

1707631

OFFICE OF THE COUNTY RECORDER
DAKOTA COUNTY, MINNESOTA
CERTIFIED THAT THE WITHIN INSTRUMENT
WAS RECORDED IN THIS OFFICE ON AND AT

7000 JUL 28 A 9:30

1707631

DOC. NO. 1707631
JOEL T. BECKMAN, COUNTY RECORDER

BY [Signature] Deputy
FEE 52.00 SURCHARGE 4.50

CASH CHECK ESCROW

WELL CHARGE

CHARGE TO: _____
O/R _____

DO NOT REMOVE

File

1707631

File

COMMON INTEREST COMMUNITY NUMBER 295

A PLANNED COMMUNITY

ST. FRANCES WOODS TOWNHOMES NO. 7

DECLARATION

THIS DECLARATION OF COMMON INTEREST COMMUNITY ("CIC") is executed as of this 20 day of July, 1999, by Medallion Construction, Inc. a Minnesota corporation, hereinafter referred to as "Declarant", pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act, hereinafter referred to as "the Act", for the purpose of creating St. Frances Woods Townhomes No. 7, a planned community.

WITNESSETH:

WHEREAS, Declarant is the contract for deed vendee and equitable owner of certain real property located in Dakota County, Minnesota and legally described in the attached Exhibit A attached hereto and Declarant desires to submit said real property and all improvements thereon, hereinafter referred to as the "Property" to the Act; and

WHEREAS, Declarant is also the contract for deed vendee and equitable owner of certain real property legally described on the attached Exhibit C, hereinafter referred to as "Additional Real Estate", and has the option to add all or a part of the Additional Real Estate to the Property; and

WHEREAS, Declarant desires to establish on the Property, and on any Additional Real Estate added thereto, a plan for a permanent residential community to be owned, occupied and operated for the use, health, safety and welfare of its resident Owners and Occupants (as those terms are defined herein), and for the purpose of preserving the value, structural quality, and the original architectural and aesthetic character, of the Property; and

* Return to:

No Delinquent Taxes
This 25th Day of July 2000
Carol Reynolds
Dakota County Treasurer-Auditor

AT 6789

MINNAPLUS TITLE SERVICES, INC.
128 West Third Ave.
Rt. Box 356
Shelburne, MN 56270

RECEIVED
JUL 13 2000

WHEREAS, Declarant has or will improve said property by constructing thereon four (4) structures containing two (2) Dwellings (as that term is later defined) each, and eight (8) structures containing three (3) Dwellings each, together with appurtenances thereto, collectively known as St. Frances Woods Townhomes No. 7, said structures having been constructed as a common interest community in accordance with the plat of St. Frances Woods 7th Addition recorded in Dakota County, Minnesota, pursuant to Minn. Statutes Chapter 505, which plat is incorporated herein by this reference; and

WHEREAS, in order to effect the preservation of the values and amenities of the planned community and to receive the power to attend to and effectuate policies and programs that will enhance the pleasure and value of the planned community and to maintain, administer and enforce the covenants, conditions and easements and restrictions contained herein and to collect and disburse assessments and charges hereinafter created, a corporation known as the St. Frances Townhomes No. 7, Inc., has been created under Chapter 317A of the Minnesota Statutes for the purpose of exercising the aforesaid functions; and

WHEREAS, the Declarant hereby establishes by the Declaration a plan for the individual ownership of the real property estates consisting of the Units (as that term is defined herein).

NOW, THEREFORE, the Declarant, as the contract for deed vendee and equitable owner of the Property, hereby makes the following declaration pursuant to the Act as to divisions, covenants, restrictions, limitations, conditions and uses to which the Property may be put, hereby specifying that said Declaration shall constitute covenants which shall run with the land and shall be binding on the Declarant, their successors and assigns, and all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

ARTICLE I.

DEFINITIONS

The following words, when used in the Governing Documents (as that term is herein defined) shall have the following meanings, unless the context indicates otherwise:

1. Addition Real Estate shall mean the real property legally described in Exhibit C, including all improvements located thereon now or in the future, and all easements and right appurtenant thereto, which property Declarant has the right to add to the CIC.

2. Association shall mean the St. Frances Townhomes No. 7, Inc., a non-profit corporation which has been created pursuant to Chapter 317A of the laws of the State of Minnesota and Minnesota Statutes Section 515B.3-101, whose members consist of all Owners (as that term is defined herein).
3. Board shall mean the Board of Directors of the Association, as provided in the Bylaws.
4. Bylaws shall mean the Bylaws governing the operation of the Association, as amended from time to time.
5. Common Elements shall mean all parts of the Property, except for Units, including all improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. The Common Elements are legally described in the attached Exhibit B attached hereto.
6. Common Expenses shall mean and include all 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 the Declaration or Bylaws.
7. Dwelling shall mean a part of a building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit (as that term is defined herein). The Dwelling includes any garage attache thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.
8. Eligible Mortgagee shall mean any Person (as that term is defined herein) owning a mortgage on any Unit (as that term is defined herein), 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.
9. Governing Documents shall mean this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
10. Member shall mean all persons who are members of the Association by virtue of being Owners (as that term is defined herein). The words "Owner" and "Member" may be

used interchangeably in the Governing Documents.

11. Occupant shall mean any person or persons, other than an Owner, in possession of or residing in a Unit.
12. Owner shall mean a Person (as that term is defined herein) who owns a Unit (as that term is defined herein), but excluding contract for deed vendors, 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 vendees and holder of a life estate.
13. Party Wall shall mean the shared wall between two Dwellings.
14. Person shall mean a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.
15. Plat shall mean the recorded plat depicting the Property pursuant to the requirements of Section 515B.2-110(d) of the Act, and satisfying the requirements of Minnesota Statutes Chapter 505, 508 or 508A, as applicable, including any amended or supplemental Plat recorded from time to time in accordance with the Act.
16. Property shall mean all of the real property submitted to this Declaration, including the Dwellings and all other structures and improvements located thereon now or in the future. The Property as of the date of this Declaration is legally described in Exhibit A attached hereto.
17. Rules and Regulations shall mean the Rules and Regulations of the Association as approved from time to time pursuant to Article XXI.
18. Unit shall mean any platted lot subject to this Declaration upon which a Dwelling is located or intended to be located, as shown on the Plat, including all improvements thereon, but excluding the Common Elements. "Unit" shall include both Detached Units and Units not defined as Detached Units.

Terms not otherwise defined herein shall have the meaning ascribed to them in the Act.

ARTICLE II

CREATION OF UNITS AND COMMON ELEMENTS

Section 1. Establishment of CIC. The Declarant, in order to establish a plan of CIC ownership for the above-described Property and Improvements thereon hereby covenants, agrees and declares that is hereby divides the Property into separate parcels of real estate, within the meaning of Section 515B.1-103 of the Act, and that such CIC division of such Property and improvements shall hereafter be known as "St. Frances Woods Townhomes No. 7", CIC Number 295, and such CIC division shall be upon the terms and conditions hereinafter set forth:

- a. Units. There are thirty-two (32) Units, each of which constitutes a separate parcel of real estate. All Units shall be restricted to residential use. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference, and a schedule of units is set forth on Exhibit A. The Unit identifier for a Unit shall be its lot and block numbers and the subdivision name (e.g. "Lot _____, Block _____, St. Frances Woods 7th Addition").
- b. Unit Boundaries. The front, rear and side boundaries of each Unit shall be the boundary lines of the platted lot upon which the Dwelling is located or intended to be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section b. and Section d., all spaces, walls and other common improvements within the boundaries of a Unit are part of a Unit.
- c. Common Elements. The Common Elements and their characteristics are as follows:
 - i. All of the Property not included within the Units constitutes Common Elements. The Common Elements include those parts of the Property described in Exhibit 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.
 - ii. The Common Elements shall be subject to certain easements as described in Article XV, and to the rights of Owners and Occupants in Limited Common Elements appurtenant to their Units.

iii. Subject to Article III, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association.

iv. 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 Articles IV and V.

d. 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:

i. Chutes, flues, 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 Units 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.

ii. Improvements such as decks, patios, balconies, shutters, awnings, window boxes (to the extent each may be permitted by the Association, pursuant to Article VII(g) hereof) and in accordance with the Planned Unit Development plan approved by the City of Lakeville, doorsteps, stoops, perimeter doors and windows, and air-conditioning equipment, constructed as part of the original construction to serve a single Unit, and authorized replacements and modifications thereof, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

Section 2. CIC Not Subject to Conversion Ordinance. The CIC is not subject to any ordinance provided for in Section 515B-1-106 of the Act relative to the conversion of buildings to CIC ownership.

Section 3. Timeshares. The CIC shall not permit timeshare of any units, Common Elements or Limited Common Elements.

Section 4. Master Association. The CIC is not subject to a master association.

ARTICLE III.

MAINTENANCE RESPONSIBILITIES

Section 1. Maintenance by Association and by Owners. Except as otherwise required under the Act, the Association shall be responsible for maintenance, repair and replacement of all Common Elements. In addition, for the purpose of preserving the architectural character, quality and uniform and high standards for appearance of the Property, the Association shall (i) provide for exterior maintenance upon the Dwelling in each Unit that is subject to assessment as follows (to the extent such items are located upon the Dwelling at the time of original construction): paint and replace roofs, gutters, downspouts, garages, garage doors (except hardware) and exterior siding and other building surfaces; and (ii) provide for lawn, shrub and tree maintenance on all Units and for watering. The Association's obligations shall exclude patios (unless constructed as part of the original construction), decks (unless constructed as part of the original construction), entry doors, door hardware, air conditioning equipment, glass and window frames, foundations and foundation walls, structural members and any other items not specifically referred to in this Article, unless otherwise approved Under Section 2 hereof. The Association shall have easements as described in Article XV hereof to perform its obligations under this Article.

Section 2. Optional Maintenance by Association. In addition to the maintenance described in Section 1 hereof, the Association may, with the approval of a majority of votes cast in person or by proxy at a meeting duly called for such purpose, undertake to provide additional exterior maintenance to the Units or Dwellings, or maintenance of water and sewer systems within the Units.

Section 3. Maintenance by Owner. Except for the exterior maintenance required to be provided by the Association under Section 1 or 2 above, all maintenance of the Dwellings and Units shall be the sole responsibility and expense of the Owners thereof. However, the Owners 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 the cost thereof.

Section 4. Damage Caused by Owner. Notwithstanding any provision to the contrary in this Article, 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 their guests, or by a condition in a Unit which the Owner 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 assessed against the Unit of the owner responsible for the damage.

Section 5. Party Walls. Each Dwelling wall built as part of the original construction of the Dwelling 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, the general rules of law regarding party walls and liability for property damage due to negligent or willful act or omissions shall apply thereto. The following shall apply to party walls:

- a) Shared Maintenance. The Owners of the Units which share the party walls shall be responsible for the maintenance, repair, and replacement of the party wall in proportion with their use; provided (i) that any maintenance, repair or replacement necessary due to the acts or omissions of a certain Owner sharing such party wall shall be paid for by such Owner, and (ii) that the Association may contract for and supervise the repair of damage caused by an Owner and assess the Owners for their respective shares of the cost to the extent not covered by insurance.
- b) 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 or her 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.
- c) Weatherproofing. Notwithstanding any other provision of this Section, 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.

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

- e) Arbitration. In the event of any dispute arising concerning a party wall, and if the same is not resolved within thirty (30) days of the event causing the dispute, the matter shall be submitted to binding arbitration under the rules of the American Arbitration Association, upon the written demands 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 attorney fees or other costs to prove its case.

ARTICLE IV.

ALLOCATION OF COMMON EXPENSES

Section 1. Common Expense Assessment. From and after the adoption of the budget and the levying expenses by the Association under Section 515B.3-115 of the Act, each Owner covenants to pay common expense assessments (as the term is used in Section 515B.2-108 of the Act). Common expense assessments shall be allocated equally among the Units, except that special allocations of Common Expenses shall be permitted as provided herein. Pursuant to Section 515B.3-115(h)(2) of the Act. the Association may assess any common expense benefiting less than all of the Units against the Units benefited, on the basis of (i) equality, (ii) square footage of the area maintained, repairs, or replaced, or (iii) actual cost incurred with respect to each Unit. Common expense assessments (other than special assessments) shall be payable monthly as provided in the Bylaws.

Section 2. Annual Assessments. Annual assessments shall be established and levied by the Board, subject only to the limitations set forth in Section 2 and 4 of this Article. Each annual assessment shall cover all of the anticipated Common Expenses of the Association for that year. Annual assessments shall provide, among other things, for contributions to a separate reserve fund sufficient to cover the periodic cost of

maintenance, repair and replacement of the Common Elements and those parts of the Units for which the Association is responsible.

- (a) Until a Common Expense assessment is levied, Declarant shall pay all accrued expenses of the CIC.
- (b) After a Common Expense assessment is levied, the annual assessment may be subsequently increased by the Board, subject to subparagraph (c) of this Section.
- (c) An increase in assessments of more than ten percent (10%) over the previous year's assessments shall require consent of two-thirds (2/3) of all Owners. During any period of Declarant Control, consent of two-thirds (2/3) of all Owners other than Declarant shall be required.

Section 3. Date of Commencement of Annual Assessments, Due Dates. The annual assessments provided for herein shall commence for any Unit within the Property or any phase thereof annexed to the Property on the day of conveyance of the first Unit in the Property or such phase and shall be prorated for the month of said conveyance. The Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each assessment period. Should the Board fail to so fix such amount, the amount of prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of the annual assessment shall be sent to every owner subject thereto. The due dates when said annual assessments are due and payable shall be established by the Board.

Section 4. 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 for the purpose of defraying in whole or in part (i) the cost of any unforeseen or unbudgeted Common Expense; (ii) general or specific reserves for maintenance, repair or replacement; and (iii) the maintenance, repair or replacement of any part of the Property and fixtures or other property related thereto. Notwithstanding the foregoing, any special assessment shall be subject to approval by the vote of a majority of those Owners voting, in person or by proxy, at a meeting duly 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. Further, during the period of Declarant Control, the levying of any special assessment shall require consent of two-thirds (2/3) of all Owners other than Declarant.

Section 5. Alternate Assessment Program: Assessment for Units Owned by the Declarant. Pursuant to Section 515B.3-115 of the Act, the Declarant is hereby authorized to establish an

Article 4
Section 5

UNPAID
UNITS

alternative assessment program. Notwithstanding other provisions of this Article, the annual or special assessments for any Units owned by Declarant and improved with a completed Dwelling, but unoccupied by a tenant of Declarant, shall be limited to 25% of the amounts fixed with respect to Units owned by Owners other than Declarant until such time as a certificate of occupancy is issued by the City of Lakeville for the Unit(s) owned by Declarant.

- (a) Maximum Amount of Assessment as to each Unit. Until January 1st of the year immediately following the year of conveyance of the first Unit to an Owner, the maximum annual assessment permitted with respect to each Unit shall be \$ 1140.00 annually, or, if collected monthly, \$ 95.00 per month. From and after January 1st of that year, assessments shall be determined by the Board of Directors. During any period of Declarant Control, an increase in assessments of more than ten percent (10%) over the previous year's assessments shall require consent of two-thirds (2/3) of all Owners other than Declarant. Further, during the period of Declarant Control, the levying of any special assessment shall require consent of two-thirds (2/3) of all Owners other than Declarant.
- (b) Duration of Alternate Assessment Program. The alternate assessment program shall be effective for a period of not less than one year, but shall not continue beyond the expiration of the period of Declarant Control
- (c) Expiration of Authority to Commence Program. Declarant's authority to commence the alternate assessment program shall expire no later than the expiration of the period of Declarant control, as set forth in Article VI, Section 2 hereof.
- (d) Level of Services. The alternate assessment program shall have no effect on the level of services for items set forth in the Association's budget.

Section 6. Deficiency Contributions. For every calendar year during which Declarant remains in control of the Association, Declarant shall contribute to the Association all funds in excess of the budgeted and collected assessments which shall be necessary to defray the costs properly paid or incurred by it for the purposes for which annual assessments may be collected all without limitation to the maximum amounts provided herein. Declarant's contribution for the calendar year during which Declarant's control terminates shall be prorated to the date of such termination.

For purposes hereof, the establishment of reserves pursuant to this Declaration does not constitute payment or incurring of costs by the Association and Declarant's deficiency contribution shall not be required to be applied to the establishment of reserves.

Section 7. Capital Contribution. At the time of the initial sale of any Unit from Declarant to any Owner, such Owner shall pay to Declarant for the use of the Association a sum equal to 725.00. Such sum shall be delivered by Declarant to the Association for use as described in this Declaration. The Capital Contribution for any Unit shall be levied only upon the sale by Declarant to an Owner and shall not be levied on any subsequent sales of the Unit.

ARTICLE V.

LIABILITY FOR ASSESSMENTS

Section 1. Liability of Owners for ASSESSMENTS. The obligation of any Owner to pay assessments shall commence at the later of (i) the time at which the Owner acquires title to the Unit, or (ii) the due date of the first assessment levied by the Board, subject to the alternative assessment program described in Section 5 of Article IV. 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 from payment of his or her share of the Common Expenses by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from abandonment of the Unit, by 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 Governing Documents or the Act. The Association may invoke the charges, sanctions and remedies set forth in this Declaration, in addition to any remedies provided elsewhere in the Governing Documents, the Rules and Regulations, or by law, for the purpose of enforcing its rights hereunder.

Section 2. Lien of Association. The Association shall have a lien on each Unit for any assessments levied against that Unit, as provided under Section 515B.3-116 of the Act and such lien shall have the priority and may be foreclosed in the manner provided in the Act. 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 pursuant to Section 515B.3-102 (10), (11) and (12) of the Act shall be enforceable as assessments. Recording of the Declaration

constitutes record notice and perfection of any lien under this Article, and no further recordation of any notice of or claim for the lien is required. Past due assessments, and amounts enforceable hereunder as assessments, shall bear interest at the rate established with respect to judgments under Minnesota Statutes Section 549.09.

Section 3. Costs of Enforcement. 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 and Regulations, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.

Section 4. No Waiver of Liability. Each Owner at the time an assessment is payable is personally liable to the Association for the payment of the assessment against his or her Unit, as provided in Section 515B.3-116(e) of the Act, and no Owner may exempt himself or herself from the common expense liability by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his or her Unit.

Section 5. Voluntary Conveyances; Liability of Grantee for Unpaid Assessments. In a voluntary conveyance of a Unit (except as provided with respect to Eligible Mortgagees under Article XVI hereof) the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against grantor for his or her share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any grantee shall be entitled, upon written request, to a statement setting forth the amount of unpaid assessments currently levied against his or her Unit, as provided in Section 515B.3-116(g) of the Act.

Section 6. Reserve for Replacement; Monthly Assessments. Assessments for Common Expenses shall include an adequate fund for replacement of Unit, Common Element or Limited Common Element components which the Association is so obliged to maintain, repair or replace. Said fund shall be funded by monthly payments and not by extraordinary special assessments. In addition, there shall be a capital contribution fund for the initial months of operation of the CIC equal to at least two months' estimated Common Expense for each Unit.

Section 7. Foreclosure of Lien; Remedies. A lien for Common Expenses may be foreclosed against a Unit under the laws of the State of Minnesota (i) by action, or (ii) 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 the Owner who fails to pay any assessment or charge against the Unit.

Section 8. Lien Priority; Foreclosure. A lien under this Article is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if (i), a first mortgage on a Unit is foreclosed, (ii) the first mortgage was recorded on or after June 1, 1994, 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), (h)(1) to (3), (i) and (1) of the Act which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption.

Section 9. Miscellaneous Provisions Regarding Liens and Assessments.

- (a) Assessments levied under Section 515B.3-116 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.
- (b) If any installment of an assessment becomes more than thirty (30) days past due, then the Association may, upon ten (10) days' written notice to the Owner, declare the entire amount of the assessment immediately due and payable in full.
- (c) If Common Expense liabilities are reallocated for any purpose authorized by the Act, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

ARTICLE VI.

VOTING RIGHTS

Section 1. Allocation. Voting rights in the Association shall be allocated equally among the Units, in the same manner as

the Common Expenses are allocated.

Section 2. Declarant Control. Notwithstanding the vote of any Owner to the contrary, the Declarant hereby reserves a period of Declarant control of the Association during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and directors of the Association. Said reservation of Declarant control is subject to the following:

- (a) The maximum period of Declarant control may extend from the date of the first conveyance of a Unit to an Owner other than a Declarant for a period not exceeding five (5) years.
- (b) Notwithstanding subsection (a) above, the period of Declarant control shall terminate upon the earlier of (i) surrender of control by the Declarant or (ii) sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Owners other than Declarant.
- (c) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Owners other than Declarant or an affiliate of Declarant, a meeting of the Owners shall be held at which not less than thirty three and one third percent (33 1/3%) of the members of the Board shall be elected by Owners other than Declarant or an affiliate of Declarant.
- (d) Not later than the termination of Declarant control, the Owners shall elect a Board of at least three members. Thereafter, a majority of the directors shall be Owners other than Declarant or an affiliate of Declarant. The remaining directors need not be Owners unless required by the Governing Documents. All Owners, including the Declarant and its affiliates, may cast the votes allocated to any Unit owned by them. The Board shall elect the officers. The directors and officers shall take office upon election.
- (e) In determining whether the period of Declarant control has terminated under subsection (b), or whether Owners other than a Declarant are entitled to elect members of the Board under subsection (c), the percentage of the Units which have been conveyed shall be calculated based upon the assumption that all Dwellings which the Declarant has built or reserved the right to build in the Declaration are included in the CIC.
- (f) Except as otherwise provided in this subsection, meetings of the Board must be open to all Owners. To the extent practicable, the Board shall give reasonable

notice to the Owners of the date, time and place of a Board meeting. If the date, time and place of meetings are provided for in the Governing Documents, were announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Minnesota Statutes Section 317A.011, subdivision 14. Meetings may be closed to discuss the following:

- (1) personnel matters;
- (2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant of a Unit; or
- (3) criminal activity arising within the CIC if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize the investigation of the activity
- (4) nothing in this subsection imposes a duty upon the Board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the meeting or any action taken at the meeting.

ARTICLE VII.

MISCELLANEOUS COVENANTS

Section 1. Miscellaneous Covenants. Declarant, for itself, its successors and assigns, by this Declaration, and any future Owner, by acceptance of deed to a Unit, covenant and agree as follows:

- (a) LEASES. No Owner shall be permitted to lease his or her Unit for transient or hotel purposes. No Owner may lease less than the entire Unit and no lease shall provide an initial term (exclusive of extensions or options to renew) of less than thirty (30) days. Any lease agreement shall provide that the terms of the

lease shall be subject in all respects to the provisions of the Governing Documents and Rules and Regulations, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. In the event any Owner leases his or her Unit, the Owner shall at all times keep the Association advised in writing of the address of his or her current residence and any changes thereto, and of the name(s) of his or her tenant(s). Other than the foregoing, there is no restriction on the right of any Owner, including the Declarant, to lease any Unit.

- (b) ENCROACHMENTS. If any portion of the Common Elements encroaches upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common Elements, as a result of the present construction of a Dwelling (including patios and/or decks constructed by the Declarant), or if any such encroachment shall occur hereafter as a result of settling, expectable expansion, sag or structural adjustment of the Dwelling (as distinguished from sudden, extreme and accidental change by Acts of God or other accidental causes), a valid easement for the encroachment and for the maintenance of the same, as long as the Dwelling (including appurtenant structures, if any) stands, shall exist. If a Dwelling, or any adjoining part of the Common Elements shall be partially or totally destroyed as a result of fire or other casualty and then rebuilt in substantial accordance with the Plat, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any part of the Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the particular Dwelling shall stand and such encroachments and easements shall not affect marketability of title. Nothing herein contained shall be construed as contrary to the conclusive presumption of Section 515B.2-115 of the Act that the existing physical boundaries of a Unit or a Unit reconstructed in substantial accordance with the Plat are to be the boundaries of the Unit, regardless of settling or lateral movement of a Dwelling.
- (c) INGRESS AND EGRESS OF UNIT OWNERS. There shall be no restriction upon any Owner's right of ingress to and egress from his or her Unit.
- (d) ADMINISTRATION. The administration of the CIC shall be in accordance with the provisions of the Act and the Governing Documents.

- (e) COMPLIANCE WITH GOVERNING DOCUMENTS AND RULES AND REGULATIONS. Each Owner, tenant or Occupant of a Unit shall comply with the provisions of the Governing Documents and Rules and Regulations, as lawfully amended from time to time, and failure to comply with any such provisions, rules or regulations, shall be grounds for action to recover sums due, for damages, or for injunctive relief.
- (f) USE OF COMMON ELEMENTS. There shall be no obstruction, littering, defacement or misuse of Common Elements nor shall anything be stored in the Common Elements except in areas designated for such storage by the Board.
- (g) EXTERIOR APPEARANCE OF BUILDING. No Owner or occupant of any Unit shall cause or permit anything to be hung, displayed, or placed on the outside windows of any Dwelling (with the exception of draperies, blinds and shades), on the outside of exterior doors, or on the outside walls or roof of such buildings; no exterior awnings, shutters, canopies, radio or television antennas shall be erected nor any signs affixed to or placed upon exterior walls or roofs or any part thereof or other parts of the Common Elements (except for Declarant's rights to place signs pursuant to Article XII hereof); nor shall any change in the outside appearance of any exterior surface of a Dwelling be made without the prior written consent of the Architectural Committee, pursuant to Article IX hereof.
- (h) RESIDENTIAL USE. The Property is hereby restricted to residential dwellings, and ancillary and accessory uses and buildings in connection therewith (except for model homes and sales offices which may be operated by Declarant or its designees during the construction or sales period). All buildings or structures erected on the Property shall be of new construction and no buildings or structures shall be moved from other locations to the CIC. No building or structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be placed on or used on any Unit at any time as a resident, either temporarily or permanently.
- (i) ANIMALS. No animals shall be permitted to be kept on the Property by any Owner or Occupant except conventional domesticated animals kept as pets. Conventional domestic animals specifically exclude among other animals, snakes, reptiles of any sort, and large cats such as tigers, lions, cougars and the like.

No kennel, doghouse or outside run shall be constructed or maintained on the Property. No pet shall be kept for any commercial purpose nor shall pets be bred for a commercial purpose upon the Property. Any cat or dog, whenever outside of a Unit, shall be kept under the direct control of the pet owner or another person able to control the pet. No pet shall be left outside unattended, whether leashed or otherwise. The person in charge of the pet must clean up after it. The Board may adopt more specific rules and regulations and penalties not inconsistent with the foregoing, and may make all or specified portions of the Common Elements off-limits to pets. Upon the petition of seventy-five percent (75%) of the Owners of Units located within sixty-five (65) feet of the Unit in which resides a specified pet, the Board may order the removal of a particular pet for constant and uncontrolled barking, repeated instances of wandering unleashed or other repeated behavior reasonable offensive to others, provided that the Owner of the Unit harboring the pet shall first have thirty (30) days' written notice in which to correct the pet's offensive behavior. Notwithstanding the foregoing, the Association specifically reserves the right to promulgate rules and regulations regarding pets on the Property, including, but not limited to, the size of pets permitted and/or the prohibition of pets on the Property, pursuant to Minn. Stat. Section 515B.3-102(a)(1)(iii).

- (j) COMMERCIAL ACTIVITIES, NUISANCES. No advertising signs, billboards, objects of unsightly appearance or nuisances shall be erected, placed or permitted to remain on any Unit, nor shall any Unit be used in any way or for any purpose which may endanger the health or unreasonable disturb the residents of the CIC except that no more than one (1) "for sale" sign or "for rent" sign of not more than five (5) square feet shall be maintained on any Unit. No commercial activities of any kind whatever shall be conducted in any Dwelling or on any portion of the Property except activities intended primarily to service residents in the Property and in accordance with the City of Lakeville's home occupancy and zoning ordinance. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its designees, or the use of operation of sales offices or model Units on any Units by the Declarant or its designees during the construction and sales period or by the Association in furtherance of its powers and purposes set forth in the Governing Documents and Rules and Regulations, as the same may be amended from time to time. The Declarant and its

successors and assigns shall have the right to rent any or all Units owned by the Declarant.

- (k) SCREENING, TRASH REMOVAL. All woodpiles shall be screened by adequate planting so as to conceal them from view of neighboring Units and streets. All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. There shall be no trash piles or storage piles on the property of any Unit. The foregoing restrictions shall not apply to the activities of Declarant, its designees and those working for or on behalf of Declarant during the construction and sales period.
- (l) DERRICKS, ETC. No derrick or other structure designed for use in boring, mining, or quarrying for oil or natural gas, precious minerals, shall be erected, maintained or permitted upon any Unit, provided that nothing in this Declaration shall be construed to restrict a public utility from erecting, maintaining, and operating upon any Unit owned by it within the Property, a well, housing, and equipment for the purpose of extracting from the sub-surface and/or the treatment, storage and distribution of water through the system of such public utility.
- (m) RADIO, T.V., "SMALL DISH" ANTENNAE. Subject to the provisions herein, no radio or television receiving or transmitting antennae or external apparatus shall be installed on any Unit; normal radio and television installations wholly within a building are excepted. No "small dish" antennae in excess of one meter in diameter shall be affixed to any portion of the CIC, nor shall any C-band antennae be erected on or affixed to any portion of the CIC without prior written consent of the Board. The Board of Directors of the Association may provide guidelines regarding the use, installation and location of "small dish" antennae.
- (n) MAINTENANCE OF EASEMENT AREAS. Easements for installation and maintenance of the utilities, sewer pipelines and facilities and drainage facilities over each of said Units, and in the Common Elements are reserved as shown on the CIC Plat or as created in accordance with this Declaration or any amendments hereof. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction in the flow of drainage channels in the easements, or which may obstruct or retard the

flow of water through drainage channels in the easements. The easement area of each Unit and all improvements in it shall be maintained continuously by the Owner of the Unit, except for those improvements for which a public authority, a private or public utility company or the Association is responsible. The easement area of the Common Elements shall be maintained continuously by the Association.

- (o) PROHIBITION OF FENCES, CLOTHESLINES AND STORAGE SHEDS. There shall be no fences, clothes lines, service sheds or storage sheds constructed or placed on any Unit within the CIC.
- (p) STORAGE. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, outdoor cooking equipment (except lawn furniture and one gas or charcoal grill per Unit which may be left on balcony, deck or patio, if any), yard and garden tools and equipment and trash and garbage containers (except on the day of pick-up) shall not be allowed. No boats, snowmobiles, trailers, camping vehicles, tractor/trailer or trucks in excess of 9,000 pounds gross weight or unlicensed or inoperable vehicles shall at any time be stored or parked outside of a Unit garage nor on the Common Elements without the express written approval of the Board, which approval may be withheld without stated reason.
- (q) HAZARDOUS ACTIVITIES AND WASTE; ALTERATIONS. Nothing shall be done or kept in any Unit or any Common Elements which will increase the rate of insurance on the Property, or the contents thereof, or result in increased water, sewer or other utility charges, without the prior written consent of the Board. No Owner or Occupant shall permit anything to be done or kept in any Unit or in the Common Elements which will result in the cancellation of insurance on the Property, or contents thereof, or which will be in violation of applicable law or ordinance. No waste shall be committed in the Common Elements. No Owner shall make any improvements or alterations to his or her Unit that impair that structural integrity or mechanical systems or lessen the support of any portion of the Property or Dwelling without the prior written approval of the Board, which written approval may be conditioned upon (i) the furnishing to the Association of complete plans and specifications for such alteration or improvement prepared by a licensed architect or engineer; and (ii) the furnishing to the Association of financial guarantees or assurances

satisfactory to the Association that all claims for labor or material furnished in connection with such alteration or improvement will be fully paid and that no claims or liens will arise therefrom.

- (r) USE OF PHOSPHOROUS PROHIBITED. The use of any materials containing phosphorous, including, but not limited to, fertilizers and plant foods, is strictly prohibited.

ARTICLE VIII.

CIC ASSOCIATION

Section 1. Membership. Every person or entity, including the Declarant, who is a record owner of a fee or an undivided fee interest in any Unit which is subject to this Declaration, shall be a member of the Association and each purchaser of any Unit by acceptance of a deed or contract for deed therefor covenants and agrees to be a member of the Association whether or not it shall be so expressed in any deed or other conveyance. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation including contract vendors (unless the contract for deed provides otherwise), until such time as such person acquires a fee simple interest in such Unit by foreclosure or by a proceeding in lieu thereof, or, as to a contract vendor, until such time as the contract for deed is cancelled. For each Unit owned, the Owner thereof shall be entitled to one (1) membership. Membership shall be appurtenant to and may not be separated from the fee ownership of any Unit. For the purpose of this Declaration, the word "Member" shall include any beneficiary of a trust holding legal title to one or more Units.

Section 2. Transfer. Membership held by an Owner of a Unit is an appurtenance to such Unit and shall not be transferred, alienated, or pledged in any way, except upon the sale or encumbrance of such Unit, and then only to the purchaser of such Unit. Any attempt to make a transfer except by the sale or encumbrance of a Unit is void. Reference to the transfer of membership need not be made in an instrument of conveyance or encumbrance of such Unit for the transfer to be effective, and the same shall automatically pass with title to the Unit.

ARTICLE IX.

ARCHITECTURAL CONTROL

Section 1. Restrictions on Alterations. The following restrictions and requirements shall apply to alterations on the

Property:

- (a) Except as expressly provided in this Article, and except for alterations made by Declarant in consideration of its initial sale of a Unit, no structure, building, addition, deck, patio, fence, wall, enclosure, window, exterior door, 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 is visible from the exterior of the Unit (collectively referred to as "Alterations") shall be commenced, erected, or maintained in a Unit 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 the Board. Under no circumstances shall any Owner make any improvement which extends beyond the existing building pad as shown on the plat. Notwithstanding the foregoing, Declarant's written consent shall also be required for Alterations until Declarant no longer owns any unsold Unit and has no further rights to add Additional Real Estate to the Property.
- (b) The criteria for approval shall include and require, at a minimum, (i) substantial uniformity of color, size, location, type and design in relation to existing improvements and topography; (ii) comparable or better quality of materials as used in existing improvements; (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; and (v) compliance with governmental laws, codes and regulations.
- (c) 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; provided, however, that any easement for a deck or patio other than as originally constructed shall be approved by resolution of the Board and a file of such resolutions shall be maintained permanently as a part of the Association's records.
- (d) Alterations described in Article XVIII shall be governed by that Article.

Section 2. Review Procedures. The following procedures

shall govern requests for Alterations under this Article.

- (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 sixty (60) days prior to the projected commencement of construction. No Alterations shall be commended 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 sixty (60) days after receipt of said plans and specifications and all other information requested by the Board, then approval will not be required, and Article 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 is denied, unless (i) the Alterations are reasonable visible and (ii) no written notice of the violation has been given to the Owner in whose Unit the Alterations are made, by the Association or another Owner, within six (6) months following the date of completion of the Alterations. Notice may be direct written notice or the commencement of legal action by the Association or an Owner. The Owner of the Unit in which the Alterations are made shall have the burden of proof, by clear and convincing evidence, that the Alterations were completed and reasonably visible for at least six (6) months following completion and that the notice was not given.

Section 3. Remedies for Violations. The Association may undertake any measures, legal or administrative, to enforce compliant with this Article and shall be entitled to recover from the Owner causing or permitting the violation all attorneys' fees and costs of enforcement, whether or not legal action is started. Such attorneys' fees and costs shall be a lien against the Owner's Unit and a personal obligation of the Owner. 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 Article, and the cost of such restoration shall be a personal obligation of the Owner and a lien against the Owner's Unit.

ARTICLE X.

INSURANCE; DAMAGE OR DESTRUCTION

Section 1. Statutory Requirements. The Association shall:

- (a) Commencing not later than the time of the first conveyance of a Unit to an Owner other than Declarant, maintain, to the extent reasonably available:
- (1) subject to subsection (b), property insurance (i) on the Common Elements and also on property that must become Common Elements, (ii) for broad form covered causes of loss, and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, at the time the insurance is purchased and at each renewal date, exclusive of items normally excluded from property policies; and
 - (2) commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Property in an amount not less than \$1,000,000.00 or otherwise deemed sufficient in the judgment of the Board, insuring the Board, the Association, the management agent and their respective employees, agents and all persons acting as agents. The Declarant shall be included as an additional insured in its capacity as an Owner or Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.
- (b) The insurance maintained under subsection (a) (1) shall include the Units and the Common Elements. The insurance need not cover improvements and betterment to the Units installed by the Owners, but if improvements and betterment are covered, any increased cost may be assessed by the Association against the Units affected. The Association may, in the case of a claim for damage to a Unit or Units, (i) pay the deductible amount as a common expense, (ii) assess the deductible against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.
- (c) If the insurance described in subsections (a) and (b) is not reasonably available, the Association shall promptly cause notice of that fact to be hand delivered

or sent prepaid by United States mail to all Owners. The Association may carry any other insurance it considers appropriate to protect the Association, the Owners or officers, directors or agents of the Association.

- (d) Insurance policies carried pursuant to subsections (a) and (b) shall provide that:
- (1) each Owner and secured party is an insured person under the policy with respect to liability arising out of the Owner's membership in the Association;
 - (2) the insurer waives its right to subrogation under the policy against the Owner or members of the Owner's household and against the Association and members of the Board;
 - (3) no act or mission by any Owner or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy; and
 - (4) 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.
- (e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted by and with the Association. The insurance proceeds for that loss shall be payable to the Association, or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association shall hold any insurance proceeds in trust for Owners and secured parties as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged common Elements and Units. Owners and secured parties are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or this CIC is terminated.
- (f) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance, upon request, to any Owner or secured party. The insurance may not be cancelled until thirty (30) days after the notice of the proposed cancellation has been mailed to the Association, each Owner and each secured party for an obligation to whom certificates of

insurance have been issued.

- (g) Any portion of this CIC which is damaged or destroyed as a result of a loss covered by the Association's insurance policy shall be promptly repaired or replaced by the Association unless (i) this CIC is terminated and the Association votes not to repair or replace all or part thereof, (ii) repair, replacement would be illegal under any state or local health or safety statute or ordinance, or (iii) eighty percent (80%) of the Owners, including every Owner and Eligible Mortgage on a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement of the Common Elements in excess of insurance proceeds and reserves shall be paid as a common expense, and the cost of repair of a Unit in excess of insurance proceeds shall be paid by the respective Owner.
- (h) If less than the entire CIC is repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of this CIC, (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units, including Units to which the Limited Common Elements were assigned, and the secured parties of those Units, as their interest may appear, and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners and secured parties as their interests may appear, in proportion to their common expense liability.
- (i) If the Owners and Eligible Mortgagees vote not to rebuild a Unit, that Unit's entire votes in the Association and common expense liability are automatically reallocated upon the vote as if the Unit had been condemned under section 515B.1-107 of the Act and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, if this CIC is terminated, insurance proceeds not used for repair or replacement shall be distributed in the same manner as sales proceeds pursuant to section 515B.2-119 of the Act.

Section 2. Owner's Insurance for Liability and Contents of Units. Each Owner shall maintain at his or her own cost and expense such insurance coverage as he or she may desire with respect to (i) personal liability for acts and occurrences upon his or her Unit and within his or her Unit and (ii) physical

damage losses for personal property and the contents for his or her Unit and any improvements, additions or betterment installed either by a person or entity other than as a part of the initial construction, whether made inside of outside his or her Unit, and shall further maintain; at his or her cost and expense, any special flood hazard insurance as may be required by the first mortgagee of his or her Unit. The Association shall have no obligation in connection therewith.

Section 3. Workers' Compensation and Fidelity Insurance. The Association shall obtain and maintain a policy or policies of insurance with reputable insurance carriers providing the following coverage:

(a) Workers' Compensation and employers' liability insurance in such form and in such amounts as may be necessary to comply with applicable laws;

? (b) Fidelity insurance or bonds in reasonable amounts for all officers and employees having fiscal responsibilities, naming the Association as obligee; and

(c) Such other insurance in such limits and for such purpose as the Association may, from time to time, deem reasonable and appropriate.

Section 4. Insurance Premium Expense. The expense of insurance premiums paid by the Association under this Article shall be an expense of the Association to which the assessments collected by the Association from the Owners shall be applied.

ARTICLE XI.

RECONSTRUCTION, CONDEMNATION & EMINENT DOMAIN

Section 1. 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. The Association shall have all authority necessary to cause the Property to be reconstructed, including, without limitation, the authority (i) to require the Owners to enter into reconstruction contracts on their respective Units, or (ii) to contract for the reconstruction of the Units on behalf of the Owners. Notice of substantial damage or destruction shall be given pursuant to Article XVI.

Section 2. 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, however, that notice shall be given pursuant to Article XVI. Eligible Mortgagees shall be entitled to priority for condemnation awards in accordance with priorities established by the Act and the Governing Documents, as their interests may appear.

Section 3. Notice. All Eligible Mortgagees shall be entitled to receive notice of any condemnation proceedings or substantial destruction of the Property, and the Association shall give written notice thereof to an Eligible Mortgagee pursuant to Article XVI.

ARTICLE XII.

SPECIAL DECLARANT RIGHTS

Section 1. Special Declarant Rights. The Declarant expressly reserves the exclusive and unconditional authority to exercise the following special declarant rights, as the term is used in Section 515B.1-103(31) of the Act, for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

- (a) To elect, or cause persons designated by it to elect, the officers and members of the Board in accordance with Article VI hereof.
- (b) To complete improvements indicated on the Plat, if any, or otherwise included in Declarant's development plans or allowed by the Declaration, and to make alterations in the Units and Common Elements to accommodate its sales facilities.
- (c) To construct, operate and maintain sales offices, management offices, signs advertising the CIC, and models, under Section 515B.2-116 of the Act (which models may be any Unit owned from time to time by Declarant).
- (d) To use easements through and over the Common Elements for the purpose of making improvements within the CIC including the improvement of any additional real estate described in Article XVIII hereof, and for the purpose of exercising its special declarant rights.
- (e) To create Units, Common Elements or Limited Common Elements within the CIC.
- (f) To subdivide Units or convert Units into Common

Elements, Limited Common Elements and/or Units.

- (g) To relocate boundaries between Units and to otherwise alter Units owned by Declarant, subject to the provisions of Article XVIII hereof.
- (h) To create a master association and provide for the exercise of authority by the master association over the CIC or its Owners.
- (i) To merge or consolidate the CIC with another common interest community of the same form of ownership.
- (j) To add Additional Real Estate, under Section 515B.2-111 of the Act, and as more fully described in Article XVIII below.
- (k) To require that, as long as Declarant owns any unsold Unit for Sale, Declarant's written consent shall be required for any amendments to the Governing Documents or Rules and Regulations which directly or indirectly affect or may affect Declarant's rights under the Governing Documents or the Act.

Notwithstanding the special declarant rights set forth in Section 515B.1-103 of the Act, the Declarant shall not, during the period of Declarant Control, undertake any of the activities delineated in paragraphs (e) through (i) of this Section 1 without the prior written consent of the U.S. Department of Housing & Urban Development (HUD) and the U.S. Department of Veterans Affairs (V), if necessary.

ARTICLE XIII

JOINT CONNECTION OF SEWER, WATER, ELECTRICITY, GAS, TELEPHONE LINES AND CABLE TELEVISION

DECLARANT'S
RIGHTS

The rights and duties of the Owners of Units respect to sewer, water, gas, telephone and cable shall be governed by the following:

- (a) Wherever joint house connections of sanitary and storm sewer, water, electricity, gas, telephone or cable television lines are installed within the CIC, and the connections, or any portion thereof, lie in or upon Units owned by others than the Owners served by said connection, the Association shall have the right and are hereby granted an easement to the full extent necessary therefor, to enter upon Units or have the utility companies enter upon the Units within the CIC in or upon which said connection, or any portion

thereof, lies, to read and install meters, repair, replace and generally maintain said connection as and when the same may be necessary as set forth below, and further, if a majority of the Board deems the repair, replacement or maintenance of such connection to be an emergency, the Association shall have the right to repair, replace or maintain such connection and assess the costs thereof against the Units served by such connection in the amounts the Owners would otherwise be responsible for under subsections (c) and (d) herein, and each Owner, for himself or herself, his or her heirs, successors and assigns, covenants that he will pay the Association (or its collecting agent) said assessment upon demand or in such periodic payments as may be determined by the Board, and that said assessment, if not paid on the date when due, shall become delinquent, shall become a continuing lien on the Unit and the personal obligation of the Owner and shall be subject to collection, enforceability, foreclosure and remedies of the Association in the matter set forth in Articles IV and V hereof for other assessments by the Association.

- (b) Wherever joint house connection of storm and sanitary sewer, water, electricity, gas, telephone or cable television lines are installed within the CIC and the connections serve more than one Unit, the Owners of each Unit serviced by said connection shall be entitled to the full use and enjoyment of such portions of said connection as services his Unit.
- (c) In the event any portion of said connection or line is obstructed, damaged or destroyed through the act of an Owner of a Unit being served by said connection, or any of his agents, guests, or members of his family, whether or not such act is negligent or otherwise culpable, so as to deprive the other Owners being served by said connection of the full use and enjoyment of said connection, then the Owner shall forthwith proceed to replace or repair the same to as good a condition as formerly, without cost to the other Owners served by said connection.
- (d) In the event any portion of said connection or line is obstructed, damaged or destroyed by some cause other than the act of any Owner being served by said connection, his agents, or members of his family (including ordinary wear and tear and deterioration from lapse of time), then in such event if said obstruction, damage or destruction shall prevent the full use and enjoyment of such connection by the other Owners served by said connection, all such Owners who

are thereby deprived of said use and enjoyment shall proceed forthwith to replace or repair said connection to as good a condition as it was formerly at their joint and equal expense.

ARTICLE XIV

MUNICIPAL ORDINANCES

Section 1. City Ordinances Prevail. None of the covenants, conditions, restrictions or provisions of the Declaration are intended to supersede or prevail over the ordinances of general applicability of the city in which this CIC resides, and in the event of any conflict, the applicable ordinances of said City shall supersede and prevail over the covenants, conditions, restrictions and provisions of this Declaration.

Section 2. Standards of Maintenance. The Standards of Maintenance of the Units and the residences and improvements located thereon, and the Common Elements, as adopted by the Association from time to time, shall be at least equal to those set forth in the ordinances of general applicability of the city in which this CIC resides, in effect from time to time which govern and control the maintenance of private property.

ARTICLE XIV

EASEMENTS GENERALLY

Section 1. 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 the adjoining Units for fireplaces, walls, roof overhangs, air conditioning systems, decks, balconies, porches, patios, utility installations and other appurtenances (i) which are part of the original construction of the adjoining Unit or the Property; or (ii) which are added pursuant to Article IX. If there is an encroachment by a Dwelling, or other building or improvement located on 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, however, that with respect to improvements or alterations added pursuant to Article IX, no easement shall exist unless the same have been approved, and the proposed improvements constructed, as required by this Declaration. Such easement shall continue for as long as the encroachment exists and shall not affect the marketability of

title.

Section 2. 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 and Limited Common Elements for the purposes of maintenance, repair, replacement and reconstruction of Units, and utilities serving the Units, to the extent necessary to fulfill the Association's obligations under the Governing Documents. In addition, the Association shall have a reasonable right of entry to and upon each Unit and its Limited Common Elements to effect emergency or other repairs which the Owner has failed to perform.

Section 3. 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 or her Unit or the right to utility services thereto. The easements set forth in this Article 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.

ARTICLE XVI

RIGHTS OF ELIGIBLE MORTGAGES

Section 1. Conflicting Provisions. The provisions of this Article take precedence over any other conflicting provisions of this Declaration. Notwithstanding anything to the contrary in the Governing Documents, and subject to any greater requirements in the Act or other laws, Eligible Mortgagees shall have the rights and protection set forth in this Article.

Section 2. Notice of Action. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a first mortgage on a Unit in the CIC and the Unit number or address, an Eligible Mortgagee shall be entitled to timely written notice of:

- (a) Any condemnation loss or casualty loss which affects a material portion of the CIC or any Unit on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgagee;
- (b) Any delinquency in the payment of assessments or charges owned by a Unit owner or a Unit subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of 60 days.

- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified elsewhere in this Article.

Section 3. Certain Amendments to Declaration of Bvlaws. In addition to statutory requirements for amendment of this Declaration and the Bylaws of the Association, and to all other requirements set forth herein, The written consent of Eligible Mortgagees representing at least fifty-one percent (51%) (or such higher percentage as is required by law or this Declaration) of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote for each first mortgage owned) shall be required for any amendment to the Governing Documents which causes any change in the following:

- (a) Voting rights;
- (b) Assessments, such that the change results in an increase that raises the previously assessed amount by more than twenty-five percent (25%);
- (c) Assessment liens, or priority of assessment liens;
- (d) Reserves for maintenance, repair and replacement of Common Elements (but only so far as such change is a reduction of such reserves);
- (e) Responsibility for maintenance and repairs;
- (f) Reallocation of interest in the Common Elements or Limited Common Elements, or rights to their use (except as may occur pursuant to Article XVIII hereof);
- (g) Redefinition of any Unit boundaries;
- (h) Convertibility of Units into Common Elements or vice versa;
- (i) Expansion or Contraction of the Property or the addition, annexation or withdrawal of property to or from the Property (except as pursuant to Article XVIII hereof);
- (j) Hazard or fidelity insurance requirements;
- (k) Leasing of Units;

(1) Imposition of any restrictions on the leasing of Units;

- (m) If the CIC comprises more than fifty (50) Units, a decision of the Association to establish self-management when professional management is in effect as required by the Governing Documents or by an Eligible Mortgagee;
- (n) Restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents;
- (o) Any action to terminate the legal status of the CIC (except in accordance with procedures set forth in the Act or this Declaration in the event of amendment or termination made as a result of destruction, damage or condemnation; or
- (p) Any provisions that expressly benefit mortgage holders or insurers or guarantors of mortgages.

Section 4. Amendments to Abandon or Terminate CIC. In addition to statutory requirements for amendment of the Governing Documents, and to other requirements set forth herein, the written consent to Eligible Mortgagees representing at least 67% of Units that are subject to first mortgages (based upon one vote per first mortgage owned) shall be required to abandon or terminate the CIC, subject to any greater requirements contained in the Act.

Section 5. Implied Approval of Eligible Mortgagees. Notwithstanding anything to the contrary contained in this Article, implied approval of a proposed amendment shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided that the notice was delivered by certified mail, return receipt requested.

Section 6. 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.

Section 7. No Right of First Refusal. The right of an owner to sell, transfer or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restrictions.

Section 8. Examination of Association Books and Records; Financial Statements. The Association shall make available to any Owner, or to any Eligible Mortgagee, a current copy of the Governing Documents and the books, records and financial statements of the Association. "Available" means for inspection,

upon request, during normal business hours or under other reasonable circumstances. The Association also shall make available to prospective purchasers current copies of the Governing Documents and the most recent annual audited financial statement if such is prepared. The holders of at least 51% of first mortgages shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. Any financial statement requested pursuant to this Section shall be furnished within reasonable time following such request.

Section 9. Priority of Lien of First Mortgage. Any holder of a first mortgage on a Unit or any purchaser of a first mortgage at a foreclosure sale, that comes in 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, except (i) as provided in Article V or (ii) any unpaid assessments or charges with respect to the Unit may reallocated among all Units in accordance with their interests in the Common Elements.

Any such sale or transfer of title pursuant to a foreclosure or deed or proceedings in lieu of foreclosure of a first mortgage shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit for, the lien of any assessments made thereafter. To the maximum extent permitted by law, there should be subordinated to any first mortgage the lien of any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments, in the same manner as the subordination of assessments hereunder.

Section 10. Insurance or Condemnation Proceeds. Other than as provided elsewhere in this Declaration, no provisions of the Governing Documents shall be construed to give any Owner, or any other party, priority over the rights of any Eligible Mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds of condemnation award for losses to or a taking of the Common Elements or any portion thereof or any Unit or portion thereof. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, Eligible Mortgagees shall be entitled to timely written notice of such damage or destruction. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Eligible Mortgagees shall be entitled to timely written notice of any such proceedings or proposed acquisition.

Section 11. Attendance at Meetings of Association. Any Eligible Mortgagee who so requests shall be given notice of all meetings of the Association as if such Eligible Mortgagee was an Owner entitled to notice. Each such Eligible mortgagee shall have the right to designate a representative to attend all such meetings, which representative shall not have the right to cast a vote.

Section 12. Requirements; Management Agreements. The term of any agreement for professional management of the Property may not exceed two (2) years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party (i) with cause, upon thirty (30) days' prior written notice, and (ii) without cause, upon ninety (90) days' written notice.

ARTICLE XVII

SUBDIVISION OR CONVERSION OF UNITS

Section 1. Right to Subdivide or Convert. The right is hereby reserved by the Declarant to subdivide or convert Units in the CIC, pursuant to section 515B.2-112 of the Act. Any Unit, whether or not owned by the Declarant, may be subdivided as provided in Section 515B.2-112 of the Act. Any such subdivision or conversion shall be in accordance with the procedures specified in the Act. During the period of Declarant Control, the right to subdivide or convert Units shall require the prior written consent of HUD and VA, if necessary.

ARTICLE XVIII

FLEXIBLE COMMON INTEREST COMMUNITY

Section 1. Option of Declarant to Add Additional Real Estate. Declarant hereby expressly reserves an option to add additional real estate to the CIC by unilateral action under Section 515B.2-111 of the Act. The option to add additional real estate will lapse ten (10) years after the date on which this Declaration is recorded. Said time period may be extended by written agreement of Owners other than the Declarant or its affiliate, to whose Units are allocated at least 67% of the votes of the Association. There are no circumstances that will terminate the option prior to the expiration of such ten year period. Except as otherwise provided in this Section, there shall be no other restrictions on the options to add Additional Real Estate to the CIC. The legal description of each portion of the Additional Real Estate is set for in Exhibit C attached hereto and incorporated herein.

Section 2. Manner of Adding Additional Real Estate. Additional Real Estate shall be added by the method prescribed in

Section 515B.2-111 of the Act. Additional Real Estate shall be added separately or simultaneously to the CIC. No assurances are made by the Declarant with respect to the order in which parcels may be added, the number of parcels per phase or the size of the parcels. Declarant is under no obligation to add the Additional Real Estate to the Property, and the Additional Real Estate may be developed by Declarant or its successor in interest for other purposes, subject only to approval by the appropriate governmental authorities.

Section 3. Maximum Number of Units; Type of Construction. A maximum number of eightytwo (82) Units may be created in the Additional Real Estate to be used exclusively for residential use. All or any portion of such Units which may be constructed upon any portion of the Additional Real Estate will be similar to and compatible with the other buildings and Units in the CIC in terms of architectural style, floor plan, quality of construction, principal materials employed in construction, and size, except that the Declarant reserves the right to employ different materials and design as may be required by law or as may economically facilitate construction without substantially reducing the value of existing Units or increasing Common Expenses for existing Units. All other improvements and Common Elements that may be made or created upon or within the Additional Real Estate or each portion thereof shall be similar to those existing in the CIC, except that they may, but need not, include roadways and additional recreational or other facilities.

Section 4. Application of Declaration. All restrictions in the Declaration affecting use, occupancy and alienation of Units will apply to Units created in the Additional Real Estate. In the event that the Additional Real Estate or any portion thereof is not added to the CIC, the additional Real Estate shall in no way be affected by or subject to the terms of this Declaration.

Section 5. Approval of HUD and VA. The addition of Additional Real Estate pursuant to this Article shall require the prior written consent of HUD and VA, if necessary.

ARTICLE XIX

COMPLIANCE BY OWNER

Section 1. Right of Action in Owners and Association. Failure of any Owner to comply with the provisions of the Act or Governing Documents, Rules and Regulations, decisions of the Association and such amendments thereto as may be made from time to time shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages, or for injunctive relief, or both. The foregoing is not intended to restrict or limit the application of Section 515B.4-116 of the Act.

Section 2. 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 or by an Owner against the Association or another Owner to enforce compliance with the Governing Documents, Rules and Regulations, the Act or decisions of the Association. However, no Owner may withhold assessments payable to the Association, or take (or omit) other action in violation of the Governing Documents, Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

Section 3. Sanction 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 and Regulations 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 Twenty and NO/100 (\$20.00) Dollars, or fifteen percent (15%) of the amount due, for each past due assessment or installment thereof, and interest at up to the highest rate permitted by law.
- (c) In the event of default of more than thirty (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, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. Reasonable 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 and Regulations of the Association.
- (e) Suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities; provided, however, that this limitation 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 Governing Documents, and for up to thirty (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 an Owner or Occupant or their guests in violation of the Governing Documents, and to assess the costs of such restoration against the responsible Owners and their Units.
- (g) Enter any Unit of Limited Common Element in which, or as to which, a violation or breach of the Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of 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, however, that any improvements which are a part of a Unit 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 for the foreclosure of mortgages by action or under a power of sale in the state where the Property is located.

Section 3. Rights to Hearing. In the case of imposition of any of the remedies authorized by Section 2 (d), (e), (f) or (g) of this Article, 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 ten (10) days' within which to request a hearing. The hearing shall be scheduled by the Board and held within thirty (30) days of receipt of the hearing request by the Board, and with at least ten (10) days' prior written notice to the offender. If the offending Owner fails 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 hearing 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 ten (10) days following the hearing, if not delivered to the offender at the hearing.

Section 4. Lien for Charges, Penalties, Etc. Any assessments, fines, penalties, charges or interest imposed under this Article 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 Article V. 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 any right to pursue any others.

Section 5. Costs of Proceeding and Attorney's Fees. With respect to any collection measures, or any measure or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Act, the Governing Documents or Rules and Regulations, whether or not finally determined by a court or arbitrator, the Association may assess the violator and his or her Unit with any expenses incurred in connection with such enforcement, including, without limitation, fines or charges previously imposed by the Association, reasonable attorney's fees, and interest (at the highest rate permitted by law) on the delinquent amounts owed by the Association.

Section 6. Liability for Owner's 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 rate resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

Section 7. Enforcement by Owners. The provisions of this Article shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, Rules and Regulations and the Act as provided therein.

ARTICLE XX

AMENDMENT

Except as limited by 515B.2-118(d) of the Act requiring additional agreement in the case of alteration of Limited Common Elements, and except insofar as a higher voting requirement may

be otherwise required under this Declaration, or the Act, this Declaration may be amended by the Association only upon consent of (i) Owners of Units to which are allocated at least sixty-seven percent (67%) of the votes in the Association, (ii) the percentage of Eligible Mortgagees (based upon one vote per first mortgage owned) required by Article XVI as to matters prescribed by said Article, and (iii) the consent of the Declarant to certain amendments as provided in Article XII. Consent 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 and the Declarant shall be in writing.

In addition, the written consent of HUD and VA (if necessary) shall be required, so long as the period of Declarant control set forth in Article VI hereof shall not have terminated, in accordance with said Article XII and the Act, for any amendment to the Declaration. Any such amendment to the declaration shall be effective only when filed or recorded as required by 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.

ARTICLE XXI

ADMINISTRATION

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

Section 1. General. The operation and administration of the Association and the Property shall be governed by the Governing Documents, the Rules and Regulations 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 the 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 of 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.

Section 2. Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations; (ii) maintaining, repairing and

replacing those portions of the Property for which it is responsible; and (iii) preserving the value and architectural uniformity and character of the Property.

Section 3. Binding Effect of Actions. All agreements and determination made by the Association in accordance with the power and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties as defined in the Act.

Section 4. Bylaws. The Association shall have Bylaws. The Bylaws and any amendments thereto shall govern the operation and administration of the Association.

Section 5. 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; provided, however, that 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.

Section 6. Rules and Regulations. The Board shall have exclusive authority to approve and implement such reasonable Rules and Regulations 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, however, that the Rules and Regulations shall not inconsistent with the Governing Documents and the Act. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted in this Article. New or amended Rules and Regulations shall be effective only after reasonable notice thereof has been given to the Owners.

Section 7. Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in 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, as determined by the Board.

Section 8. Conflict Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or any Rules and Regulations approved by the Association, the Act shall control. As among the Declaration, Bylaws, and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.

IN WITNESS WHEREOF, the Declarant has executed the Declaration the day and year first written above.

MEDALLION CONSTRUCTION, INC.
a Minnesota Corporation

x Dale Pexa
Dale Pexa, President

x William W. Svoboda
William W. Svoboda,
Vice-President

x Joseph E. Van Den Boom
Joseph E. Van Den Boom,
Vice-President

STATE OF MINNESOTA)
) SS.
COUNTY OF LE SUEUR)

The foregoing instrument was acknowledged before me this 20 day of July, 1999, by Dale Pexa, William W. Svoboda and Joseph E. Van Den Boom, to me known to be the President and Vice-Presidents of Medallion Construction, Inc., a Minnesota Corporation, and that they executed the foregoing document and their free act and deed on behalf of the corporation.

Scott A. Marek
Notary Public



APPROVAL BY FEE OWNERS

STATE OF MINNESOTA)
COUNTY OF LeSueur) SS.

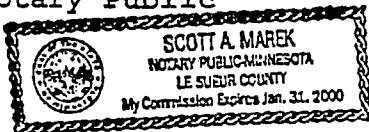
Dale Pexa and Frances Pexa, husband and wife, being first duly sworn, state that they are the fee owners and contract vendors of the real estate described herein in the attached Exhibits A, B and C and they hereby agree to abide by the covenants contained within this document and do hereby agree that this document shall be filed as against the property described herein and made a part hereof.

x Dale Pexa
Dale Pexa

x Frances E. Pexa
Frances Pexa

Subscribed and sworn to before
this 20 day of July, 1999.

Scott A. Marek
Notary Public



APPROVAL BY CONTRACT FOR DEED VENDEE
DALE PEXA CONSTRUCTION, INC.

STATE OF MINNESOTA)
COUNTY OF LeSueur) SS.

Dale Pexa and Frances Pexa, President and Vice-president of Dale Pexa Construction, Inc., a Minnesota Corporation, being first duly sworn, state that Dale Pexa Construction, Inc. is the Contract for Deed vendee from Dale Pexa and Frances Pexa the fee owners and contract vendors of the real estate described herein in the attached Exhibits A, B and C and Dale Pexa Construction, Inc., does hereby agree to abide by the covenants contained within this document and does hereby agree that this document

shall be filed as against the property described herein and made a part hereof.

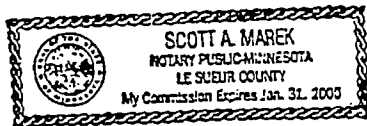
DALE PEXA CONSTRUCTION, INC.
a Minnesota Corporation.

x Dale Pexa
Dale Pexa, President

x Frances E. Pexa
Frances Pexa, Vice-President

Subscribed and sworn to before
this 20 day of July, 1999.

Scott A. Marek
Notary Public



This Instrument was drafted by:

Scott A. Marek
Attorney at Law
Montgomery, MN 56069

EXHIBIT A

TO DECLARATION OF COMMON INTEREST COMMUNITY

ST. FRANCES WOODS TOWNHOMES NO. 7
CIC NUMBER 295

· Legal description of the Property:

Lots 1 through 8, Block 2

Lots 1 through 7, Block 3

Lots 1 through 3, Block 4

Lots 1 through 18, Block 5

Outlot D

St. Frances Woods 7th Addition, Dakota County, Minnesota

EXHIBIT B

TO DECLARATION OF COMMON INTEREST COMMUNITY

ST. FRANCES WOODS TOWNHOMES NO. 7

CIC NUMBER 295

Legal description of the Common Elements:

Lot 8, Block 2

Lot 7, Block 3

Lot 3, Block 4

Lots 18, Block 5

Outlots D

St. Frances Woods 7th Addition, Dakota County, Minnesota

EXHIBIT C

TO DECLARATION OF COMMON INTEREST COMMUNITY

ST. FRANCES WOODS TOWNHOMES NO. 7
CIC NUMBER 295

Legal description of the Additional Real Estate

Outlot C

St. Frances Woods 7th Addition, Dakota County, Minnesota

ST FRANCES WOODS TOWNHOMES
Exterior Color Combinations and Location

Siding	Shingles	Brick
A. Light Maple	Heatherwood	Kirkwood Queensize
B. Silver Ash	Driftwood	Aspen Queensize
C. Natural Clay	Driftwood	Cottonwood Queensize

Siding: CertainTeed Monogram Rigidform wood textured vinyl siding.

Shingles: CertainTeed Hearthstead 225 lb. per square, four-tab design. Two selections, Driftwood and Heatherwood

Specifications: ASTM E108 Class C Fire Resistance
U.L. Wind Resistance Self-Sealing
Outstanding Tear Resistance

Warranty: 25-Year Limited warranty against manufacturing defects
5-Year SureStart protection covers 100% of the replacement cost on labor and materials should a manufacturing defect occur during the first five years following installation.

Windows: Anderson Windows, White Vinyl Clad

Facia: White Steel

Brick: Selections to match each siding. A slight variation in color to follow with the changes in colors.

Note the attached plat drawing of designated color choices throughout the development.

Submitted by Medallion Construction, Inc. 6/25/99

ST FRANCES WOODS TOWNHOMES
EXTERIOR TOWNHOUSE DETAIL REQUIREMENTS

- Siding Material and Color – CertainTeed/Monogram
Light Maple, Silver Ash and Natural Clay
- Roof Style and Pitch Truss - by Villume 5/12 on house, 10/12 on Gabled Garage
- Shingle Material, Brand and Color - CertainTeed Hearthstead,
Driftwood and Heatherwood
- Soffit – White Aluminum, Facia – Steel, Gutter Material and Color – White
Seamless
- Exterior Window Trim Material and Color – Anderson Vinyl Clad White
- Skylights Permitted (yes/no) Yes – Vulex Skylight, Suntube also Available
- Exterior Roll-up Shutters permitted (yes/no) No
- Exterior/Storm Door Trim Material and Color – White Vinyl Full View ✓
- Deck Material and Stain/Paint Color – TREX Deck w/Vinyl Handrail
- Driveway Surface Material – Bituminous
- Sidewalk Surface Material - Cement
- Specific Ground Cover Between Townhouse Unit Driveways – Day Lilies with
rock design by Ron Iverson
- Exterior Building Perimeter Landscape Rock Type/Color – See Design by Ron
Iverson
- Exterior Light Specifications – Bright Brass and Glass

Submitted by Medallion Construction, Inc. 6/25/99

**AMENDMENT TO ST. FRANCES WOODS 7TH AND 8TH ADDITION
TO WHOM IT MAY CONCERN:
PERTAINING TO RAIN GUTTERS AT ST. FRANCES WOODS
RAIN GUTTERS:**

1. ALL RAIN GUTTERS MUST BE OF SAME COLOR AND STYLE FOR ENTIRE DEVELOPMENT.

2. THE RAIN GUTTERS MUST BE A MANUFACTURED, ONE PIECE GUARD RAIN GUTTER.

3. TOWNHOME OWNER IS RESPONSIBLE FOR COST, INSTALLATION AND MAINTENANCE OF RAIN GUTTERS.

4. BUILDER OR ST. FRANCES WOODS ASSOCIATION ARE NOT RESPONSIBLE FOR WET BASEMENTS, DAMAGE TO SHINGLES, SAUFETS, LEAKAGE OF ROOF, LEAKAGE OF SIDING, DAMAGE TO DRIVEWAY OR ANY OTHER DAMAGE CAUSED BY INSTALLATION OF RAIN GUTTERS.

5. LOCATION OF DOWN SPOUT WILL BE DETERMINED BY BUILDER AND ST. FRANCES WOODS ASSOCIATION BEFORE INSTALLATION.

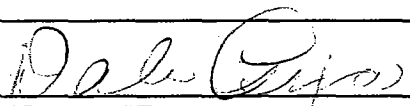
6. RAIN GUTTERS MUST BE INSTALLED BY A LICENSED, BONDED RAIN GUTTER INSTALLER. THE RAIN GUTTER INSTALLER MUST CARRY A MILLION DOLLAR LIABILITY INSURANCE POLICY.

7. A CERTIFICATE OF INSURANCE MUST BE PROVIDED BY RAIN GUTTER INSTALLER TO ST. FRANCES WOODS ASSOCIATION BEFORE INSTALLATION STARTS.

8. THE TOWNHOME OWNER MUST SIGN THIS CONTRACT WITH ST. FRANCES WOODS ASSOCIATION THAT HE, SHE OR THEY FULLY UNDERSTAND THE ABOVE STATEMENTS. THIS CONTRACT WILL BE PUT IN ST. FRANCES WOODS ASSOCIATION FILES FOR FUTURE REFERENCE.

ADDRESS OF TOWNHOME: _____

DATE: _____

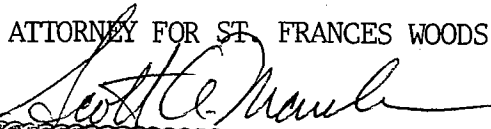


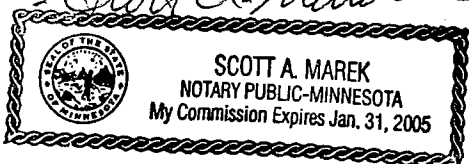
PRESIDENT

VICE PRESIDENT

TOWNHOME OWNER

ATTORNEY FOR ST. FRANCES WOODS





AMENDMENT TO ST. FRANCES WOODS 7TH AND 8TH ADDITION

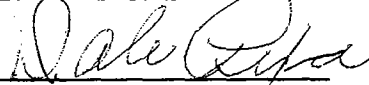
TO WHOM IT MAY CONCERN:

PERTAINING TO RAIN GUTTERS AT ST. FRANCES WOODS


RAIN GUTTERS:

- 1. ALL RAIN GUTTERS MUST BE OF SAME COLOR AND STYLE FOR ENTIRE DEVELOPMENT.**
- 2. THE RAIN GUTTERS MUST BE A MANUFACTURED, ONE PIECE GUARD RAIN GUTTER.**
- 3. TOWNHOME OWNER IS RESPONSIBLE FOR COST, INSTALLATION AND MAINTENANCE OF RAIN GUTTERS.**
- 4. BUILDER OR ST. FRANCES WOODS ASSOCIATION ARE NOT RESPONSIBLE FOR WET BASEMENTS, DAMAGE TO SHINGLES, SAUFETS, LEAKAGE OF ROOF, LEAKAGE OF SIDING, DAMAGE TO DRIVEWAY OR ANY OTHER DAMAGE CAUSED BY INSTALLATION OF RAIN GUTTERS.**
- 5. LOCATION OF DOWN SPOUT WILL BE DETERMINED BY BUILDER AND ST. FRANCES WOODS ASSOCIATION BEFORE INSTALLATION.**
- 6. RAIN GUTTERS MUST BE INSTALLED BY A LICENSED, BONDED RAIN GUTTER INSTALLER. THE RAIN GUTTER INSTALLER MUST CARRY A MILLION DOLLAR LIABILITY INSURANCE POLICY.**
- 7. A CERTIFICATE OF INSURANCE MUST BE PROVIDED BY RAIN GUTTER INSTALLER TO ST. FRANCES WOODS ASSOCIATION BEFORE INSTALLATION STARTS.**

ST. FRANCES WOODS


DALE PEXA, SR.
PRESIDENT

ATTORNEY FOR ST. FRANCES WOODS



SCOTT A. MAREK
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan. 31, 2005


AMENDMENT TO DECLARATION OF COMMON INTEREST COMMUNITY NO. 295
ST. FRANCES WOODS TOWNHOMES NO. 7

This Amendment to Declaration dated June 28, 2002, by Dale Pexa Construction, Inc. its successor and interest to Medallion Construction, Inc., a Minnesota Corporation, hereinafter referred to as Declarant and owners of at least 67% of the votes of the association hereby amend the original Declaration dated July 20, 1999 as follows:

Article IV Section 7 is hereby amended as follows:

Capital Contribution. At the time of the initial sale of any Unit from Declarant to any Owner, such Owner shall pay to Declarant for the use of the Association a sum up to but not exceeding \$1,000.00. Such sum shall be delivered by Declarant to the Association for use as described in this Declaration. The Capital Contribution for any Unit shall be levied only upon the sale by Declarant to an Owner and shall not be levied on any subsequent sales of the Unit.

DALE PEXA CONSTRUCTION, INC.




Dale Pexa, President
Successor to Declarant and Owner
of 67% of the votes in the Association.

STATE OF MINNESOTA)
) ss.
COUNTY OF LE SUEUR)

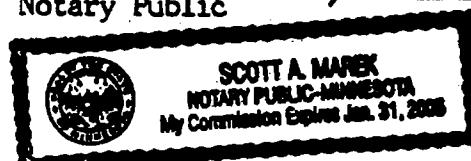
This instrument was acknowledged before me by Dale Pexa, President of Dale Pexa Construction, Inc. Successor to Declarant and Owner of 67% of the votes in the Association and that he executed the same as his free act and deed of the corporation, Dale Pexa Construction, Inc.

THIS INSTRUMENT WAS DRAFTED BY:

SCOTT A. MAREK
ATTORNEY AT LAW
205 FIRST STREET SOUTH
MONTGOMERY, MN. 56069



Notary Public



Marek Law Office

P.O. Box 2
205 First St. South
Montgomery, MN 56069

William J. Marek
Scott A. Marek

Telephone No.
(507) 364-8616
Fax (507) 364-8617

May 2, 2003

TO: Unit Owner Entitled to Legal Notice

RE: Common Interest Community Number 295
St. Frances Woods Townhomes No. 7

Dear Unit Owner:

Please find enclosed and served upon you by U.S. Mail First Amendment to Common Interest Community No. 295. This notice is being sent to you pursuant to Minnesota Law that requires all unit owners to be notified of new additions to St. Frances Woods. Attached is a copy of the amendment to the original declaration along with a copy of the plat for St. Frances Woods Eight Addition.

If you have any questions, please contact me immediately. Otherwise fifteen (15) days after the date of this notice the original amendment will be filed.

Yours very truly,

MAREK LAW OFFICES



Scott A. Marek

SAM:dj

Encl.

cc: Dale Pexa

EXHIBIT B

TO AMENDMENT TO DECLARATION OF COMMON INTEREST COMMUNITY

**ST. FRANCES WOODS TOWNHOMES NO. 7
CIC NUMBER 295**

Legal description of the added Common Elements:

Lot 3, Block 1

Lot 12, Block 2

Lot 7, Block 3

Lot 5, Block 4

Lot 7, Block 5

Outlots B and C

St. Frances Woods 8th Addition, Dakota County, Minnesota

EXHIBIT C

TO AMENDMENT TO DECLARATION OF COMMON INTEREST COMMUNITY

**ST. FRANCES WOODS TOWNHOMES NO. 7
CIC NUMBER 295**

Legal description of the Additional Real Estate

Outlot A

St. Frances Woods 8th Addition, Dakota County, Minnesota

FIRST AMENDMENT TO
COMMON INTEREST COMMUNITY NUMBER 295
A PLANNED COMMUNITY
ST. FRANCES WOODS TOWNHOMES NO. 7

DECLARATION

THIS AMENDMENT TO DECLARATION OF COMMON INTEREST COMMUNITY ("CIC") is executed as of this 30th day of April, 2003, by Dale Pexa Construction, Inc. a Minnesota corporation, hereinafter referred to as "Declarant", pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act, hereinafter referred to as "the Act", for the purpose of creating St. Frances Woods Townhomes No. 7, a planned community.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Dakota County, Minnesota and legally described in the attached Exhibit A attached hereto and Declarant desires to submit said real property and all improvements thereon, hereinafter referred to as the "Property" to the Act pursuant to Minn. Statute Section 515B.2-111(a); and

WHEREAS, Declarant desires to establish on the Property, and on any Additional Real Estate added thereto, a plan for a permanent residential community to be owned, occupied and operated for the use, health, safety and welfare of its resident Owners and Occupants (as those terms are defined herein), and for the purpose of preserving the value, structural quality, and the original architectural and aesthetic character, of the Property; and

WHEREAS, Declarant has or will improve said property by constructing thereon four (4) structures containing two (2) Dwellings (as that term is later defined) each, and six (6) structures containing three (3) Dwellings each, together with appurtenances thereto, collectively known as St. Frances Woods Townhomes No. 7, said structures having been constructed as a common interest community in accordance with the plat of St. Frances Woods 8th Addition recorded in Dakota County, Minnesota, pursuant to Minn. Statutes Chapter 505, which plat is incorporated herein by this reference; and

WHEREAS, the Declarant hereby establishes by this amendment to the original Declaration a plan for the individual ownership of the real property estates consisting of the Units.

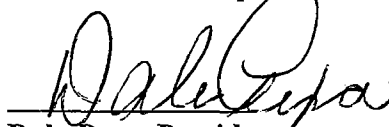
NOW, THEREFORE, the Declarant, as owner of the Property, hereby makes the following declaration pursuant to the Act as to divisions, covenants, restrictions, limitations, conditions and uses to which the Property may be put, hereby specifying that said Declaration shall constitute covenants which shall run with the land and shall be binding on the Declarant, their successors and assigns, and all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. That the attached plan of St. Francis Woods 8th Addition has unit identifiers shown for each unit.
2. All Common Elements, including all improvements thereon, are owned by the Association for the common benefit of the Owners and Occupants.
 - a. Units. There are twenty-nine (29) Units added with this amendment, each of which constitutes a separate parcel of real estate. All Units shall be restricted to residential use. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference, and a schedule of units is set forth on Exhibit A. The Unit identifier for a Unit shall be its lot and block numbers and the subdivision name (e.g. "Lot __, Block __, St. Frances Woods 8th Addition").
 - b. Unit Boundaries. The front, rear and side boundaries of each Unit shall be the boundary lines of the platted lot upon which the Dwelling is located or intended to be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section b. and Section d., all spaces, walls and other common improvements within the boundaries of a Unit are part of a Unit.
 - c. Common Elements. The Common Elements and their characteristics are as follows:

- i. All of the Property not included within the Units constitutes Common Elements. The Common Elements include those parts of the Property described in Exhibit 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.
 - ii. The Common Elements shall be subject to certain easements as described in Article XV of the original Declaration, and to the rights of Owners and Occupants in Limited Common Elements appurtenant to their Units.
 - d. **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:
 - i. Chutes, flues, 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 Units 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.
 - ii. Improvements such as decks, patios, balconies, shutters, awnings, window boxes (to the extent each may be permitted by the Association, pursuant to Article VII(g) hereof) and in accordance with the Planned Unit Development plan approved by the City of Lakeville, doorsteps, stoops, perimeter doors and windows, and air-conditioning equipment, constructed as part of the original construction to serve a single Unit, and authorized replacements and modifications thereof, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.
3. That all other matter contained within the original Declaration shall control the units contained within S. Frances Woods 8th Addition.

IN WITNESS WHEREOF, the Declarant has executed the Declaration the day and year first written above.

DALE PEXA CONSTRUCTION, INC.
a Minnesota Corporation


Dale Pexa, President

STATE OF MINNESOTA)
) SS.
COUNTY OF LE SUEUR)

The foregoing instrument was acknowledged before me this 30th day of April, 2003, by Dale Pexa to me known to be the President of Dale Pexa Construction, Inc., a Minnesota Corporation, and that he executed the foregoing document as his free act and deed on behalf of the corporation.

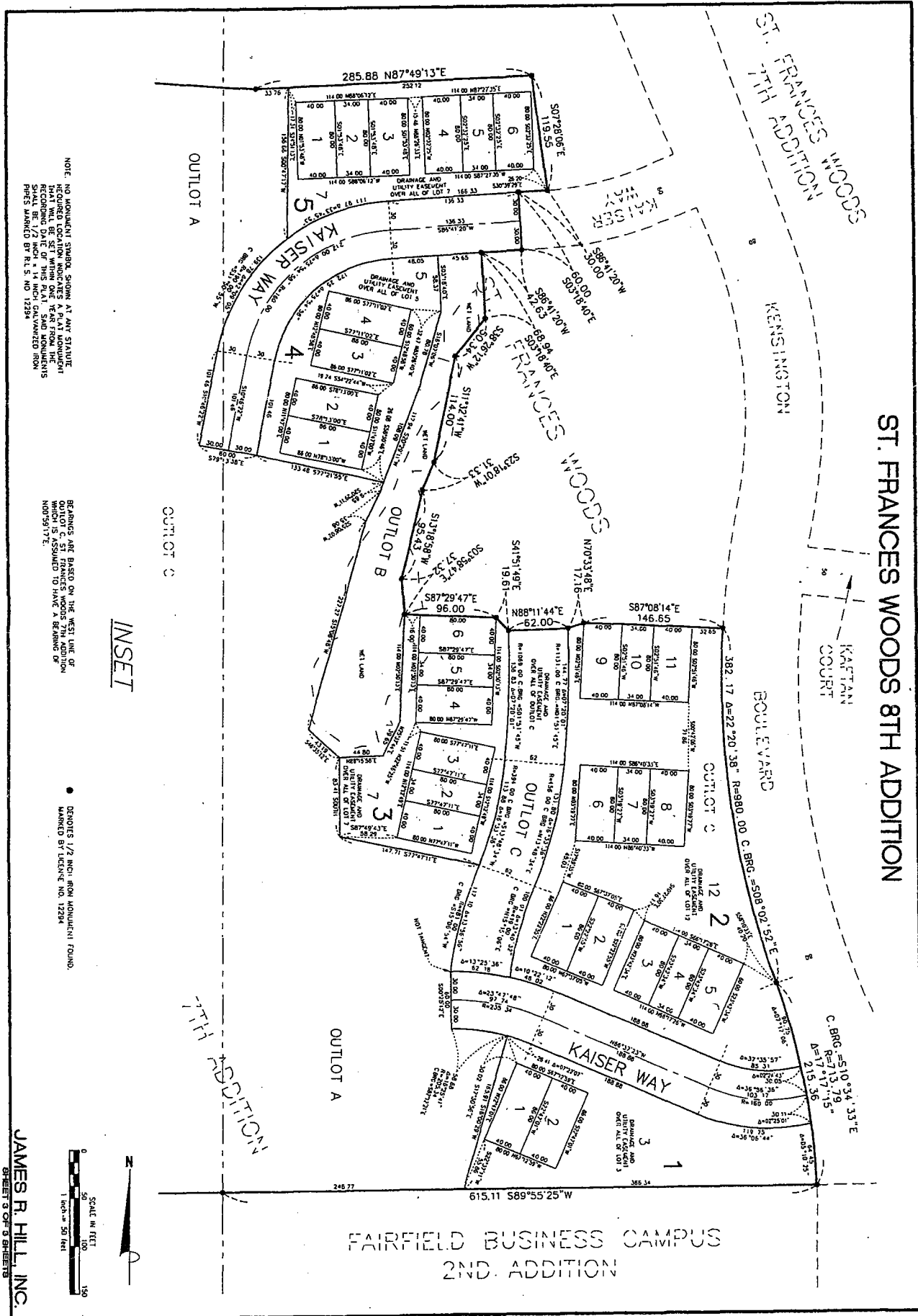


Notary Public

This Instrument was drafted by:

Scott A. Marek
Attorney at Law
Montgomery, MN 56069

ST. FRANCES WOODS 8TH ADDITION

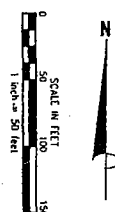


NOTE: NO MONUMENT SHOWN AT ANY STAKE LOCATED LOCATION INDICATES THE RECORDING DATE OF THIS PLAN. SAID MONUMENTS SHALL BE 1/2 INCH x 1/4 INCH GALVANIZED IRON PIPES MARKED BY R.L.S. NO. 12284

BEARINGS ARE BASED ON THE WEST LINE OF THE 8TH ADDITION. BEARINGS WHICH IS ASSUMED TO HAVE A BEARING OF N0075917E

• DIMENTS 1/2 INCH FROM MONUMENT ROUNDS MARKED BY LICENSE NO. 12284

JAMES R. HILL, INC.
SHEET 9 OF 9 SHEETS



FAIRFIELD BUSINESS CAMPUS
2ND ADDITION


AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF LE SUEUR)

I, Scott A. Marek, do hereby certify that on the 30th day of
April, 2003 at the City of Montgomery, Minnesota, I did
mail to the following unit owners the attached first amendment to the Declaration
of Common Interest Community No. 295, a Planned Community St. Frances Woods
Townhomes No. 7.

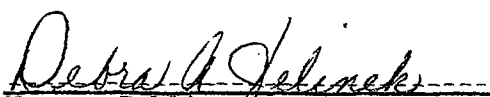
1. Brian/Julia Espe, 20529 Kalmeadow Ct., Lakeville, Mn. 55044
2. John/Carolyn Yarbough, 20533 Kalmeadow Ct., Lakeville, Mn. 55044
3. Kathleen Harter, 20506 Kalmeadow Ct., Lakeville, Mn. 55044
4. Armin/Pat Dubberke, 20521 Kalmeadow Ct., Lakeville, Mn. 55044
5. Milicent Edmunds, 20519 Kalmeadow Ct., Lakeville, Mn. 55044
6. Mike/Gayle Lang, 20510 Kalmeadow Ct., Lakeville, Mn. 55044
7. Jesse/Sophie Borchowice, 20561 Kaiser Way, Lakeville, Mn. 55044
8. Dan/Sandra King, 20523 Kalmeadow Ct., Lakeville, Mn. 55044
9. Renae Carlson, 20553 Kaiser Way, Lakeville, Mn. 55044
10. John/Jeanne Cooley, 20508 Kalmeadow Ct., Lakeville, Mn. 55044
11. Ted/Dalene Roehl, 20511 Kalmeadow Ct., Lakeville, Mn. 55044
12. Janice M. Sheedy, 20507 Kalmeadow Ct., Lakeville, Mn. 55044
13. Tom/Phyllis Kovalik, 20509 Kalmeadow Ct., Lakeville, Mn. 55044
14. Ernest/Donna-Lee Papacck, 20513 Kalmeadow Ct., Lakeville, Mn. 55044
15. Michael/Phyllis Tingaloff, 20517 Kalmeadow Ct., Lakeville, Mn. 55044
16. Michael/Lisa Arps, 20525 Kalmeadow Ct., Lakeville, Mn. 55044
17. Douglas Mcolman, 20527 Kalmeadow Ct., Lakeville, Mn. 55044

FURTHER YOUR AFFIANT SAYETH NAUGHT.



Scott A. Marek

Subscribed and sworn to before me
this 30th day of April, 2003.



Notary Public



DEBRA A. JELINEK
NOTARY PUBLIC-MINNESOTA