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COMMON INTEREST COMMUNITY NO. 418

Planned Community

COPPER RIDGE HOMEOWNERS ASSOCIATION OF WOODBURY INC.

DECLARATION

This Declaration (the "**Declaration**") is made as of the 1st day of July, 2024, by DB Land Company, LLC, a Minnesota limited liability company (the "**Declarant**"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "**Act**"), for the purpose of establishing Copper Ridge Homeowners Association of Woodbury Inc. as a planned community under the Act.

WHEREAS, Declarant is the owner of certain real property located in Washington County, Minnesota, legally described in Exhibit A attached hereto, and Declarant desires to submit said real property and all improvements thereon (collectively the "**Property**") to the Act as a planned community; and

WHEREAS, Declarant desires to establish on the Property, and 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, and for the purpose of preserving the value, the quality and character of the Property; and

WHEREAS, the Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act, governing conversions to common interest ownership; and

WHEREAS, the Property and the Association are not subject to a master association within the meaning of the Act; and

THEREFORE, Declarant makes this Declaration and submits the Property to this Declaration under the name "Copper Ridge 9th Addition Townhomes," initially consisting of the Units referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property and that the Property, and all Additional Real Estate added thereto, shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein and in this Declaration, all of

which shall run with the land and be binding upon all persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

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

- 1.1 **"Act"** means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended now and in the future.
- 1.2 **"Assessment"** means an Assessment levied by the Association pursuant to Section 6.
- 1.3 **"Association"** means Copper Ridge 9th Addition Townhomes Association, a Minnesota nonprofit corporation created pursuant to Minnesota Statutes Chapter 317A and Section 515B.3-101 of the Act, whose members consist of all Owners.
- 1.4 **"Board"** means the Board of Directors of the Association as provided for in the Bylaws.
- 1.5 **"Bylaws"** means the Bylaws governing the operation of the Association, as amended from time to time.
- 1.6 **"City"** means the City of Woodbury, Minnesota.
- 1.7 **"Common Elements"** means all parts of the Property including all improvements thereto, except the Units.
- 1.8 **"Common Expenses"** means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including without limitation Assessments and items otherwise identified as Common Expenses in the Declaration or Bylaws. See Article III, Section 4 G of the Bylaws for Board Powers in this regard.
- 1.9 **"Community"** means Copper Ridge 9th Addition Townhomes.
- 1.10 **"Declarant Control Period"** means the time period provided in Section 17.7.
- 1.11 **" Dwelling "** means a building or part thereof consisting of one or more

floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

- 1.12 **"Eligible Mortgagee"** means any Person owning a mortgage on any Unit, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Unit, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.
- 1.13 **"Governing Documents"** means this Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.14 **"Limited Common Elements"** means a portion of the Common Elements allocated by the Declaration or by operation of Section 515B.2-109(c) or (d) of the Act for the exclusive use of one or more but fewer than all of the Units.
- 1.15 **"Member"** means all Persons who are members of the Association by virtue of being Owners. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.
- 1.16 **"Occupant"** means any person or persons, other than an Owner, in possession of or residing in a Unit.
- 1.17 **"Owner"** means a Person who owns a Unit, but excluding contract for deed vendors, mortgagees, holders of remainder or reversionary interests and other secured parties within the meaning of the Act. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.
- 1.18 **"Person"** means a natural individual, corporation, limited liability company, partnership, limited liability partnership, trustee, or other legal entity capable of holding title to real property.
- 1.19 **"Plat"** means the recorded plat depicting the Property pursuant to the requirements of Section 515B.2-1101(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.
- 1.20 **"Property"** means all of the real property now or hereafter subjected to

this Declaration, including the Dwellings and all other structures and improvements located thereon now or in the future. The Property is legally described in Exhibit A attached hereto.

- 1.21 **"Rules and Regulations"** means the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.6.
- 1.22 **"Unit"** means any platted lot subject to this Declaration upon which a Dwelling is located or intended to be located, as described in Section 2.1 and shown on the Plat, including all improvements thereon, but excluding Common Elements.

Any terms used in the Governing Documents, and defined in the Act and not in this Section, shall have the meaning set forth in the Act. References to section numbers shall refer to sections of this Declaration, unless otherwise indicated. References to the singular may refer to the plural, and conversely, depending on context.

SECTION 2

DESCRIPTION OF UNITS, BOUNDARIES AND RELATED EASEMENTS

- 2.1 **Units.** There are thirty-nine (39) Units, subject to the right of the Declarant to add additional Units pursuant to Section 18. All Units are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. Additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference. The Unit identifier for a Unit is its lot and block number and the subdivision name. There is no shoreland within the Property.
- 2.2 **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 2 and Section 3, all spaces, walls, and other improvements within the boundaries of a Unit are a part of the Unit.
- 2.3 **Appurtenant Easements.** The Units shall be subject to and benefited by the easements described in Section 13.

SECTION 3

COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND OTHER PROPERTY

3.1 Common Elements. The Common Elements and their characteristics are as follows:

3.1.1 All of the Property not included within the Units constitutes Common Elements. The Common Elements include, but are not limited to, all areas and items listed in this Section 3 or designated as Common Elements in the Act. The Common Elements are owned by the Association for the benefit of the Owners and Occupants.

3.1.2 The Common Elements, if any, shall be subject to (i) easements as described in this Declaration and any other easements recorded against the Common Elements; (ii) the rights of Owners and Occupants in Limited Common Elements, if any, allocated to their respective Units; and (iii) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property.

3.2 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. The rights to the use and enjoyment of the Limited Common Elements are automatically conveyed with the conveyance of such Units. The Limited Common Elements are described and allocated to the Units, as follows:

3.2.1 Chutes, flues, ducts, pipes, wires, conduit or other utility installations, bearing walls, bearing columns, or any other components or fixtures lying wholly or partially outside the Unit boundaries, and serving only a certain Unit or Units, are allocated to the Unit or Units which they serve. Any portion of such installation serving or affecting the function of the Common Elements is part of the Common Elements.

3.2.2 Improvements, if any, such as decks, patios, porches, balconies, shutters, awnings, exterior doors and windows, window boxes, chimneys, driveways, walks, doorsteps or stoops, constructed as part of the original construction to serve a single Unit or Units, and replacements and modifications thereof authorized pursuant to Section 8, and located wholly or partially outside the Unit boundaries, are allocated to the Unit or Units which they serve.

3.3 Annexation of Other Property. In addition to the Additional Real Estate, other real property may be annexed to the common interest community

as Units or Common Elements, or any combination thereof, and

subjected to this Declaration, in accordance with procedures and requirements for amendments to this Declaration set forth in Section 15 and in the Act.

SECTION 4

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

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

- 4.1 Membership. Each Owner shall be a Member solely by reason of owning a Unit, and the membership shall be transferred with the conveyance of the Owner's interest in the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be Members, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.
- 4.2 Voting and Common Expenses. Each Unit is assigned one vote. Common Expense obligations are allocated equally among the Units, subject to Sections 6.4 and 6.7. Said rights and obligations shall be automatically reallocated on the same basis among all Units as and if additional Units are added to the Property.
- 4.3 Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights and Common Expense obligations described in Section 4.2. Said rights and obligations, and the title to the Units, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Unit, separate from the title to the Unit, shall be void. The allocation of the rights and obligations described in this Section may not be changed, except in accordance with the Governing Documents and the Act.
- 4.4 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association. However, if there are multiple Owners of a Unit, only the Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in Article I, Section 3 of the Bylaws.

SECTION 5

ADMINISTRATION

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

- 5.1 General. The operation and administration of the Association and the Property are governed by the Governing Documents, the Rules and Regulations and the Act. Subject to the rights of the Owners set forth in the Governing Documents and the Act, the Association is responsible for the operation, management and control of the Property and shall have all powers described in the Governing Documents, the Act and the statute under which the Association is incorporated. All power and authority exercisable by the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board, unless specifically stated to the contrary.
- 5.2 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 and other property for which it is responsible; and (iii) preserving the value and the architectural character of the Property.
- 5.3 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with 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.
- 5.4 Bylaws. The Association shall have Bylaws. The Bylaws shall govern the operation and administration of the Association, and shall be binding on all Owners and Occupants.
- 5.5 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. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and by law.
- 5.6 Rules and Regulations. The Board shall have 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, that the Rules and Regulations shall not be inconsistent with the Governing Documents or the Act. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules and Regulations shall be effective only after reasonable notice thereof has been given to the Owners.

- 5.7 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.
- 5.8 Resale Disclosure Certificates. Pursuant to Section 515B.4-107 of the Act, in the event of a resale of a Unit by an Owner other than Declarant, that Owner shall furnish to the purchaser a resale disclosure certificate containing the information required by Section 515B.4-107(b) of the Act. Pursuant to Section 515B.4-107(d) of the Act, the Association shall, within ten (10) days after a request by an Owner or the Owner's authorized representative, furnish the resale disclosure certificate. The Association may charge a reasonable fee for furnishing the resale disclosure certificate and any documents related thereto.

SECTION 6

ASSESSMENTS

- 6.1 General. A budget shall be established and Assessments shall be determined and levied against the Units by the Board, in its discretion, subject to the requirements and procedures set forth in this Section 6 and the requirements of the Bylaws. Assessments shall include annual Assessments under Section 6.2, and may include special Assessments under Section 6.3 and limited Assessments under Section 6.4. Annual and special Assessments shall be allocated among the Units in accordance with the allocation formula set forth in Section 4.2. Limited Assessments under Section 6.4 shall be allocated to Units as set forth in that Section.
- 6.2 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each annual Assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared by all Units in accordance with the allocation formula set forth in Section 4.2. Annual

Assessments shall be payable in equal monthly or quarterly installments, as established by the Board. Annual Assessments shall provide, among other things, for an adequate reserve fund for the replacement of the Common Elements and those parts of the Units for which the Association is responsible in accordance with the Act, except to the extent that the replacement is funded by limited Assessments pursuant to Section 6.4.

6.3 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 in accordance with the allocation formula set forth in Section 4.2, and for the purposes described in this Declaration and the Act. Among other things, special Assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Common Expenses.

6.4 Limited Assessments. In addition to annual Assessments and special Assessments, the Board has the authority to levy and allocate limited Assessments among the Units in accordance with the following requirements and procedures:

6.4.1 Any Common Expense associated with the maintenance, repair, or replacement of the Limited Common Elements, if any, shall be assessed exclusively against the Unit or Units to which that Limited Common Element is allocated, equally or by actual cost per Unit, or such other reasonable allocation as may be approved by the Board.

6.4.2 Any Common Expense benefiting fewer than all of the Units but not falling within Section 6.4.1 may, at the Board's discretion, be assessed against the Unit or Units benefited equally, by actual cost per Unit or such other reasonable allocation as may be approved by the Board.

6.4.3 The costs of insurance may be assessed equally or by actual cost per Unit, and the costs of common utilities may be assessed equally, in proportion to usage or such other reasonable allocation as may be approved by the Board.

6.4.4 Reasonable attorneys' fees and other professional fees and 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.

6.4.5 Late charges, fines and interest may be assessed as provided in Section 14.

6.4.6 Assessments levied under Section 515B.3-116(a) of the Act to pay

a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.

6.4.7 If any damage to the Common Elements or another Unit or any portion of the Owner's Unit that the Association is obligated to maintain hereunder is caused by the act or omission of an Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

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

Assessments levied under Sections 6.4.1 through 6.4.7 may, at the Board's discretion, be assessed as a part of, or in addition to, other Assessments levied under Section 6.2 or 6.3.

- 6.5 Working Capital Fund. There shall be established a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services for the Association. The Board may include in each subsequent annual budget of Common Expenses a reasonable amount of working capital (Special Assessment), based upon the anticipated needs of the Association for the year in question. There shall be contributed, on a one-time basis for each Unit sold by Declarant, an amount equal to two (2) months installments of the estimated annual Common Expenses. The contribution shall be paid by the purchasers of the Units at the time of closing of the initial sales of the Units by Declarant. The funds shall be deposited into a segregated Association account no later than the termination of the Declarant Control Period. Contributions deposited in said account shall not be used to defray any of Declarant's expenses, reserve contributions or construction costs, nor to make up any budget deficits during the Declarant Control Period. However, upon the closing of the initial sale of a Unit, Declarant may reimburse itself from funds collected from the purchaser at the closing for any prior contributions made by Declarant to the working capital fund with respect to that Unit.
- 6.6 Liability of Owners for Assessments. The Owner of the Unit 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. Subject to Section 6.7, the liability is absolute and unconditional and no Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by

absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act.

6.7 Declarant's Liability for Assessments. Pursuant to Section 515B.3-1151 of the Act, the Declarant's liability for Assessments shall be subject to the following limitations.

6.7.1 Until an Assessment has been levied, Declarant shall pay all Common Expenses (including replacement reserves) in accordance with the Act.

6.7.2 If an Assessment has been levied, Declarant may elect to pay when due, (i) an amount equal to the full share of the replacement reserves allocated to Units owned by it as set forth in the Association's annual budget, and (ii) all accrued Common Expenses of the Association in excess of the aggregate Assessments payable with respect to Units owned by Persons other than Declarant. Declarant has elected to pay a reduced Assessment pursuant to the Act.

6.7.3 In the event that Declarant pays a reduced Assessment in accordance with Section 6.7.2. Declarant shall be obligated, within ninety (90) days following the termination of the Declarant Control Period, to prepare and deliver an audited balance sheet and profit and loss statement to the Association in accordance with Section 515B.3-1151(a)(2)(iv) of the Act. The Declarant shall provide notice to the Association of its intent to utilize the reduced Assessment plan in accordance with the Act.

6.7.4 The Declarant's reduced Assessment election shall terminate upon the termination of the Declarant Control Period.

6.8 Assessment Lien. The Association has a lien: on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as Assessments, under this Section 6. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 6, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

- 6.9 Foreclosure of Lien; Remedies. A lien for Assessments may be foreclosed against a Unit under the laws of the State of Minnesota (i) by action, or (ii) by advertisement in a like manner as 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 to its other remedies, 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.
- 6.10 Lien Priority; Foreclosure. A lien for Assessments 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; (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 the date of recording of this Declaration; and (iii) no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the Unit by redemption as a junior creditor shall take title to the Unit subject to a lien in favor of the Association for unpaid Assessments or installments thereof levied pursuant to 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.
- 6.11 Real Estate Taxes and Assessments. Real estate taxes, special assessments, and other charges and fees which may be levied against the Common Elements by governmental authorities, shall be allocated equally among and levied against the Units, and shall be a lien against each Unit in the same manner as a lien for real estate taxes and special assessments levied against the Unit alone.
- 6.12 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit, the buyer shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Unit until released. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current

fiscal year, which statement shall be binding on the Association, seller and buyer.

SECTION 7

RESTRICTIONS ON USE OF PROPERTY

All Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Act or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

- 7.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents and the Act, as amended from time to time. All covenants, restrictions and obligations set forth in the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.
- 7.2 Certain Subdivisions and Conveyances Prohibited. Except as permitted by this Declaration, no Unit nor any part of the Common Elements may be subdivided or partitioned without the prior written approval of the Owners at an Association meeting, and any secured parties holding first mortgages on any Units affected.
- 7.3 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential Dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.4. The number of occupants per Unit may be restricted in accordance with any applicable municipal ordinances and standards acceptable under applicable federal and state law.
- 7.4 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Dwelling or Unit or the Common Elements, except:
 - 7.4.1 An Owner or Occupant residing in a Dwelling may maintain a home occupation in such Owner or Occupant's Dwelling; provided, that such home occupation is allowed by the City and such use is in compliance with applicable governmental laws, ordinances and regulations.

7.4.2 The Association may maintain offices on the Property for management and related purposes.

7.4.3 Declarant may maintain offices, models, sales and rental facilities and other business facilities on the Property in connection with the exercise of its declarant rights reserved herein.

7.5 Leasing. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following conditions: (i) no Unit shall be leased for transient or hotel purposes; (ii) no Unit may be subleased; (iii) a Dwelling must be leased in its entirety (not by room) unless simultaneously occupied by the Owner; (iv) the lease shall be in writing; (v) unless otherwise required in connection with the financing, guaranty or insuring of a Unit mortgage, no lease shall be for a period less than one (1) year, except for extenuating situations approved by the Board; (vi) no Unit shall be leased by more persons than allowed by the then applicable City code requirements; (vii) no Unit shall be occupied by more than one (1) Family or by more than four (4) unmarried or unrelated adult individuals; (viii) the lease shall provide that it is subordinate and subject to the Governing Documents, the Rules and Regulations and the Act, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease; and (ix) not more than twenty percent (20%), five (5), of the Units may be leased at any given time. Leasing is based on a first come first serve basis. If all Units are leased the Board shall maintain a waiting list which Unit Owners may join so that when a Unit becomes available to lease, in other words, the number of leased Units drops below five (5), then the first Unit Owner in line shall have a right to lease their Unit. Which right, if not declined, shall expire in ninety (90) days if the Unit is not leased and tenant occupied within that time. Each Unit Owner is required to inform the Board in writing sixty (60) days prior to any tenant lease expiration whether the lease will be renewed for a succeeding twelve (12) month period. Failure to abide by this provision, or failure of a leased Unit to be occupied for a period of ninety (90) days or more, shall constitute a forfeiture of the right to lease the Unit and entitle subsequent waiting Owners to lease their Units based upon their priority in the waiting list. The Association may impose such reasonable Rules and Regulations as may be necessary to implement non-discriminatory procedures for the leasing of Units, consistent with this Section and applicable law, including but not limited to (i) a requirement for a form addendum to be attached to each Unit lease to assure that the rights and authority of the Association and Owners and Occupants are recognized and protected, and (ii) a requirement for the screening of lessees through a licensed screening organization; provided that such screening shall not violate federal, state or local discrimination laws.

- 7.6 Storage and Parking. Personal property may not be stored, displayed or otherwise left outside the Dwellings, except as authorized by the Board. The streets, walkways, driveways and portions of the Common Elements used for access to and from the Units, may not be obstructed, or used for parking, storage, activities or any purpose other than access and authorized parking. Garages and parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized by this Declaration or in writing by the Board. The use of driveways and parking areas on the Property, and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property. Inoperable or unlicensed vehicles may only be stored in garages.
- 7.7 Animals. The Board shall have the exclusive authority to prohibit, or to allow and regulate, by Rules and Regulations, the keeping of animals on the Property. This authority may be exercised so as to permit or prohibit different types of animals, but those animals which are permitted (if any) shall be limited to common domestic house pets such as dogs, cats, fish, birds and the like. However, no animal may be bred, or kept or maintained for business or commercial purposes, anywhere on the Property. The word "animal" shall be interpreted in its broadest sense and shall include all living creatures except humans. Notwithstanding the foregoing, no Rules and Regulations may prohibit the keeping of a qualified service dog or similar animal by a person who is disabled within the meaning of the Fair Housing Amendments Act of 1988 or comparable state law. Owners must immediately pick-up after their pets, including without limitation, any waste deposited within the Common Elements.
- 7.8 Storm Water Facilities. There are storm water facilities located in or near parts of the Common Elements. No Person shall take or cause to be taken any action which may materially disturb, pollute or otherwise adversely affect the storm water facilities and surrounding areas, including but not limited to the soils, water or vegetation therein.
- 7.9 Prohibited Conduct. No Owner or Occupant shall (i) cause or permit any physical changes to their Dwelling that could jeopardize or impair the weather-tight soundness or safety of the Dwelling or other improvement located on the Property; (ii) interfere with any easement; or (iii) unless otherwise approved in writing by the Board, cause or permit any physical changes to their Dwelling which would impair the sound insulation qualities of the Dwelling, including, but not limited to, the installation, in the Dwelling's perimeter walls, floors or ceilings, of speakers or other sound emitting devices.

- 7.10 Quiet Enjoyment. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units. The Property shall be occupied and used in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of any easement or the use and quiet enjoyment of the Property by other Owners and Occupants and their guests.
- 7.11 Compliance with Law. No use shall be made of the Property which would violate any than existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Association or any Owner or Occupant.
- 7.12 Alterations. No improvements shall be erected or maintained, no excavation, grading or reshaping shall be undertaken, and no refuse, fill or other material shall be placed on the Property, which may impede access on, about or through the Property, cause damage to the Property or interfere with the installation, use or maintenance of the improvements to the Property, or which may change or impede the flow of water through any natural, designed, improved or graded drainage area.
- 7.13 Architectural Restrictions. No site work, landscaping, structures or other improvements visible from outside existing structures shall be made, or caused or allowed to be made, except in accordance with Section 8 of this Declaration.
- 7.14 Time Shares Prohibited. The time share form of ownership, or any comparable form of lease, occupancy rights, ownership, or right-to-use plans, which has the effect of dividing the ownership or occupancy of a Unit into separate time periods, is prohibited.
- 7.15 Access to Units. In case of emergency, the Units are subject to entry, without notice and at any time, by an officer or member of the Board, by the Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Sections 9 and 13 and for enforcement purposes under Section 14.

SECTION 8

ARCHITECTURAL STANDARDS

- 8.1 Restrictions on Alterations. The following restrictions and requirements shall apply to alterations on the Property:

- a. Except as expressly provided in this Section 8, and except for alterations made by Declarant in consideration of its initial sale of a Unit, no structure, building, garage, addition, deck, patio, fence, wall, enclosure, windows, 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 submitted in writing to the Board and approved in writing by the Board or a committee appointed by it. 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 Property 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 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, 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 Section 16 shall be governed by that Section.

8.2 Review Procedures. The following procedures shall govern requests for alterations under this Section:

- 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 in writing at least sixty (60) days prior to the projected commencement of construction. No alterations shall be commenced prior to approval.

- b. The Board shall give the Owner written notice of approval or disapproval of the plans submitted in writing pursuant to Section 8.2(a). 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 this Section 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 reasonably 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 twelve (12) 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 twelve (12) months following completion and that the notice was not given.

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

SECTION 9

MAINTENANCE AND REPAIR

- 9.1 Maintenance by the Association. The Association shall provide for all maintenance, repair or replacement (collectively referred to as "maintenance") of the Common Elements and all improvements thereon, including, but not limited to: (i) private streets; (ii) private street lights (to the extent such lights are not maintained by the City), and (iii) boulevard trees and trees and plantings located in the 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:

- a. Provide for exterior maintenance upon the Dwelling in each Unit, including repair and replace stone and siding, soffits, fascia, trim, masonry, garage doors, exterior light - fixtures (exclusive of bulb replacement), Such maintenance shall include caulking, tuckpointing and related maintenance, as applicable.
- b. Provide for maintenance of roofs and roof decking, including, without limitation, shingles, vents, and flashings, but excluding skylights.
- c. Provide for removal of snow and ice dams from roofs at the discretion of the Board.
- d. Provide for pest control on exterior of Dwellings (including, but not limited to, removal of beehives, hornets' nests, etc.).
- e. Provide for maintenance of driveways.
- f. Provide for lawn mowing, fertilization and weed control.
- g. Provide for maintenance of plantings, mulch and trees within Units, Common Elements and adjacent public boulevards, all in accordance with the applicable policies established by the Association.
- h. Provide for maintenance of the irrigation system.
- i. Provide for snow removal on private streets and driveways, private and public sidewalks, steps and porches, all in accordance with the snow removal policies established by the Association.
- j. Provide maintenance of locked mailboxes in compliance with US Postal Service requirements, provided, however, that keys shall be the responsibility of the Unit Owners.
- k. Provide for maintenance of the monument identifying the Community, and any landscaping around and associated with any such monument. Such monument maintenance shall include, but not be limited to, maintenance, repair and replacement of the entrance monument itself, as well as the surrounding property, including any related landscaping and equipment, if any, used in the irrigation or lighting of the monument, including all plumbing, wiring and underground utilities.
- l. Provide for maintenance of decks and front porches.
- m. At the discretion of the Board, the Association may contract for trash removal service for the Property.

9.1.1 The costs associated with the Association's maintenance obligations under this Section 9.1 shall be funded by Assessments levied in accordance with Section 6.

9.1.2 The Association may, upon thirty (30) days' prior notice to the Owner, also undertake any exterior maintenance for which an Owner is obligated under Section 9.3 and which the Owner fails to perform to standards established by the Association, and assess the Owner's Unit for the cost thereof. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit.

9.1.3 The Association may elect to maintain, repair or replace mechanical, structural or other components within the Unit and assess the costs against the Unit, if the failure or impairment of the component could result in damage to the Common Elements or other Units, impair the function of any common operating system, or create a health or safety hazard.

9.1.4 Unless authorized under Section 9.2, the Association's maintenance obligations shall exclude the following, and the following shall be the responsibility of the Owner:

- a. interior of the Dwelling, including the garage (walls, floors, ceilings and all other structural elements, hardware and mechanicals including garage door openers, springs, weather-stripping and other).
- b. all portions of all doors (including entry, patio, storm and screen doors but excluding overhead garage door sections) and windows (including sashes, glass, frames, screens, and hardware), including door trim.
- c. garage door mechanical components (including replacement, whether such replacement shall be in whole or in part).
- d. vents, ducts and pipes.
- e. dryer vent cleaning and maintenance.
- f. mechanical, electrical, plumbing and sewer systems.
- g. air conditioning equipment (including pads, support bases).
- h. drain tile, sump pumps and related discharge systems, if any.
- i. light bulb replacement on exterior light fixtures.

- j. light bulb replacement on exterior light fixtures.
- k. pest control for interior of Dwelling, including garage.
- l. foundations and foundation walls of Dwelling, including garage.
- m. watering of plantings in areas not reached by irrigation systems (i.e., rock beds etc.).
- n. fire suppression systems.
- o. any other items not specifically required to be maintained by the Association under Section 9.1 or added pursuant to Section 9.2.

9.1.5 The Association shall maintain, repair and replace the Property in accordance with the requirements of the applicable City zoning approvals and permits and other applicable regulations.

9.2 Optional Maintenance by Association. In addition to the maintenance described in Section 9.1, the Association may, with the approval of the Board and a majority of the total Owners' votes in the Association, undertake to provide additional exterior maintenance to the Units or Dwellings.

9.3 Maintenance by Owner. Except for the exterior maintenance required to be provided by the Association under Section 9.1 or 9.2, all maintenance of the Dwellings and Units shall be the sole responsibility and expense of the Owners thereof. Any alteration to a Unit shall be maintained at the Owner's sole cost and expense unless the Association undertakes to provide for such maintenance in accordance with the provisions of Section 9.2. The Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain. The Association may require that any exterior maintenance to be performed by the Owner be accomplished pursuant to specific uniform criteria established by the Association. The Association may also undertake any exterior maintenance which the responsible Owner fails to or improperly performs and assess the Unit and the Owner for the cost thereof.

9.4 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Declaration, if, in the judgment of the Association, the need for maintenance of any part of the Property is caused by the act or omission of an Owner or Occupant, or his or her guests, or by a condition in a Unit which the Owner or Occupant has caused or allowed to exist after notice from the Association, the Association may cause such damage or condition to be repaired or corrected (and enter the yard area of any Unit to do so), and the cost thereof may be charged and assessed against the Unit responsible for the damage. Such cost shall be a personal obligation

of the Owner and a lien against the Owner's Unit. In the case of party walls between Dwellings, the Owners of the affected Dwellings shall be liable as provided in Section 10.

- 9.5 Annual Inspection. The Association shall perform, or cause to be performed, an annual inspection of the Common Elements, Limited Common Elements and those portions of Units, if any, that the Association is obligated to maintain. If such annual inspection identifies items in need of repair or replacement, the Association shall perform such work in accordance with the terms of this Declaration.
- 9.6 Maintenance Responsibilities Defined by Board. Notwithstanding any provisions to the contrary, the Board shall have the sole and exclusive authority to define the scope of maintenance and repair to be provided by the Association. The Board is hereby vested with the authority to interpret the Governing Documents and rule on any ambiguities contained therein. The Owners shall be legally bound by any decisions of the Board pertaining to the determination of the Association's maintenance obligations and the scope and extent thereof.

SECTION 10

PARTY WALLS

- 10.1 General Rules of Law to Apply. Each wall built as part of the original construction of Dwellings and located or intended to be located on the boundary line between Units shall constitute a party wall, the Units shall be subject to easements for any encroachments resulting from or attributable to such walls pursuant to Section 13.4 hereof, 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 acts or omissions shall apply thereto.
- 10.2 Repair and Maintenance. The Owners of the Units which share a party wall shall be responsible for the maintenance, repair and replacement of the party wall in equal proportions; provided, (i) that any maintenance, repair or replacement necessary due to the acts or omissions of a certain Owner or Occupant sharing such party wall shall be paid for by such Owner, and (ii) that the Association may contract for and supervise the repair of damage caused by an Owner or Occupant and assess the Owners for the cost thereof to the extent not covered by insurance. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Unit.
- 10.3 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 party

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 an Owner shall be the financial responsibility of such Owner, and the Association may assess the responsible Owner for its share of the costs, without prejudice to the right of an Owner to recover a larger contribution from the other Owner. Insurance claims shall be made promptly following any casualty.

- 10.4 Weatherproofing. Notwithstanding any other provision of this Section, any Owner who, by his or her negligent or willful act, causes a party wall to be exposed to the elements shall bear the whole cost of the repairs necessary for protection against such elements.
- 10.5 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.
- 10.6 Arbitration. In the event of any dispute arising concerning a party wall, and if the Owners of the affected Units do not resolve the dispute by a written agreement 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 (or under such other rules as the parties may unanimously agree), upon the written demand of the Association or any Owner whose Dwelling shares the party wall. A single arbitrator shall be used unless multiple arbitrators are agreed to by the parties. The Association shall, upon its request, be made a party to the arbitration, but cannot be compelled to be a party. Each party agrees that the decision of the arbitrators shall be final and conclusive of the questions involved. The fees of the arbitrators shall be shared equally by the parties, but each party shall pay its own attorneys' fees or other costs incurred in the arbitration.

SECTION 11

INSURANCE, CASUALTY AND EMINENT DOMAIN

- 11.1 Association's Policies. Section 515B.3-113 of MCIOA requires the Association to maintain casualty insurance coverage on the Common Elements and Units. The same section also requires general liability coverage, authorizes the Association to carry any other insurance it considers appropriate, specifies minimum notice from an insurer prior to cancellation, specifies other provisions for such insurance, requires the Association or an insurance trustee to adjust all losses, and describes the Association's duty with respect to repair or rebuilding after casualty to

Common Elements or Units. The provisions of MCIOA described in this paragraph may not be varied or waived, but are hereby supplemented, as follows:

11.1.1 The Association shall carry workers compensation insurance whenever it has eligible employees.

11.1.2 The Association may carry fidelity insurance and shall do so whenever required by a holder, insurer or guarantor of a mortgage.

11.1.3 The Association may enter into binding agreements with one or more holders, insurers or guarantors of mortgage obligating the Association to keep specified coverages in effect for specified periods and to notify a holder, insurer or guarantor of any changes to coverage.

11.1.4 The Association shall maintain policy limits which are consistent with those maintained by similar properties within the Minneapolis-St. Paul metropolitan area.

11.2 Owners' Individual Polices. Each Unit Owner must carry an individual Condominium Unit Homeowners Policy (currently designated as an HO-6 policy in the case of residential properties) covering liability for accidents occurring within the Unit, and insuring the value of personal property and real property within the Unit which is not covered by the Association's comprehensive blanket policy. Personal property and attached items in a Unit, such as carpeting and other types of floor covering (such as stone, ceramic tile or hardwood flooring), wallcoverings, sheetrock, light fixtures, plumbing fixtures, window treatments, and all types of built-in appliances, cabinets and millwork are not covered by the Association's blanket policy. The extent of the property included or excluded from the Association's blanket policy may be clarified by the Board from time-to-time by amendments to the Rules and Regulations, and each Unit Owner is responsible for conforming her/her individual coverage to such changes. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such individual insurance carried by any Owner.

11.3 Rebuilding After Casualty. If the trustee or a mortgagee undertakes the reconstruction or remodeling of a Unit after casualty, the same need be restored only to substantially the same condition as the Unit was as of the recording of this Declaration.

- 11.4 Eminent Domain. As in the case of physical damage or destruction, the Association shall represent all Unit Owners with respect to any condemnation involving all or any part of the CIC, including the condemnation proceedings, and any negotiations, settlements, or agreements as part of the condemnation or in lieu of the condemnation, and all proceeds shall be payable in the first instance to the Association or an insurance trustee, for the benefit of Owners and mortgage holders.
- 11.5 Deductibles. The Association may, in the case of a claim under the Association's blanket policy for damage to a Unit, (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.
- 11.6 Cancellation; Notice of Loss. Property insurance and comprehensive liability insurance policies maintained by the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least fifteen (15) days prior written notice to the Association, each Owner and to all secured parties holding first mortgages on Units.
- 11.7 Notice to Declarant. Recognizing that the Declarant is obligated to disclose to prospective purchasers the Association's projected budget, it is important that Declarant be advised of any budget changes following the termination of the Declarant Control Period. Accordingly, the Association shall give Declarant at least thirty (30) days prior written notice of any change in the Association's insurance policies until Declarant no longer owns any Unit for initial sale and no longer has the right to add Additional Real Estate to the Property.

SECTION 12

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

- 12.1 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 commenced as soon as practicable after the casualty and shall be substantially in accordance with the plans, specifications and design of the Property as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given as provided in Section 16.10.

- 12.2 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, (i) that notice shall be given as provided in Section 16.10; (ii) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements; and (iii) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.
- 12.3 Termination and Liquidation. The termination of the common interest community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the value of the Units as determined by their relative value for property insurance purposes, and shall be made to Owners and their mortgage holders, as their interests may appear, as provided in the Act.
- 12.4 Notice. The Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under Section 16.10.
- 12.5 Association's Authority. In all cases involving reconstruction, condemnation, eminent domain, termination or liquidation of the common interest community, the Association shall have authority to act on behalf of the Owners in all proceedings, negotiations and settlement of claims. All proceeds shall be payable to the Association to hold and distribute for the benefit of the Owners and their mortgage holders, as their interests may appear, in accordance with the Act.

SECTION 13

EASEMENTS

Each Unit and the Common Elements, and the rights of the Owners and Occupants therein, shall be subject to or beneficiary of the appurtenant easements and rights granted and reserved in this Section 13 and rights of record as referenced herein.

- 13.1 Access. Each Unit shall be the beneficiary of a nonexclusive easement for access to and from a public roadway on and across those portions of the Common Elements (if any) designated for use as roadways or walkways, as originally constructed, shown on the Plat or otherwise designated by the Association, subject to any restrictions authorized by

the Governing Documents or the Rules and Regulations.

- 13.2 Use and Enjoyment. Each Unit shall be the beneficiary of nonexclusive easements for use and enjoyment on and across the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Governing Documents.
- 13.3 Structural Support. Each Unit and the Common Elements shall be subject to and the beneficiary of nonexclusive easements for structural support in all walls, columns, joists, girders and other structural components located in or passing through or shared with another Unit or the Common Elements.
- 13.4 Encroachments. Each Unit and the Common Elements, and the rights of the Owners and Occupants therein, shall be subject to nonexclusive easements in favor of the adjoining Units for minor encroachments caused by the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, and for improvements which are part of the original construction of the Property or which are added in compliance with Section 8. If there is an encroachment upon another Unit or the Common Elements as a result of any of the aforementioned causes, an appurtenant easement shall exist for the encroachment, for the use, enjoyment and habitation of any encroaching improvement, and for the maintenance thereof. However, with respect to improvements or alterations added pursuant to Section 8, no easement shall exist unless the resulting encroachment is minor and the proposed improvements have been approved and constructed as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.
- 13.5 Drainage. The Common Elements and the yard areas of the Units and the Additional Real Estate (regardless whether it is added to the Property) shall be subject to nonexclusive easements for storm water drainage over those parts of the Property and the Additional Real Estate which are designed, improved or graded for such purposes.
- 13.6 Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants thereof and the Common Elements, shall be subject to and benefited by nonexclusive easements in favor of the Association for the maintenance, repair, replacement and reconstruction of the Common Elements, the Dwellings and other improvements located within the Units and utilities serving the Units, to the extent necessary to fulfill the Association's

obligations under the Governing Documents. Each Owner shall afford to the Association and its management agents and employees, access at reasonable times and upon reasonable notice, to and through the yard area of the Unit and its Limited Common Elements for maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency.

- 13.7 Utilities, Services and Operating Systems. The Common Elements and the Units shall be subject to and benefited by nonexclusive easements in favor of the City, the Association and all utility companies and other service providers for the installation, use, maintenance, repair and replacement of all utilities, services and common operating systems, such as natural gas, electricity, telephone, cable TV, internet and other electronic communications, water, sewer, storm sewer, irrigation systems, fire control systems and other common operating systems, and metering and control devices, which exist, which are constructed as part of the development of the Property or the Additional Real Estate, which are approved by the City, which are approved by the Association under authority contained in the Governing Documents or the Act, or which are described or referred to in the Plat, this Declaration or other recorded instruments. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to and benefited by a non-exclusive easement in favor of the other Units, the Common Elements, and the Association for all such utilities, services and systems. Utilities and related services or systems shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Dwellings or Common Element improvements. If a satellite dish is installed within the boundaries of any Unit, it must be installed pursuant to the requirements of the Association and in accordance with specifications promulgated by the Association. Satellite dishes and cable wires are not allowed to be visible from the exterior or any Dwelling.
- 13.8 Emergency Access to Units. In case of emergency, all Units are subject to an easement for access, without notice and at any time, by officers or members of the Board and the Association's management agents, or by any public safety personnel.
- 13.9 Project Signs. Declarant and the Association shall have a non-exclusive easement and right to erect and maintain temporary and permanent signs and related monuments identifying the common interest community on the Common Elements and on Units owned by the Declarant. Those parts of the Property on which permanent monument signs or related improvements are located shall be subject

to non-exclusive easements in favor of the Association for the

continuing use, maintenance, repair and replacement of said signs and improvements.

- 13.10 Maneuvering and Driveway Easements. If any Unit shares a driveway, or a portion thereof, with another Unit, each Unit shall be subject to a non-exclusive easement for reasonable vehicular maneuvering and access on and across the shared driveway, subject to any restrictions authorized by the Governing Documents or the Rules and Regulations.
- 13.11 Declarant's Easements. The Units, the Common Elements are subject to exclusive easements in favor of the Declarant for the exercise of its declarant rights as described in the Governing Documents.
- 13.12 Other Easements. The Property shall be subject to such other easements as may be authorized by the Association under authority contained in the Governing Documents or the Act or as may be recorded against the Property by reason of the City's requirements in connection with the development of the Property or the Additional Real Estate.
- 13.13 Continuation, Scope and Conflict of Easements. The easements set forth in this Section (i) shall run with the land and shall be appurtenant to the benefited Property; (ii) shall supplement and not limit any easements described elsewhere in this Declaration, or otherwise recorded; (iii) shall be permanent, subject only to termination in accordance with the terms of the easement; and (iv) shall include reasonable access to the easement areas over and through the Property for purposes of construction, maintenance, repair, replacement and reconstruction. Notwithstanding anything in this Declaration to the contrary, no Owner or Occupant shall be denied reasonable access to his or her Unit or the right to utility services thereto.
- 13.14 Non Interference; Impairment Prohibited. All Persons exercising easement rights shall do so in a reasonable manner so as not to materially interfere with the operation of the Property or damage to the Property, and shall be financially liable for all costs of repair of any part of the Property which is damaged by the Person's exercise of the easement rights. No Person shall impair, obstruct or cause damage to any easement area, or improvements or equipment installed therein.
- 13.15 Benefit of Easements. All easements benefiting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests.

However, an Owner who has delegated the right to occupy the Unit to an Occupant or Occupants, whether by a lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except (i) as a guest of an Owner or Occupant, or (ii) in connection with the inspection of the Unit or recovery of possession of the Unit pursuant to law.

SECTION 14

COMPLIANCE AND REMEDIES

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

- 14.1 Entitlement to Relief. Legal relief may be sought by the Association, at its discretion, against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Governing Documents, the Rules and Regulations, the Act or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association, nor take or omit other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.
- 14.2 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:
- 14.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.
- 14.2.2 Impose late charges of up to the greater of thirty dollars, or fifteen percent of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the month after the Assessment or installment was due.

14.2.3 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 or installments thereof, together with all attorneys' fees and other professional fees, costs and late charges, are not paid in full prior to the effective date of the acceleration. Not less than ten (10) days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

14.2.4 Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules and Regulations.

14.2.5 Suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities (if any); provided, that the suspension of use rights shall not apply to Limited Common Elements (if any) allocated 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 six (6) months thereafter, for each violation.

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

14.2.7 Enter the yard area of a Unit in which, or as to which, a violation or breach of the Governing Documents or Rules and Regulation exists which materially affects, or is likely to materially affect, the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Dwelling or other part of the Property or the property of the Owners or Occupants, and to summarily abate, remove or demolish, at the expense of the offending Owner or Occupant, any structure, thing or condition which is causing the violation; provided, that any improvements which are a part of a Dwelling may be altered, removed or demolished only pursuant to a court order or with the agreement of the Owner.

14.2.8 Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Governing Documents.

14.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 14.2.4, 14.2.5, 14.2.6 or 14.2.7, the Board shall, upon written

request of the offender, grant to the offender an opportunity for 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 ten 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 offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within ten (10) days following the hearing, if not delivered to the offender at the hearing.

- 14.4 Lien for Charges, Penalties, Etc. All charges, fines, expenses, penalties, interest or other impositions under this Section shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.
- 14.5 Costs and Fees. With respect to any collection measures, or any other measure or action, legal, administrative, or otherwise, which the Association takes pursuant to 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 Unit owned by the violator with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' and other professional fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of the Owner of the Unit and shall be a lien against such Owner's Unit.
- 14.6 Liability for Acts of Owners and Occupants. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is

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

- 14.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, the Rules and Regulations, and the Act as provided therein.
- 14.8 Pre-Litigation Requirement. Except as otherwise required by the Act, any litigation, administrative proceeding or other legal action instituted or intervened in by or in the name of the Association, exclusive of (i) any action to collect Assessments or foreclose Assessment liens, or (ii) to enforce the Governing Documents or the Rules and Regulations, is subject to prior approval by the Owners of Units to which are allocated in excess of sixty-seven percent (67%) of the total votes in the Association.

SECTION 15

AMENDMENTS

- 15.1 Approval Requirements. Except for amendments by Declarant pursuant to Section 17, this Declaration may be amended only by the approval of:
- 15.1.1 Owners of Units to which are allocated at least sixty-seven percent (67%) of the total votes in the Association, except that any amendment which changes the basic allocation of voting rights and Common Expense obligations described in Section 4.2 shall require unanimous approval.
- 15.1.2 Declarant as to certain amendments as provided in Section 17.9.
- 15.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees or Declarant, if required, shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Governing Documents or the Act. The amendment shall be effective when recorded as provided in the Act. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 16

RIGHTS OF ELIGIBLE MORTGAGES

Notwithstanding anything to the contrary in the Governing Documents, but subject to the Act or other laws, Eligible Mortgagees shall have the following rights and protections:

- 16.1 **Consent to Subdivision.** Except as authorized by this Declaration, no Unit may be partitioned or subdivided without the prior written approval of the Owner and the mortgagee of the Owner's Unit, and the Association.
- 16.2 **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.
- 16.3 **Priority of Lien.** Any Person who comes into possession of a Unit by foreclosure of the first mortgage on a Unit, or by deed or assignment in lieu of foreclosure of the first mortgage on a Unit, 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 Person; (i) except as provided in Section 6.10 and the Act, and (ii) except that any unreimbursed Assessments or charges may be reallocated among all Units in accordance with their interests in the Common Elements.
- 16.4 **Priority of Taxes and Other Charges.** All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Units and not to the Property as a whole.
- 16.5 **Priority for Condemnation Awards.** No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Owner. of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.
- 16.6 **Requirements for Management Agreements.** The term of any agreement for professional management of the Property shall not exceed two (2) years. Any such agreement shall provide for termination without penalty or termination fee by either party as follows: (i) with cause, upon a minimum of thirty (30) days prior written notice, and, (ii) without cause, upon ninety (90) days prior written notice.

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

16.8 Notice Requirements. Eligible Mortgagees shall be entitled to timely written notice of:

16.8.1 a condemnation loss or any casualty loss which affects a material portion of the Property or the Unit securing the mortgage;

16.8.2 a sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of a Unit on which it holds a mortgage;

16.8.3 a lapse, cancellation or material modification of any insurance policy maintained by the Association; and

16.8.4 a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

SECTION 17

SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following special declarant rights within the meaning of Section 515B.I-103(33b) of the Act, and other development rights specified herein, for as long as it owns a Unit, or has the right to add Additional Real Estate, or for such shorter period as may be specifically indicated:

17.1 Complete Improvements. To complete all the Dwellings and other improvements indicated on the Plat, or otherwise included in Declarant's development plans or authorized by the City, or this Declaration, and to make alterations in the Units owned by Declarant and the Common

Elements to accommodate the exercise of any declarant rights reserved herein.

- 17.2 Add Additional Real Estate. To add the Additional Real Estate to the Property as described in Section 18.
- 17.3 Relocate Boundaries and Alter Units. To subdivide, combine and/or relocate boundaries between Units and to otherwise alter Units owned by it, to the extent permitted by the Act.
- 17.4 Sales Facilities. To construct, operate and maintain a sales office, management office, model Dwellings, and other development, sales and rental facilities within the Common Elements, and within any Units owned or leased by Declarant from time to time, located anywhere on the Property or the Additional Real Estate.
- 17.5 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by Declarant and on the Common Elements or on the Additional Real Estate.
- 17.6 Easements; Licenses. To have and use easements, for itself, its employees, contractors, representatives, agents, prospective purchasers or other invitees through and over the Common Elements and the yard areas of the Units for the purpose of exercising its declarant rights reserved herein, and to grant Common Element licenses as provided in the Act.
- 17.7 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-103 of the Act, until the earliest of: (i) voluntary surrender of control by the Declarant; (ii) an Association meeting which shall be held within sixty (60) days after conveyance to Owners other than the Declarant of seventy-five percent (75%) of the total number of Units authorized to be included in the Property; or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than the Declarant. Notwithstanding the foregoing, the Owners other than Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent (33 1/3%) of the directors at a meeting of the Owners which shall be held within sixty (60) days following the conveyance by Declarant of fifty percent (50%) of the total number of Units authorized to be included in the Property.
- 17.8 Alternate Common Expense Plan. To utilize an alternate common expense plan as provided in the Act.

17.9 Consent to Certain Amendments. Until such time as Declarant no longer owns any Unit for initial sale and no longer has the right to add the Additional Real Estate to the Property, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules and Regulations.

SECTION 18

MISCELLANEOUS

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

18.2 Construction. Where applicable, the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof. Any amendment to the Act shall retroactively apply to the Association and the Property, except as expressly prohibited or qualified by the Governing Documents.

18.3 Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant (i) written notice of such tender; (ii) written notice of the specific nature of the action; and (iii) an opportunity to defend against the action.

18.4 Notices. Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board, the Association officers, or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 of the Bylaws shall be effective upon receipt by the Association. In addition, where an Owner or Occupant has placed on file with the Association or its Board a written instruction that notices to such Owner or Occupant may be given by email communication, to an email address specified by the Owner or Occupant, with "read receipt" confirmation, the notice may be given to such Owner or Occupant by email.

Exhibits

Exhibit A: Legal Description(s)

Lots 1 - 6, Block 1, Copper Ridge 9th Addition, Washington County
Lots 1 - 6, Block 2, Copper Ridge 9th Addition, Washington County
Lots 1 - 6, Block 3, Copper Ridge 9th Addition, Washington County
Lots 1 - 4, Block 4, Copper Ridge 9th Addition, Washington County
Lots 1 - 3, Block 5, Copper Ridge 9th Addition, Washington County
Lots 1 - 6, Block 6, Copper Ridge 9th Addition, Washington County
Lots 1 - 8, Block 7, Copper Ridge 9th Addition, Washington County
Outlot C, Copper Ridge 9th Addition, Washington County