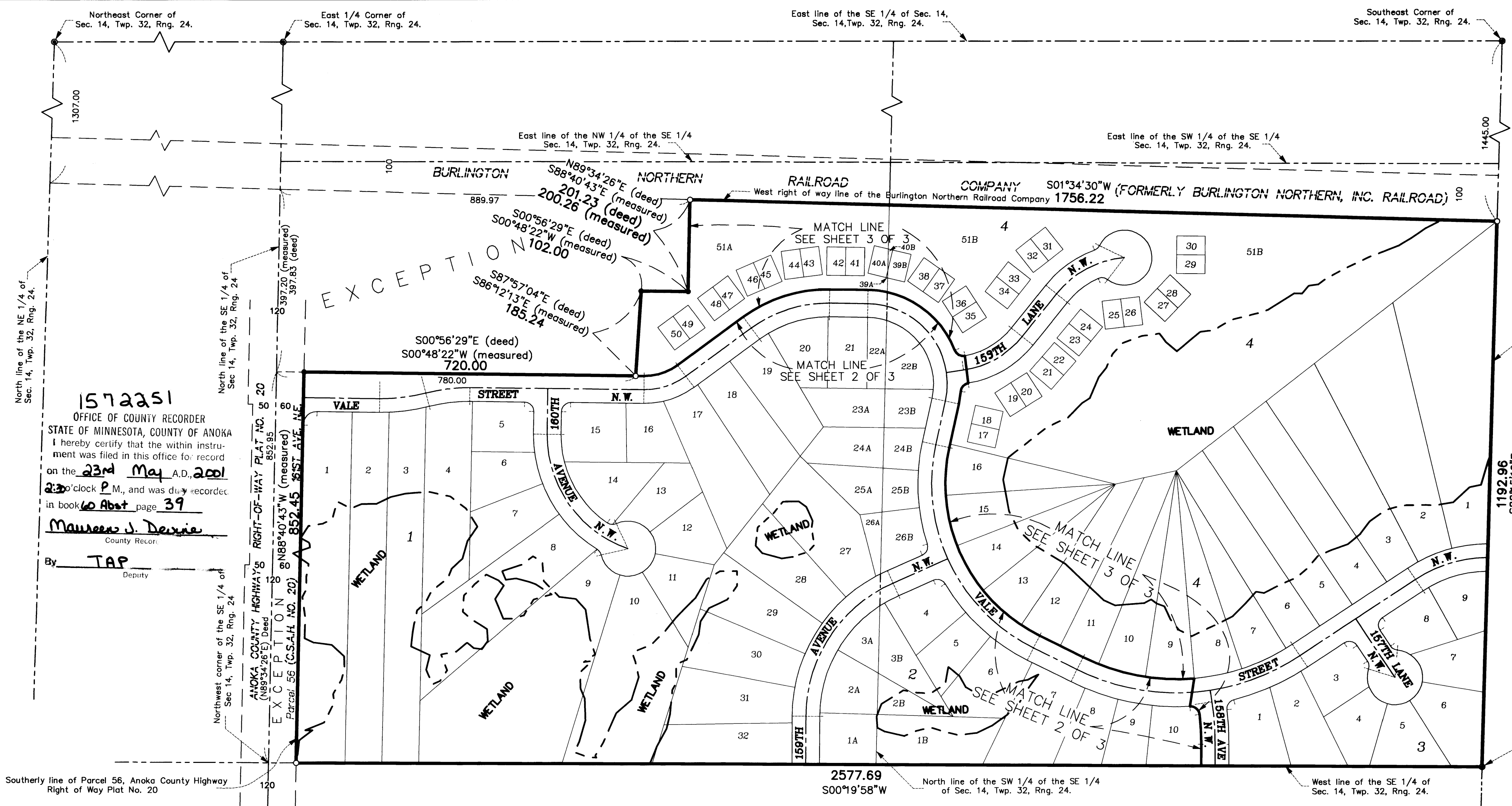
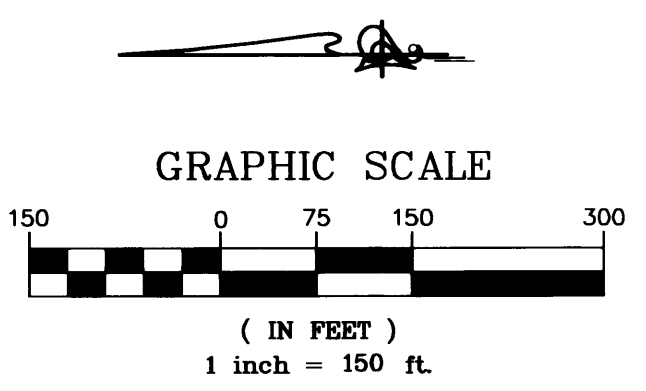
CITY OF ANDOVER
 COUNTY OF ANOKA
 SEC. 14, T. 32, R. 24
 Book 60 ABST pg 39

**RED
 PINE
 FIELDS**

- Denotes Anoka County Monument
- Denotes iron monument found
- Denotes 1/2 inch by 14 inch iron monument set and marked with license number 20595

BEARINGS ARE BASED ON THE SOUTH LINE OF THE SE 1/4 SEC. 14, T.32, R.24 IS ASSUMED TO HAVE A BEARING OF S 88° 15' 12" E.

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



1572251
 OFFICE OF COUNTY RECORDER
 STATE OF MINNESOTA, COUNTY OF ANOKA
 I hereby certify that the within instrument was filed in this office for record on the 23rd day of May, A.D. 2001 at 2:30 o'clock P.M., and was duly recorded in book 60 Abst page 39
Maureen J. Devine
 County Recorder

By TAP
 Deputy

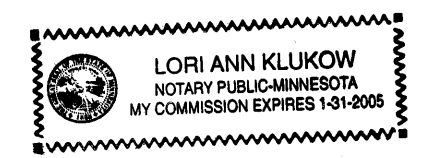
KNOW ALL MEN BY THESE PRESENTS: That Gold Nugget Development, Inc., a Minnesota corporation, owner and proprietor, and Prior Lake State Bank, a Minnesota corporation, mortgagee of the following described property situated in the County of Anoka, State of Minnesota to wit:
 That part of the Southwest Quarter of the Southeast Quarter of Section 14, Township 32, Range 24, lying westerly of a line drawn from a point on the North line of said Section 14, distant 1307 feet west from the northeast corner of said Section 14 to a point on the South line of said Section 14 distant 1445 feet west of the southeast corner of said Section 14, Anoka County, Minnesota.

Together with:
 That part of the Northwest Quarter of the Southeast Quarter of Section 14, Township 32, Range 24, lying west of the west right-of-way of the Burlington Northern, Inc. Railroad.
 Except that part described as follows:
 Commencing at the northwest corner of said Northwest Quarter of the Southeast Quarter; thence North 89 degrees 34 minutes 26 seconds East, assumed bearing, along the north line thereof, a distance of 852.95 feet to the point of beginning of the land to be described; thence South 00 degrees 56 minutes 29 seconds East a distance of 780.00 feet; thence South 87 degrees 57 minutes 04 seconds East, a distance of 185.24 feet; thence South 00 degrees, 56 minutes 29 seconds East a distance of 102.00 feet; thence North 89 degrees 34 minutes 26 seconds East, a distance of 201.23 feet to the west right-of-way line of the Burlington Northern Inc. Railroad; thence North 00 degrees 11 minutes 40 seconds West, along said west line a distance of 889.97 feet to the north line of said Northwest Quarter of the Southeast Quarter; thence westerly along said north line, a distance of 397.83 feet to the point of beginning.

Also except that part thereof lying northerly of the southerly line of Parcel 56, Anoka County Highway Right of Way Plat No. 20.
 Have caused the same to be surveyed and platted as RED PINE FIELDS and do hereby donate and dedicate to the public for public use forever the lanes, avenues and street and also dedicate the easements as shown on this plat for drainage and utility purposes only. In witness whereof said Gold Nugget Development, Inc. a Minnesota corporation has caused these presents to be signed by its proper officer this 17 day of May, 2001 and in witness whereof said Prior Lake State Bank, a Minnesota corporation has caused these presents to be signed by its proper officer this 17 day of May, 2001.

GOLD NUGGET DEVELOPMENT, INC. PRIOR LAKE STATE BANK
Wayne Fleck John R. Breitbach
 Wayne Fleck, President John R. Breitbach, Senior Vice President

STATE OF MINNESOTA
 COUNTY OF Anoka
 The foregoing instrument was acknowledged before me this 17 day of May, 2001, by Wayne Fleck, as president of Gold Nugget Development, Inc., a Minnesota corporation on behalf of the corporation.



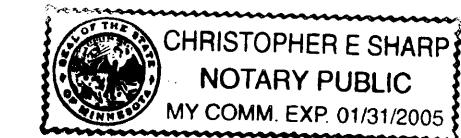
STATE OF MINNESOTA
 COUNTY OF Anoka
 The foregoing instrument was acknowledged before me this 17 day of May, 2001, by John R. Breitbach, as senior vice president of Prior Lake State Bank, a Minnesota corporation on behalf of the corporation.

Lori Ann Klukow
 Notary Public, Anoka County, Minnesota
 My Commission Expires 1-31-05

I hereby certify that I have surveyed and platted the property described on this plat as RED PINE FIELDS, 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 correctly placed in the ground as designated; that the outside boundary lines are correctly designated on the plat and that there are no wetlands as defined in MS 505.02, Subd. 1 or public highways to be designated other than as shown.

STATE OF MINNESOTA
 COUNTY OF Anoka

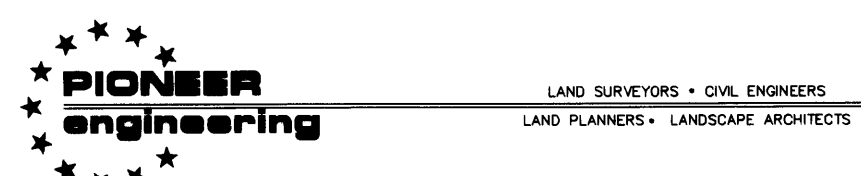
The foregoing Surveyor's Certificate was acknowledged before me this 16th day of MAY, 2001 by Terrence E. Rothenbacher, Minnesota License No. 20595.



CITY OF ANDOVER
 We hereby certify that the City of Andover, Anoka County, Minnesota duly accepted and approved this plat of RED PINE FIELDS at a regular meeting held this 15th day of May, 2001. If applicable, the written comments and recommendations of the Commissioner of Transportation and the County Highway Engineer have been received by the City or the prescribed 30 day period has elapsed without receipt of such comments and recommendations, as provided by Minnesota Statutes, Section 505.03, Subdivision 2.
 By: Wayne Fleck Mayor
 By: Victoria Bell Clerk

This plat has been checked and approved this 22nd day of May, 2001.

By Larry D. Hain by Deputy
 Anoka County Surveyor

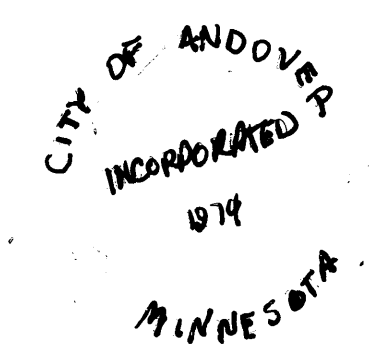


Terrence E. Rothenbacher
 Terrence E. Rothenbacher, Land Surveyor
 Minnesota License No. 20595

Christopher E. Sharp
 Notary Public, Anoka County, Minnesota
 My Commission Expires 01/31/05

I HEREBY CERTIFY THAT THE CURRENT AND DELINQUENT TAXES ON THE LANDS DESCRIBED WITHIN ARE PAID AND THE TRANSFER IS ENTERED
May 23, 2001
Maureen J. Devine
 PROPERTY TAX ADMINISTRATOR
 BY S. Culver
 DEPUTY PROPERTY TAX ADMINISTRATOR

Office of REGISTRAR OF TITLES
 STATE OF MINNESOTA
 COUNTY OF ANOKA
 I hereby certify that the within instrument was filed in this office on May 23, 2001 at 2:30 o'clock P.M.
 By Steve Deputy Registrar of Titles

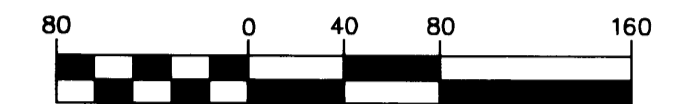


RCPT 2001042341 #3489.50 Receipt 2001042343 #81.50

RED PINE FIELDS



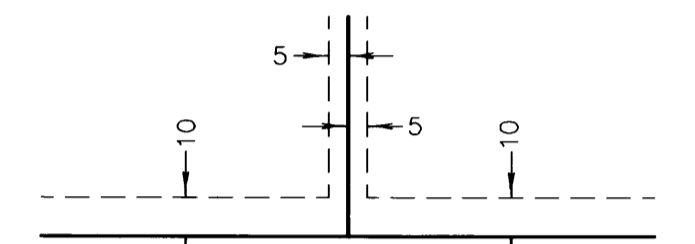
GRAPHIC SCALE



(IN FEET)
1 inch = 80 ft.

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

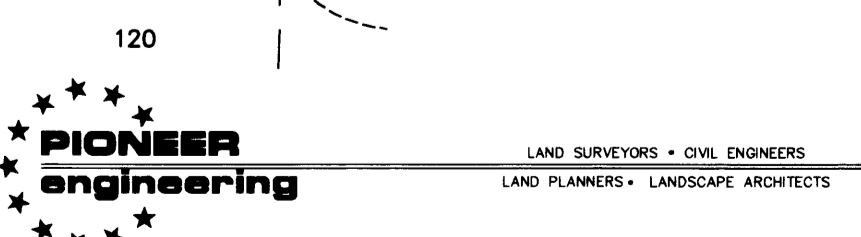
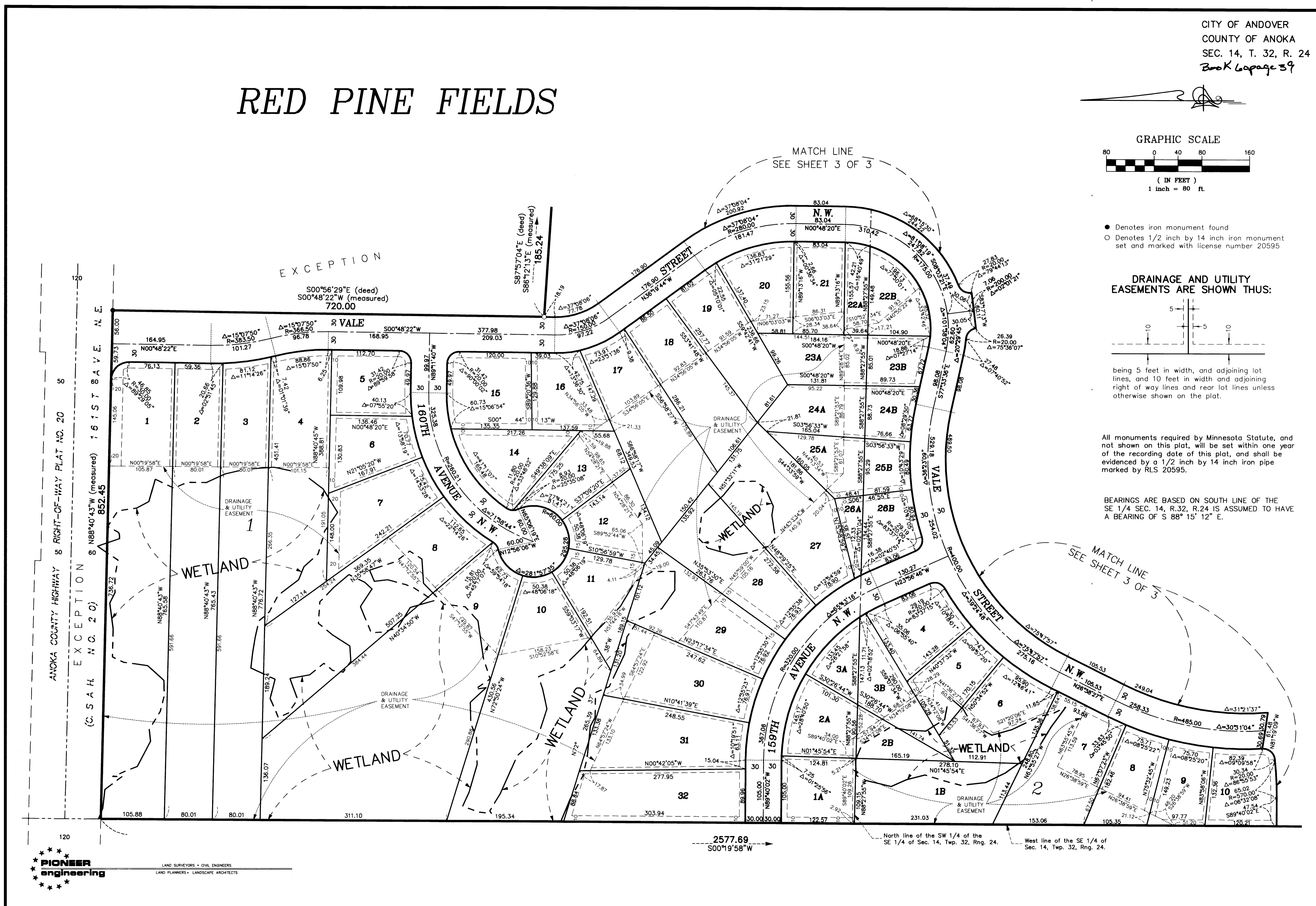
DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



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

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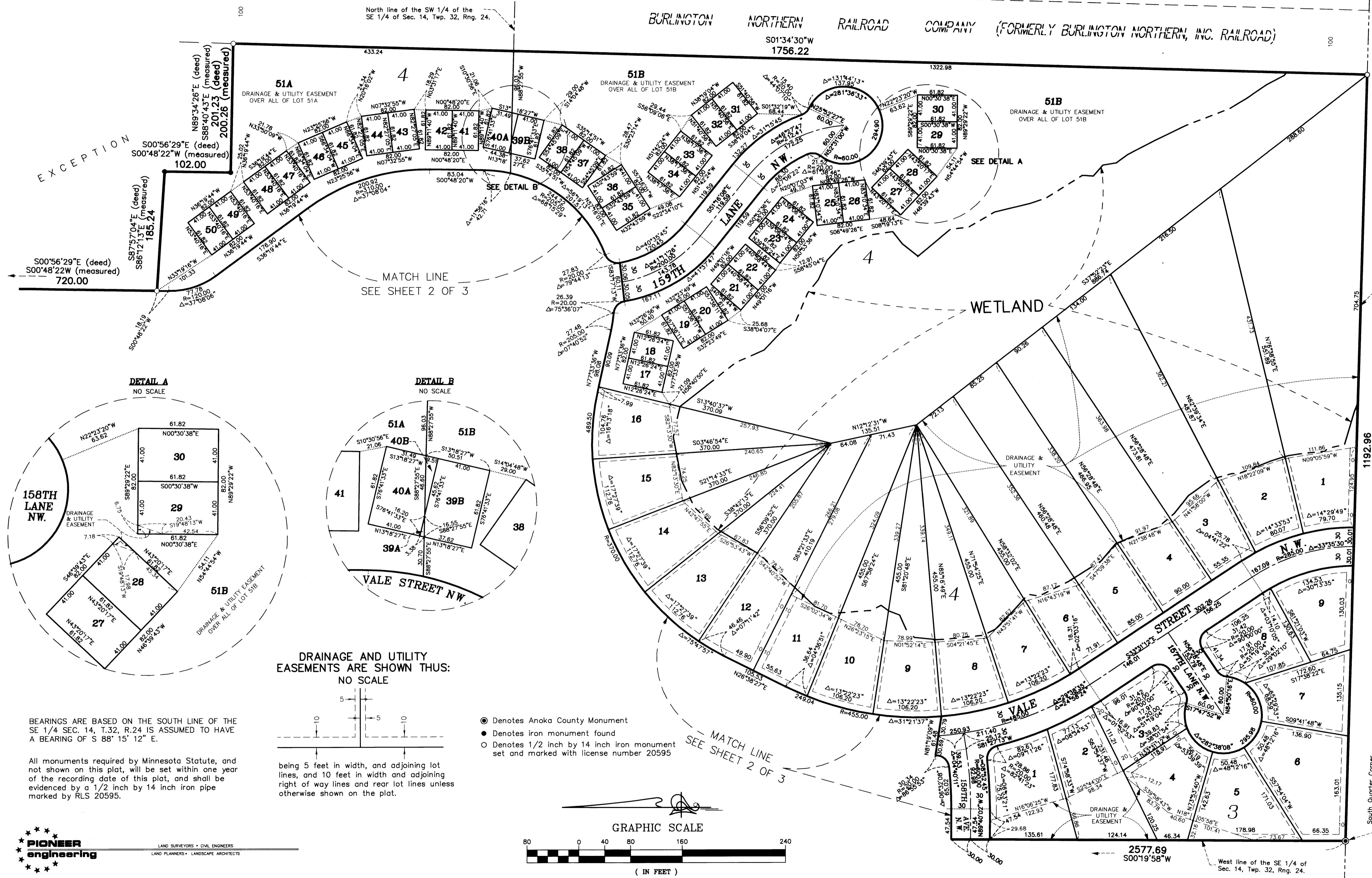


2577.69
S00°19'58"W
North line of the SW 1/4 of the SE 1/4 of Sec. 14, Twp. 32, Rng. 24.
West line of the SE 1/4 of Sec. 14, Twp. 32, Rng. 24.

RED PINE FIELDS

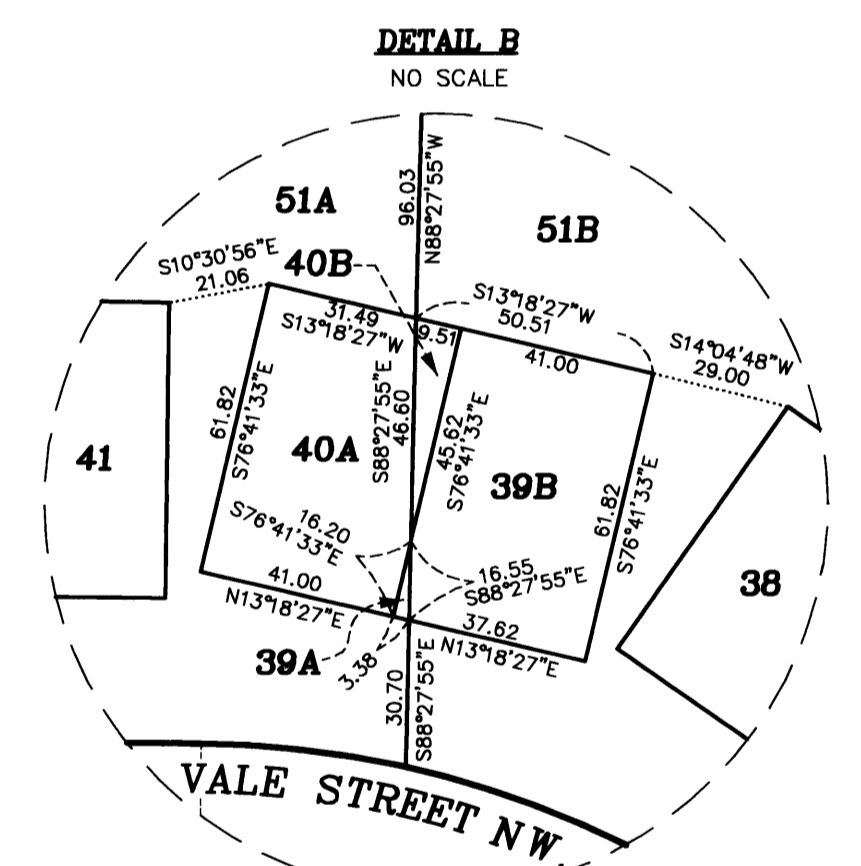
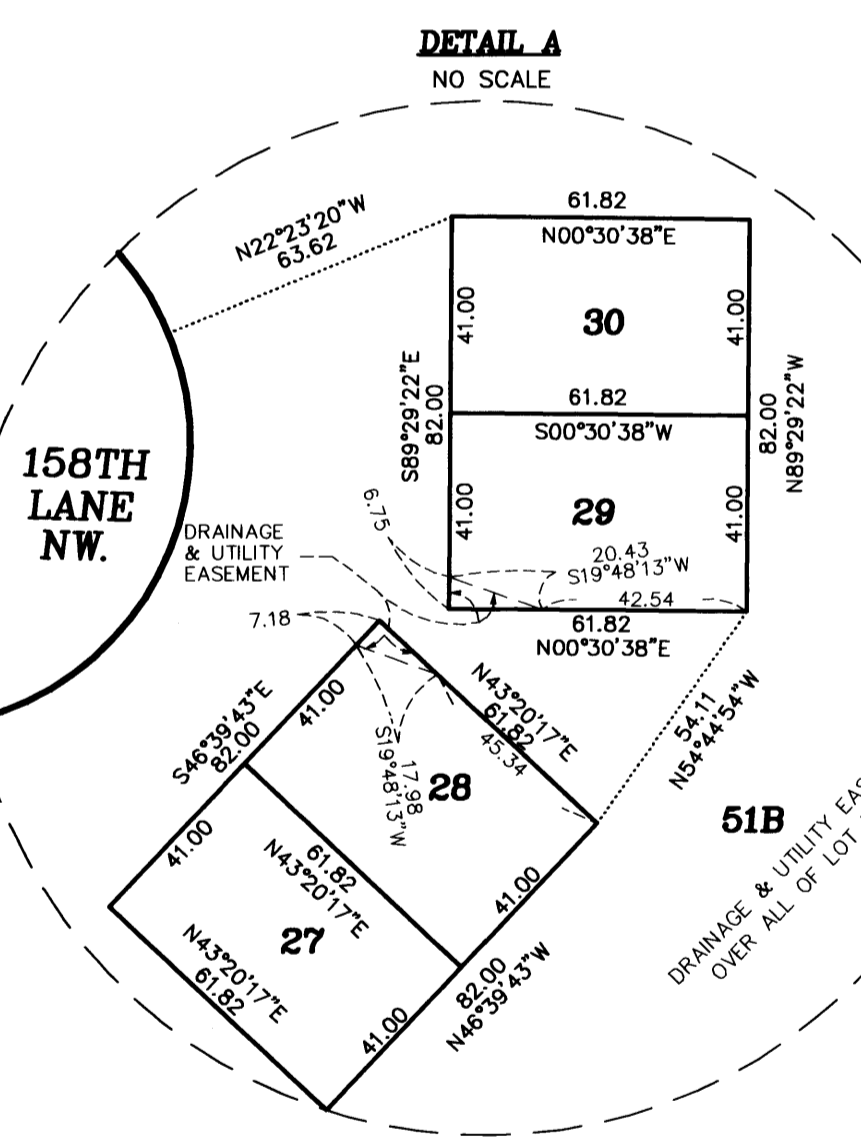
CITY OF ANDOVER
COUNTY OF ANOKA
SEC. 14, T. 32, R. 24

Book 60 pgs 39

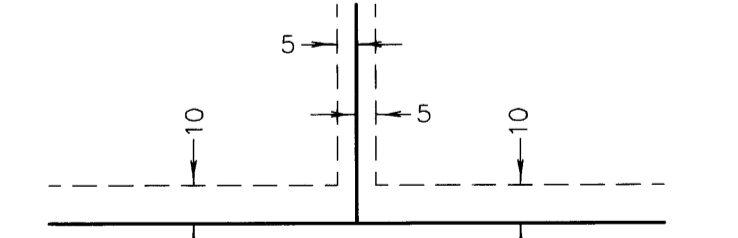


EXCEPTION

S00°56'29"E (deed)
S00°48'22"W (measured)
720.00



DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:
NO SCALE

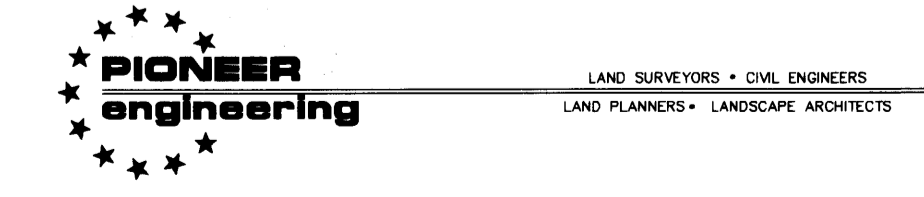
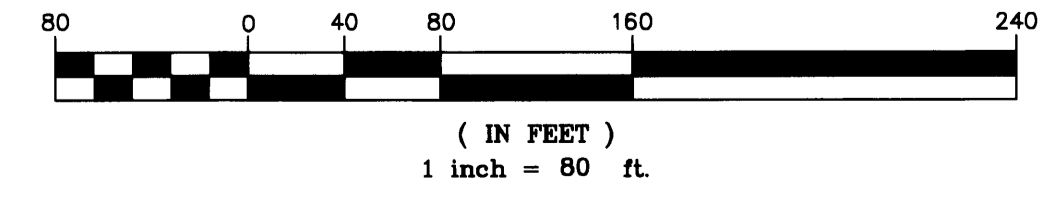


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GRAPHIC SCALE



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: Andover CERTIFIED BY: Ac ON 5/23/01

MAP # 2484 PLAT BOOK: 60 OF Abst PAGE 39

DOC. DATE: 5-17-01 NO. OF PAGES: 3 TRACT BOOK: 12 PAGE 524

PLAT SHORT NAME: Red Pine Fields
 LONG NAME: Red Pine Fields **1572251**

A/T	PARENT PINS	KEY	RES?	GRANTORS (Fees, C/Ps, Mortgagees)	Marital Status
T	14-32-24-43-0001	550139	N	Gold Nugget	(fee)
A	42-0005	1136842	N	Development Inc.	
				Prior Lake State Bank (mortgage)	

FILED BY: Walter GRASER PHONE: 763-424-6377

TAXPAYER NAME: Gold Nugget Dev.

ADDRESS: 8857 Zealand Ave. N.

CITY: BROOKLYN PARK STATE: MN. ZIP: 55040

NEW PARCELS

LOT	BLOCK	LOT	BLOCK	LOT	BLOCK
1-21	1	26A+26B	1	1-38	4
22A, 22B	1	27-32	1	39A+39B	4
23A, 23B	1	1A+1B	2	40A+40B	4
24A+24B	1	2A+2B	2	41-50	4
25A+25B	1	3A+3B	2	51A+51B	4
		4-10	2		
		1-9	3		

DELQ & CURRENT TAXES ARE PAID: INITIALS: Jap DATE: 5/23/01

DIV. NO.: _____
 DIV. FEE: \$ 3,430.

TORRENS

Receipt # <u>42341/34895</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>5/23/01, 14:30</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>2</u> of <u>3</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Recordability: <u>Jap</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Filing Fees: <u>595 + 3430.00</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 Rect # _____	<input type="checkbox"/> Other <input type="checkbox"/> No Change
Notes: _____	
From Cert. # <u>92283</u> A# of New Certs.: <u>0</u>	Comp. Entry
Tract Updated: _____ / _____	Comp. Complete

BK 266 PG 92283 NO 92283

DOCUMENT NO. 372034.0 TORRENS

ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON **MAY 23 2001** AT **2:30 PM** AND WAS DULY RECORDED. FEES AND TAXES IN THE AMOUNT OF **\$3489.50** PAID.

RECEIPT NO. 2001042341

~~MAUREEN J. DEVINE~~ MAUREEN J. DEVINE
ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

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

5

ABSTRACT

Receipt # <u>42343/8150</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>5/23/01, 14:30</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>1</u> of <u>2</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Pins: <u>Jap</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Recordability / Delqs: <u>Jap</u>	<input checked="" type="checkbox"/> Division <input type="checkbox"/> GAC
Filing Fees: <u>8150</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>Plot 113 lots.</u>	

DOCUMENT NO. 1572251.0 ABSTRACT

ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON **MAY 23 2001** AT **2:30 PM** AND WAS DULY RECORDED. FEES AND TAXES IN THE AMOUNT OF **\$81.50** PAID.

RECEIPT NO. 2001042343

~~MAUREEN J. DEVINE~~ MAUREEN J. DEVINE
ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

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

FILE IN TORRENS

372034.0 TORRENS
GOLD NUGGET DEVELOPMENT INC
8857 ZEALAND AVE N
BROOKLYN PARK, MN 55455

372035

1572252

Common Interest Community No. 89
(Planned Community)

RED PINE FIELDS TWINHOMES

DECLARATION

By this Declaration made on the 22 day of May, 2001, GOLD NUGGET DEVELOPMENT, INC., does hereby submit the real property in Anoka County, Minnesota, described in Section 1.24, and such of the real property described in Section 1.01 as may be added hereto, to the provisions of Minnesota Statutes, Chapter 515B, the Minnesota Common Interest Ownership Act, as amended (the Act), for the purpose of creating Red Pine Fields Twinhomes, a planned community that is not subject to a master association, and does hereby declare that the real property described in Section 1.24, and such of the real property described in Section 1.01 as may be added hereto, shall be held and conveyed subject to the following terms, covenants, restrictions, and conditions:

1. DEFINITIONS. The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.01 "Additional Real Estate" means the real property described in the attached Schedule C, including all improvements now or hereafter located thereon, and all easements and rights appurtenant thereto, which property Declarant has the right to add to the common interest community.

1.02 "Alteration" is defined in Section 8.01(a).

1.03 "Annual Assessment" means the Assessments levied annually pursuant to Section 6.02.

1.04 "Assessments" means the Annual, Special and Limited Allocation Assessments levied pursuant to Section 6 of this Declaration.

1.05 "Association" means RED PINE FIELDS TWINHOMES ASSOCIATION, a nonprofit corporation organized pursuant to Minnesota Statutes, Chapter 317A, and Minnesota Statutes, Section 515B.3-101.

1.06 "Board" means the board of directors of the Association.

1.07 "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.08 "Common Elements" mean all portions of the Property other than the Units, and initially consist of the real property described in the attached Schedule B.

1.09 "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including, without limitation, allocations to reserves and those items specifically identified as Common Expenses in this Declaration or Bylaws.

1.10 "Community" means the common interest community created by this Declaration.

1.11 "Declarant" means GOLD NUGGET DEVELOPMENT, INC., or its successor as defined in Section 515B.1-103(15) of the Act.

1.12 "Declaration" means this document, including any amendments.

1.13 "Dwelling" means 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.

1.14 "Eligible Mortgagee" means any Person owning a mortgage on any Unit, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Unit, 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.

1.15 "Governing Documents" means this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time.

1.16 "Limited Allocation Assessment" means the Assessments levied by the Association pursuant to Section 6.04.

1.17 "Limited Common Elements" means a portion of the Common Elements allocated by Section 3.02 of this Declaration for the exclusive use of one or more but fewer than all of the Units.

1.18 "Maintenance" is defined in Section 9.01.

1.19 "Member" means all persons who are members of the Association by virtue

of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

1.20 "Occupant" means a Person, other than an Owner, in possession of or residing in a Unit.

1.21 "Owner" means a Person who owns a Unit, but excluding contract for deed sellers, mortgagees and other secured parties within the meaning of Section 515B.1-103(29) of the Act. The term "Owner" includes, without limitation, contract for deed purchasers and holders of a life estate.

1.22 "Person" means an individual, corporation, limited liability company, partnership, trustee, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal entity.

1.23 "Plat" means the recorded plat of the Property pursuant to Section 515B.2-110(d) of the Act, and Minnesota Statutes, Chapter 505, including any amended or supplemental Plat recorded from time to time in accordance with the Act.

1.24 "Property" means the real property and all improvements, easements, rights and appurtenances submitted to the Act by this Declaration. As of the date of this Declaration, the Property consists of the real property described in the attached Schedule A.

1.25 "Rules" means the Rules of the Association as approved from time to time pursuant to Section 5.06.

1.26 "Special Assessment" means an Assessment levied pursuant to Section 6.03 on an irregular basis.

1.27 "Unit" means any lot subject to this Declaration, as shown on the Plat, upon which a Dwelling is or will be located, including all improvements thereon. For the purposes of this Section 1.27 and the Governing Documents, Lots 39A and 39B, Block 4, Red Pine Fields, shall be combined to constitute one Unit, and Lots 40A and 40B, Block 4, Red Pine Fields, shall be combined to constitute one Unit. Such combined lots shall be held and conveyed by the Owners thereof as single Units and may not be separately conveyed or separated for any purpose under the Governing Documents.

2. NUMBER OF UNITS; BOUNDARIES; AND RELATED EASEMENTS.

2.01 Units. The Community shall contain 12 Units, all of which are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act. The Unit identifiers and locations of the Units shall be as shown on the Plat, which is by reference incorporated in and made a part of this Declaration. The Declarant has reserved the right in Section 16 to create up to a total of 34 Units. The Unit identifier for a Unit shall be its lot and block numbers and the subdivision name.

2.02 Unit Boundaries. The boundaries of each Unit shall be the boundary lines of the lot upon which the Dwelling is or will be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section 2 and Section 3.02, all spaces, walls and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

2.03 Access Easements. Each Unit, including each Unit added from the Additional Real Estate, shall be the beneficiary of a perpetual appurtenant easement for access to a public street or highway on or across those portions of the Common Elements paved for use as streets, as shown on the Plat, subject to any restrictions set forth in the Governing Documents or the Rules.

2.04 Use and Enjoyment Easements. Each Unit shall be the beneficiary of perpetual appurtenant easements for use and enjoyment on and across the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Governing Documents.

2.05 Utility and Maintenance Easements. Each Unit shall be subject to and shall be the beneficiary of perpetual appurtenant easements for all services and utilities servicing the Units and Common Elements, and for maintenance, repair and replacement as described in Section 13.

2.06 Encroachment Easements. Each Unit shall be subject to and shall be the beneficiary of perpetual appurtenant easements for encroachments as described in Section 13.

2.07 Declarant's Easements. Declarant shall have and be the beneficiary of easements for construction and sales activities as described in Section 15.

2.08 Roadway Access Easements. The Common Elements shall be subject to an appurtenant easement for roadway access in favor of the owners and occupants of any part of the Additional Real Estate which is not added to the Property, as described in

Section 13.

2.09 Easements are Appurtenant. All easements and similar rights burdening or benefiting a Unit or any other part of the Property shall run with the land, and shall be permanent, subject only to termination in accordance with the Act or the terms of the easement. Any recorded easement benefitting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration.

2.10 Impairment Prohibited. No person shall materially restrict or impair any easement benefitting or burdening the Property, subject to the Declaration and the right of the Association to establish and enforce reasonable Rules governing the use of the Property.

2.11 Benefit of Easements. All easements benefitting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests. However, an Owner who has delegated the right to occupy the Unit to an Occupant or Occupants, whether by a lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except as a guest of an Owner or Occupant or in connection with the inspection of the Unit or recovery of possession of the Unit from the Occupant pursuant to law.

3. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

3.01 Common Elements. The Common Elements and the rights of the Owners and Occupants in the Common Elements are as follows:

(a) All of the Property not included within the Units constitutes Common Elements. The Common Elements include, but are not limited to all areas and items listed in this Section 3, and those parts of the Property described in the attached Schedule B or designated as Common Elements on the Plat or in the Act. The Common Elements are owned by the Association for the benefit of the Owners and Occupants.

(b) The Common Elements shall be subject to (i) certain easements as described in Sections 2, 13 and 15; (ii) the rights of Owners and Occupants in Limited Common Elements appurtenant to their respective Units; and (iii) the right of the Association to establish reasonable Rules governing the use of the Property.

(c) Except as otherwise expressly provided in the Governing Documents, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association.

(d) Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 6.

3.02 Limited Common Elements. The Limited Common Elements are those parts of the Common Elements reserved for the exclusive use of the Owners and Occupants of the Units to which they are allocated, and the rights to the use and enjoyment thereof are automatically conveyed with the conveyance of such Units. The Limited Common Elements are described and allocated to the Units as follows:

(a) Those items or areas designated as Limited Common Elements on the Plat or by the Act.

(b) Chutes, flues, ducts, pipes, wires, conduit or other utility installations, bearing walls, bearing columns, or any other components or fixtures lying partially within and partially outside the boundaries of a Unit, and serving only that Unit, are allocated to the Unit they serve. Any portion of such installations serving or affecting the function of more than one Unit or any portion of the Common Elements is a part of the Common Elements, but is not a Limited Common Element.

(c) Improvements, if any, such as decks, patios, porches, balconies, shutters, awnings, window boxes, doorsteps, stoops, perimeter doors and windows, sidewalks and driveways, constructed as part of the original construction to serve a single Unit, and replacements and modifications thereof authorized pursuant to Section 8, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

(d) Heating, ventilating or air conditioning equipment serving only a certain Unit or Units, and located wholly or partially outside the Unit's boundaries, are allocated to the Unit or Units served by such equipment.

3.03 Annexation of Other Property. In addition to the Additional Real Estate annexed by the Declarant, other real property may be annexed to the Community as Units or Common Elements, or any combination thereof, and subjected to this Declaration, with the approval of (a) Owners (other than the Declarant) of Units to which are allocated at least 67 percent of the votes in the Association; and (b) the Declarant so long as the Declarant owns any unsold Unit for sale.

4. ASSOCIATION MEMBERSHIP; RIGHTS AND OBLIGATIONS.

Membership in the Association, and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.01 Membership. Each Owner shall be a member of the Association by virtue of Unit ownership, and the membership shall be transferred with the conveyance of the Owner's interest in the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be members of the Association, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.

4.02 Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Units, including any Units created within the Additional Real Estate pursuant to Section 16, subject to Sections 6.04 and 6.07.

4.03 Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights and Common Expense obligations described in Section 4.02. Such rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately. The allocation of the rights, obligations and interests described in this Section 4 may not be changed except in accordance with the Governing Documents and the Act.

4.04 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association; provided, that if there are multiple Owners of a Unit, 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 fully described in Section 3 of the Bylaws.

5. ADMINISTRATION. The administration and operation of the Association and the Property, including but not limited to the acts required of the Association, shall be governed by the following provisions:

5.01 General. The operation and administration of the Association and the Property shall be governed by the Governing Documents and the Act. The Association shall, subject to the rights of the Owners set forth in the Governing Documents and the Act, be responsible for operation, management and control of the Property. The Association shall have all powers described in the Governing Documents, the Act and the statute under which it is incorporated. All power and authority of the Association

shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board unless specifically stated to the contrary.

5.02 Operational Purposes. The Association shall operate and manage the Property for the purposes of (a) administering and enforcing the Governing Documents and the Rules, (b) maintaining, repairing and replacing those portions of the Property for which it is responsible, and (c) preserving the value, architectural uniformity and character of the Property.

5.03 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their tenants, guests, invitees, heirs, representatives, successors and assigns, and all secured parties as defined in the Act.

5.04 Bylaws. The Association shall have Bylaws. The Bylaws shall govern the operation and administration of the Association, and shall be binding on all Owners and Occupants.

5.05 Management. The Board may delegate to a manager or managing agent the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and by law.

5.06 Rules. The Board shall have exclusive authority to approve and implement such reasonable Rules as it deems necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property; provided that the Rules shall not be inconsistent with the Governing Documents or the Act. The inclusion in other parts of the Governing Documents of authority to approve Rules shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section 5.06. New or amended Rules shall be effective only after reasonable notice thereof has been given to the Owners.

5.07 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the common use, benefit and enjoyment of the Owners under the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited

against future Assessments or added to reserves, or any combination thereof, as determined by the Board.

6. ASSESSMENTS.

6.01 General. Assessments shall be determined and assessed against the Units by the Board, in its discretion; subject to the requirements and procedures set forth in Section 6, and the requirements of the Bylaws. Assessments shall include Annual Assessments under Section 6.02, and may include Special Assessments under Section 6.03 and Limited Allocation Assessments under Section 6.04. Annual and Special Assessments shall be allocated among the Units equally, in accordance with the allocation formula set forth in Section 4.02. Limited Allocation Assessments under Section 6.04 shall be allocated to Units as set forth in that Section.

6.02 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each Annual Assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared equally by all Units in accordance with the allocation set forth in Section 4.02. Annual Assessments shall be payable in equal monthly installments. Annual Assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of the Common Elements and those parts of the Units for which the Association is responsible. Except for the variations authorized by Section 6.04, and except for premiums on insurance carried by the Association, the increase in the Annual Assessment for any fiscal year shall not exceed the greater of (a) 5 percent of the previous years Annual Assessment, or (b) the percentage increase in the National Bureau of Labor Statistics Consumer Price Index for the Minnesota Twin City Metropolitan Area (or comparable index if not available) for the most recent available year, multiplied times the total Annual Assessment for the Association's previous year; unless the increase is approved by the vote of 67 percent of those Owners (other than the Declarant) voting, in person or by proxy, at a meeting called for that purpose, or voting by mail. Notice of the meeting shall be sent to all Owners not less than 21 days nor more than 30 days in advance of the meeting. The foregoing restriction shall apply only during the period of Declarant control of the Association, as described in Section 15.

6.03 Special Assessments. In addition to Annual Assessments, and subject to the limitations set forth hereafter, the Board may levy in any assessment year a Special Assessment against all Units equally in accordance with the allocation formula set forth in Section 4.02 for the purpose of defraying in whole or in part (a) the cost of any unforeseen or unbudgeted Common Expense, (b) general or specific reserves for maintenance, repair or replacement, and (c) the construction, maintenance, repair or replacement of any part of the Property, and any fixtures or other property related thereto.

So long as the total amount of any Special Assessment allocable to each Unit does not exceed \$100.00 in any one fiscal year, the Board may impose the Special Assessment. Any Special Assessment which would cause the amount of Special Assessments allocable to any Unit to exceed this limitation shall be subject to approval by the vote of a majority of those Owners voting, in person or by proxy, at a meeting called for that purpose. Written notice of the meeting shall be sent to all Owners not less than 21 days nor more than 30 days in advance of the meeting.

6.04 Limited Allocation Assessments. In addition to Annual Assessments and Special Assessments, the Board may, at its discretion, levy and allocate Limited Allocation Assessments among only certain Units in accordance with the following requirements and procedures:

(a) Any Assessment associated with the maintenance, repair, or replacement of a Limited Common Element may be assessed exclusively against the Unit or Units to which that Limited Common Element is assigned.

(b) Any Assessment or portion thereof benefitting fewer than all of the Units may be assessed exclusively against the Unit or Units benefitted.

(c) The costs of insurance may be assessed in proportion to the square footage or actual cost per Unit, and the costs of utilities may be assessed in proportion to usage.

(d) Reasonable attorneys' fees and other costs incurred by the Association in connection with (i) the collection of Assessments and (ii) the enforcement of the Governing Documents, the Act, or the Rules, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.

(e) Late charges, fines and interest may be assessed as provided in Section 14.

(f) Assessments levied under Section 515B.3-116(a) of the Act to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.

(g) If any damage to the Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

(h) If any Assessment or installment of an Assessment becomes more than 30 days past due, then the Association may, upon 10 days written notice to the Owner, declare the entire amount of the Assessment immediately due and payable in full.

(i) If Common Expense liabilities are reallocated for any purpose authorized by the Act, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

6.05 Working Capital Fund. The Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The Board shall include in each subsequent annual budget a reasonable amount of working capital, based upon the anticipated needs of the Association for the year in question. There shall be contributed on a one-time basis for each Unit sold by the Declarant an amount equal to 2 months installments of the estimated Annual Assessment for the Unit being conveyed. The contribution to the working capital fund may be paid at the earlier of the time of closing on sale of the Unit or when control of the Association is transferred to the Owners upon termination of the period of Declarant control under Section 15.07. The amounts paid into this fund are in addition to the regular monthly installments of assessments. The funds shall be deposited into a segregated Association account no later than the termination of the period of Declarant control. The Declarant may not use the funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficit while the Declarant is in control of the Association. However, upon closing of an unsold Unit, the 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.

6.06 Liability of Owners for Assessments. The obligation of an Owner to pay shall commence at the later of (a) the time at which the Owner acquires title to the Unit, or (b) the due date of the first Assessment levied by the Board, subject to the alternative Assessment program described in Section 6.07. The Owner at the time an assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. The liability is absolute and unconditional. No Owner is exempt from liability for payment of his share of Common Expenses by right of offset, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act. The Association may invoke the charges, sanctions and remedies set forth in Section 14, in addition to any remedies

provided elsewhere in the Governing Documents, the Rules, or by law, for the purpose of enforcing its rights hereunder.

6.07 Declarant's Annual Assessment Program. The following alternative assessment program is established pursuant to Section 515B.3-115(b) of the Act. Notwithstanding anything to the contrary in this Section 6, if an Annual Assessment has been levied, any Unit owned by the Declarant for initial sale shall be assessed at the rate of 25 percent of the Assessment levied on other Units of the same type until a certificate of occupancy has been issued with respect to such Unit by the municipality in which the Unit is located. This reduced Assessment shall apply to each Unit owned by the Declarant at the time that the Unit is created, and shall continue until the issuance of a certificate of occupancy, or comparable occupancy approval, for the Unit. Although this alternative assessment program will not affect the allocated share of replacement reserves attributable to Units owned by the Declarant, there are no assurances that this alternative assessment program will have no effect on the level of services for items set forth in the Association's budget.

6.08 Assessment Lien. The Association has a lien on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as Assessments, under this Section 6.08. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 6.08, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

6.09 Foreclosure of Lien; Remedies. A lien for Assessments may be foreclosed against a Unit under Minnesota law (a) by action, or (b) by advertisement as a lien under a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Owner and any other Person claiming an interest in the Unit, by the acceptance or assertion of any interest in the Unit, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition, have the right to pursue any other remedy at law or in equity against an Owner who fails to pay any Assessment or charge against the Unit.

6.10 Lien Priority; Foreclosure. A lien for Assessments is prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the

Declaration, (b) any first mortgage on the Unit, and (c) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if (i) a first mortgage on a Unit is foreclosed, (ii) the first mortgage was recorded on or after the date of recording of this Declaration, and (iii) no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes, Chapters 580, 581 or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid Assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (e)(1) to (5), (f), and (i) of the Act which became due, without acceleration, during the 6 months immediately preceding the first day following the end of the Owner's period of redemption.

6.11 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit the buyer shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Unit until released. Any Owner shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current fiscal year, which statement shall be furnished within 10 days after receipt of the request and is binding on the Association and each Owner.

7. RESTRICTIONS ON USE OF PROPERTY. Subject to the special declarant rights reserved in Section 15, all Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Act or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

7.01 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents and the Act, as amended from time to time. All covenants, restrictions and obligations set forth in the Governing Documents are in furtherance of a plan of the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

7.02 Subdivision Prohibited. Except as permitted by the Act, no Unit nor any part of the Common Elements may be subdivided or partitioned without the prior written approval of all Owners and all secured parties holding first mortgages on the Units.

7.03 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.04. The number of occupants per Dwelling shall be restricted in accordance with the Building Officials and Code Administration (BOCA) occupancy restrictions. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than 7 days, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

7.04 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Unit or the Common Elements except:

(a) An Owner or Occupant residing in a Unit may maintain a home occupation in such Unit and handle matters relating to such home occupation by telecommunications or correspondence therefrom; provided, that such uses (i) incidental to the residential use, (ii) do not involve physical alteration of the Unit visible from the exterior, (iii) are in compliance with all governmental laws, ordinances and regulations, and (iv) do not involve any observable business activity such as signs, advertising displays, regular deliveries, or pedestrian or vehicular traffic to and from the Unit by customers or employees.

(b) The Association may maintain offices on the Property for management and related purposes.

(c) The Declarant may maintain offices, sales facilities and other business facilities on the Property in connection with the exercise of its special Declarant rights.

7.05 Leasing. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the conditions that (a) no Unit shall be leased for transient or hotel purposes, (b) no Unit may be subleased, (c) all leases shall be in writing, and (d) all leases shall provide that they are subordinate and subject to the provisions of the Governing Documents, the Rules and the Act, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Association may impose such reasonable Rules as may be necessary to implement procedures for the leasing of Units, consistent with this Section 7.05.

7.06 Delegation of Use. An Owner may delegate, in accordance with the Governing Documents, the Owner's right of use and enjoyment of the Unit to persons living in the Unit pursuant to a legal right of possession; provided, that such persons

shall be subject to the Governing Documents and the Rules. If lessees, or other persons other than the Owner or the Owner's family, have been given the legal right to possess the Owner's Unit, then those persons shall have the right to use any common recreational facilities, parking, storage and other amenities on the Property in lieu of the Owner and the Owner's family.

7.07 Parking. Garages and parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized in writing by the Association. Garages shall not be converted to other uses or used for storage or other purposes which would prevent the parking of automobiles in the garage. The use of garages, driveways and other parking areas on the Property, and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property.

7.08 Animals. No animals may be bred, or kept or maintained for business or commercial purposes, anywhere on the Property. However, subject to the previous restrictions, the Board shall have the exclusive authority to prohibit, or to allow and regulate, in the Rules, the keeping of animals on the Property. This authority may be exercised so as to permit or prohibit different types of animals, but those animals which are permitted (if any) shall be limited to common domestic house pets such as dogs, cats, fish, birds and the like. The word "animal" shall be construed in its broadest sense and shall include all living creatures except humans. Each Owner shall indemnify, defend and hold the Association harmless from any claim resulting from any action of his animal.

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

7.10 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense for the Association or any Owner or Occupant. The violating Owner shall indemnify, defend and hold the Association and other Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof and

noncompliance therewith.

7.11 Alterations. Except for those made by the Declarant in consideration of its initial sale of a Unit, no Alterations (as defined in Section 8) shall be made, or caused or allowed to be made in any part of the Common Elements, or in any part of the Unit which affects the Common Elements or another Unit, or which is visible from the exterior of the Unit, without the prior written authorization of the Board, or a committee appointed by it, as provided in Section 8.

7.12 Ponds, Wetlands and Trees. Ponds, marshes, wetland areas, vegetation and trees, whether located on the Units or the Common Elements, and whether natural or otherwise, shall be maintained in substantially the same condition as originally established, subject only to (a) changes authorized by the Association consistent with all statutes, requirements, rules and regulations imposed on such areas and items by governmental authorities having jurisdiction, and (b) the prior approval of any such governmental authorities, if required. No cutting, mowing, trimming, draining, dredging or other alteration of such areas and items shall be permitted, except as authorized by this Section 7.12, it being the intention that such areas and items remain and be maintained in substantially their condition as of the date of recording of this Declaration, and subject to natural changes.

7.13 Time Shares Prohibited. The time share form of ownership, or any comparable form of lease, occupancy rights or ownership which has the effect of dividing the ownership or occupancy of a Unit into separate time periods, is prohibited.

7.14 Access to Units. In case of emergency, all Units and Limited Common Elements are subject to entry, without notice and at any time, by an officer or member of the Board of the Association, by the Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Sections 9 and 13 and for enforcement purposes under Section 14.

7.15 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 Dwellings, at all times, at least at 55 degrees Fahrenheit (or such other reasonable temperature or standard as the Board may from time to time specify in the Rules), 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. The Association may by the Rules require Dwellings which are unoccupied for substantial periods of time during winter to use alarms which will detect abnormally low temperatures.

8. ARCHITECTURAL STANDARDS.

8.01 Restrictions on Alterations. One of the purposes of this Declaration is to ensure that those parts of the Units which are visible from the exterior be kept architecturally attractive and uniform in appearance. Therefore, the following restrictions and requirements shall apply to alterations on the Property:

(a) Except as expressly provided in this Section 8, and except for alterations made by the Declarant in consideration of its initial sale of a Unit, no structure, building, addition, deck, patio, fence, wall, enclosure, window, exterior door, antennae or other type of sending or receiving apparatus, sign, display, decoration, color change, shrubbery, material topographical or landscaping change, nor any other exterior improvements to or alteration of any Dwelling or any other part of a Unit which affects the Common Elements or another Unit, or which is visible from the exterior of the Unit (collectively referred to as "Alterations"), shall be commenced, erected or maintained, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the Alterations shall have been approved in writing by the Board or a committee appointed by it. Notwithstanding the foregoing, the Declarant's written consent shall also be required for Alterations until the Declarant no longer owns a Unit for sale.

(b) The Board may appoint, supervise and disestablish an architectural committee, and specifically delegate to it part or all of the functions which the Board exercises under this Section 8, in which case the references to the Board shall refer to the architectural committee where appropriate. The architectural committee shall be subject to the supervision of the Board.

(c) The Board shall establish the criteria for approval of Alterations, which shall include and require, at a minimum:

(i) Substantial uniformity of color, size, location, type and design in relation to existing Dwellings and topography;

(ii) Comparable or better quality of materials as used in existing Dwellings;

(iii) Ease of maintenance and repair;

(iv) Adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed Alterations;

(v) Substantial preservation of other Owners' sight lines, if material;
and

(vi) Compliance with governmental laws, codes and regulations.

The Board, or the appointed committee if so authorized by the Board, shall be the sole judge of whether the criteria are satisfied.

(d) Subject to the provisions of applicable law, an Owner may, at the Owner's expense, make improvements or alterations to his Unit or Dwelling as necessary for the full enjoyment of the Unit by any person residing in the Unit who has a handicap or disability, as provided in the Fair Housing Amendments Act, United States Code, title 42, section 3601, et seq., and the Minnesota Human Rights Act, Chapter 363, and any amendments to those acts; provided, however, that such improvements or alterations shall comply with the criteria for approval of Alterations in Section 8.01(c).

(e) Approval of Alterations which encroach upon another Unit or the Common Elements shall create an appurtenant easement for such encroachment in favor of the Unit with respect to which the Alterations are approved, notwithstanding any contrary requirement in the Governing Documents or the Act. A file of the resolutions approving all Alterations shall be maintained permanently as a part of the Association's records.

(f) Alterations described in Section 16 shall be subject also to the requirements of that Section.

(g) Notwithstanding the foregoing, the installation of (i) one antenna one meter or less in diameter for the purpose of receiving direct broadcast/satellite service or video programming services, or (ii) any antenna for receiving television broadcast signals, may be installed on a Dwelling, as permitted by applicable federal law; provided, that the antenna shall be installed so as to minimize its visibility from the front of the Dwelling and otherwise camouflage its appearance, unless such requirements would (aa) unreasonably delay installation, (bb) unreasonably increase the cost of installation, maintenance or use of the antenna, or (cc) preclude reception of an acceptable quality signal. Such installation shall be subject to all governmental laws, codes and ordinances.

The Board shall have authority to impose further, reasonable requirements consistent with law. The Owner is responsible for all maintenance and repair of any antenna installed on a Dwelling.

8.02 Review Procedures. The following procedures shall govern requests for Alterations under this Section 8:

(a) Detailed plans, specifications and related information regarding any proposed Alteration, in form and content acceptable to the Board, shall be submitted to the Board at least 60 days prior to the projected commencement of construction. No Alterations shall be commenced prior to approval.

(b) The Board shall give the Owner written notice of approval or disapproval. If the Board fails to approve or disapprove within 60 days after receipt of the plans and specifications and all other information requested by the Board, then approval will not be required, and this Section 8 shall be deemed to have been fully complied with so long as the Alterations are done in accordance with the plans, specifications and related information which were submitted.

(c) If no request for approval is submitted, approval shall be denied.

8.03 Remedies for Violations. The Association may undertake any measures, legal or administrative, to enforce compliance with this Section 8 and shall be entitled to recover from the Owner causing or permitting the violation, all attorneys' fees and costs of enforcement, whether or not a legal action is started. Such attorneys' fees and costs shall be a personal obligation of the Owner and a lien against the Owner's Unit. In addition, the Association shall have the right to enter the Owner's Unit and to restore any part of the Dwelling or Unit to its prior condition if any Alterations were made in violation of this Section 8, and the cost of such restoration shall be a personal obligation of the Owner and a lien against the Owner's Unit.

8.04 Hold Harmless. The Owner who causes an Alteration to be made, regardless of whether the Alteration is approved by the Board, shall be solely responsible for the construction standards and specifications relating to the Alteration, and the construction work. The Owner, and not the Association, is responsible for determining whether any Alteration is in violation of any restrictions imposed by any governmental authority having jurisdiction over the Property. The Owner shall indemnify, defend and hold the Association, and its officers and directors, harmless from and against any expenses, claims, damages, losses or other liabilities, including without limitation attorneys' fees and costs of litigation, arising out of (a) any Alteration which violates any governmental

laws, codes, ordinances or regulations, (b) the adequacy of the specifications for construction of the Alterations, and (c) the construction of the Alterations.

9. MAINTENANCE.

9.01 Maintenance by Association. The Association shall provide for all maintenance, repair or replacement (collectively referred to as "Maintenance") of the Common Elements, including all improvements thereon. In addition, for the purpose of preserving the architectural character, quality, and uniform and high standards for appearance of the Property, the Association shall provide for exterior Maintenance upon the Dwellings and/or Units as follows:

(a) Paint, stain, repair, and replace roofs, gutters, downspouts, decks, garage doors and exterior entry doors (except hardware), exterior siding and other building surfaces, driveways; and

(b) Provide for lawn, shrub and tree Maintenance on the yard areas of all Units, as originally installed, and watering of lawns.

The Association's obligation to maintain exterior building surfaces shall exclude foundations and foundation walls, Dwelling walls, floors, ceilings, all interior parts of the Dwellings, door hardware, mechanical, electrical and plumbing systems, glass, and any other items not specifically required to be maintained by the Association, unless otherwise approved under Section 9.02. The Association shall have easements as described in Section 13 to perform its obligations under this Section 9.

9.02 Optional Maintenance by Association. In addition to the Maintenance described in Section 9.01, the Association may, with the approval of a majority of votes cast in person or by proxy at a meeting called for such purposes, undertake to provide additional exterior Maintenance to the Units or Dwellings, or Maintenance to the water and sewer systems within the Units.

9.03 Maintenance by Owner. Except for the exterior Maintenance required to be provided by the Association under Section 9.01 or 9.02, all Maintenance of the Dwellings and Units shall be the sole responsibility and expense of the Owners thereof. The Limited Common Elements allocated to a Unit shall be maintained by the Owner of that Unit. However, the Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain. The Association may require that any exterior Maintenance to be performed by the Owner be accomplished pursuant to specific uniform criteria

established by the Association. The Association may also undertake any exterior Maintenance which the responsible Owner fails to or improperly performs and assess the Unit and the Owner for cost thereof.

9.04 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Section 9, if, in the judgment of the Association, the need for Maintenance of any part of the Property is caused by the willful or negligent act or omission of an Owner or Occupant, or their guests, or by a condition in a Unit which the Owner or Occupant has willfully or negligently allowed to exist, the Association may cause such damage or condition to be repaired or corrected (and enter upon any Unit to do so), and the cost thereof may be charged and assessed against the Unit of the Owner responsible for the damage. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit. In the case of party walls between Dwellings, the Owners of the affected Dwellings shall be liable as provided in Section 10.

10. PARTY WALLS.

10.01 General Rules of Law to Apply. Each wall built as part of the original construction of the Dwellings and located on the boundary line between Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section 10, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

10.02 Repair and Maintenance. The Owners of the Units which share the party wall shall be responsible for the Maintenance of the party wall in equal proportions; provided (a) that any Maintenance necessary due to the acts or omissions of a certain Owner or Occupant sharing such party wall shall be paid for by such Owner, and (b) that the Association may contract for and supervise the repair of damage caused by an Owner or Occupant and assess the Owners and their Units for their respective shares of the cost to the extent not covered by insurance. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit.

10.03 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has use of the wall may, with the consent of the Association, restore it, and the other Owner shall promptly reimburse the Owner who restored the wall for his share of the cost of restoration thereof; provided, however, that the cost of restoration resulting from destruction or other casualty resulting from the acts or omissions of certain Owners shall be the financial responsibility of such Owners, and the Association may assess the responsible Owners for their share of the costs, without prejudice to the right of an Owner to recover a larger contribution from the

other Owner. Insurance claims shall be made promptly following any casualty.

10.04 Weatherproofing. Notwithstanding any other provision of this Section 10, any Owner who, by his negligent or willful act, causes a party wall to be exposed to the elements shall bear the whole cost of the repairs necessary for protection against such elements.

10.05 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section 10 shall be appurtenant to the Unit and shall pass to such Owner's assigns and successors in title.

10.06 Arbitration. In the event of any dispute arising concerning a party wall, and if the same is not resolved within 30 days of the event causing the dispute, the matter shall be submitted to binding arbitration under the rules of the American Arbitration Association, upon the written demand of the Association or any Owner whose Dwelling shares the party wall. Each party agrees that the decision of the arbitrators shall be final and conclusive of the questions involved. The fees of the arbitrators shall be shared equally by the parties, but each party shall pay its own attorneys' fees or other costs incurred in the arbitration.

11. INSURANCE.

11.01 Required Coverage. The Association shall obtain and maintain, at a minimum, master policies of insurance in accordance with the insurance requirements set forth in the Act and the additional requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the State of Minnesota, as follows:

(a) Property insurance in broad form covering all risks of physical loss in an amount equal to 100 percent of the insurable "replacement cost" of the Property, including the improvements and betterments referred to in Section 515B.3-113(b)(i) through (vii) of the Act, but excluding (i) deductibles, and (ii) land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned by the Association. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverages and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the Federal Housing Administration (the FHA), the United States Department of Veteran's Affairs (the VA), or the Federal National Mortgage Association (the FNMA) as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board may also, on

behalf of the Association, enter into binding written agreements with a mortgagee or insurer, guarantor or servicer of a mortgage on a Unit, obligating the Association to keep certain specified coverages or endorsements in effect.

(b) Comprehensive public liability insurance covering the use, operation and maintenance of the Common Elements, with minimum limits of \$1,000,000 per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Property. The policies shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants. The policies shall include such additional endorsements, coverages and limits necessary to comply with the regulations of the FHA, VA or FNMA as a precondition to the insuring, purchase, financing or guarantee of a mortgage on a Unit.

(c) Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to and administered by the Association if deemed to be advisable by the Board or required by the regulations of the FHA, VA or FNMA as a precondition to the purchase or financing of a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured, and shall comply with the regulations of the FHA, VA or FNMA, if required by one of such agencies as a precondition to the insuring, purchase, finance or guarantee of a mortgage on a Unit. An appropriate endorsement to the policies to cover any persons who serve without compensation shall be added if the policies would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

(d) Workers' Compensation insurance as required by law.

(e) Directors and officers liability insurance with such reasonable limits and coverages as the Board shall determine from time to time.

(f) Such other insurance as the Board may determine from time to time to be in the best interests of the Association and other Owners.

11.02 Premiums; Improvements; Deductibles. Except as provided in Section 6.04, all insurance premiums shall be assessed and paid as Annual Assessments. Any increased cost as a result of providing coverage for improvements and betterments to the Units may be assessed against the Units affected. The Association may, in the case of a claim for damage to a Unit or Units, (a) pay the deductible amount as a Common

Expense, (b) assess the deductible amount against the Units affected in any reasonable manner, or (c) require the Owners of the Units affected to pay the deductible amount directly. The Association's decision as to who shall be charged with paying the deductible amount may, but need not, be based on fault.

11.03 Loss Payee; Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and secured parties, including Eligible Mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association.

11.04 Required Policy Provisions. All policies of property insurance carried by the Association shall provide that:

(a) Each Owner and secured party is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

(b) The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household and against the Association and members of the Board.

(c) The coverage shall not be voided by or conditioned upon (i) any act or omission of an Owner or Eligible Mortgagee, unless acting within the scope of authority on behalf of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

(d) If at the time of a loss under the policy there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy is primary insurance.

11.05 Cancellation; Notice of Loss. All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least 30 days prior written notice to the Association and to all secured parties holding first mortgages on the Units.

11.06 Restoration in Lieu of Cash Settlement. Property insurance policies maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (a) without the prior written approval of the Association (or any insurance trustee) or (b) when in conflict with provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

11.07 Owner's Personal Insurance. Each Owner shall obtain additional personal insurance coverage (commonly known as "gap coverage" or an "HO6" policy) at his own expense covering fire and other casualty to the interior of the Unit, personal property and the Owner's personal liability. Insurance policies maintained by Owners are without contribution as against the insurance purchased by the Association, except as to deductible amounts or other items not covered under the Association's policies.

12. RECONSTRUCTION; CONDEMNATION AND EMINENT DOMAIN.

12.01 Reconstruction. The obligations and procedures for the repair, reconstruction or disposition of the Property following damage or destruction thereof shall be governed by the Act. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Property as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given pursuant to Section 18.

12.02 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; provided, (a) that notice shall be given as provided in Section 18.11, (b) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements, and (c) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Eligible Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

12.03 Termination and Liquidation. The termination of the Community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the value of the Units as determined by their relative value for property insurance purposes, and shall be made to Owners and their mortgage holders, as their interests may appear, as provided in the Act.

12.04 Notice. The Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under Section 18.11.

12.05 Association's Authority. In all cases involving reconstruction, condemnation, eminent domain, termination or liquidation of the Community, the Association shall have authority to act on behalf of the Owners in all proceedings, negotiations and settlement of claims. All proceeds shall be payable to the Association to hold and distribute for the benefit of the Owners and their mortgage holders, as their interests may appear, in accordance with the Act.

13. EASEMENTS.

13.01 Recorded Easements. The Property shall be subject to all easements shown on the Plat and to any other easements of record on the date of this Declaration.

13.02 Easement for Encroachments. Each Unit and the Common Elements, and the rights of the Owners and Occupants therein, shall be subject to an exclusive easement for encroachments in favor of any adjoining Unit for fireplaces, walls, roof overhangs, air conditioning systems, decks, balconies, porches, patios, utility installations and other appurtenances (a) which are part of the original construction of the adjoining Unit or the Property or (b) which are added in compliance with Section 8. If there is an encroachment by a Dwelling, or other building or improvement located in a Unit, upon another Unit or Dwelling as a result of the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, an appurtenant easement for the encroachment, for the use, enjoyment and habitation of any encroaching Dwelling, building or improvement, and for the maintenance thereof, shall exist; provided that with respect to improvements or alterations added pursuant to Section 8, no easement shall exist unless the same have been approved, and the proposed improvements constructed, as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

13.03 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants 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 obligation under the Governing Documents.

13.04 Utility Easements. The Property shall be subject to non-exclusive, appurtenant easements in favor of all public utility companies and other utility providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV and other electronic communications, water, sewer, septic systems, wells, and similar services, and metering and control devices, which exist or are constructed as part of the development of the Property or the Additional Real Estate, or which are referred to in the Plat or otherwise described in this Declaration or any other duly recorded instrument. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive, appurtenant easement in favor of the other Units for all such utilities and services; provided, that the utilities and services shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Units or Dwellings.

13.05 Emergency Access to Units. In case of emergency, all Units and Limited Common Elements are subject to an easement for access, without notice and at any time, by an officer or member of the Board, by the Association's management agents or by any public safety personnel. The Board may require that an Owner or Occupant leave keys to the Unit with another Owner of his or her choice and to advise the manager or Board of the locations of the keys, so as to allow access for emergencies when the Owner or Occupant is absent for extended periods.

13.06 Project Sign Easements. The Declarant shall have the right to erect and maintain monument signs identifying the Community and related decorative improvements on the Common Elements. Those parts of the Property on which monument signs or related decorative improvements are located shall be subject to appurtenant, exclusive easements in favor of the Association for the continuing use, maintenance, repair and replacement of said signs and improvements. In exercising its rights under such easements, the Association shall take reasonable care to avoid damaging any improvements to the Property.

13.07 Roadway Access Easements. The Common Elements shall be subject to an appurtenant easement for roadway access in favor of the owners and occupants of any part of the Additional Real Estate which is not added to the Property, and which the Declarant has no further right to add to the Property, over those parts of the Common Elements which are paved and dedicated to use as connecting streets.

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

Section 13 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. All easement rights shall include a right of reasonable access to maintain, repair and replace the utility lines and related equipment.

14. COMPLIANCE AND REMEDIES. Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents, the Rules, and such amendments thereto as may be made from time to time, and the decisions of the Association. A failure to comply shall entitle the Association to the relief set forth in this Section 14, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

14.01 Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Governing Documents or available at law or in equity. Legal relief may be sought by the Association against any Owner to enforce compliance with the Governing Documents, the Rules, the Act or the decisions of the Association. Owners may also enforce compliance with the Governing Documents, the Rules, or the Act by a private legal action, independent of this Section 14. However, no Owner may withhold any Assessments payable to the Association, or take or omit other action in violation of the Governing Documents, the Rules or the Act, as a measure to enforce such Owner's position, or for any other reason.

14.02 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Governing Documents, the Rules or the Act:

(a) Commence legal action for damages or equitable relief in any court of competent jurisdiction.

(b) Impose late charges of up to the greater of \$25.00 or 15 percent of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the month after the Assessment or installment was due.

(c) In the event of default of more than 30 days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees, costs of collection, late charges and interest, are not paid in full prior to the effective date of the acceleration. Not less than 10 days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

(d) Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules of the Association.

(e) Suspend the rights of any Owner to vote when the Assessments due with respect to the Owner's Unit are past due, and suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities; provided, that the suspension of use rights shall not apply to Limited Common Elements, or deck, balcony, porch or patio easements, appurtenant to the Unit, and those portions of the Common Elements providing utilities service and access to the Unit. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Government Documents, and for up to 30 days thereafter, for each violation.

(f) Restore any portions of the Common Elements or Limited Common Elements damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Units.

(g) Enter any Unit or Limited Common Element in which, or as to which, a violation or breach of the Government Documents exists which is likely to materially affect the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Dwelling or other part of the Property or the property of the Owners or Occupants, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit or Limited Common Elements which is causing the violation; provided, that any improvements which are a part of a Dwelling may be altered or demolished only pursuant to a court order or with the agreement of the Owner.

(h) Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Act.

14.03 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 14.02(d), (e), (f) or (g), the Board shall, upon written request of the offender,

grant to the offender a fair and equitable hearing as contemplated by the Act. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least 10 days within which to request a hearing. The hearing shall be scheduled by the Board and held within 30 days of receipt of the hearing request by the Board, and with at least 10 days prior written notice to the offender. If the offending Owner fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within 10 days following the hearing, if not delivered to the offender at the hearing. The Board may delegate the foregoing hearing authority to a committee of three or more disinterested Owners, who shall conduct the hearing and make a recommendation to the Board regarding the disposition of the matter.

14.04 Lien for Charges, Penalties, Etc. Any Assessments, charges, fines, penalties or interest imposed under this Section 14 shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board gives written notice following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.

14.05 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Act, Government Documents or Rules whether or not finally determined by a court or arbitrator, the Association may assess the violator and his Unit with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of such Owner and shall be a lien against such Owner's Unit.

14.06 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary

by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his Unit.

14.07 Enforcement by Owners. The provisions of this Section 14 shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, the Rules, and the Act as provided therein.

14.08 Enforcement by City of Andover. The City of Andover, at its option and in its sole discretion, may enforce for the benefit of itself the specific provisions of Section 7, 8, 9 and 14 of this Declaration.

15. SPECIAL DECLARANT RIGHTS. The Declarant hereby reserves exclusive and unconditional authority to exercise the following special declarant rights within the meaning of Section 515B.1-103(31) of the Act for as long as the Declarant is obligated under any warranty or obligation, owns any Unit, or for such shorter period as may be specifically indicated, which may be exercised, where applicable, anywhere within the Property:

15.01 Complete Improvements. To complete all the Units and improvements indicated on the Plat, or otherwise included in the Declarant's development plans or allowed by the Declaration, and to make Alterations in the Units and Common Elements to accommodate the exercise of any special declarant rights.

15.02 Add Additional Real Estate. To add the Additional Real Estate to the Property as described in Section 16.

15.03 Sales Facilities. To construct, operate and maintain a sales office, management office, model Units and other development, sales and rental facilities within the Common Elements, and within any Units owned by Declarant from time to time, located anywhere on the Property.

15.04 Signs and Marketing. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by the Declarant and on the Common Elements, and to conduct general sales activities.

15.05 Construction; Easements. To perform warranty work, and repairs and construction work, and to store materials in secure areas, in the Units and Common

Elements, and to control all such work and repairs, and the right of access thereto, until its completion, which work may be performed without the consent or approval of the Board; and to an easement through the Common Elements and yard areas of the Units as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising special declarant rights, including the right to convey utility and drainage easements to public utilities and governmental subdivisions or agencies.

15.06 Utility Services. To construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the Common Elements and the Additional Real Estate for the purpose of furnishing utility and other services to the Community, including the right to grant easements to municipalities or utility companies and to construct improvements within those easements for such purposes.

15.07 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the officers and members of the Board pursuant to Section 515B.3-103 of the Act, until the earliest of (a) voluntary surrender of control by the Declarant, (b) an Association meeting which shall be held within 60 days after conveyance to Owners other than the Declarant of 75 percent of the total number of Units authorized to be included in the Property, or (c) 5 years after the date of the first conveyance of a Unit to an Owner other than the Declarant. Notwithstanding the foregoing, the Owners other than the Declarant shall have the right to nominate and elect not less than 33 1/3 percent of the directors at a meeting of the Owners which shall be held within 60 days following the conveyance by the Declarant of 50 percent of the total number of Units authorized to be included in the Property.

15.08 Limitation on Association Action. The Association may not take any action that would interfere with the special declarant rights reserved in this Section 15.

15.09 Consent to Certain Amendments. Until such time as the Declarant no longer owns a Unit for initial sale, the Declarant's written consent shall be required for any amendment to the Governing Documents or the Rules which directly or indirectly affects or may affect the Declarant's rights under the Governing Documents or the Act.

15.10 Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in the sale, management, construction and maintenance of the Community that has not been represented as property of the Association. The Declarant reserves the right to remove, within one year after the sale of the last Unit from the Property any and all goods and improvements used in the development, marketing and construction, whether or not they have become fixtures.

16. RIGHTS TO ADD ADDITIONAL REAL ESTATE.

The Declarant hereby expressly reserves the right to add the Additional Real Estate to the Property, by unilateral action under Section 515B.2-111 of the Act, subject to the following conditions:

16.01 Time Limit. The right of the Declarant to add the Additional Real Estate to the Community shall terminate 10 years after the date of recording of this Declaration or upon earlier express written withdrawal of such right by the Declarant or a successor Declarant, unless extended by a vote of the Owners pursuant to Section 515B.2-106(2) of the Act. There are no other limitations on the Declarant's rights hereunder, except as may be imposed by law.

16.02 Description. The Additional Real Estate is described on the attached Schedule C. The Additional Real Estate may be added to the Property in parcels consisting of one or more platted lots, or portions thereof.

16.03 Limits on Obligation to Add. There are no assurances as to the times at which the Additional Real Estate will be added to the Property, the order in which it will be added, the number of parcels per phase nor the size of the parcels; provided, however, that (a) the Declarant shall add all of the Additional Real Estate to the Property within the time limit specified in Section 16.01; (b) the Declarant shall not apply for a building permit for a Dwelling on a Unit within the Additional Real Estate until such Unit has been added to the Property.

16.04 Maximum Units. The maximum number of Units that may be created within the Additional Real Estate described as such on the date of this Declaration is 22. All Units created on the Additional Real Estate shall be restricted exclusively to residential use.

16.05 Architectural Capabilities. Any Units, Dwellings and other structures, upon the Additional Real Estate shall be compatible with the other Units, Dwellings and other structures which are part of the Property in terms of architectural style, quality of construction, principal materials employed in construction and size; subject (a) to any changes required by governmental authorities or lenders, and (b) to any interior and exterior changes made by the Declarant to meet changes in the market or to replace materials that have become outmoded or not readily available.

16.06 Application of Covenants. All covenants and restrictions contained in this Declaration affecting the use, occupancy and alienation of Units shall apply to all Units

created on the Additional Real Estate.

16.07 Effect on Excluded Property. The statements made in Sections 16.01 through 16.06 above shall not apply to any Additional Real Estate which is not added to the Property.

17. AMENDMENTS.

17.01 Approval Requirements. Except for amendments by Declarant pursuant to Sections 515B.2-111 and 515B.2-112(c) of the Act, this Declaration may be amended only by the approval of:

- (a) Owners of Units to which are allocated at least 67 percent of the total votes in the Association.
- (b) The percentage of Eligible Mortgagees (based upon one vote per Unit financed) required by Section 18.01 as to matters prescribed by said Section.
- (c) The FHA or VA, as applicable, during the period of Declarant control under Section 15.07, as to the following matters:
 - (i) The annexation of Additional Real Estate;
 - (ii) The merger or consolidation of the Association with another Association or other legal entity;
 - (iii) The acquisition, dedication or mortgaging of Common Elements;
 - (iv) The dissolution of the Association; and
 - (v) The amendment of this Declaration, or the Articles of Incorporation or Bylaws of the Association.
- (d) The Declarant as to certain amendments as provided in Section 15.09.

17.02 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees, the FHA, the VA and the Declarant shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Act. The

amendment shall be effective when recorded as provided in the Act. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

18. RIGHTS OF ELIGIBLE MORTGAGEES. Notwithstanding anything to the contrary in the Governing Documents, and subject to any greater requirements of the Act or other laws, Eligible Mortgagees shall have the following rights and protections:

18.01 Consent to Certain Amendments. The written consent of Eligible Mortgagees representing at least 51 percent of the Units 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 Governing Documents (other than an amendment made pursuant to special declarant rights reserved to the Declarant in Section 15) which causes any change in the (a) voting rights; (b) increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens, or priority of assessment liens; (c) reduction in reserves for maintenance, repair and replacement of the Common Elements; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; (f) redefinition of any Unit boundaries; (g) convertibility of Units into Common Elements or vice versa; (h) expansion or contraction of the Property or the addition, annexation or withdrawal of real estate to or from the Property other than the addition of real estate pursuant to Section 16 which shall not require the consent of Eligible Mortgagees; (i) insurance or fidelity bonds; (j) imposition of any restrictions on the leasing of Units; (k) imposition of any restrictions of an Owner's right to sell or transfer his Unit; (l) a decision by the Association to establish self management if professional management had been required previously by the Governing Documents or an Eligible Mortgagee; (m) restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Governing Documents; (n) any action to terminate the legal status of the planned community after substantial destruction or condemnation occurs; or (o) any provisions that expressly benefit Eligible Mortgagees, or insurers or guarantors of mortgages.

18.02 Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least 67 percent of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned) shall be required to (a) abandon or terminate the 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 or sell the Common Elements; or (e) use hazard insurance proceeds for other

than the repair, replacement or reconstruction of the Property, except as otherwise provided by law.

18.03 Failure to Respond. The failure of an Eligible Mortgagee to respond within 30 days to any written request of the Association for approval of an addition or amendment to the Governing Documents shall constitute an implied approval of the addition or amendment.

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

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

18.06 Priority of Lien. Any holder of a first mortgage on a Unit or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Unit by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Unit free of any claims for unpaid Assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said first mortgage holder or purchaser; (a) except as provided in Section 6.10 and the Act and (b) except that any unreimbursed Assessments or charges may be reallocated among all Units in accordance with their interests in the Common Elements.

18.07 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 Units and not to the Property as a whole.

18.08 Priority for Condemnation Awards. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the Eligible Mortgagee of the Unit 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 Unit and/or the Common Elements.

18.09 Requirements for Management Agreements. The term of any agreement for professional management of the Property may not exceed 2 years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party, (a) with cause upon 30 days prior written notice, and (b) without cause

upon 90 days prior written notice.

18.10 Access to Books and Records; Audit. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within 120 days of the end of the Association's fiscal year. If the Community consists of fewer than 50 Units, FNMA, or any institutional guarantor or insurer of a mortgage loan against a Unit, may require that, at its own expense, an audit of the Association's financial statements be made for the preceding year, in which case the Association shall cooperate in having an audit made and a copy given to the requesting party. If the Community consists of 50 or more Units, the Association shall provide the requested audit at its expense.

18.11 Notice Requirements. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a first mortgage on a Unit, and the Unit 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 Property or the Unit securing the mortgage;

(b) A 60 day delinquency in the payment of assessments or charges owed by the Owner of a Unit on which it holds a mortgage;

(c) A lapse, cancellation or material modification of any insurance policy maintained by the Association; and

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

19. MISCELLANEOUS.

19.01 Conversion Ordinance. The Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act governing conversions to common interest ownership.

19.02 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any

manner whatsoever any other portion of this instrument or exhibits.

19.03 Construction. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof.

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

19.05 Notices. Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.02 of the Bylaws shall be effective upon receipt by the Association.

19.06 Conflicts Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or any Rules approved by the Association, the Act shall control. As among the Declaration, the Bylaws and the Rules, the Declaration shall control; and as between the Bylaws and the Rules, the Bylaws shall control.

19.07 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination as provided in this Declaration and the Act.

GOLD NUGGET DEVELOPMENT,
INC.

BY Wayne Fleck
ITS PRESIDENT

Common Interest Community No. 89
(Planned Community)

RED PINE FIELDS TWINHOMES

EXHIBIT A TO DECLARATION

PROPERTY

Lots 39A, 39B, 40A, 40B and 41 to 50, Block 4, RED PINE FIELDS, Anoka
County, Minnesota.

NOTE: The unit identifier of each unit is its lot and block numbers and the
subdivision name.

Common Interest Community No. 89
(Planned Community)

RED PINE FIELDS TWINHOMES

EXHIBIT B TO DECLARATION

COMMON ELEMENTS

Lots 51A and 51B, Block 4, RED PINE FIELDS, Anoka County, Minnesota.

Common Interest Community No. 89
(Planned Community)

RED PINE FIELDS TWINHOMES

EXHIBIT C TO DECLARATION

ADDITIONAL REAL ESTATE

Lots 17 to 38, Block 4, RED PINE FIELDS, Anoka County, Minnesota.

TORRENS

Receipt # <u>42347/2950</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>5/23/01, 14:30</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>3</u> of <u>3</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Recordability: <u>Jap</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Filing Fees: <u>299</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 Rect # _____	<input type="checkbox"/> Other <input type="checkbox"/> No Change
Notes: _____	
From Cert. # <u>92283</u>	A# of New Certs.: <u>0</u>
Tract Updated: _____	Comp. Entry Complete _____

BK 266 PG 92283 NO 92283

**DOCUMENT NO. 372035.0 TORRENS
ANOKA COUNTY MINNESOTA**

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON **MAY 23 2001** AT **2:30 PM** AND WAS DULY RECORDED. FEES AND TAXES IN THE AMOUNT OF **\$29.50** PAID.

RECEIPT NO. 2001042347

~~MAUREEN J. DEVINE~~ MAUREEN J. DEVINE
ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES
BY TAP
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

ABSTRACT

Receipt # <u>42352/585</u>	<input type="checkbox"/> Certified Copy Date Mailed _____
Date/Time: <u>5/23/01, 14:30</u>	<input type="checkbox"/> Tax Liens / Releases
Doc. Order <u>2</u> of <u>2</u>	<input type="checkbox"/> Multi-Co Doc Tax Pd
✓ by: Pins: <u>Jap</u>	<input type="checkbox"/> Transfer <input type="checkbox"/> New Desc.
Recordability / Delqs: <u>Jap</u>	<input checked="" type="checkbox"/> Division <input type="checkbox"/> GAC
Filing Fees: <u>575 + 100 Notary</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>43 pgs. 1 Notary</u>	

**DOCUMENT NO. 1572252.0 ABSTRACT
ANOKA COUNTY MINNESOTA**

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON **MAY 23 2001** AT **2:30 PM** AND WAS DULY RECORDED. FEES AND TAXES IN THE AMOUNT OF **\$58.50** PAID.

RECEIPT NO. 2001042352

~~MAUREEN J. DEVINE~~ MAUREEN J. DEVINE
ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES
BY TAP
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

FILE IN TORRENS

372035.0 TORRENS
GOLD NUGGET DEVELOPMENT INC
8857 ZEALAND AVE N
BROOKLYN PARK, MN 55455