

The Pointe at Settlers Ridge

Rules and Regulations



RESOLUTION OF THE BOARD OF DIRECTORS
STONEMILL FARMS TOWNHOME ASSOCIATION, INC.

RULES AND REGULATIONS

WHEREAS, the Board of Directors of the Association has the duty and authority to enforce the Governing Documents of the Association, and

WHEREAS, all current homeowners are subject to the Association's Governing Documents which has been recorded with the title of their property, and

WHEREAS, Article 7.8 of the Stonemill Farms Townhomes Declaration allow the Board of Directors to establish Rules and Regulations as it deems necessary,


WHEREAS, Article 10.8 of the Stonemill Farms Townhomes Declaration allow the Board of Directors to Assess fees to homeowners individually.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Stonemill Farms Townhomes Association hereby adopts the Rules and Regulations;

FURTHER RESOLVED that the foregoing Rules and Regulations shall go into effect 10 days after the adoption date below.

ADOPTED by the Stonemill Farms Townhomes Board of Directors on January 20, 2016.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Association, have hereunto subscribed their names.



Carole Toohey

Mike Stearns



Mike Lind

STONEMILL FARMS
TOWNHOMES ASSOCIATION, INC.

Rules, Regulations and Policy
Manual

Effective: May 1, 2016

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A. General Description

Stonemill Farms Townhomes Association, Inc. ("Association") is a Planned Community located in Woodbury, Minnesota, consisting of 43 dwellings/units, and common areas that are extensions of those dwellings/units. Stonemill homeowners ("Owner") shall use the common areas for residential purposes only and that use must be in a careful and respectful manner.

Each owner is responsible for compliance with the Rules and Regulations and all governing documents of the Association by his/her family member, tenant, guest, visitor or other occupant brought into Stonemill Farms ("Property").

B. Board of Directors

The Board of Directors' ("Board") purpose is to represent the owners to ensure the upkeep and quality of the property. The Board has a fiduciary responsibility to manage the Association's funds in accordance with applicable state law and regulations. Furthermore, the Board is permitted under state law to establish rules that provide for the health, safety, welfare and common interests of the Owners. The Board retains a management company to represent and manage the Association who, in turn, enforces the rules and regulations set forth by the Board.

C. Goals of the Rules and Regulations

The goal of the Board is to provide reasonable guidelines for the residents that will result in the highest possible quality of residential living. The Rules and Regulations have been established by the Board for the benefit of the Owners with their comfort and convenience as its first priority. They are also intended to help maintain the value of the Property and to be reasonably consistent with the expectations of Owners who purchased a home within our community.

The wishes and needs of the owners will be given primary consideration when forming or amending the Association's rules and regulations. The Board welcomes input from Owners so that our rules and regulations accurately reflect the wishes and needs of Owners to the fullest extent possible.

All Owners and Occupants are reminded that common sense, courtesy and good taste will serve them well in their dealings with friends, neighbors, committee members and agents of the Association.

D. Definition of Terms

Association: Stonemill Farms Townhomes Association, Inc., a nonprofit corporation that has been created pursuant to Chapter 317A of the laws of the State of Minnesota and Minnesota Statutes Section 515B.3-101, the members of which consist of all owners as defined herein.

Board/Board of Directors: The current elected Board of Directors of Stonemill Farms Association.

Building: The entire structure of 43 dwellings/units, with a row home style, and a total of 13 buildings exist in Stonemill Farms Townhomes.

By-Laws: Govern the operation of the Association as amended from time to time.

Common Area: The area owned by all the members of the Association (e.g., open green spaces, sidewalks).

Common Elements: Those elements that affect more than one unit (e.g., roofs, private streets).

Dwelling: 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 building. The dwelling includes any garage attached or one otherwise included within the boundaries of the building in which the dwelling is located.

Limited Common Elements: Those elements that affect only one dwelling and are the Owners responsibility (e.g., driveways, patios, and windows).

Owner: A person who owns a dwelling/unit or dwellings/units.

Occupant: Any person(s), other than the owner, in possession of or residing in a dwelling/unit.

Patio: The concrete slab on the rear of all units.

Property: All the dwellings/units and Common Areas of which constitutes Stonemill Farms.

Patriot: All two-story dwellings/units.

E. Adoption and Enforcement of Rules

Any violation by an Owner, his/her guests or renter/occupants of the Declaration of Easements and Protective Covenants, Bylaws and Rules of the Association will be brought to the attention of the Owner by means of a written formal notice of the violation via U.S. mail from the Board of Directors. The notice will identify the violation in question, will identify relevant section or sections in the Declaration of Easements and Protective Covenants, Bylaws and Rules of the Association. The notice will request that the Owner correct the violation within fourteen (14) days of the notice being transmitted or, if the Owner believes he/she is already complying, that the Owner respond to the Management Company within five (5) days of the date the notice is transmitted to the Owner.

If the violation has not been corrected within the fourteen (14) days of the notice being transmitted to the Board's satisfaction, then the Board will send a second formal notice of the violation via U.S. mail from the Board of Directors. The notice will identify the violation in question, will identify relevant section or sections in the Declaration of Easements and Protective Covenants, Bylaws and Rules of the Association. The notice will request that the Owner correct the violation within fourteen (14) days of the notice being transmitted or, if the Owner believes he/she is already complying, that the Owner respond to the Management Company within five (5) days of the date the notice is transmitted to the Owner to request a hearing before the board each violation of the Declaration of Easements and Protective Covenants, Bylaws and Rules of the Association against the Owner in accordance with the

following fine schedule:

- If the violation is not corrected within fourteen (14) days of the second formal notice being transmitted, then a fine of twenty-five dollars (\$25) will be imposed for each violation.
 - If the violation is not corrected within thirty (30) days from the date of the twenty-five dollars (\$25) fine being imposed, then a fine of fifty dollars (\$50) will be imposed on the homeowner for each violation every thirty (30) days until the violation is corrected. A repeat violation within twelve (12) months of the original violation automatically receives a fine of one hundred dollars (\$100).
 - Homeowners failing to pay their fines will be handled in accordance with the following **non-payment procedure**:
 - If the fine is not paid within thirty (30) days of the due date, the homeowner will incur a fifty dollar (\$25) late fee.
 - If the fine is not paid within forty-five (45) days of the due date, the homeowner's account will be turned over to the attorneys of the Association and a thirty (30) day attorney demand letter will be mailed.
 - If the fine is not paid within the thirty (30) days of the attorney demand letter, then a lien will be filed on the homeowner's property.
 - After the lien is filed, the homeowner has thirty (30) days from the date of the lien filed to pay their account in full. If the account is not paid in full, then the Board will move to foreclose on the homeowner's property.
 - **Please note:** The Board of Directors reserves the right to make changes to this policy without notice. All fees that accrue due to collections (including those of the attorneys which begin to accrue when the thirty (30) day demand letter is sent) are the responsibility of the homeowner. All correspondence beginning with the thirty (30) day demand letter is to be sent U.S. and certified mail. Unaccepted certified mail will be considered a non-response, and the lien and foreclosure process will continue as outlined above.

All late charges, fines, interest, costs of collection, including reasonable attorney fees incurred in the collection of dues, or enforcement of the governing documents shall be a charge against each Lot, and enforced in the same manner as an assessment in accordance with the Declaration.

If the Owner has submitted a request for a hearing in accordance with the formal notice, the Owner will have the opportunity to present his/her case to the Board at the meeting and no fines will be imposed against the Owner unless the Board makes a finding that the violation has occurred. If the Board finds that the violation has occurred, then the Board will follow the fine schedule and non-payment procedures outlined above.

Projects built without ARC approval or despite disapproval will be considered a violation and will follow the same fine schedule and non-payment procedure as outlined above until the project receives ARC approval or the Owner returns the property to its original condition.

In addition to the fine or fines, the Board may assess costs incurred by the Association in correcting the violation against the Owner, and said costs shall include any attorney's fees and any other costs incurred

by the Association. Any costs that are not reimbursed to the Association by the Owner will follow the non-payment procedure outlined above.

Any such fine or fines and any such costs shall be in addition to, and shall not in any way remove or limit, any other rights, claims, or causes of action in which the Association, the Board, any Owner, or any other person or persons may be entitled.

F. General Rules

1. Association fees are due on or before the first day of each month. There is a thirty (30) day grace period extending to the thirtieth (30th) of each month. In the event that an Owner's dues remain unpaid, in full or in part after the thirtieth (30th) day of any month (or the next regular business day if the thirtieth day is a Saturday, Sunday or legal holiday), a \$25.00 late fee shall be added to that month's unpaid dues.
2. Quiet hours are from 10:00pm to 6:00am. Loud noises during these times will not be tolerated and can result in a fine from the Association and/or attention from the Police Department.
3. No Owner shall allow/permit any disturbing noises during quiet time or permit illegal activity on the Property by Occupants (e.g., family members, tenants, guests, servants or invitees), nor permit anything to be done that would interfere with the rights, comforts or convenience of other Owners. The Owner shall not permit anything to be done or kept in his/her dwelling/unit or in the Common Elements that will result in a cancellation or increase in the costs of insurance on the Property or contents thereof, or which would be in violation of any law. Report any unlawful activity to the police by calling 911.
4. No playground, play toys, or sporting equipment (collectively "sporting equipment") shall be permanently erected on any dwelling/unit. Temporary sporting equipment (e.g., basketball hoops, soccer/hockey nets, makeshift playgrounds, bicycles) must be placed on the Owners/Occupants driveway. Sporting equipment must be placed at the top of the driveway to prevent disruption of traffic flow. Sporting equipment may not be placed or used on the private streets.
5. Owners/Occupants shall not place any signs on any dwelling or common areas (e.g., identification, for rent/lease, advertising, political or other signs).
6. Owners, Occupants, and their guests shall observe reasonable and conservative speed limits on all streets.
7. Each Owner is responsible for supplying a copy of the current Rules and Regulations to a prospective buyer prior to the signing of a purchase agreement for a dwelling/unit by the prospective buyer, or, if no purchase agreement is signed by the prospective buyer, prior to the transfer of the ownership of the dwelling/unit.
8. Each Owner is responsible for supplying a copy of the current Rules and Regulations to any Occupant(s), especially tenants, of his/her dwelling/unit and ensuring that the Occupant(s) comply with all the Rules and Regulations and governing documents of the Association.
9. It is the Owner's responsibility to handle all maintenance, repair or service within the Owner's

dwelling/unit and to make sure that any Occupant fully understands that all matters regarding maintenance, repair or service within the dwelling/unit are to be handled with the Owner and NOT the Board, any committee or the management company.

10. Agents of the Association and any contractor or workman or its agents authorized by the Association, bearing proper identification, may enter any dwelling/unit at any reasonable hour, after 24 hours notification to the Owner (except without notice in the case of emergency), for the purpose of correcting any condition which presents a danger of loss or damage to the Property, or injury or death to any person.

G. Architectural Regulations

1. The Association prohibits any changes, alterations and/or additions to any part of the Common Elements or Limited Common Elements not specifically approved in the Rules and Regulations and/or without prior approval from the Board.

2. Any request for architectural changes or alterations not specifically prohibited in the Rules and Regulations can be submitted for consideration to the Board for review by the Architectural Control Committee. The Owner making the request must provide the Board with plans and specifications showing the nature, kind, shape, height, materials and location of the contemplated structure, alteration or addition to existing structures in a form and with detail acceptable to the Board. Allow 30 days for the Architectural Control Committee to review.

3. No Owner shall install or cause to be installed wiring for electrical, telephone, television antennae, satellite dish, machines, air condition in units, or the like on exterior of the dwelling/unit or that protrudes through the walls or the roof of the dwelling/unit, without the approval of the Board.

4. Residents must receive written approval from the Board prior to the installation of a satellite dish by contacting the management company. When requesting permission to install a satellite dish, the Owner/Occupant must include the following information: the size of the dish, name of contractor who will be installing the dish and the proposed location of the dish. Satellite dishes must be placed on the roof of a dwelling/unit. Ground Mounts, Overhangs and siding are not acceptable places for installation of satellite dishes.

5. Holiday lights are allowed to be installed no more than 30 days prior to the holiday and to be removed 30 days after the holiday (depending on weather conditions). Decorations and lights are not to be attached to the siding, fascia and soffit, gutters and downspouts with nails, screws or anything leaving a hole or causing damage that will require future maintenance or repair.

6. Hanging of laundry, garments, rugs and the like from the balcony or deck is not permitted at any time.

7. No permanent lawn decorations of any kind will be permitted in the front, back or side of dwellings/units (e.g., birdbaths, pink flamingoes, plastic ornaments). With the exception of planters (see Section I), nothing can be inserted into the ground. All permissible decorations must not interfere with lawn care and maintenance.

H. Common Elements

1. All upkeep and maintenance of Common Areas and building exteriors shall be as arranged by the Board.
2. No rubbish, debris or unsanitary material shall be permitted in the Common Areas.
3. All trash, garbage and other refuse placed outside for pick-up shall be contained within the provided containers. Trash containers are to be set out at the end of the driveway no earlier than 5:00pm the day prior to pick-up and brought in by 7:00am the day following pick-up. Trash containers and recyclable bins are to be stored in garages outside of these times. If Owner/Occupant is out of town, he/she must make arrangements to get his/her bins in at the appointed time.
4. Owners/Occupants will make every effort to ensure that trash container tops are properly secured in order to avoid spillage. Owners/Occupants are responsible for cleaning up any spillage and/or the cost of repair for damage caused by spillage.
5. Owners/Occupants are responsible for maintaining their mailbox area by picking up old or excess newspapers. Flyers cannot be attached to the exterior of the mailboxes.
6. Owners/Occupants who wish to dispose of items that do not fit in provided trash containers will need to make individual arrangements with the trash company for oversized or additional pick-ups at the additional expense of the Owner/Occupant.

I. Ground Level Patios

1. Patios shall **not** be used for storage of any personal property or miscellaneous items that are visible from the street or grounds surrounding the dwelling/unit, except for seasonal furniture and gas/electric grills.
2. Planters are permitted on patios and front entry areas only, provided they do not interfere with lawn care and maintenance.
3. Owners/Occupants may only use gas barbecue grills meeting the City of Woodbury fire codes for patios. All other grills including briquettes, wood, charcoal are **ONLY** allowed to be used on ground level patios or driveways and must be at least 5 feet away from any dwelling/unit. Barbecue grills, cooking devices or any kind of fire pits are not permitted on any Common Area (i.e., grass, open green spaces). Owners/Occupants may use the front of their dwelling/unit for (gas) grilling, but cannot store the grill there. These same rules apply to fire pits or containers.

All fire pits or containers, when in use, must not be left unattended and must have an appropriate extinguisher nearby (i.e., fire extinguisher, garden hose). When finished, all fires must be extinguished. (Woodbury Ordinance: 8-3. 1558, 8-3.1558.02)

J. (Automatic) Exterior Approvals

1. Only step-in-the ground "For Sale" signs are allowed and must be no larger than 5 sq. feet in diameter and must be well maintained. Additional rider-signs may not be attached. A warning will be given for all signs that are in violation of this rule. Non-compliance will result in removal of the sign by the Association.
2. Home Security Signs - No larger than 11"x7" at the front or rear of dwelling/unit.
3. Flower Pots - no more than 18" round containers and no more than 12 containers in front of the townhome and colonial dwellings/units.
4. USA Flags – standard size is allowed.
5. Garden Flags - no flag to be over 12"x18". No more than one in front and one in back of dwelling/unit.
6. Hose Retainers – may not be attached to the structure.
7. Concrete Decorations - no larger than 18" in height in front of dwelling/unit. No more than two are permitted.
8. Bird Feeder – One feeder is allowed per dwelling/unit. It may not be attached to the dwelling/unit or placed in a location that interferes with the irrigation system, lawn care, general maintenance and Common Areas or Elements. Standard size only.

K. Parking Rules

1. Private street parking is NOT permitted in the Stonemill Farms Community. This is to allow for the passage of emergency vehicles. Cars parked on private streets will be immediately towed at the vehicle owner's expense. Parking is allowed on the public streets.
2. Woodbury City Ordinance – Winter parking guidelines: Between November 1st and April 1st, public on-street parking is prohibited between the hours of 2 a.m. and 6 a.m. Public on-street parking is also prohibited any time two or more inches of snow have accumulated, until after the street has been completely plowed. The two-inch guideline applies to any hour of the day and any time of the year. (Woodbury Ordinance: 14-122.707.03; 14-122.1604, 14-122.1604.01)
3. Guest Parking spaces are reserved ONLY for guests. Owners/Occupants are NOT allowed to park in these spaces. Only one car per space is allowed and no double parking is allowed. Guests are allowed to park in guest parking for a total of 24 hours in any consecutive seven (7) day period. The guest spaces are meant to be shared amongst the residents. Long-term guests should utilize the Owners/Occupants driveway or public on-street parking.
4. Cars parked on public streets must be at least 15 feet away from mailboxes on either side in order

for the United States Postal Service to deliver mail. (Woodbury Ordinance: 14-101.1721, 14-101.1721.01)

5. At no time shall any parking area be used for storage of inoperable vehicles.
6. If vehicles are parked in a driveway when snow removal crews arrive, that driveway will not be plowed. If the Owner/Occupant later wants his/her driveway plowed, it will be at Owners/Occupants expense.
7. If vehicles are parked in the guest parking areas when snow removal crews arrive, then those vehicles will be immediately towed at the Owners/Occupants expense.
8. Owners shall be responsible for reasonable cleanup of spills on driveways and other emissions of oil and other fluids that occur from a vehicle owned by or caused by the Owner, Occupant or guest of the owner.
9. Boats, tractor trailers, recreational vehicles, motor homes, trucks in excess of three-quarter ton, bicycles, motorcycles, all-terrain vehicles, snowmobiles and similar recreational vehicles shall not be allowed to be parked or stored on the driveway, guest parking or common areas. They must be stored within the dwellings/units garage.
10. Pods and Containers without wheels may be placed on the Owner's driveway for 10 (ten) consecutive days or through two weekends. Any damage caused by the placement or removal of a pod or container will be the responsibility of the Owner/Occupant. Exceptions or special requests may be submitted to the Board prior to the placement of the pod.

L. Pet Regulations

1. No more than three (3) pets per dwelling/unit.
2. Any Owner/Occupant who keeps or owns an animal of any kind on the Property shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from keeping or owning any such animal on the Property. Any Owner/Occupant pet owner will be held responsible and liable for any personal injury or property damages caused by his/her pet.
3. Owners/Occupants shall be responsible for immediately cleaning up after his/her pet at all places on the property, on any Common Element or patio areas. Owners/Occupants must dispose of pet waste by placing it in a sealed plastic bag and discarding it in the Owners/Occupants own trash container. (Woodbury Ordinance: 5-30.604.18)
4. No Owner/Occupant shall allow their pet to cause or create a nuisance or unreasonable disturbance on the Property. Each Owner/Occupant who keeps or owns an animal of any kind shall comply with Woodbury City Code and any other governmental regulations pertaining to pet ownership. (Woodbury Ordinance: 5-27. 604.13 - 604.15; 5-27.1660, 5-27.1660.01)
5. No Owner/Occupant shall allow his/her pet out of their dwelling/unit unless the pet is on a leash

and accompanied by the Owner/Occupant or carried by its Owner. (Woodbury Ordinance: 5-26.604.05)

6. Damage caused by any pet to any part of the Property shall be the full responsibility of the Owner, and that Owner shall promptly pay all costs involved in restoring such damaged portion of the Property to the condition it was in before the damage occurred. Once notified, the Owner has first opportunity to fix the damage before being charged.

7. The forgoing pet regulations are subject to, and each Owner/Occupant shall comply with, all applicable provisions of any state, county or municipal law, ordinance or regulation pertaining to pet maintenance and ownership. Owners/Occupants are responsible for complying with all government regulations in addition to pet regulations of the Rule and Regulations of the Association.

M. Policy on Insurance

In compliance with our Declaration of Condominium document and Minnesota Condominium Law, the Association maintains a blanket type of property insurance covering the Common Elements and Limited Common Elements of the Association in the entirety and the individual units to a limited degree.

The portions of the individual dwellings/units which are covered under the Association's policy include the interior walls, interior doors, built-in cabinets, counters, electrical conduits, standard electrical fixtures, plumbing conduits/pipes, standard plumbing fixtures and any other item which may be legally described as "fixtures".

The Association's policy of insurance specifically does not cover repair or replacement of any type of floor covering, window covering, household appliances, furniture, household furnishings and/or any property subsequently installed by the current Dwelling Owners or any Dwelling Owner's Occupants. In addition, the Association policy of insurance does not provide any personal liability coverage to the individual Dwelling Owners (except to the extent of a Dwelling Owner's liability arising from his or her undivided ownership interest in the Common Elements of the Townhome).

Each Owner/Occupant is hereby required to maintain, at the Owners/Occupants expense, an Owner's policy of insurance covering those items described above which the Association's policy of insurance does not cover. This type of policy, commonly referred to as an H06 Policy, is designed especially for townhome owners and it's a variation upon the standard homeowners insurance utilized by single-family residents, owners and occupants. It provides protection against a wide range of hazards that could result in loss to personal property both at/or away from the Dwelling, including the value of alterations or improvements to the Dwelling. This policy also includes liability protection against injuries or damage to "others" arising from the Dwelling itself or your personal activities away from the Dwelling.

The H06 Policy will bridge any gaps, which may exist in coverage between the Association's policy and the Dwelling Owner's policy. Insurance policies may be obtained from any insurance company. Limits of coverage and costs may vary.

The Association requires, that in the event a Dwelling is leased, either the Dwelling Owner or the Occupant must maintain an H06 type policy or other appropriate policy of renter's insurance.

Under Minnesota Law, when damage occurs to a Dwelling, the Association may elect to either:

- (1) Pay the deductible amount under the Association's Policy of Insurance as a Common Expense of the Association;
- (2) Assess the deductible amount against the Dwelling affected in any reasonable manner; or
- (3) Require the Owners/Occupants of the affected Dwelling to pay the deductible amount directly to the Association. In the event that damage necessitating a claim against the Association's Policy of Insurance is determined to have been caused by a negligent or intentional act of a Dwelling Owner, a Dwelling Occupant, guest or other occupants, the Association will assess the deductible amount directly against the Dwelling or Dwelling in question.

N. Leasing Requirements

1. The dwelling/unit must be leased in its entirety.
2. The Owner must supply a copy of the lease agreement each time a dwelling/unit is leased to a new tenant, or whenever the lease period is extended or renewed with an existing tenant.
3. Owners are highly recommended to perform a background search on any potential tenant.
4. The term of any lease shall be no less than 360 consecutive days.
5. It is the Owner's responsibility to handle all maintenance and repairs to the dwelling/unit that are not the responsibility of the Association, and to make sure the lessee understands that all matters regarding maintenance and repair of the dwelling/unit are to be handled through the Owner and NOT through the Association.
6. It is the Owner's responsibility to supply a copy of the Rules and Regulations and governing documents to the lessee, and it is the Owner's responsibility to ensure the lessee complies with the Rules and Regulations and the governing documents.
7. The Association will bring to the attention of the Owner of the dwelling/unit any violation of the Rules and Regulations or governing documents. Any violation fines will be assessed to the Owner of the dwelling/unit.
8. The Association requires either the Dwelling Owner or the tenant must maintain an HO6 type policy or other appropriate policy of renter's insurance.

O. Important Information

Woodbury Police Department Info:

If you witness a violation of any Woodbury City Ordinance contact the police department directly at 651-714-3600 or send an e-mail to police@ci.woodbury,mn,us.

This document is intended to be an addition to, not a replacement of, Minnesota Law and By-Laws of Stonemill Farms. Anything not covered here should be referred to MN statues, laws and Stonemill

bylaws.

The Pointe at Settlers Ridge

Bylaws



**BYLAWS
OF
STONEMILL FARMS TOWNHOMES
HOMEOWNERS ASSOCIATION**

**BYLAWS
OF
STONEMILL FARMS TOWNHOMES
HOMEOWNERS ASSOCIATION**

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BYLAWS
OF
STONEMILL FARMS TOWNHOMES
HOMEOWNERS ASSOCIATION

ARTICLE 1.
GENERAL

The following are the Bylaws of STONEMILL FARMS TOWNHOMES HOMEOWNERS ASSOCIATION, a Minnesota nonprofit corporation (the “*Association*”). The Association is organized pursuant to Minnesota Statutes Chapter 317A (the Minnesota Nonprofit Corporation Act) and Chapter 515B (the Minnesota Common Interest Ownership Act or “*MCIOA*”) for operating and managing Stonemill Farms Townhomes, Common Interest Community No. 372, in the City of Woodbury, Washington County, Minnesota. The words and phrases used in these Bylaws shall have the same meanings as they have in the Declaration of Covenants for Stonemill Farms Townhomes (the “*Declaration*”).

ARTICLE 2.
MEMBERSHIP AND VOTING

- 2.1 Owners and Members Defined.** All Persons defined as “Owners” in the Declaration are “Members” of the Association. No Person shall be a Member solely by virtue of holding a security interest in a Homesite. A Person shall cease to be a Member when that Person ceases to be an Owner.
- 2.2 Vote Allocation.** The allocation of votes to the Members is specified in the Declaration.
- 2.3 Authority to Cast Vote.** At any meeting of the Members, a Member included on the voting register presented by the Secretary in accordance with Section 3.6, or the holder of such Member’s proxy, shall be entitled to cast the vote which is allocated to the Homesite owned by the Member. If the Homesite is owned by more than one Member, only one of the Members may cast the vote. If the Members who jointly own a Homesite fail to agree as to who shall cast the vote, the vote shall not be valid.
- 2.4 Voting by Proxy.** A Member may cast the vote that is allocated to the Member’s Homesite and be counted as present at any meeting of the Members by executing a written proxy naming another Person entitled to act on that Member’s behalf, and delivering the proxy to the Secretary before the commencement of the meeting. All proxies granted by a Member shall remain in effect until the earliest of the following events: (i) revocation of the proxy by the granting Member by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) eleven months after the date of the proxy, unless otherwise provided in the proxy, or (iii) when the granting Member is no longer an Owner.
- 2.5 Voting by Ballot.** Except for approvals of Adversarial Activities as provided in Section 7.3.1 of the Declaration, the vote on any issue or issues may be taken by electronic means or by mailed ballot in compliance with Chapter 317A of Minnesota Statutes, in lieu of holding a meeting of the Members, and subject to the following requirements:

- (a) The notice of the vote shall: (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter, and (iv) specify the deadline by which a ballot must be received by the Association in order to be counted. A copy of the notice of the vote and the ballot shall be furnished to every Owner entitled to vote and to Declarant as provided in Section 14 of the Declaration.
- (b) The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.
- (c) The Board shall set the deadline for the return of ballots, which shall not be less than 15 or more than 45 days after the date of delivery of the notice of the vote and voting procedures to the Members. Ballots that have been mailed, electronically transmitted, or otherwise delivered to the Association may not be revoked or amended. The Board shall provide notice of the results of the vote to the Members within 30 days after the voting deadline.
- (d) Approval by ballot under this Section is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- (e) The voting procedures authorized by this Section 2.5 shall not be used in combination with a vote taken at a meeting of the Members. However, voting by electronic means and mailed ballot may be combined if each is done in compliance with this Section and applicable statutes.

2.6 Voting Percentages for Member Action. A majority of the votes cast at any properly constituted meeting of the Members, or cast by ballot in accordance with Section 2.5, shall decide all matters properly brought before the Members, except where a different vote is specifically required by the Governing Documents or applicable law. The term “majority” as used herein shall mean in excess of 50% of the votes cast at a meeting or voting by ballot, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting is not permitted. Under no circumstances shall an Owner’s failure to exercise the Owner’s vote in accordance with the Governing Documents on a matter that is before the Owners for approval by the voting power of the Owners/Members (“**Ballot Measure**”) be deemed or construed as that Owner’s approval, disapproval, or other action of such Owner with respect to the Ballot Measure.

2.7 Adversarial Activities – Member Vote Required. Section 7.3 of the Declaration and Section 4.2 of the Articles require that, with certain exceptions, the Association shall not engage in litigation, arbitration or other Adversarial Activities unless the Adversarial Activity is first approved by the vote of at least fifty-one percent of the voting power of all Members. Nothing in these Bylaws alters or supersedes this requirement.

ARTICLE 3.
MEMBER MEETINGS

- 3.1 Place.** All meetings of the Members shall be held at a place in Washington County, Minnesota reasonably accessible to the Members as may be designated by the Board in any notice of the meeting.
- 3.2 Annual Meetings.** An annual meeting of the Members shall be held each calendar year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Members, (i) the Members shall elect those directors they are entitled to elect pursuant to Sections 4.2(a), 4.2(c) and 4.3 below, (ii) a report shall be made to the Members on the activities and financial condition of the Association, and (iii) any other matter that is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Members, shall be considered and acted upon at the meeting.
- 3.3 Special Meetings.** Special meetings of the Members may be called by the President as a matter of discretion. Special meetings of the Members shall be called by the President or Secretary within 30 days following receipt of the written request of a majority of the Members of the Board or of Members representing at least 10% of all Homesites in the Community. The meeting shall be held within 90 days following receipt of the request by the President or Secretary. Each request for a special meeting shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.
- 3.4 Notice of Meetings.** At least 21, but no more than 30 days before any annual meeting of the Members, and at least 7, but no more than 30, days before any special meeting of the Members, the Secretary shall cause to be sent to all persons who are Members as of the date of sending the notice, a notice of the time, place and agenda of the meeting. The notice shall also be sent to Declarant as provided in Section 14 of the Declaration and to each requesting Mortgagee at the address provided by the Mortgagee. Declarant and any requesting Mortgagee shall be entitled to designate a representative to be present at any meeting of the Members. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and director of the Association.
- 3.5 Quorum/Adjournment.** A quorum is present throughout any meeting of the Members if Members entitled to cast at least ten percent (10%) of the votes in the Association are present in person or by proxy at the beginning of the meeting. If there is no quorum, Members entitled to cast less than 10% of the votes may vote to adjourn the meeting and reconvene the meeting at a subsequent time. Any meeting may be adjourned from time to time. For meetings adjourned for less than 15 days, no notice other than an announcement at the meeting as initially called shall be required. If a quorum is present at the reconvened meeting, any business may be transacted that could have been transacted at the meeting as initially called if a quorum had been present. A quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Members previously in attendance in person or by proxy. Declarant shall be deemed to be present for purposes of establishing a quorum at a

meeting called pursuant to Section 4.2(c) and Section 4.3 below, regardless of Declarant's failure to attend the meeting. For all quorum and voting purposes, any Homesite(s) owned by the Association shall be disregarded.

- 3.6 Voting Register.** The Secretary shall have available at the meeting a list of: (i) the addresses of all Homesites; and (ii) the names of the Owners of all Homesites.
- 3.7 Agenda.** The agenda for meetings of the Members shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Members along with the notice of the meeting.

ARTICLE 4. BOARD

- 4.1 Number and Qualification.** The number of Directors is specified in the Declaration. Directors shall be appointed or elected pursuant to Sections 4.2 or 4.3, as applicable. Directors appointed by Declarant need not be Owners. Unless otherwise approved by a vote of Members other than Declarant or an affiliate of Declarant, a majority of directors elected by a vote of the Members pursuant to Sections 4.2(c) and 4.3 below shall either be (i) Owners, or (ii) a natural Person designated by an Owner that is not a natural Person, other than Declarant or an affiliate of Declarant. Upon expiration of his/her term of office, a director shall continue in office until his/her successor is elected. There shall be no cumulative voting for directors.
- 4.2 Appointment/Election During Declarant Control Period.** Subject to Section 4.2(c), until the end of the Declarant Control Period, Declarant shall have the sole right to appoint all members of the Board. All directors appointed by the incorporator of the Association or by the Declarant shall serve at the pleasure of the Declarant and may be removed and replaced by the Declarant at any time.
- (a) From time to time Declarant may waive its right to appoint one or more directors, such waivers to be on a vacancy-by-vacancy basis. If Declarant waives its right to fill a Board vacancy, then, subject to Section 4.2(b), the vacancy shall be filled by the vote of the other Members.
 - (b) The term of office of a director elected by the Members pursuant to Section 4.2(a) shall be three years, or until a successor is elected at a special meeting of Members pursuant to Section 4.2(c) or Section 4.3 below, whichever occurs first. A director elected pursuant to Section 4.2(a) serves at the pleasure of the Declarant; may be removed and replaced by the Declarant at any time; and Declarant may fill the vacancy created by the death, removal, resignation or expiration of the term of office of such director.
 - (c) Notwithstanding Declarant's right to appoint and remove directors during the Declarant Control Period, commencing on the Midpoint Date the Members other than Declarant shall have the right to nominate and elect one-third of the directors at a special meeting of the Members which shall be held within 60 days following the Midpoint Date. The directors so elected shall serve a term ("*Special Term*") which is three years or until the entire board is elected at the special meeting of Members pursuant to Section 4.3 below, whichever occurs first. If the Special Term expires before the special meeting of Members pursuant to Section 4.3

below, the Members other than Declarant shall elect their one-third of the directors to subsequent Special Terms at an annual meeting of the Members.

4.3 Election After Declarant Control Period.

- (a) After the Declarant Control Period ends and continuing until Declarant no longer owns any Homesite and Declarant is no longer entitled to annex Future Development Area pursuant to Section 14.2 of the Declaration, whichever occurs last, Declarant shall have the sole right to appoint one member of the Board. The director so appointed by the Declarant shall serve at the pleasure of the Declarant and may be removed and replaced by the Declarant at any time. Subject to the qualifications specified in Section 4.1 above, the remaining four directors shall be elected by the vote of the Members, including Declarant, at a special meeting called for such purpose within 60 days after the Declarant Control Period ends. As provided below, the terms of the directors elected by the Members shall be staggered so that the terms of no more than two directors expire each year.
- (b) At the special meeting of Members pursuant to Section 4.3(a) above the two candidates receiving the highest and second highest number of votes shall be elected for terms of three years; and the two candidates receiving the third and fourth highest number of votes shall be elected for terms of two years.
- (c) Upon expiration of the term of office of each director elected pursuant to Section 4.3(b) above, the term of office for his/her successor shall be three years.
- (d) When Declarant is no longer entitled to appoint one director pursuant to Section 4.3(a) above, the Board vacancy shall be filled by vote of the Members at the next regular meeting of Members or at a special meeting called for that purpose. The term of office of the director so elected shall expire in the next occurring year in which no other directors' terms expire. Upon expiration of the term of office of the director elected pursuant to this Section 4.3(d), the term of office for his/her successors shall be three years.
- (e) A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws.

4.4 Nominations . Nominations for election to the Board by the Members shall be made by a nominating committee appointed by the Board, or from the floor at the meeting of the Members, or by "write-in."

4.5 Powers. Subject to the requirements of the Declaration, the Board shall have all powers conferred by law or the Governing Documents necessary for the administration of the affairs of the Association, and may exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Members) by law or by the Governing Documents. The foregoing powers are expressly subject to Section 2.7 above.

4.6 Meetings; Meeting Notices.

- (a) An organizational meeting of the Board shall be held promptly after each annual meeting of the Members. Notice of the organizational meeting shall be given to

each director at least three (3) days before the meeting date. At each organizational meeting the Board shall elect the officers of the Association. Except for matters of the type described in Minnesota Statutes Section 515B.3-103(g), meetings of the Board must be open to the Members.

- (b) Regular meetings of the Board shall be held at least once each calendar quarter. The times and places of regular meetings may be fixed from time to time by a majority of the members of the Board. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors and no further notice of regular meetings shall be required. To the extent practicable, any schedule of regular Board meetings shall be furnished to the Members.
- (c) Special meetings of the Board shall be held when called (i) by the President at any time, or (ii) by the Secretary within ten (10) days after receiving written requests from at least two (2) directors. Notice of each special meeting shall be given to each director at least three (3) days before the meeting.
- (d) Notice of a Board meeting shall be deemed given to a director (i) when deposited in the United States mail postage prepaid to the address of such director, or (ii) when personally delivered, either orally or in writing, by a representative of the Board, or (iii) when transmitted by a form of electronic communication (facsimile, electronic mail, etc.) consented to by the director to whom the notice is given. Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.
- (e) Any meeting among directors, or among members of any committee designated by the Board, may be conducted solely by one or more means of remote communication through which all of the participants may communicate with each other and participate in the meeting, provided the same notice is given of the remote communication meeting as required pursuant to this Section 4.6, and provided the number of persons participating are sufficient to constitute a quorum at the meeting. Participation in a remote communication meeting constitutes personal presence at the meeting.
- (f) Copies of all notices and schedules of Board meetings shall be sent to Declarant; and Declarant shall be entitled to designate one or more representatives to be present at any Board meeting, as provided in Section 14 of the Declaration.

4.7 Quorum and Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies shall not be permitted.

4.8 Action Taken Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken by written action signed, or consented to by authenticated electronic communication (as defined in Section 317A.011 of the Minnesota Nonprofit

Corporation Act), by the number of directors that would be required to take such an action at a Board meeting duly called for such purpose at which all directors were present. The action is effective when signed or consented to by authenticated electronic communication by the required number of directors, unless a different effective time is provided in the written action. When written action is taken by less than all directors, all directors shall be notified immediately of its text and effective date. Failure to provide the notice does not invalidate the written action.

4.9 Vacancies. Until the Declarant Control Period ends, all vacancies on the Board may be filled by Declarant, except vacancies attributable to directors elected pursuant to Section 4.2(c), which shall be filled by the Members other than Declarant. After the Declarant Control Period ends, vacancies on the Board shall be filled by a majority vote of the remaining directors, regardless of their number; except for (i) vacancies created by removal pursuant to Section 4.10 below, and (ii) vacancies that Declarant is entitled to fill pursuant to Section 4.3 above. Each Person appointed or elected to fill a vacancy shall serve out the term vacated.

4.10 Removal. A director may be removed from the Board as follows:

- (a) A Director appointed by Declarant may only be removed and replaced by Declarant until Declarant's right under the Governing Documents to appoint that director ends.
- (b) Subject to Declarant's rights to appoint and remove directors as provided elsewhere in these Bylaws, directors may be removed with or without cause, by a majority vote at any annual or special meeting of the Members, provided:
 - (i) the notice of the meeting at which removal is to be considered states such purpose;
 - (ii) the director to be removed has a right to be heard at the meeting;
 - (iii) a new director is elected at the meeting by the Members to fill the vacant position caused by the removal; and
 - (iv) Directors elected by the Members pursuant to Section 4.2(c) may only be removed by a vote of the Members other than Declarant.
- (c) Subject to Declarant's rights to appoint and remove directors as provided elsewhere in these Bylaws, a director may also be removed by the Board if such director: (i) has more than two unexcused absences from Board meetings and/or Member meetings during any twelve month period, or (ii) is more than 60 days past due with respect to Assessments on the director's Homesite. Such vacancies shall be filled as previously provided in this Section and Section 4.9.

4.11 Compensation. Except as authorized by a vote of the Members, the directors of the Association shall receive no compensation for their services in such capacity. A director, Owner or Resident, upon approval by the Board, may be retained by the Association and reasonably compensated for goods and services furnished to the Association in an individual capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

ARTICLE 5.
OFFICERS

- 5.1 Principal Officers.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A Person may hold more than one office simultaneously, except those of President and Vice President. Only the President must be a member of the Board.
- 5.2 Election.** The officers of the Association shall be elected annually by the Board at its organizational meeting and shall hold office at the pleasure of the Board.
- 5.3 Removal.** Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor may be elected. This may be done only at a regular meeting of the Board, or at any special meeting of the Board called for that purpose.
- 5.4 President.** The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.
- 5.5 Vice President.** The Vice President shall take the place of the President and perform the duties of the office (other than as member of the Board if the Vice President is not also a Board member in her/his own right) whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board.
- 5.6 Secretary.** The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary shall be responsible for keeping the books and records of the Association, except the books, records, rolls and accounts which are the Treasurer's responsibility pursuant to Section 5.7 below. The Secretary shall give all notices required by the Governing Documents or applicable statutes, unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.
- 5.7 Treasurer.** The Treasurer is responsible for the care and accounting of all financial assets of the Association. The Treasurer shall be responsible for keeping the Association's financial books, Assessment rolls and accounts. The Treasurer shall cause the books of the Association to be kept in accordance with customary and accepted accounting practices for homeowners associations and shall submit the books to the Board for its examination upon request. The Treasurer shall cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board. The Treasurer shall cause the funds of the Association to be disbursed as ordered by the Board. The Treasurer shall perform all other duties typically incident to the office of Treasurer of a corporation. The Board may delegate the Treasurer's administrative functions to a managing agent; provided that

such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

- 5.8 Compensation.** Except as authorized by a vote of the Members, officers of the Association shall receive no compensation for their services in such capacity. Upon approval by the Board, an officer, or other Owner or Resident, may be retained by the Association and reasonably compensated for goods and services furnished to the Association in an individual capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

ARTICLE 6. ANNUAL REPORTS; FINANCIAL STATEMENTS

- 6.1 Delivery to Members.** The Board shall prepare an annual report on behalf of the Association to be mailed or delivered to each Member together with the notice of the annual meeting.
- 6.2 Contents.** The annual report shall contain at a minimum:
- (a) A statement of fees for legal services or any capital expenditures in excess of two percent of the current budget or \$5,000, whichever is greater, approved by the Association for the current year or succeeding two fiscal years;
 - (b) A statement of the Association's total replacement Reserves, the components of the Community for which the Reserves are set aside, and the amounts of the Reserves, if any, that the Board has allocated for the replacement of each of those components;
 - (c) A copy of the statement of revenues and Expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year;
 - (d) A statement of the status of any threatened or pending litigation, Adversarial Activities or judgments to which the Association is a party;
 - (e) A detailed description of the insurance coverage provided by the Association, including a statement as to which, if any, of the items referred to in MCIOA Section 515B.3-113(b) are insured by the Association;
 - (f) A statement of the total past due Assessments on all Homesites, as of a date that is not more than 60 days before the date of the meeting; and
 - (g) Such other information as may be required by MCIOA.
- 6.3 Financial Statements.** An annual review of the Association's financial statements shall be made and delivered to the Members as required by MCIOA.

ARTICLE 7. OPERATION OF THE COMMUNITY

- 7.1 Assessments.** The procedures for the determination, levy, payment and collection of Association Assessments are set forth in the Declaration.

- 7.2 Records.** The Board shall cause to be kept at the registered office of the Association, or at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Members of the Association, names of the Members and Mortgagees who have requested notice pursuant to the Governing Documents, and detailed and accurate records of the receipts and expenditures of the Association. All Association records, including financial records, shall be available for examination by the Members and the Mortgagees upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Homesite setting forth the amount of the Assessments against the Homesite, the dates when due, the amount paid thereon and the balance remaining unpaid.
- 7.3 Enforcement of Obligations.** All Owners, Residents and their guests are obligated and bound to observe the provisions of the Governing Documents. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

ARTICLE 8. AMENDMENTS

These Bylaws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

- 8.1 Approval.** The amendment must be approved by (i) the written consent or affirmative vote of Members with at least 51% of the total voting power of the Association, and (ii) the written consent of Declarant for so long as Declarant owns any Homesite or is entitled to annex Future Development Area pursuant to the Declaration, subject to any approval rights of Eligible Mortgagees as provided herein or in the Declaration.
- 8.2 Notice of Proposed Amendment.** A copy of the amendment and, if a meeting is to be held, notice of such meeting, shall be delivered to all Members in the manner for giving notices specified in the Declaration.
- 8.3 Effective Date; Recording.** The amendment shall be effective on the date of approval by the required Persons and need not be recorded in the land records of the county in which the Community is located.

ARTICLE 9. INDEMNIFICATION

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association and advance reasonable uninsured defense expenses incurred by such individual, all pursuant to the provisions of Minnesota Statutes Section 317A.521.


ARTICLE 10. MISCELLANEOUS

- 10.1 Association Notices .** Unless specifically provided otherwise in the Declaration, these Bylaws or applicable statutes, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Residents shall be in writing and

shall be effective upon delivery in the manner for giving notices specified in the Declaration; except that proxies pursuant to Section 2.4 shall be effective upon receipt by the Association.

- 10.2 Severability.** The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.
- 10.3 Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way limit or restrict the scope of these Bylaws or the intent of any provision hereof.
- 10.4 Conflicts in Documents.** Any conflict among the provisions of these Bylaws and the other Governing Documents shall be resolved as specified in the Declaration.
- 10.5 Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.
- 10.6 No Corporate Seal.** The Association shall have no corporate seal.

The undersigned certifies that these Bylaws were duly adopted by the Board of Directors of Stonemill Farms Townhomes Homeowners Association, by record of action dated Oct 29th, 2015.



MARY JANE WEBER
Secretary – Treasurer of Stonemill Farms
Townhomes Homeowners Association

The Pointe at Settlers Ridge

Budget



Budget 2020.2021

Stonemill Farms

	Approved 2020.2021	Average per Unit per Month
<u>Operating Activity</u>		
Operating Income		
Assessments	\$ 113,520.00	\$ 220.00
Total Operating Income	\$ 113,520.00	\$ 220.00
Operating Expenses		
Miscellaneous Administration	250.00	0.48
Transfer to Reserves	31,380.00	60.81
Lawn/Snow Contract	26,127.58	50.63
Pest Control	100.00	0.19
Sprinkler System Maintenance	5,150.00	9.98
Grounds/Landscape	1,775.00	3.44
Special Snow Removal	1,470.00	2.85
Water - Irrigation	2,500.00	4.84
General Maintenance	2,000.00	3.88
Repairs Building	750.00	1.45
Audit/Review/Tax Prep	700.00	1.36
Legal Fees	8,000.00	15.50
Management Fees	9,180.00	17.79
Insurance	18,685.00	36.21
Utilities	182.42	0.35
Trash Removal	5,270.00	10.21
Total Operating Expenses	\$ 113,520.00	\$ 220.00
Net Operating Income	\$ -	\$ -

The Pointe at Settlers Ridge

Association Declaration



Receipt# 306259

4047761

CID \$46.00

Return to:
NORTH AMERICAN TITLE CO
5001 AMERICAN BLVD W
#300
BLOOMINGTON MN 55437



Certified Filed and/or recorded on:

11/12/2015 10:25 AM

4047761

Office of the County Recorder
Washington County, Minnesota
Jennifer Wagenius, County Recorder

**COMMON INTEREST COMMUNITY NO. 372,
A PLANNED COMMUNITY**

**STONEMILL FARMS TOWNHOMES
DECLARATION OF COVENANTS**

THIS INSTRUMENT WAS PREPARED BY,
AND WHEN RECORDED SHOULD BE MAILED TO:

Vantage Law Group, PLLC (JDP)
1650 West End Blvd., Suite 100
Minneapolis, MN 55416

{00033027 3}

MCIOA Declaration

NORTH AMERICAN TITLE COMPANY
5001 American Blvd W
Suite 300
Bloomington, MN 55437

20109

**COMMON INTEREST COMMUNITY NO. 372,
A PLANNED COMMUNITY**

**STONEMILL FARMS TOWNHOMES
DECLARATION OF COVENANTS**

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Exhibit A Legal Description of Initial Community

**Exhibit B Potential Classifications and Dispositions of Lots and Outlots in the Plat(s) for
the Community**

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Exhibit D Description of Community Landscaping Area

**COMMON INTEREST COMMUNITY NO. 372,
A PLANNED COMMUNITY**

**STONEMILL FARMS TOWNHOMES
DECLARATION OF COVENANTS**

THIS Declaration of Covenants for Stonemill Farms Townhomes (“**Declaration**”) is made by U.S. Home Corporation, a Delaware corporation, *dba* Lennar, and is dated and effective as of the date recorded in the office of the County Recorder, Washington County, Minnesota (“**Effective Date**”). Declarant hereby declares that the Community (defined below) shall be owned, used, occupied and conveyed subject to the following covenants, conditions, restrictions, reservations, easements, charges and liens that are for the purpose of protecting the value and desirability of the Community and which shall run with the land and be binding upon all parties having any right, title or interest in the land or any part thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant makes this Declaration and submits the Community to MCIOA as a planned community under the name “Stonemill Farms Townhomes”. The Community is not subject to an ordinance referred to in § 1-106 of MCIOA, governing conversions to common interest ownership. The Community is not subject to a “master association” as defined in MCIOA. The Community does not include shoreland, as defined in Section 103F.205 of Minnesota Statutes.

**Section 1.
GENERAL DEFINITIONS**

Any term used herein that is not defined in this Declaration, but which is defined in MCIOA, shall have the meaning set forth in MCIOA. The following terms shall have the following meanings in this Declaration:

- 1.1 “**Architectural Control Committee**” or “**ACC**” means the architectural control committee described in Section 11 of this Declaration.
- 1.2 “**Assessments**” means all General Assessments, Special Assessments and Supplemental Assessments imposed by the Association pursuant to Section 10 of this Declaration.
- 1.3 “**Association**” means Stonemill Farms Townhomes Homeowners Association, a Minnesota nonprofit corporation, its successors and assigns. The Association was incorporated pursuant to Chapter 317A of Minnesota Statutes and is subject to MCIOA.
- 1.4 “**Board**” means the Board of Directors of the Association.
- 1.5 “**Boulevard**” means the portion of a public street right-of-way located outside the paved vehicular roadbed and adjacent curb, if any. Each Boulevard is a strip of land lying between the curb of a street and the boundary of the adjoining Common Element, Homesite or public Outlot. See Section 5.11 below.
- 1.6 “**Bylaws**” means the Bylaws governing the operation of the Association, as amended from time to time.
- 1.7 “**City**” means the City of Woodbury, a Minnesota municipal corporation.

- 1.8 “**Common Elements**” means all real property (including the Improvements and Landscaping thereon) within the Community other than the Homes and Homesites. The Common Elements (if any) will be owned by the Association in fee simple or as easements for the common use and enjoyment of the Owners and Residents and/or for maintenance by the Association. The initial Common Elements included in the Community are described in **Exhibit A** attached hereto.
- 1.9 “**Community**” means the Homesites and the Common Elements that are subject to this Declaration, namely the real property listed in **Exhibit A** attached hereto.
- 1.10 “**Community Landscaping**” is defined in Section 4.1.1 below.
- 1.11 “**County**” means Washington County, Minnesota.
- 1.12 “**CPI**” means the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, Urban Wage Earners and Clerical Workers, Minneapolis-Saint Paul Index, All Items, or any comparable successor index.
- 1.13 “**Daily Fine**” means a per diem Supplemental Assessment that may be imposed on an Owner and the Owner’s Homesite by the Board pursuant to this Declaration. The amount of the Daily Fine shall be determined by the Board in each instance; provided the minimum Daily Fine is \$10 and the maximum Daily Fine is \$100 per day (in 2015 dollars). The maximum dollar amount shall be automatically adjusted each year based on the percentage change in the CPI, calculated when the CPI for the prior calendar year becomes available. For example, when the CPI for 2017 becomes available in early 2018, the maximum Daily Fine shall be $\$100 \times [2017 \text{ CPI} \div 2016 \text{ CPI}]$.
- 1.14 “**Day Care**” is defined in Section 5.1.3 below.
- 1.15 “**Declarant**” means U.S. HOME CORPORATION, a Delaware corporation, and its successors and assigns, to the extent that U.S. Home Corporation has transferred any Special Declarant Rights by one or more written “Transfer(s) of Special Declarant Rights” recorded in accordance with MCIOA. Any such assignment may include only specific Special Declarant Rights and may be subject to such conditions and limitations as U.S. Home Corporation may impose in its sole and absolute discretion.
- 1.16 “**Declarant Control Period**” means the period of time during which Declarant is entitled to control the Association by appointing, removing and replacing the Board of Directors of the Association. The Declarant Control Period shall begin upon the incorporation of the Association and shall terminate upon the earliest of: (a) the date Declarant voluntarily relinquishes control of the Association by giving written notice to the Owners; (b) the date when 75% of the number of Projected Homesites (as defined in Section 1.40) are conveyed of record to Owners other than Declarant, or (c) the third anniversary of the date the first Homesite is conveyed to an Owner other than a Declarant.
- 1.17 “**Declaration**” means this Declaration of Covenants as amended and supplemented from time to time.
- 1.18 “**Design Review Guidelines**” are Rules and Regulations adopted by the Board pursuant to Section 7.8 specifying (i) the standards governing the design and construction of Homes and other Improvements on Homesites, and (ii) the procedures governing the functioning of the Architectural Control Committee.

- 1.19 “**Eligible Mortgagee**” means any Person owning, insuring or guarantying a first Mortgage on any Homesite, who has made a written request to the Association for notice pursuant to Section 15.5. The Eligible Mortgagee’s request shall include the information concerning the Eligible Mortgagee specified in Section 15.5.
- 1.20 “**Expenses**” of the Association means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including, without limitation, day to day operating expenses, allocations to Reserves, those items specifically identified as Expenses in the Declaration or Bylaws, and other “common expenses” (as defined in MCIOA) of the Association.
- 1.21 “**Future Development Area**” means “additional real estate” that may be added to a “flexible common interest community” as these terms are defined in MCIOA. There is no land constituting Future Development Area.
- 1.22 “**General Assessment**” means the regular periodic charge against the Owners and their respective Homesites levied by the Association pursuant to Sections 10.4 through 10.6 of this Declaration.
- 1.23 “**Governing Documents**” means this Declaration, and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association, as amended from time to time, all of which shall govern the use and operation of the Community.
- 1.24 “**Home**” means a building or portion of a building located within the boundaries of a Homesite and designed and intended for occupancy as a dwelling or residence for only one family. Homes may be attached to other Homes or detached from other Homes. Each Home includes any garage attached thereto or otherwise included within the boundaries of the Homesite, and any Private Suite (as defined in Section 5.1.1 below).
- 1.25 “**Homesite**” means a lot (but not an Outlot) shown on a Plat and subject to this Declaration upon which a single Home may be built. Each Homesite is a separate “unit” as defined in MCIOA. The 43 initial Homesites are listed in **Exhibit A** hereto.
- 1.26 “**Improvement(s)**” means any and all addition(s) to or change(s) in real property regardless of whether permanent or temporary in nature, except changes that are maintenance or repairs. The following are examples of “Improvements”: Homes; Home additions; sheds; other buildings; exterior lighting or electric fixtures; antennas; pet kennels, pet houses or pet runs; decks; screened or other types of porches; Landscaping; sidewalks, driveways and other paved areas; fences and gates. See Section 11 below for ACC Improvement approval requirements.
- 1.27 “**Landscape Structures**” means (a) all exterior structures and Improvements containing or facilitating Landscape Vegetation or other vegetation, and (b) all exterior structures, fixtures or Improvements facilitating outdoor living. Examples of (a) include arbors, planters, planter boxes, garden structures of all types, grading, swales, terraces and retaining walls. Examples of (b) include pools, spas, patios, walkways, permanent benches, tables and seating areas, fire pits, fireplaces, outdoor ranges and ovens, outdoor grills attached to footings, pergolas and gazebos. Landscape Structures are Landscaping as well as Improvements and are regulated by this Declaration.
- 1.28 “**Landscape Vegetation**” means all exterior vegetation. Landscape Vegetation includes (without limitation) annual and perennial plants, sod and other turf grasses, intentionally

planted native grasses and wild flowers, trees, shrubs, vines and ground covers. See Section 11 below for ACC Landscape Vegetation approval requirements.

- 1.29 **“Landscaping”** means Landscape Structures and Landscape Vegetation.
- 1.30 **“MCIOA”** means the Minnesota Common Interest Ownership Act, Chapter 515B of Minnesota Statutes, as amended from time to time, and any successor statute. MCIOA is a comprehensive state law dealing with condominiums, townhomes, cooperatives and other residential developments in which exterior residential building maintenance is provided by a homeowners association.
- 1.31 **“Member”** means an Owner in his, her or its capacity as a member of the Association. See Section 6 below.
- 1.32 **“Midpoint Date”** is defined in Section 14.6.1 below.
- 1.33 **“Mortgage”** means a recorded mortgage of a Homesite, a recorded contract for deed for a Homesite or other conveyance of a Homesite to secure the performance of a financial obligation. A “first Mortgage” is a Mortgage of a Homesite that is first in priority upon foreclosure or contract for deed cancellation to all other Mortgages on the Homesite; provided that for purposes of determining priority of the Association’s Assessment lien pursuant to Section 10.13 below and § 3-116 of MCIOA, a Mortgage is a first Mortgage only if recorded prior to recordation of documents evidencing the foreclosure of the Association’s Assessment lien.
- 1.34 **“Mortgagee”** means the owner of any recorded Mortgage of a Homesite and the successors or assigns of such Mortgagee or any Person(s) named as vendor(s) or seller(s) under any contract for deed of a Homesite and the successors or assigns of such vendor(s). A “first Mortgagee” is the Mortgagee under a first Mortgage.
- 1.35 **“Outlot”** means a Platted parcel of land identified on a Plat by letter designation.
- 1.36 **“Owner”** means the record owner, whether one or more Persons, of the fee simple title to any Homesite(s), except that (a) if a Homesite is being sold on a contract for deed and the contract vendee is in possession of the Homesite, then the vendee and not the vendor shall be deemed to be the Owner, and (b) in the case of a life estate, the life tenant and the owner of the remainder interest shall be deemed co-Owners of the Homesite.
- 1.37 **“Owner-Maintained Alteration”** means any Improvement, including any Landscaping, or other addition to, alteration or modification of a Homesite or adjacent Common Element, approved by the ACC pursuant to Section 11.7, that is subject to the requirement pursuant to Section 11.7 that such Improvement, addition, alteration or other modification be maintained and repaired at the separate expense of the Owner.
- 1.38 **“Person”** means a natural person, corporation, limited liability company, partnership, limited liability partnership, trust, or other legal entity.
- 1.39 **“Plat”** means any recorded subdivision plat or CIC plat that satisfies the requirements of Minnesota Statutes Chapter 505 and/or MCIOA, and any replat, amended, supplemental or additional plat or plat correction recorded from time to time in accordance with Chapter 505 and/or MCIOA. **“Platted”** means to be shown on a recorded Plat. See **Exhibit B** regarding the potential classification and disposition of certain lots and Outlots in the Plat(s) for the Community.

- 1.40 **“Projected Homesites”** means the number of Homesites that Declarant estimates will be included in the Community, consisting of the initial Homesites described in **Exhibit A** and, based on Declarant’s good faith estimate, no additional Homesites will be added to the Community. The number of Projected Homesites is 43 and is relevant to the definition of the Declarant Control Period. Declarant makes no representation or warranty that the Community will eventually include that number of Homesites.
- 1.41 **“Reserves”** means those Expenses for which Association funds are set aside pursuant to Section 10 for funding the periodic maintenance, repair and replacement of the major components of the Common Elements and other areas maintained by the Association that would not reasonably be expected to recur on an annual or less frequent basis (for example, roof, driveway and walkway repairs and replacements, exterior painting and other end of service life replacements). Annual contributions to Reserves shall be determined by the Board in accordance with prudent property management practices generally applied for common interest communities subject to MCIOA in the greater Minneapolis-St. Paul geographic region.
- 1.42 **“Resident”** means any Person lawfully occupying or using a Home other than the Owner(s), including members of the household, occupants, tenants, guests, or other Persons authorized by the Owner or under the Owner’s control.
- 1.43 **“Residential Care”** is defined in Section 5.1.3 below.
- 1.44 **“Rules and Regulations”** means the Association rules and regulations adopted by the Board and revised by the Board from time to time. See Section 7.8 below.
- 1.45 **“Special Assessment”** means a charge against the Owners and their respective Homesites levied by the Association pursuant to Section 10.7 of this Declaration.
- 1.46 **“Special Declarant Rights”** means all of the special rights and protections afforded Declarant pursuant to MCIOA and the Governing Documents, whether in Section 14 of this Declaration or elsewhere in the Governing Documents, which rights and protections are hereby expressly identified as Special Declarant Rights pursuant to MCIOA.
- 1.47 **“Supplemental Assessment”** means an Assessment levied against an individual Owner or specified group of Owners and their respective Homesites in accordance with Section 10.8 of this Declaration.

Section 2.

DESCRIPTION OF HOMESITES AND APPURTENANCES

- 2.1 **Homesites.** The MCIOA “unit identifier” for each Homesite is its lot number, block number and the Plat name. Each Homesite constitutes a separate parcel of real estate. No additional Homesites may be created by the subdivision or conversion of Homesites pursuant to § 2-112 of MCIOA or otherwise. Two or more contiguous Homesites may be combined into a lesser number of Homesites in accordance with § 2-112 of MCIOA; provided that the allocation of votes and Assessments before and after such combination shall remain unchanged. This Section 2.1 is inapplicable to subdivisions or combinations of Homesites pursuant to Section 14.2 below.
- 2.2 **Homesite Boundaries.** The front, rear and side boundaries of each Homesite shall be the boundary lines of the Platted lot as shown on the recorded Plat. The Homesites shall have

no upper or lower boundaries. All spaces, walls, and other Improvements within the boundaries of a Homesite are a part of the Homesite.

- 2.3 **Utility and Maintenance Easements** . The Community shall be subject to nonexclusive, appurtenant easements for all utilities, water and sewer, and similar services, that exist from time to time, as constructed or referred to in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Homesite, and the rights of the Owners and Residents thereof, and the Common Elements shall be subject to a nonexclusive easement in favor of the Homesites and Common Elements for all such services, including without limitation any sewer or water lines serving the Homesites, Common Elements and Community Landscaping. Each Homesite shall also be subject to an easement in favor of the Association and all utility companies providing service to the Homesites for the installation and maintenance of utilities and metering devices. Declarant hereby grants to the Association, for use by the Association and its contractors and agents, nonexclusive easements over the Homesites for all purposes reasonably necessary or appropriate for performance of the Association's maintenance, repair, enforcement and other responsibilities under the Governing Documents.
- 2.4 **Nature of Easements.** All easements and similar rights granted or reserved in this Declaration that burden a Homesite or the Common Elements for the benefit of a Homesite or any other part of the Community shall be appurtenant thereto and shall pass with the title to each Homesite and the Common Elements, even if not mentioned in an instrument of conveyance, and shall be perpetual, subject only to termination in accordance with Minnesota law or the terms of this Declaration. The easements reserved to or granted for the express benefit of Declarant, the Association and/or the City are nonexclusive, irrevocable, assignable commercial easements in gross for their benefit and the benefit of their respective successors and assigns. The easements in favor of the Association and the City are perpetual; and the easements in favor of Declarant shall expire automatically when Declarant no longer owns any Homesite.
- 2.5 **Recorded Easements.** The Community shall be subject to such other easements as may be recorded against it including (without limitation) the utility and drainage easements on the Homesites and/or Common Elements as shown on the Plat. Any recorded easement benefiting or burdening the Community shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration.

Section 3.

USE OF COMMON ELEMENTS; PUBLIC AREAS

- 3.1 **General Authority of Association** . The Association shall have all powers and authority with respect to the Common Elements that are granted and authorized by this Declaration and/or MCIOA.
- 3.2 **No Limited Common Elements** . Declarant does not designate any portion of the Community as Limited Common Elements (as defined in MCIOA), although certain elements of the Homes (such as chutes, flues, ducts, wires, conduits, bearing walls, etc. that are partially inside and partially outside a Homesite) may be deemed to be Limited Common Elements under § 2-109(c) and § 2-109(d) of MCIOA.
- 3.3 **Right to Use Common Elements.** Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Elements, including the right of access to

and use of the Association's Improvements thereon, but only while the Owner is current in paying Assessments; provided that in no event shall an Owner or Resident be denied reasonable access or utility services to his or her Home. Each Owner's easement and right to use the Common Elements shall be subject to the Rules and Regulations. The Board is authorized to reasonably restrict access to Improvements, Landscaping, wetlands, conservation areas and maintenance areas that are not designed or intended for active use by Owners and Residents. Usage of the Common Elements shall be limited to those activities that, in the judgment of the Board, will not be a nuisance or an annoyance to the neighboring Homesites. Nevertheless, the Association may sponsor occasional special Community events upon appropriate portions of the Common Elements.

- 3.4 **Improvements in Common Elements.** Except for Owner-Maintained Alterations approved by the ACC pursuant to Section 11.7, only Declarant and the Association shall have the right to install any Improvements in the Common Elements or on those portions of the Homesites that are maintained by the Association. Upon the installation of any Improvements in the Common Elements, the Improvements shall become the property of the Association. Except for Owner-Maintained Alterations approved by the ACC pursuant to Section 11.7, the Association is responsible for the maintenance, repair and replacement of all Improvements in the Common Elements. The Association may, in its discretion, choose to remove and not replace any Improvements in the Common Elements; provided that so long as Declarant owns a Homesite, such removal or non-replacement shall require Declarant's consent.
- 3.5 **Actions Affecting Common Elements.** The Association may grant easements for public utilities, public rights-of-way or other public purposes, cable television and other communications purposes over the Common Elements. Except as provided in the preceding sentence, the Common Elements shall not be abandoned, partitioned, subdivided, encumbered, leased, sold, transferred or dedicated for public use, except by the recording of an instrument executed by (i) the Association (which shall include a certification by the Secretary of the Association that such action has been approved by the vote or written consent of the Owners owning at least 67% of the Homesites in which Declarant has no ownership interest), and (ii) by Declarant (if Declarant owns any Homesite).
- 3.6 **Public Areas.** Outlots in the Community or in the vicinity of the Community may be deeded to the City for open space, ponds, public trails, public parks or other public purposes. Neither Declarant nor the Association will have any control or authority over the Outlots that are deeded to the City. Those Outlots will be subject to rules and regulations adopted by the City.

Section 4. SPECIAL FEATURES OF THE COMMUNITY

- 4.1 **Community Landscaping.**
- 4.1.1. **Special Definitions.** The following special definitions shall apply to this Section 4.1:
- (a) **"Community Landscaping"** means Landscaping monuments, signs, walls, fences, berms, trails, sidewalks, retaining walls, utility lines, irrigation systems and equipment, and similar Improvements installed

by Declarant or the Association in the Community Landscaping Area, if any.

- (b) **“Community Landscaping Area”** means the following, as applicable:
 - (i) any public street medians and/or public street islands described in **Exhibit D**; and
 - (ii) any easement areas on land described in **Exhibit D**.
- (c) **“Landscaping Access Lane”** means a corridor that may be used by Declarant or the Association for service and maintenance access to a Community Landscaping Area as described in **Exhibit D**.

4.1.2. **Community Landscaping Easement Rights.** Declarant does not commit to install and maintain any Community Landscaping or Landscaping Access Lane(s). However, Declarant hereby reserves to itself and grants to the Association easements to install, operate, maintain, repair and replace Community Landscaping in the Community Landscaping Area and utilities within any Landscaping Access Lane(s). Declarant shall have the right, but not the obligation, to perform any such work. Subject to governmental requirements applicable to public rights-of-way, the Association shall have the right, but not the obligation, to install Community Landscaping within each Community Landscaping Area and utilities within any Landscaping Access Lane(s); provided that so long as Declarant owns a Homesite, such installation shall require Declarant’s written consent.

4.1.3. **Maintenance of Community Landscaping.** If Declarant or the Association installs any Community Landscaping, then the Association shall have the right and the obligation to operate, maintain, repair and replace the Community Landscaping. Maintenance of the Community Landscaping shall include fertilizing, weeding, watering, mowing, raking, pruning, controlling erosion, repair and replacement of Landscaping, and any other work reasonably required to keep the Community Landscaping Area attractive and sound. For so long as Declarant owns any Homesite, Declarant’s written consent is required before any Community Landscaping is removed without being replaced.

4.2 **Mailboxes.** Mailboxes shall be originally installed by Declarant and shall be of a uniform design throughout the Community consistent with U.S. Postal regulations. Generally mailboxes are a “Clustered Box Unit” design (“**CBU Mailbox**”) rather than separate individual mailboxes for each Home. Mailboxes shall not be modified or relocated unless approved by the ACC. Subject to Sections 4.2.1 and 4.2.2 below, mailboxes will be maintained, repaired and replaced by the Association in accordance with the requirements of the U.S. Postal Service (see Section 8.1.2(d) below). Such maintenance shall include clearing snow, vegetation and other objects that obstruct or interfere with mail delivery (“**Accessibility Work**”). The cost of Accessibility Work is not subject to allocation pursuant to Section 4.2.2 below.

4.2.1. Costs for repairs and replacements benefitting or caused by an individual Owner (such as replacement of lost keys, repair or replacement of the lock securing an Owner’s individual mailbox etc.) shall be charged entirely to the

responsible/benefitted Owner as a Supplemental Assessment pursuant to Section 10.8 below.

4.2.2. Costs for repairs and replacements not caused by an individual Owner and benefitting all the Owners who share the use of the CBU Mailbox (“**CBU Owners**”), such as routine refurbishment or end of service life replacement of the CBU Mailbox, shall be allocated and charged equally to all the CBU Owners as a Supplemental Assessment pursuant to Section 10.8 below.

4.3 **Street Circulation.** Some streets in or adjacent to the Community may be closed to through or circulating traffic during periods of construction. However, at the conclusion of development activities streets may be extended to provide traffic circulation throughout the Community and to developments outside the Community. Until streets are extended, they may terminate in temporary cul-de-sacs for which Declarant reserves easements over the affected Homesites and/or Common Elements for such purposes. Temporary cul-de-sacs, if any, will be removed when the streets are extended. There is no assurance whether or when such street extensions and temporary cul-de-sac removals will occur.

4.4 **Storm Water Retention Ponds.** Ponds are vital components of the storm water management system for the Community, the City and the County. Ponds are designed to provide temporary and permanent storage for storm water; and storm water sediments are intended to settle in the Ponds and thereby improve the quality of water flowing out of the Ponds and offsite. Ponds are not intended to be swimming holes, ice skating rinks or recreation areas. Ponds may be visual amenities, but that is not their primary function. The water elevations in the Ponds will fluctuate widely depending upon rainfall and other weather conditions, and at times there may be no water in the Ponds. At this time, no Ponds are anticipated to exist in the Community, although a Pond is anticipated to exist on property located immediately to the east of the Community. The Association is not responsible for maintaining this Pond.

4.4.1. **Special Definitions.**

- (a) “**Pond**” means a National Urban Runoff Program (NURP) storm water retention pond or basin. At this time, no Ponds are anticipated to exist in the Community, although a Pond is anticipated to exist on property located immediately to the east of the Community.
- (b) “**Pond Access Lanes**” are improved or unimproved access ways that provide access to Pond Sites. At this time, no Pond Access Lanes are anticipated to exist in the Community.

4.4.2. **Water Quality and Quantity; Aquatic and Terrestrial Vegetation.** Declarant makes no representations or warranties about (i) vegetation in or around any Pond, (ii) water quality or clarity, (iii) the water level or quantity of water in any Pond, both of which will fluctuate from time to time, or (iv) the continued existence of any Pond associated with the Community.

4.5 **Special Declarant Rights.** The provisions of this Section 4 are expressly subject to the Special Declarant Rights and exemptions contained in Section 14.1 below.

Section 5.
COMMUNITY USE RESTRICTIONS

5.1 Residential Purposes.

- 5.1.1. **Single Family.** Each Homesite shall be used only for one Home designed for occupancy by one family and ancillary uses. For all purposes of this Declaration, a Home with a floor plan containing a separate private internal living space or suite of rooms that is part of the original Home design and construction by Declarant or other professional home builder (“**Private Suite**”) shall be considered a “single family” Home designed for occupancy by one family, notwithstanding the fact that such Private Suite may have its own separate kitchenette, external entrance, private outdoor living space and/or garage.
- 5.1.2. **No Commercial Uses.** No Homesite may be used for any commercial purpose, except that Homesites or portions of Homesites may be used by Declarant and other professional Home builders pursuant to Section 14 of this Declaration and by Owners for in-home occupations that (i) are permitted by the applicable municipal ordinances, and (ii) comply with all other provisions of the Governing Documents.
- 5.1.3. **Residential Care Services Prohibited.** No Homesite may be used for licensed or unlicensed residential care facilities, licensed or unlicensed day care facilities, public or private schools, or commercial agriculture; even if such uses may be permitted by applicable zoning ordinances. “**Residential care**” means the care of an individual of any age on a 24-hour-a-day basis outside that individual’s own home, for gain or otherwise. “**Day care**” means the care of an individual of any age in a residence outside that individual’s own home, for gain or otherwise, on a regular basis, for any part of a 24-hour day. “Residential care” and “day care” do not include the care of any member of the family that resides in the Home.
- 5.1.4. **Leases.** Subject to Section 5.1.5 below, and applicable City and/or County ordinances and regulations, any Home may be leased for residential purposes. Nothing in the Governing Documents shall be interpreted as a general authorization for or prohibition of the rental or leasing of a Private Suite separately from the remainder of the Home. The issue of whether Private Suites may be separately rented or leased shall be determined solely pursuant to applicable City and/or County ordinances and regulations and no private right of enforcement by the Owners or the Association is created pursuant to the Governing Documents. Any lease between an Owner and a tenant (including any lease of a Private Suite if permitted by applicable City and/or County ordinances) is subject in all respects to the Governing Documents, and the tenant’s failure to comply with the terms of the Governing Documents is a default under the lease.
- 5.1.5. **Timeshares Prohibited.** The timeshare form of use or ownership is prohibited. A “**timeshare**” means a right to occupy all or a portion of a Homesite (including any Private Suite) for intermittent time intervals during one or more years, or any comparable form of lease, occupancy rights or

ownership that has the effect of dividing the ownership or occupancy of all or any part of a Homesite into separate intermittent time intervals.

5.2 **Building Specifications.**

5.2.1. **Height.** No Home on a Homesite shall exceed two stories in height, as measured from the finished grade at the front of the Home. If the Home includes a walk-out basement or look-out basement, the basement shall not be counted as a story.

5.2.2. **Prohibited Dwellings.** No structure of a temporary character, motor vehicle or trailer (as defined in Section 168.002 of Minnesota Statutes), tent, shack, shed, garage, barn or other outbuilding shall be used on any Homesite at any time (either temporarily or permanently) as a dwelling.

5.2.3. **Garages.** Each Home shall have an attached and fully-enclosed garage. Carports and detached garages are prohibited. Garage space on a Homesite shall not be expanded beyond the capacity included as part of the original design and construction of the Home.

5.2.4. **Storage Structures (Sheds).** Attached or detached sheds and other structures for storage or other purposes are prohibited.

5.2.5. **Setbacks.** All Homes and other Improvements (including decks, porches and patios) must be set back from all lot lines, wetlands, shorelands and/or easements in compliance with applicable governmental regulations, as modified by any applicable governmental permits and development agreements.

5.2.6. **Completion.** Each Home or other structure constructed or placed on a Homesite that requires ACC approval shall be completely finished on the exterior thereof within nine months after commencement of construction.

5.3 **Nuisance.** No home occupation, trade or activity shall be conducted upon any Homesite in the Community that may be or may become an annoyance or nuisance to any property within the Community. Examples include home occupations, trades or activities that violate any municipal codes or ordinances or state or federal laws, cause waste to the Community, generate an inordinate amount of vehicle traffic or parking, cause a material increase in insurance rates on the Community, cause any unusual liability, health or safety risk, or expense for the Association or any Owner or Resident, or otherwise violate any other provisions of the Governing Documents. Declarant's development, construction, sales or other activities or operations within the Community do not violate this Section 5.3.

5.4 **Antennas.** Except for "Standard Antennas" as provided in Section 5.4.2 below, no exterior antenna, aerial, tower, wire, line, cable, dish or other device for transmitting or receiving radio, television, microwave, laser or other electro-magnetic signals ("antenna") shall be located on any Homesite without the written permission of the ACC.

5.4.1. **ACC Review Standard.** Subject to Section 5.4.2 below, the ACC shall deny permission to install an antenna if it determines, in its reasonable discretion, that the antenna or its location would be offensive to the sight (taking into account the visibility of the antenna during all seasons of the year) from

present and future Homesites nearby. Any structure intended to shield an exterior antenna from sight shall be subject to review by the ACC.

- 5.4.2. **Standard Antennas.** ACC approval is not required only for those dish antennas and other “over the air reception devices” that, under applicable Federal statutes or regulations (“**Federal Rules**”), are protected against certain restrictions that impair reception (“**Standard Antennas**”). Standard Antennas must be installed on the roof of the Home at a location that is not visible from the public right-of-way and must utilize any available “media tech tube” or similar conduit to minimize exterior cable runs. However, if strict compliance with the foregoing installation requirements would be contrary to the Federal Rules, then the Owner may deviate from the installation restrictions of this Section 5.4.2, but only to the extent necessary to alleviate the condition that is contrary to the Federal Rules.

5.5 **Animals.**

- 5.5.1. **Definition; No Commercial Activities.** The word “animal” as used in this Declaration means all living creatures except humans. No animal may be bred, kept, or maintained for business or commercial purposes anywhere on a Homesite.
- 5.5.2. **Type; Number.** Owners and Residents may keep ordinary household pets, such as dogs and cats that do not pose an unreasonable threat to the safety of others. Under no circumstances may more than a total number of three dogs and cats (in any combination) be kept on any Homesite; provided, however, that for a reasonable period of time following the date a pet gives birth, the pet’s offspring may be kept within the Homesite. For example, two adult dogs plus two adult cats are prohibited, but two adult dogs plus one adult cat are allowed. Uncommon or exotic animals may be kept only with the prior consent of the Board, which may be withheld by the Board in its sole discretion. In addition, the Board shall have the exclusive authority to prohibit, or to allow and regulate, by Rules and Regulations, the keeping of animals on any Homesite.
- 5.5.3. **Board Discretion.** The Board shall have the right to order an Owner or Resident to immediately remove from the Owner’s or Resident’s Homesite any animal the Board reasonably deems to be dangerous to others.
- 5.5.4. **Pet Owner Responsibilities.** Pet owners shall be responsible for caring for their pets in a way so as to keep the pets from becoming a nuisance to others. Dogs must be kept on a leash when outside the pet owner’s Home or enclosed yard/patio. The Board shall have the right to order a pet owner to remove from the Community any animal that continually barks, howls or whines in an uncontrolled manner, repeatedly wanders from the Home where it lives or otherwise repeatedly behaves in a manner that is unreasonably offensive to surrounding Owners and Residents; provided however, that prior to ordering such pet removal, the Board shall give written notice to the owner of the offending animal of such offensive behavior and such pet owner shall have 30 days to correct such offensive behavior. Pet owners shall be responsible for cleaning up after their pets. Failure to promptly clean up after a pet will

subject the offending pet owner and that person's Homesite to a Supplemental Assessment for the cost of such cleanup.

5.5.5. **Animal Enclosures.** Exterior dog houses, dog runs and exterior animal enclosures and control devices are prohibited throughout the Community.

5.5.6. **No Liability.** Declarant, the Association and the Board are not liable for injury or damage caused by animals anywhere in the Community.

5.6 **Driveways; Parking; Vehicles.** All driveways and parking areas in the Community shall be paved with an asphalt, brick or concrete surface. Operational passenger automobiles designed to carry no more than nine passengers may be kept, stored or parked only on paved driveways, on paved parking areas, or in enclosed garages; and all other vehicles shall be kept, stored or parked only in enclosed garages. Pickup trucks and vans designed to carry no more than nine passengers and with a manufacturer's nominal rated carrying capacity of one ton or less are permitted hereunder as passenger automobiles. "**All other vehicles**" shall be interpreted expansively and includes, without limitation: passenger automobiles designed to carry more than nine passengers or that are not operational; commercial vehicles (including trucks and vans designed to carry more than nine passengers or with a manufacturer's nominal rated carrying capacity greater than one ton), buses, or other commercial-sized vehicles; recreational vehicles, motor homes, all-terrain vehicles, ambulances, hearses, motorcycles, bicycles and motorized bicycles, snowmobiles, jet skis, canoes, boats, and other watercraft, aircraft, park trailers, travel trailers, semitrailers and other trailers, lawn mowers, lawn tractors, truck-tractors, semi-tractors, and other tractors. Notwithstanding the foregoing prohibition, guests of the Owner of a Homesite visiting for less than 15 days in any 60-day period may park their vehicles on unenclosed paved areas serving only the Homesite. Outdoor storage of inoperable automobiles, other inoperable vehicles of any type, automobile parts, parts for vehicles, equipment, inventory or refuse of any type is prohibited throughout the Community. Unless otherwise defined or qualified in this Declaration, words and phrases in this Section 5.6 shall have the same meanings as defined in Chapter 168 of Minnesota Statutes.

5.7 **Signs.** No sign of any kind shall be displayed to the public view upon any Homesite, except: (a) signs that comply with municipal ordinances advertising Homesites and/or Homes for sale; and (b) temporary political signs for impending elections, referenda, etc. Owners shall not place signs anywhere on the Common Elements. This Section 5.7 shall not be applicable to Declarant for so long as the Declarant owns any Homesite.

5.8 **Erosion Control.**

5.8.1. **Declarant Responsibility.** Declarant is responsible for temporary erosion control until construction of the Home or Common Element Improvement, as applicable, is complete. Thereafter, the Association is responsible for temporary erosion control as well as permanent erosion control.

5.8.2. **Prohibited Actions; Restoration.** Temporary erosion control measures (such as downspout extenders, mulch, silt fences, straw bales and erosion stabilization grasses and ground covers) shall not be removed until permanent erosion control measures (sod and other Landscape Vegetation) are installed. If temporary erosion control measures are removed before permanent erosion control measures are installed, then Declarant and/or the Association shall

have the right (but not the obligation) to enter the affected Homesite and/or Common Elements, restore the temporary erosion control measures or install permanent erosion control measures and charge any remediation costs against the offending Owner or impose Daily Fines against the offending Owner for each day of violation; and Declarant and/or the Association shall have the right to file and enforce a lien against the offending Owner's Homesite for such costs or Daily Fines.

- 5.9 **Lawns; Sodding.** Every area on every Homesite where vegetation has been removed but not replaced with Improvements or Landscaping must be completely sodded to the satisfaction of the ACC and may not be maintained as gravel, sand or dirt. Responsibility for maintenance of lawns and other Landscaping is specified in Section 8 below.
- 5.10 **Fences.** No fences are permitted on the Homesites except for fences (i) required by law, or (ii) installed as part of the original design and construction of the Homes. Fences are subject to ACC review and approval under Section 11 below. Animal control fencing is prohibited pursuant to Section 5.5.5 above.
- 5.11 **Boulevards.**
- 5.11.1. **Association Maintenance.** The Association shall maintain all Boulevards adjacent to Common Elements and Homesites as if they were part of the Common Elements even though the Boulevards are regulated by the City as if they were owned by the City. Boulevard maintenance shall include maintenance, repair and replacement of the trees, sod, irrigation systems and sidewalks located within Boulevards, including structural repair and replacement of the Boulevard sidewalks if required by municipal ordinances, and removal of snow, ice, leaves and debris from the Boulevard sidewalks.
- 5.11.2. **Tree Easement Rights.** Declarant reserves to itself easements allowing Declarant to plant, maintain, and replace trees and Landscape Vegetation in the Boulevards and on those portions of each Homesite and the Common Elements lying within 15 feet of a street right-of-way or as otherwise required pursuant to City requirements for the Community. This Declaration does not obligate anyone to plant any trees whatsoever, or, if trees are planted, any particular trees or any number of trees. The number and location of trees in and near the Boulevards or elsewhere in the Community depend upon variables such as City requirements and the locations of driveways, fire hydrants, utility boxes, buried utilities, retaining walls and other Improvements.
- 5.11.3. **Boulevard Maintenance.** The City is not obligated to maintain the trees or Landscape Vegetation in the Boulevards, even though the Boulevards are within the rights-of-way of public streets. The Association shall maintain all trees and Landscape Vegetation in the Boulevards adjoining the Common Elements and Homesites. If Boulevard trees and Landscape Vegetation are not properly maintained by the Association, then Declarant and the City shall have the right (but not the obligation) to maintain the trees and/or Landscape Vegetation, to charge the maintenance cost against the Association, and to file and enforce a lien against the Homesites and Common Elements for such maintenance costs. Landscape Vegetation maintenance shall include watering, fertilizing, pruning, trimming and any other work reasonably required to keep

the Landscape Vegetation attractive and sound and replacing the Landscape Vegetation (with another materials of the same species and original size) if it dies or becomes diseased.

- 5.11.4. **Boulevard Irrigation.** The Association is responsible for the maintenance, repair and replacement of irrigation system components (if any) installed in the Boulevards that adjoin the Common Elements and Homesites. Neither the City nor Declarant will maintain, repair or replace irrigation systems in Boulevards or compensate anyone for damage to irrigation systems in Boulevards caused by municipal workers, municipal contractors or anyone else.
- 5.12 **Drainage and Utility Easements.** There are drainage and utility easements dedicated in and shown on the recorded Plats of the Community.
 - 5.12.1. **Installations.** Declarant reserves to itself and grants to the Association easements to install, operate, maintain, repair and replace utility lines, drainage structures, irrigation systems and related facilities within the drainage and utility easement areas to operate and maintain (i) any portion of the Common Elements, (ii) the amenities constructed on the Common Elements, and (iii) such other amenities within the Community that Declarant or the Association has a right to construct or maintain.
 - 5.12.2. **Prohibited Activities.** Within the drainage and utility easement areas, no building, structure, fencing, planting, fill or other material shall be placed on or permitted to remain that may damage or interfere with the installation and maintenance of utilities (now existing or that may be installed in the future), or that may change the direction of or impede the flow of surface water or ground water.
 - 5.12.3. **Fire Hydrant Clearance.** A 10-foot wide clear space must be maintained around all fire hydrants so that the fire hydrants can be quickly located and operated by fire fighters. For example, no Landscaping or Improvements other than lawn grass is allowed within 10 feet of any fire hydrant.
- 5.13 **Weed Control.** The Owner of each Homesite and the Association shall keep all areas of the Owner's Homesite and the adjacent Boulevard areas that are their respective maintenance responsibility free of noxious weeds in accordance with applicable state and local law. If an Owner fails to control noxious weeds in areas that are the Owner's maintenance responsibility, then Declarant and the Association shall have the right and easement to do so and the Association may charge the cost thereof against the Owner as a Supplemental Assessment and shall have the right to file and enforce a lien against the Homesite for such costs.
- 5.14 **Refuse Collection.** The Association shall contract for the weekly removal of a certain quantity of household garbage and refuse from each Homesite. Each Owner shall be responsible for the prompt removal from the Owner's Homesite of any refuse that is not accepted by the Association's refuse contractor. Except for reasonable periods of time before and after collection, all trash and refuse containers shall be stored in the Owner's garage so as to be obscured from view.
- 5.15 **Quiet Enjoyment; Interference Prohibited.** All Owners and Residents and their guests shall have a right of quiet enjoyment in their respective Homesites and shall use the

Community in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of the Community by other Owners and Residents and their guests.

- 5.16 **Access to Homesites.** The exterior areas of all Homesites (but not the interiors of the Homes) for which the Association has maintenance responsibility are subject to entry, without notice and at any time, by any officer or member of the Board, by the Association's management agents and contractors or by any public safety personnel. Entry is also authorized for enforcement purposes under Section 13.
- 5.17 **Development Agreements.** The Community is subject to development agreements between the City and Declarant. The Community must be developed, maintained and used in compliance with such agreements.
- 5.18 **Special Declarant Rights.** The provisions of this Section 5 are expressly subject to the Special Declarant Rights and exemptions contained in Section 14.1 below.

Section 6.

HOMEOWNERS ASSOCIATION MEMBERSHIP AND VOTING

- 6.1 **Membership.** The Association has been incorporated as a Minnesota nonprofit corporation and is an "association" under MCIOA. Each Owner shall be a Member of the Association by virtue of Homesite ownership which is the sole qualification for membership. There shall be only one class of Members. When more than one Person owns a Homesite, all such Persons shall be Members of the Association, but multiple ownership of a Homesite shall not increase the number of votes allocated to such Homesite nor authorize the division of the voting rights.
- 6.2 **Voting Rights.** Subject to Special Declarant Rights, voting rights are allocated equally among the Homesites based upon one vote per Homesite.
- 6.3 **Appurtenant Rights and Obligations.** The ownership of a Homesite shall automatically include the Association membership and voting rights and the Assessment and other obligations described in the Governing Documents. Said rights, obligations and interests, and the title to the Homesites shall not be separated or conveyed separately and the membership shall be transferred automatically with the conveyance or other disposition of the Owner's interest in the Homesite. The allocation of the rights, obligations and interests described in this section may not be changed, except in accordance with the Governing Documents and applicable statutes.
- 6.4 **Authority to Vote .** The Owner, or some individual designated to act as proxy on behalf of the Owner and who need not be an Owner, may cast the vote allocated to the Owner's Homesite; provided, however, that if there are multiple owners of a Homesite, only one Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. Under no circumstances shall an Owner's failure to exercise the Owner's vote in accordance with the Governing Documents on a matter that is before the Owners for approval by the voting power of the Owners/Members ("**Ballot Measure**") be deemed or construed as that Owner's approval, disapproval, or other action of such Owner with respect to the Ballot Measure. The voting rights of Owners are more fully described in the Bylaws.

Section 7.
ADMINISTRATION OF ASSOCIATION AND COMMUNITY

- 7.1 **General.** The operation and administration of the Association and the Community shall be governed by the Governing Documents and applicable statutes, including MCIOA. Subject to the rights of the Owners set forth in the Governing Documents and applicable statutes, the Association shall be responsible for the operation, management and control of the Community in accordance with the Declaration. Subject to the rights of the Owners set forth in the Governing Documents, the Association shall have all powers described in the Governing Documents and applicable statutes, including Chapter 317A of Minnesota Statutes and MCIOA.
- 7.2 **Board of Directors.** All power and authority of the Association shall be vested in the Board, unless action or approval by the voting power of the Owners is specifically required by the Governing Documents (see for example Section 7.3 below) or applicable statutes. All references to the Association means the Association acting through the Board unless specifically stated to the contrary. Initially the Board consists of the three individuals appointed as directors by the incorporator of the Association. The number of directors shall be permanently increased to five individuals on the earlier of (i) the date the increase is authorized by resolution of the then current Board, or (ii) the annual meeting of Owners immediately following termination of the Declarant Control Period. The procedures for election and removal of the members of the Board are specified in the Bylaws.
- 7.3 **Adversarial Activities.**
- 7.3.1. **General Rule - Owner Consent Required.** The Association's involvement in litigation or arbitration proceedings (i) can result in significant unbudgeted costs to the Association, (ii) can produce unanticipated outcomes, (iii) can adversely affect the availability of financing of Homesites in the Community, and (iv) can create strife and dissention in the Community. Therefore, the Association, whether acting through the Board or otherwise, shall not have the power to sue, initiate or demand arbitration, or fund, finance or provide Association resources in furtherance of any suit, legal proceeding or arbitration (each an "**Adversarial Activity**"), unless the proposed Adversarial Activity is authorized in advance at a meeting of the Owners by the vote of at least fifty-one percent of the voting power of all Owners; provided that if the proposed Adversarial Activity involves a cause of action or claim against any Owner, including Declarant ("**Adverse Owner**"), the vote(s) attributable to the Adverse Owner shall be disregarded for all purposes of determining whether the Adversarial Activity is approved by the Owners. Notwithstanding any other provision of the Governing Documents, the vote of Owners to approve an Adversarial Activity must be in person or by proxy at a duly called meeting of the Owners and must not be by electronic means or by mailed ballot in lieu of holding a meeting of the Owners. The meeting notice sent to Owners in connection with a proposed Adversarial Activity must include the following:
- (a) The budget for handling each major phase of the matter to conclusion of the trial/arbitration, prepared by the legal counsel that the

Association proposes to retain if the Adversarial Activity is approved by the Owners.

- (b) A summary of reasonably anticipated potential effects on the Owners if the Association proceeds with the Adversarial Activity including, without limitation:
 - (i) The estimated cost per Homesite to prosecute the Adversarial Activity to conclusion;
 - (ii) The information relating to the Adversarial Activity that the Association proposes to include in the Resale Disclosure Certificates that Owners must furnish to prospective purchasers pursuant MCIOA Section 4-107; and
 - (iii) The fact that the existence of an Adversarial Activity could impair the availability of loans to refinance or sell Homes in the Community until the Adversarial Activity is resolved, including a disclosure, if the Adversarial Activity relates to the safety, structural soundness, habitability, functional use or similar physical condition of the Common Elements or Community Improvements, that until resolved the Adversarial Activity may make the Community ineligible for FNMA and/or other secondary mortgage lender project approvals, which can be a significant impediment to obtaining Home loan approvals from prospective Home lenders.

7.3.2. **Exceptions.** The Section 7.3.1 requirement of prior Owner authorization of Adversarial Activities shall not apply to the following:

- (a) **Assessments.** Any Adversarial Activity by the Association to enforce the provisions of Section 10 (Association Assessments).
- (b) **Use Restrictions.** Any Adversarial Activity by the Association to enforce the provisions of Section 3 (Use of Common Elements; Public Areas), Section 4 Special Features of the Community), Section 5 (Community Use Restrictions), and Section 11 (Architectural Control Committee).
- (c) **Taxes.** Any Adversarial Activity by the Association to challenge property taxes and governmental assessments against the Common Elements or other Association property.

7.3.3. **Director and Officer Standards** Any director or officer of the Association who authorizes or engages in Adversarial Activities on behalf of the Association without first obtaining the consent of Owners if required by this Section 7.3 is *per se* not acting in good faith within the meaning of the Minnesota Nonprofit Corporation Act and such actions are a breach of such director's or officer's fiduciary duty as a director or officer of the Association.

7.3.4. **Reports to Owners.** If the Owners approve an Adversarial Activity, the Board shall regularly (but not less than quarterly) report to the Owners on the status of the matter. Such reports shall not include privileged or confidential information such as tactics, strategies or other matters that might affect the

prosecution or outcome of the proceedings, but must (i) identify the budgetary phases of the Adversarial Activity that have been completed to date, (ii) contain a comparison of the phase by phase actual and budgeted costs to date, (iii) include an updated budget prepared by the Association's counsel for the remaining phases of the Adversarial Activity, and (iv) contain a summary of any significant facts or circumstances disclosed by either party to the other during the course of the proceedings.

7.3.5. **Reduction of MCIOA Statute of Limitations.** MCIOA Sections 515B.4-112 and 515B.4-113 provide that the statutory warranties under these sections are made to individual purchasers of Homesites (not to the Association). MCIOA Section 515B.4-1152(b) provides that the original purchaser of a Homesite from Declarant may agree to reduce the statute of limitations for warranty claims under Sections 515B.4-112 and 515B.4-113 by a separate written agreement with Declarant. MCIOA Section 515B.3-102(a)(4) provides that the Association may "institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units." By accepting the deed to a Homesite, each Owner acknowledges and agrees, on behalf of itself and the Association, that:

(a) If MCIOA warranty claims under Sections 515B.4-112 and 515B.4-113 are asserted by the Association with respect to the Owner's Homesite, the statute of limitations on such claims is reduced pursuant MCIOA Section 515B.4-1152(b) if Declarant and the purchaser of the Homesite from Declarant entered into a recorded agreement to reduce the statute of limitations pursuant to MCIOA Section 515B.4-1152(b) (a "**Limitations Agreement**").

(b) If MCIOA warranty claims under Sections 515B.4-112 and 515B.4-113 are asserted by the Association with respect to Common Elements, the statute of limitations on such claims is reduced pursuant MCIOA Section 515B.4-1152(b) if at least a majority of the Homesites that are owned by Persons other than Declarant are subject to a recorded Limitations Agreement.

7.4 **Operational Purposes.** The Association shall operate and manage the Community for the purposes of (a) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents; (b) maintaining, repairing and replacing those portions of the Community for which the Association is responsible; and (c) preserving the value and character of the Community.

7.5 **Binding Effect of Actions.** All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or applicable statutes shall be binding upon all Owners and Residents, and their tenants, guests, heirs, personal representatives, successors and assigns and all Mortgagees.

7.6 **Bylaws.** The Association shall always have Bylaws. Subject to the requirements of this Declaration, the Bylaws and any amendments thereto shall govern the operation and administration of the Association.

- 7.7 **Management.** The Board may delegate to a manager, managing agent or management company some or all of the financial, administrative and property management duties imposed upon the Association's officers and directors by the Governing Documents and applicable statutes. However, no such delegation shall relieve the Association's officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and applicable statutes.
- 7.8 **Rules and Regulations.** The Board of Directors shall have exclusive authority to approve, modify and implement such reasonable Rules and Regulations as it deems necessary or desirable from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Community, including the Common Elements. The Rules and Regulations shall be consistent with the other Governing Documents. 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 has been given to the Owners.
- 7.9 **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 Expenses and Reserves shall be credited against future Assessments or added to Reserves, as determined by the Board.
- 7.10 **Resale Disclosure Certificates.** Any resale disclosure certificate for a Homesite prepared by the Association pursuant to § 4-107 of MCIOA shall also (i) include the information specified in Section 7.3.1(b) above, and (ii) state whether or not any Owner-Maintained Alterations are present within the Homesite. The Board shall permanently preserve all records necessary to do so.

Section 8.

ASSOCIATION MAINTENANCE; HOMEOWNER MAINTENANCE

- 8.1 **Mandatory Maintenance by the Association.**
- 8.1.1. **Common Elements, Boulevards and Community Landscaping.** The Association shall maintain, repair and replace (i) any and all Common Elements, including the Landscaping, driveways, retaining walls, walkways, mailboxes, fences, and other Improvements and amenities thereon, (ii) the trees, Landscaping and other Improvements on Boulevards contiguous with the Common Elements, and (iii) any Community Landscaping.
- 8.1.2. **Homesite Exteriors.** For the purpose of preserving the architectural character, quality and high standards for appearance of the Community, the Association shall, subject to Sections 8.5, 11.7, or other applicable provisions of this Declaration:
- (a) provide certain exterior maintenance for the Home on each Homesite as follows:
 - (i) paint, maintain, repair and replace roofs, exterior siding, fascias, soffits, gutters and downspouts, and similar exterior building surfaces;

- (ii) paint or stain, as necessary, and otherwise maintain, repair and replace the patio privacy fences (painting and staining of privacy fences is limited to the surfaces that face away from the Home);
 - (iii) paint or stain, as applicable, the exterior surface of entry doors and garage doors. The Association is not responsible for any other maintenance, repair or replacements of doors and the Association's maintenance responsibilities specifically exclude, without limitation: all door hardware; door repairs and replacements; and all storm or screen doors.
- (b) provide for lawn, shrub and tree maintenance, including maintenance and control of irrigation systems, on all areas of the Homesites located outside of the patio areas;
 - (c) provide for maintenance, repair and replacement of driveways, front sidewalks and front steps and stoops on all Homesites, including, without limitation, removal of snow, ice and leaves;
 - (d) provide for maintenance, repair and replacement of any and all retaining walls and, subject to Section 4.2, mailboxes on the Homesites;
 - (e) provide for maintenance, repair and replacement of the trees, Landscaping and other Improvements on Boulevards contiguous with the Homesites pursuant to Section 5.11; and
 - (f) provide refuse collection services for the Homesites as provided in Section 5.14 above.

8.1.3. **Central Utilities.** The Association shall provide and pay for all centrally metered water or other utilities serving more than one Homesite. The foregoing includes, without limitation (i) required maintenance, repair and replacement of any central meters and central distribution systems (including central meters and central distribution system components located inside the Homes), and (ii) payment of all utility company usage and service fees for utilities serving more than one Home. Owners shall not damage or tamper with central meters or utility system components that serve more than one Home. Maintenance, repair and replacement costs for a central meter and/or central distribution system shall be allocated equally among the Homesites served by such central meter/distribution system. Utility company usage and service fees shall be allocated to all Homesites in the Community equally regardless of usage, unless the Board, in its sole discretion, determines that it is technologically, economically and administratively feasible to measure usage and separately invoice centrally metered water or other utilities, in which case usage and service fees for centrally metered utilities paid by the Association may be allocated among the Homesites based on measured usage.

8.1.4. **Exclusions from Association Homesite Maintenance.** Unless otherwise approved under Sections 8.2 or 11.7, the Association's obligation to maintain Homesite Improvements specifically excludes:

- (a) doors and door components excluded pursuant to Section 8.1.2(a)(iii) above;
- (b) windows and window frames, sashes, hardware, glass and screens;
- (c) exterior lamps and lighting fixtures controlled from the interior of the Home or connected to electric service separately metered to the Home;
- (d) patio slabs, if any;
- (e) air conditioning equipment;
- (f) sump pumps, pump hoses or related items;
- (g) dryer vents;
- (h) utility lines (and segments of utility lines) that serve only one Homesite; and
- (i) any other items not specifically designated for Association maintenance pursuant to Sections 8.1.1 through 8.1.3 above.

8.2 **Optional Maintenance by the Association.** In addition to the mandatory maintenance described in Section 8.1 above, the Association may, with the approval of (i) Declarant, for as long as it owns a Homesite, and (ii) a majority of the total voting power of the Owners cast in person, by proxy or by ballot pursuant to the Bylaws and MCIOA, undertake to provide as an Association Expense additional exterior maintenance to the Homesites or Homes.

8.3 **Standards for Association Maintenance.** All maintenance, repairs and replacements by the Association shall be performed in compliance with the Governing Documents and applicable municipal requirements. If the Association does not do so, then Declarant and the City shall have the right (but not the obligation) to enter the Common Elements and/or Homesites to perform such maintenance, repairs or replacements at the expense of the Association.

8.4 **Maintenance by Owners.** Except for the maintenance required to be provided by the Association under Section 8.1 or undertaken pursuant to Section 8.2, all maintenance of the Homes and Homesites (including, but not limited to, Owner-Maintained Alterations) shall be the sole responsibility and expense of the Owners thereof. However, the Owners and Residents shall have a duty to promptly notify the Association of defects in or damage to those parts of the Community that the Association is obligated to maintain. The Association may require that any exterior maintenance that is the responsibility of the Owner (such as exterior door replacements) be accomplished pursuant to specific uniform criteria established by the Association. The Association may also undertake any exterior maintenance that the responsible Owner fails to perform or improperly performs and levy a Supplemental Assessment against the Homesite and the Owner for the cost thereof.

8.5 **Damage Caused by Owner.** Except for Owner-Maintained Alterations approved by the ACC pursuant to Section 11.7, only Declarant and the Association shall have the right to install any Improvements or Landscaping on those portions of the Homesites that are maintained by the Association. Notwithstanding any provision to the contrary in this Article, if, in the judgment of the Association, the need for maintenance, repair or replacement of any part of the Community is caused by the willful or negligent act or

omission of an Owner or Resident or their guests, or by a condition in a Homesite that the Owner or Resident has willfully or negligently allowed to exist, the Association may cause such damage or condition to be maintained, repaired or replaced (and enter upon any Homesite to do so), and the cost thereof may be levied as a Supplemental Assessment against the Homesite of the Owner responsible for the damage.

Section 9.

ASSOCIATION INSURANCE; HOMEOWNER INSURANCE

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

9.1.1. **Casualty Insurance.** Special Forms Peril (formerly “all risk”) casualty insurance in an amount equal to 100% of the insurable “replacement cost” of the insurable Improvements, if any, on the Common Elements, and the Homes, less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall also contain “Inflation Guard” and “Agreed Amount” endorsements, if reasonably available. The proceeds of such casualty insurance shall be used solely for the repair, replacement or reconstruction of the insured Improvements. The Board may, on behalf of the Association, enter into binding written agreements with a Mortgagee, insurer or servicer, including without limitation the Veterans Administration (“VA”), Federal Housing Administration (“FHA”), Federal Home Loan Mortgage Corporation (“FHLMC”) or the Federal National Mortgage Association (“FNMA”), obligating the Association to keep certain specified coverages or endorsements in effect or to otherwise comply with VA, FHA, FHLMC and/or FNMA regulatory requirements as a precondition to their insuring, purchasing or financing a Mortgage on a Homesite.

9.1.2. **Liability Insurance.** Commercial general liability insurance for the Association, its directors, officers, employees and agents. The policy shall cover accidents, incidents and occurrences on or about the Common Elements, if any, and the exteriors of Homes and Homesites. The policy amount shall be at least \$1,000,000 for bodily injury and property damage for any single occurrence and at least \$2,000,000 aggregate coverage. (adjusted for inflation at the discretion of the Board) per occurrence. The policy shall designate the Owners (including Declarant for so long as Declarant owns a Homesite) as additional insureds and shall insure against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use as the Community. The policy shall contain a “severability of interest” endorsement that shall preclude the insurer from denying the claim of an Owner or Resident because of negligent acts of the Association or other Owners or Residents and a “contractual liability” endorsement. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the VA, FHA, FHLMC or

FNMA as a precondition to their insuring, purchasing or financing, a Mortgage on a Homesite.

9.1.3. **Fidelity Coverage.** Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or Persons responsible for handling funds belonging to or administered by the Association, if reasonably available. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount equal to the greater of (i) the estimated maximum of Association funds, including Reserves, in the custody of the Association or management agent at any given time while the bond is in force; or (ii) a sum equal to 3 months aggregate General Assessments on all Homesites plus Reserves. An appropriate endorsement to the policy to cover any Persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of Persons serving without compensation shall be added.

9.1.4. **Worker's Compensation.** Worker's compensation and employers liability insurance for any employees of the Association, as required by law.

9.1.5. **Directors and Officers Liability.** Directors and officers liability insurance (which shall include "insured vs. insured" and "breach of fiduciary duty" coverage) with such policy limits and other coverages as the Board shall determine from time to time.

9.1.6. **Other Coverages.** Such other insurance as the Board may determine from time to time to be in the best interest of the Association and the Owners.

9.2 **Association Insurance Premiums; Additions; Deductibles.** The cost of Association insurance shall be assessed and paid as Association Expenses. The Association insurance need not cover the following items within the Homes (i) ceiling or wall finishing materials, (ii) finished flooring, (iii) cabinetry, (iv) finished millwork, (v) electrical, heating, ventilating, and air conditioning equipment, and plumbing fixtures serving a single Home, (vi) built-in appliances, or (vii) other improvements or betterments, regardless of when installed. If such improvements and betterments are covered, any increased cost may be assessed against the Homesites affected. **EACH OWNER IS RESPONSIBLE FOR ENSURING THAT THE OWNER'S PERSONAL INSURANCE COVERAGES PURSUANT TO SECTION 9.9 ARE ADEQUATE TO AVOID ANY GAPS IN COVERAGE FOR ANY IMPROVEMENTS AND BETTERMENTS THAT ARE NOT INSURED UNDER THE ASSOCIATION'S BLANKET POLICY.** At the discretion of the Board, the Association may, in the case of a claim for damage to a Homesite:

- (a) pay the deductible amount as an Association Expense;
- (b) assess the deductible amount against the Homesites affected in any reasonable manner; or
- (c) require the Owners of the Homesites affected to pay the deductible amount directly.

9.3 **Loss Payee; Insurance Trustee.** All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the

Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and their Mortgagees that suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association.

- 9.4 **Waivers of Subrogation.** All Association insurance policies shall contain waivers of subrogation by the insurer against the Association, its officers and directors, Owners and Residents, and, if available, waivers of any defense based on co-insurance or of invalidity from any acts of the insured, the Owners and their Mortgagees.
- 9.5 **Cancellation; Notice of Loss.** All Association insurance policies shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least thirty days prior written notice to the Association.
- 9.6 **No Restoration in Lieu of Cash Settlement.** All Association casualty policies shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (a) without the prior written approval of the Association (or the Association's insurance trustee); or (b) when in conflict with provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.
- 9.7 **No Contribution.** All Association insurance policies shall be the primary insurance where there is other insurance in the name of the Owner covering the same property, and may not be brought into contribution with any insurance purchased by Owners or their Mortgagees.
- 9.8 **Premium Payments by First Mortgagees.** First Mortgagees of Homesites, jointly or singly, may pay overdue premiums on Association and Homeowner insurance policies, or may secure new insurance coverage upon the lapse of a policy, for the Common Elements or Homes. First Mortgagees making such payments for the Association shall be owed immediate reimbursement from the Association. The Association is authorized to enter into an agreement in favor of all first Mortgagees establishing entitlement to such reimbursement.
- 9.9 **Owner's Personal Insurance.** Each Owner shall obtain at his or her separate expense (i) fire and casualty insurance for the Owner's personal property and any additions and betterments that are not insured under the Association's blanket policy, (ii) personal liability insurance, and (iii) such other insurance as the Owner deems necessary or appropriate. All insurance policies maintained by Owners shall be without contribution as against the insurance purchased by the Association.

Section 10. ASSOCIATION ASSESSMENTS

- 10.1 **Budget.** The Board shall approve an annual budget of revenues and Expenses at or prior to the conveyance of the first Homesite in the Community to a purchaser from Declarant, and at least annually thereafter. The annual budget shall include all projected revenue and customary and necessary Expenses for the Community, including operating and Reserve expenses, consistent with the Governing Documents and MCIOA.
- 10.2 **Levy.** Assessments shall be established and levied by the Board annually based on the budget approved by the Board from time to time, subject only to the limitations set forth

in the Governing Documents and MCIOA. Declarant as the initial Owner of all Homesites, hereby covenants, and each subsequent Owner of any Homesite by acceptance of a deed to a Homesite, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all Assessments levied by the Association pursuant to this Declaration; such Assessments to be established and collected as hereinafter provided.

- 10.2.1. **Lien.** The Assessments levied against each Homesite, together with interest, costs, and reasonable attorneys' fees, shall be a charge upon the Homesite and shall be a continuing lien upon the Homesite. General Assessments shall become a lien upon each Homesite on the first day of the fiscal year in which the first installment of such General Assessment is due and payable. Special Assessments and Supplemental Assessments shall become a lien on the earliest date any part of the same is due and payable. Recording of this Declaration constitutes record notice and perfection of any lien under this Section, and no further recordation of any notice of or claim for the lien is required. The priority of the Assessment lien over other liens is governed by Section 10.13 below and MCIOA.
- 10.2.2. **Installments; No Waiver or Setoff.** Assessments shall be due and payable in lump sums or in periodic installments as determined by the Board pursuant to this Declaration and the Bylaws. The liability for Assessments is absolute and unconditional. No Owner is exempt from liability for payment of his/her share of Expenses by right of set-off, by waiver of use or enjoyment of any part of the Community, by absence from or abandonment of the Homesite, 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 applicable laws. The Association may invoke the charges, sanctions and remedies set forth in Section 13, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.
- 10.3 **Personal Obligation.** Each installment of an Assessment, together with interest, costs, and reasonable attorneys' fees, shall be the personal obligation of the Person who was the Owner of the Homesite when the installment fell due. Where there are multiple Owners of a Homesite, their personal liability shall be joint and several. The personal obligation for delinquent installments shall not pass to the Owner's successors in title unless expressly assumed by them. Sale or transfer of any Homesite shall not affect the Assessment lien, except as provided in Section 10.13 of this Article and MCIOA.
- 10.4 **Purpose of General Assessments.** General Assessments shall be imposed for the purpose of promoting the recreation, health, safety, and welfare of the Residents of the Homesites and for the improvement and maintenance of the Association's easement areas and/or Common Elements, and may include (but not be limited to) payment by the Association for the following items:
 - (a) Utility services;
 - (b) Taxes and governmental assessments against the Association's property, if any;

- (c) Income and other taxes levied or assessed against or charged to the Association, if any;
- (d) Premiums for insurance carried by the Association, the deductible amount not covered by such insurance and the additional amounts deposited by the Association or its Board to repair or restore Improvements and Landscaping on the Common Elements and other Association easement areas;
- (e) Repair, replacement, construction, reconstruction, alterations, maintenance, snow removal, and additions to the Common Elements and personal property, Improvements and Landscaping owned or maintained by the Association;
- (f) The cost of labor, equipment, and materials for all work done by or for the Association;
- (g) Reserves;
- (h) Reasonable fees for management (including accounting and collection services) and supervision of the Association's real and personal property; and
- (i) Exterior maintenance of the Homes and Homesites.

10.5 **Reserves.** The Association shall maintain adequate Reserves funded through the regular periodic installments of General Assessments and not primarily from Special Assessments or other extraordinary charges. Reserves shall be maintained for maintenance, repair and replacement of the Common Elements, any Community Landscaping, and all other Improvements, personal property and equipment with a service life extending over multiple budget years. Reserves shall be budgeted, levied, maintained in separate accounts, and periodically evaluated as required by § 3-1141, § 3-1151 and other applicable provisions of MCIOA. The Association shall not use or borrow from Reserves to fund the Association's day to day operating Expenses. The Association shall not pledge Assessments or Reserves as security for a loan unless the proposed loan and pledge is authorized in advance by the vote of at least sixty-seven percent of the voting power of all Owners.

10.6 **Maximum General Assessment.** Commencing in the first full fiscal year of the Association, the Board may increase the annual General Assessment each year in an aggregate amount not to exceed the greater of: (a) ten percent (10%) of the previous year's annual General Assessment; or (b) the percentage increase in the most recently published CPI compared to the same index published twelve months earlier. Any increase in excess of this amount shall require (i) the consent of Declarant for so long as Declarant must approve Declaration amendments pursuant to Section 14.10 below, and (ii) either (A) approval by a majority of a quorum of the votes of Owners cast in person, by proxy or by written (including electronic) ballot, or (B) written consent (including by electronic signature) of Owners of Homesites to which are allocated at least 10% of the votes in the Association. The consent of Declarant must be in writing (including by electronic signature).

10.7 **Special Assessments.** In addition to and not in lieu of the General Assessments authorized above, the Association may levy Special Assessments which shall be allocated

among all Homesites on the same basis as General Assessments and shall be payable in one or more installments extending over a period of one or more years. Special Assessments may be levied (i) to cover expenditures of an emergency nature, (ii) to replenish underfunded replacement Reserves, (iii) to cover unbudgeted capital expenditures or operating expenses, and (iv) for such other purposes permitted under MCIOA. Any Special Assessment that would result in cumulative Special Assessment payments during any single year to exceed ten percent (10%) of the Association's approved budget in effect at the time the Special Assessment is to be first levied must be approved by the Owners and Declarant in the same manner specified in Section 10.6 above.

10.8 Supplemental Assessments. In addition to General Assessments and Special Assessments, the Board may, at its discretion, levy Supplemental Assessments against specific Owners or groups of Owners strictly in accordance with the requirements and procedures of this Section 10.8. Supplemental Assessments, together with interest, costs, and reasonable attorneys' fees, shall be the personal obligation of the Owner(s) against whom levied and shall be a lien upon their respective Homesites. All Supplemental Assessments shall become a lien on the earliest date any part of the Supplemental Assessment is due and payable.

10.8.1. Special Services. An Owner or group of Owners may petition the Association to provide special services for their respective Homesites. Upon receipt of a petition, the Association may provide the requested services if it elects to do so. The cost of such services shall be charged to the requesting Owner(s) as a Supplemental Assessment, payable in a lump sum or such installments as the Board determines.

10.8.2. Collection and Enforcement Costs. 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 against an Owner, the Owner's Residents or their respective guests or invitees may be charged against such Owner and the Owner's Homesite as a Supplemental Assessment. Late charges, Daily Fines, other enforcement Supplemental Assessments, and interest may be assessed as provided in Section 13.

10.8.3. Judgments. Supplemental Assessments to pay a judgment against the Association may be levied only against the Owners and their respective Homesites at the time the judgment was entered.

10.8.4. Damage by Owner. If any damage to the Common Elements or other Improvements maintained by the Association is caused by the act or omission of any Owner, the Owner's Residents or their respective guests or invitees, the Association may charge the costs of repairing the damage as a Supplemental Assessment against such Owner and the Owner's Homesite, to the extent such costs are not covered by insurance.

10.9 Working Capital Contributions. When each Homesite is first sold to a Home buyer by Declarant or another home builder and the sale is closed, the buyer of the Homesite shall make a working capital contribution to or for the benefit of the Association on a one-time basis in an amount determined by Declarant from time to time, that shall be at least equal to two months' of the then current estimated General Assessment for the Homesite being

conveyed. If said working capital contribution is not paid at the closing, then it shall be a Supplemental Assessment against the Homesite buyer and the Homesite.

10.9.1. **Uses.** The working capital contributions are in addition to the regular payments of Association Assessments and may be used to (a) fund expenses of the Association; (b) reduce funding deficits of the Association; and/or (c) repay loans that Declarant may make to the Association to fund deficits.

10.9.2. **Declarant Reimbursements.** Working capital contributions may not be used to satisfy Assessments levied against Declarant's Homesites or to defray Declarant's construction costs. However, Declarant may be reimbursed by the Association (from working capital contributions or any available source of funding other than Reserves) for loans from Declarant to the Association to fund (i) Association Expenses, and (ii) Association deficits that are not attributable to Declarant's failure to pay Assessments on Declarant's Homesites.

10.10 **Allocation of Assessments.** Except as otherwise expressly provided in this Declaration, both General and Special Assessments shall be allocated equally among all Homesites.

10.10.1. **Homesite Maintenance Expenses.** Homesite maintenance Expenses shall be allocated to the Homesites equally; provided that if the Board, in its reasonable discretion based on relevant measurable criteria (such a relative square footage or surface area), determines that equal allocation of any particular category of Homesite maintenance Expenses is unfair, the Board may (but need not) allocate such Expense category among the Homesites based on the relevant measurable criteria.

10.10.2. **Central Utilities.** Costs for centrally metered utilities and/or central distribution systems shall be allocated as provided in Section 8.1.3 above.

10.10.3. **Reallocation.** If Expense liabilities are reallocated for any purpose authorized by MCIOA, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Expense liabilities.

10.11 **Commencement of Assessments; Due Dates.**

10.11.1. **Commencement; Installments.** Until General Assessments commence, Declarant shall pay all common Expenses (including accrued Reserves) of the Association. Reserves shall commence at the time specified in § 3-1151(b) of MCIOA. General Assessments shall commence on the first day of the month following conveyance of the first Homesite in the Community to a purchaser from Declarant. The initial General Assessment period shall run through the end of the fiscal year in which General Assessments commence. Each succeeding General Assessment period shall be a full fiscal year. Once commenced, General Assessments shall be paid in installments due at least quarterly, based upon the budget approved by the Board pursuant to Section 10.1 above.

10.11.2. **Notice to Owners.** Written notice of Assessment amounts and due dates shall be given to every Owner subject to Assessment at least 30 days in advance of the due date of the Assessment or first installment thereof. The Board's failure to timely levy a new General Assessment for any fiscal year shall not relieve

the Owners of their obligation to continue paying General Assessment installments in the amount currently levied, as well as any increases subsequently levied following notice as provided above.

- 10.12 **Effect of Nonpayment of Assessments; Remedies of the Association.** At the discretion of the Board, any installment of an Assessment not paid by its due date shall bear interest at the rate determined by the Board from time to time, but not more than the highest rate of interest allowed by applicable law. The Association's Assessment lien may be foreclosed against a Homesite pursuant to § 3-116 of MCIOA and under the laws of the State of Minnesota by action or by advertisement as if it were 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 Homesite so acquired. The Owner and any other Person claiming an interest in the Homesite, by the acceptance or assertion of any interest in the Homesite, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition, have the right to bring an action at law against the Owner(s) personally obligated to pay the delinquent Assessment, and to pursue any other remedy at law or in equity against the Owner who fails to pay any Assessment or charge against the Homesite. Any such action shall not be subject to the dispute resolution provisions of Section 12. In addition to the rights set forth above, the Association may invoke the charges, sanctions and remedies set forth in Section 13. The Board shall adopt a policy for the collection of past-due Assessments from Owners. Such policy may include fees for administration of the policy and for recovering costs of collection.
- 10.13 **Priority of Assessment Lien.** The Association's Assessment lien is prior to all other liens and encumbrances on a Homesite except as provided in § 3-116 of MCIOA. If Assessments for which the Association's lien is extinguished pursuant to § 3-116 of MCIOA are not collected in an action against the Person personally obligated to pay them, then the Association shall bear such uncollectible Assessment as a common Expense that shall be allocated among all Homesites, including the foreclosed Homesite, and the Owners thereof.
- 10.14 **Certificate of Payment.** The buyer of a Homesite shall not be personally liable for any unpaid Assessments or other charges made by the Association against the seller or the seller's Homesite 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 Homesite until satisfied, except as provided in Section 10.13 above. The Association shall, upon demand and for a reasonable administrative charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Homesite have been paid in full and, if not paid in full, stating which Assessments are unpaid. A properly executed certificate of the Association as to the status of Assessments on a Homesite shall be binding upon the Association as of the date of its issuance.

Section 11. ARCHITECTURAL CONTROL COMMITTEE

- 11.1 **Committee Members.** For so long as Declarant owns a Homesite, the ACC shall consist of three individuals appointed by Declarant. Thereafter, the ACC shall consist of three individuals appointed by the Board of Directors of the Association. Individuals appointed to the ACC by Declarant may be anyone, but they are typically employees of Declarant.

Individuals appointed to the ACC by the Board must be Residents of Homesites. Decisions of the ACC require the approval of a majority of the ACC members.

- 11.2 **Work Not Requiring ACC Approval.** Without any approvals from the ACC, Declarant may perform any work upon any Homesite and any Common Element. Declarant's Improvements are exempt from this Section 11 as further provided in Section 14.1 below. Additionally, the following types of work do not require ACC approval: (i) planting shrubs and other Landscape Vegetation within the enclosed patio area (if any) of a Homesite; (ii) installing "full view" storm doors, provided the storm door frame color matches the Home door trim; (iii) changing the interior of the Home or other structure, and (iv) repairing damage caused by a storm or other casualty, provided such work does not include any changes to the preexisting exterior color, style, materials or other exterior feature of any structure.
- 11.3 **Work Requiring ACC Approval.** Except as allowed by Section 11.2, any modifications or additions to the exterior of the Home or Homesite by any Person other than Declarant must be approved by the ACC. The foregoing includes, without limitation:
- (a) removing any trees;
 - (b) grading;
 - (c) installing or modifying trees, shrubs, plants, Landscaping or other Improvements on the Homesite;
 - (d) constructing, erecting, installing or modifying any structure, including (without limitation) any patio slab, patio cover, laundry line, fence, wall, gate, garage door, or screening device, any storm doors other than "full view" design, exterior lighting, any exterior spa (whether above ground or below ground), any driveway or walkway, or any other exterior Improvement; or
 - (e) modifying any portion of the Home or Homesite that is the Association's maintenance responsibility.
- 11.4 **Home Additions Prohibited.** After the initial construction of each Home, there shall be no room additions or other exterior expansions of the Home.
- 11.5 **No Owner Modifications to Common Elements and Homesite Exteriors.** No Owner or Resident is entitled to make any modifications or additions to the Landscaping or other Improvements in the Common Elements or the exterior areas of the Homesite that are the maintenance responsibility of the Association, and any request to make such modifications or additions must be approved by the ACC and is not subject to automatic approval pursuant to Section 11.6 below.
- 11.6 **Review of Plans and Specifications.** At least 60 days before work on a Homesite is commenced, the Owner of the Homesite shall submit to the ACC one complete set of plans and specifications (including, without limitation, site plans, grading plans and drainage plans, building plans and elevations showing roof pitches, exterior colors and materials). Within 60 days after receipt of complete plans and specifications, the ACC shall approve or disapprove them in writing; and if the ACC makes no decision within the 60-day period, then (i) the submitting Owner shall give ACC written notice of the failure to act on the Owner's plans ("**Non-Action Notice**"), and (ii) if the ACC fails to

approve or disapprove in writing within 30 days after receipt of the Owner's Non-Action Notice, then the Owner's plans and specifications shall be automatically approved; provided that any such automatic approval remains subject to Sections 11.4, 11.5 and other applicable provisions of this Declaration. The ACC's approval of plans and specifications shall not constitute any representation, warranty or assurance that they comply with applicable municipal codes and ordinances. The ACC may disapprove plans and specifications only for one or more of the following reasons:

- (a) noncompliance with the Governing Documents, municipal ordinances or other governmental regulations;
- (b) failure of the proposed work to be compatible with the Homesite, in terms of topography, soils and existing vegetation;
- (c) encroachment or interference with easements reserved by Declarant or granted to the City or the Association;
- (d) failure of the proposed work to be compatible with most of the Homes (in the case of a Home) or most of the comparable structures (in the case of structures other than Homes) in that portion of the Community built or to be built by Declarant or already built by anyone, in terms of style, general size, height and width, quality of construction, color, materials, price range, and other characteristics; and/or
- (e) non-payment of the ACC review fee and/or failure of the plans and specifications to show all information necessary to evaluate the foregoing characteristics.

11.7 Owner-Maintained Alterations. If a proposed addition, alteration or other modification will cause the periodic maintenance and repair costs for the Homesite to exceed the costs for similar Homesites, then the ACC may (in its discretion) condition its approval upon the Owner executing and recording against the title to the Owner's Homesite an irrevocable, perpetual agreement whereby the Owner undertakes (on behalf of the Owner and the successor Owners of the Homesite) to pay separately for all maintenance and repair costs for such Owner-Maintained Alteration. The ACC shall decide whether the Association or the Owner shall be responsible for maintaining and repairing the Owner-Maintained Alteration; but in either case the Owner shall bear the costs of maintenance and repairs. If the Owner is responsible for maintaining and repairing an Owner-Maintained Alteration and fails to do so (i) the Association may do so, and (ii) if the Owner-Maintained Alteration consists of Landscaping, the Association may, after 10 days' notice to the Owner, remove said Landscaping and restore the area to the condition existing prior to installation of the Owner-Maintained Alteration. In any event, the cost of maintaining and repairing and/or removing and restoring an Owner-Maintained Alteration shall be a Supplemental Assessment against the responsible Owner and the Owner's Homesite.

11.8 ACC Actions Conclusive. The ACC's determinations concerning the plans and specifications shall be conclusive. If the ACC disapproves the plans and specifications, it shall state in writing the reason for such disapproval and, where applicable, the deficiencies that must be cured to obtain approval. The ACC shall retain, for a period of 3 years from the date the ACC action was taken, all plans and specifications submitted to it and a record of all actions taken with regard to them.

- 11.9 **ACC Review Fees.** The ACC may adopt a schedule of reasonable fees for processing applications for approval. Such fees, if any, shall be payable to the Association at the time that the plans and specifications and other documents are submitted to the ACC.
- 11.10 **Inspection; Remedies Against Owners.** The ACC and any agent or member of the ACC has the right of entry and inspection upon any portion of the Community for the purpose of determining compliance with this Section 11. If any work is commenced without the required ACC approval of the plans and specifications, or if any completed work is not in conformance with the plans and specifications approved by the ACC, the Association (acting through the Board) or any other Owner may bring an action to enjoin further work and to compel the Owner to conform the work to the plans and specifications approved by the ACC. Any such action must be commenced and a notice of lis pendens must be filed within one year after the date the work was completed. Any such action shall not be subject to the dispute resolution provisions of Section 12 of this Declaration. Remedies pursuant to this Section are in addition to remedies available pursuant to Section 13.
- 11.11 **Remedies Against ACC.**
- 11.11.1. **Specific Performance Sole Remedy.** If the ACC and/or the members of the ACC fail to discharge their respective obligations under this Section 11, then any Owner may bring an action to compel the discharge of said obligations. Notice of any such claim must be given in accordance with Section 12.4.2 of this Declaration within 180 days after the date the work was completed. Such an action shall be the exclusive remedy of any Owner for failure of the ACC and/or its members to discharge such obligations.
- 11.11.2. **Non Liability; Indemnity.** The ACC's approval of plans and specifications is not a representation, warranty or assurance that they comply with applicable municipal codes or ordinances. Declarant, the Association, and the ACC are not liable for any defects in any plans or specifications submitted or approved; any loss or damage to any person arising out of the approval or disapproval of any plans or specifications; any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances or regulations; nor any defects in construction undertaken pursuant to such plans and specifications. Each Person submitting an application for approval is solely responsible for the sufficiency of the plans and specifications submitted and for the quality of construction of the Improvements constructed, and shall hold harmless, indemnify and defend Declarant, the Association, the ACC, and their respective officers, directors, committee personnel, and agents, from and against all claims, damages and other liabilities arising out of the approval or construction of the Improvements to which the application relates. Under no circumstances shall Declarant, the ACC or members of the ACC be liable to any person for damages (direct, consequential or otherwise).

Section 12. DISPUTE RESOLUTION

- 12.1 **Alternative Method for Resolving Disputes.** Declarant and its officers, directors, employees and agents; the Association, its officers, directors and committee members; all Owners and Residents; any builder of a Home on a Homesite and its officers, directors,

employees and agents; and any other Person not otherwise subject to this Declaration who agrees to the procedures contained in this Section 12 (each such Person being referred to as a “**Bound Party**”) agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 12.2 (collectively, “**Claims**”) to the procedures set forth in Section 12.4.

- 12.2 **Claims.** Unless specifically exempted below or otherwise exempted in this Declaration, all Claims shall be subject to the provisions of this Section 12. “Claims” means all claims and disputes between any of the Bound Parties, whether in contract, tort or otherwise, and regardless of how the same might have arisen or on what they might be based including, but not limited to, claims and disputes (i) arising out of or relating to the interpretation, application or enforcement of this Declaration or the Governing Documents or the rights, obligations and duties of any Bound Party under this Declaration or the Governing Documents; (ii) relating to the design or construction of Improvements and/or Landscaping; or (iii) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party. Any dispute about whether a Claim is subject to or exempted from the provisions of this Section 12 shall be determined by arbitration per Section 12.4.4 below.
- 12.3 **Exempt Claims.** Notwithstanding Section 12.2 or any other provision of this Section 12, unless all parties to the dispute otherwise agree, the following Claims shall not be subject to the procedures set forth in Section 12.4: Any Claim by the Association against any Bound Party to enforce the provisions of Section 10 (Association Assessments);
- (b) Any Claim by an Owner, a Resident, the Association, the ACC or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to act under and enforce the following provisions of this Declaration: Section 3 (Use of Common Elements; Public Areas), Section 4 (Special Features of the Community), Section 5 (Community Use restrictions), and Section 11 (Architectural Control Committee);
 - (c) Any Claim or dispute solely between or among Owners or Residents where (i) none of the actual or indispensable parties are the Association, Declarant, or a builder of a home in the Community, or their respective contractors, subcontractors or suppliers, and (ii) such Claim or dispute asserts an allegation that would constitute a cause of action that is independent of and unrelated to this Declaration or any other Governing Document; and
 - (d) Any Claim or dispute in which any indispensable party is not a Bound Party.

With the consent of all parties to the dispute, any of the exempt Claims may be submitted to the alternative dispute resolution procedures set forth in Section 12.4.

12.4 **Mandatory Procedures.**

- 12.4.1. **Declarant's Right to Notice and Opportunity to Cure.** Prior to the Association or any Owner or Resident commencing any arbitration or (if applicable) a lawsuit to which Declarant is a party, including but not limited to an alleged defect of any Improvement or Landscaping, Declarant shall have the right to be heard by the other party and to access, inspect, correct the condition of, or redesign any portion of any Improvement or Landscaping as to which a defect is alleged or otherwise correct the alleged dispute.
- 12.4.2. **Notice.** Any Bound Party having a Claim ("**Claimant**") against any other Bound Party ("**Respondent**") (the Claimant and the Respondent referred to herein individually, as a "**Party**," or, collectively, as the "**Parties**") shall notify each Respondent in writing (the "**Claim Notice**"), stating plainly and concisely:
- (a) the nature of the Claim, including all entities involved and Respondent's role in the Claim;
 - (b) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
 - (c) the proposed remedy;
 - (d) the name and, if known, the address and telephone number of each individual likely to have information relevant to the Claim;
 - (e) a copy of, or description by category and location of, any document in the Claimant's possession, custody or control, relevant to the Claim;
 - (f) a computation (by any category) of damages claimed by Claimant, including a copy of all documents on which the damages are based; and
 - (g) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.
- 12.4.3. **Negotiation and Mediation.**
- (a) The Parties shall make every reasonable effort to meet in person within 30 calendar days of the date of the Claim Notice and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing by either Party, accompanied by a copy of the Claim Notice, the Board may appoint a representative to assist the Parties in negotiation, provided the Association is not a Party.
 - (b) If the Parties do not resolve the Claim within 30 calendar days after the date of the Claim Notice (or within such other period as may be agreed upon by the Parties) ("**Termination of Negotiations**"), Claimant shall have 30 calendar days to submit the Claim to mediation under the auspices of the American Arbitration Association ("**AAA**") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.
 - (c) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and

discharged from any and all liability to Claimant on account of such Claim, provided nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

- (d) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 calendar days after appointment of the mediator, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings (“**Termination of Mediation**”). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.
- (e) Each Party shall bear its own costs of mediation, including attorneys’ fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 12.4 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may commence a lawsuit to enforce such agreement without the need to again comply with the procedures set forth in this Section 12.4. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party, or if more than one non-complying Party, from all such Parties pro rata, all costs incurred in enforcing such agreement, including, but not limited to, attorneys’ fees and court costs.

12.4.4. Binding Arbitration.

- (a) Subject to prior compliance with the voting procedures of Section 7.3, if the Association is the Claimant, upon Termination of Mediation, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA’s Commercial or Construction Industry Arbitration Rules, as appropriate. Such claims shall not be decided by or in a court of law. Any judgment based upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.
- (b) Nothing herein shall extend the time period by which a Claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, as such statute may be reduced pursuant to Section 7.3.5 above, and in no event shall the Claim or dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying cause of action in such dispute would be barred by the applicable statute of limitations or statute of repose.

- (c) Each Party shall bear its own costs and expenses, including, but not limited to, filing fees, and a share of the administrative fees of arbitration as determined by the arbitrator(s). Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).
- (d) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties.
- (e) The arbitrator(s) shall have no authority to award any damages that are not measured by the Claimant's actual out-of-pocket loss. For example special, consequential, exemplary and punitive damages shall not be awarded.
- (f) The award of the arbitrator(s) shall be enforceable by a lawsuit venued in the Minnesota District Court for Anoka County or Hennepin County.

12.5 **Waiver of Jury Trial.** If (i) a Claim is not subject to the mediation or the arbitration provisions of this Section 12, or (ii) notwithstanding the obligation to submit a Claim to mediation and arbitration in accordance with the mediation and arbitration provisions of this Section 12, the particular Claim is required, for a lawful reason, to be heard in a court proceeding rather than in an arbitration proceeding, then THE ASSOCIATION AND EACH OWNER ACKNOWLEDGE AND AGREE THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING SUCH CLAIM ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. THE ASSOCIATION AND EACH OWNER THEREFORE AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. THE ASSOCIATION AND EACH OWNER HEREBY EXPRESSLY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION OR JUDICIAL PROCEEDING RELATING TO ANY CLAIM. THIS WAIVER IS INTENDED TO AND DOES ENCOMPASS EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. THIS WAIVER SHALL APPLY TO THIS DECLARATION AND ANY FUTURE AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS OF THIS DECLARATION.

12.6 **Amendment of Section 12.** Without the express written consent of Declarant, this Section 12 may not be amended or deleted for a period of 30 years from the date this Declaration is recorded.

Section 13.
COMPLIANCE AND REMEDIES

- 13.1 **General** . Each Owner and Resident, and any other Person owning or acquiring any interest in the Community, shall be governed by and comply with the provisions of MCIOA, the Governing Documents, the decisions of the ACC and the Board, and such amendments thereto as may be made from time to time. A failure to comply shall entitle the Association to the relief set forth in this Section 13, in addition to the rights and remedies authorized elsewhere by the Governing Documents and MCIOA. All Owners are responsible for causing their Residents, household members, occupants, tenants, guests, or other Persons under the Owner's control to comply with all applicable provisions of this Declaration and the other Governing Documents.
- 13.2 **Entitlement to Relief**. All Claims, as defined in Section 12, shall be subject to the dispute resolution provisions of Section 12. Subject to applicable dispute resolution provisions of Section 12 and any prior approval required pursuant to Section 7.3, the Association may seek to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or any other relief authorized by the Governing Documents or available at law or in equity. 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 or the decisions of the Association. However, no Owner may withhold, offset or deduct against any Assessments payable to the Association, or take (or omit) other action in violation of the Governing Documents as a measure to enforce such Owner's position, or for any other reason.
- 13.3 **Sanctions and Remedies**. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following remedies against Owners and Residents and/or their guests who violate the provisions of the Governing Documents or MCIOA:
- 13.3.1. **Legal Action**. Subject to the dispute resolution provisions of Section 12 and any prior approval required pursuant to Section 7.3, the Association may commence legal action for damages or equitable relief in any court of competent jurisdiction.
- 13.3.2. **Late Charges**. The Association may impose reasonable and uniform late charges on each late payment of an Assessment or installment thereof, in such amounts determined by the Board from time to time.
- 13.3.3. **Acceleration of Assessments**. In the event of default of more than 30 days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Homesite 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, interest 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.
- 13.3.4. **Fines and Charges**. After notice and an opportunity to be heard pursuant to Section 13.4 below, the Association may impose Daily Fines and other

reasonable fines, penalties or charges for each violation of the Governing Documents.

- 13.3.5. **Suspension of Owner Use Rights.** After notice and an opportunity to be heard pursuant to Section 13.4 below, the Association may suspend the rights of any Owner the Owner's Residents, and their respective guests to use Common Element amenities, if any; provided, that this limitation shall not apply to any portions of Common Elements providing utility services and access to the Home. Such suspensions shall be limited to periods of up to 60 days for each violation.
- 13.3.6. **Restoration.** The Association may restore any portions of the Homesites that are the Association's maintenance responsibility and/or the Common Elements and Community Landscaping Areas that are damaged or altered, or allowed to be damaged or altered, by any Owner or Resident or their guests in violation of the Governing Documents, and, after notice and an opportunity to be heard pursuant to Section 13.4 below, assess the cost of such restoration against the responsible Owners and their Homesites as a Supplemental Assessment.
- 13.3.7. **Association Right of Entry.** The Association may enter upon any Homesite as to which a violation or breach of the Governing Documents exists that materially affects, or is likely to materially affect in the near future, the health or safety of the other Owners or Residents, or their guests, or the safety or soundness of any Home or other part of the Community or the property of the Owners or Residents, and to summarily abate and remove, at the expense of the offending Owner, any structure, thing or condition on the Homesite that is causing the violation; provided that any Improvements that are a part of a Home may be altered or demolished only pursuant to a court order or with the agreement of the affected Owner.
- 13.3.8. **Assessment Lien Foreclosure.** The Association may 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 advertisement under a power of sale in the State of Minnesota.
- 13.4 **Rights to Hearing .** Before imposing any of the remedies against Owners authorized by Subsections 13.3.4, 13.3.5 or the Supplemental Assessment provisions of Subsection 13.3.6, the Board shall, upon written request of the offender, grant to the offender a fair and equitable hearing before the Board or a committee appointed by the Board. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least 10 days within which to request a hearing. The hearing shall be scheduled by the Board and held within 30 days after the Board's receipt of the Owner's hearing request, and with at least 10 days prior written notice to the offender. If the offender 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 or the committee appointed by the Board, and the rules for the conduct of hearings established by the Board or the committee, shall be final and binding on all parties. The Board's or committee's decision shall be delivered in writing to the offender within 10 days following the hearing, if not delivered to the offender at the hearing.

- 13.5 **Lien for Charges, Penalties, Etc.** Any assessments, charges, fines, penalties or other enforcement charges and interest imposed under this Section 13 shall be a Supplemental Assessment and a lien against the Homesite of the Owner against whom the same are imposed and are the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 10. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board gives written notice following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.
- 13.6 **Costs of Proceedings and Attorneys' Fees.** With respect to any collection measures, or any measures or actions, legal, administrative, or otherwise, that the Association takes to enforce the provisions of MCIOA or the Governing Documents, whether or not finally determined by a court or arbitrator, the Association may assess the violator and his or her Homesite with any Expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association.
- 13.7 **Liability for Owners' and Residents' Acts.** An Owner shall be liable for the expense of any maintenance, repair or replacement of the Community rendered necessary by such Owner's acts or omissions, or by that of Residents or guests in the Owner's Homesite, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Resident. However, any insurance deductible amount and/or increase in insurance rates, resulting from such acts or omissions may be assessed as a Supplemental Assessment against the Owner responsible for the condition and against his or her Homesite.
- 13.8 **Enforcement.** The provisions of this Section 13 shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents and MCIOA. Subject to the dispute resolution provisions of Section 12 and any prior approval required pursuant to Section 7.3, Declarant, the Association, or any Owner or any Mortgagee, shall have the right to enforce this Declaration by proceedings at law or in equity. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy or to enforce any provision of the Governing Documents shall not be deemed a waiver of the right to do so thereafter or to pursue other remedies.

Section 14. SPECIAL DECLARANT RIGHTS

Declarant reserves exclusive and unconditional authority to exercise the Special Declarant Rights for as long as it owns any Homesite, or for such shorter period as may be specifically indicated in the Governing Documents or MCIOA. Declarant may transfer or surrender some or all of its Special Declarant Rights to another party by a separate instrument executed by Declarant and recorded with the County Recorder and/or the Registrar of Titles, as appropriate, pursuant to § 3-1041 of MCIOA. "Special Declarant Rights," as defined in Section 1.46 above, include, without limitation, the following:

- 14.1 **Complete Improvements.** The right to complete or allow other Persons to complete all Improvements included in Declarant's development plans, including Homes,

Landscaping and other Improvements on Homesites and Landscaping and other Improvements in the Common Elements and Community Landscaping Areas and to make alterations in any parts of the Community owned by it and the Common Elements and Community Landscaping Areas, to accommodate Declarant's activities. Improvements comprising part of Declarant's design and construction of Homes and other facilities are exempt from compliance with any architectural or design requirements of this Declaration including, without limitation, the specific requirements of Section 4, Section 5 and Section 11.

- 14.2 **Relocate Boundaries.** The right to subdivide, combine and/or relocate the boundaries of any or all Homesites and Common Elements in accordance with MCIOA and applicable City ordinances, provided that (i) all affected Homesites are owned by Declarant, and (ii) the maximum number of additional Homesites that may be created by the subdivision of Homesites owned by Declarant shall not exceed twenty-five percent (25%) of the number of Projected Homesites.
- 14.3 **Declarant's Facilities.** The right to construct, operate and maintain construction and storage trailers and facilities, sales and rental trailers and facilities, model Homes and signs and other displays advertising the Community, Homesites or Homes for sale or lease and any other signs Declarant deems necessary or desirable in connection with operations or activities in the Community, provided such facilities are located on Homesites owned by the Declarant or on Common Elements owned by the Declarant or the Association; and to allow homebuilders to do the same.
- 14.4 **Offsite Promotions.** The right to use any Home or Outlot in the Community to promote the sales of Homes outside the Community. No Home in the Community shall be entered in the "Parade of Homes," "Spring Preview" or similar promotional event without Declarant's prior written consent.
- 14.5 **Easements.** Easement rights to allow Declarant, its employees, contractors, subcontractors, material suppliers, representatives, agents and prospective buyers to pass through and over the Common Elements and Association easement areas for the purpose of exercising Special Declarant Rights and for the other purposes specified in the Governing Documents.
- 14.6 **Control of the Association.** Pursuant to § 3-103 of MCIOA, the right to appoint or remove any officer or director of the Association during the Declarant Control Period.
 - 14.6.1. **Non-Declarant Board Representation.** Notwithstanding Declarant's right to appoint and remove directors during the Declarant Control Period, commencing on the date when 50% of the number of Projected Homesites have been conveyed of record to Persons other than Declarant ("**Midpoint Date**"), the Owners other than Declarant shall have the right to nominate and elect not less than one-third of the directors at a meeting of the Owners that shall be held within 60 days following the Midpoint Date.
 - 14.6.2. **Transition of Control.** The Board shall call a meeting of the Owners to elect successor directors within 60 days after the Declarant Control Period terminates. Upon termination of the Declarant Control Period the term of any director appointed by Declarant shall expire, upon election of successor directors by the Owners.

- 14.7 **Association Meetings.** The right (a) to notice of all regular and special meetings of the Owners and/or the Board and all ballots solicited from Owners, which notice shall be given in the same manner and contain the same information as notices sent to the Owners and/or Board members, as applicable, and (b) to observe all regular and special meetings of the Owners and/or the Board by attendance of one or more Declarant representatives at such meetings; provided that such right shall not include those portions of a meeting involving Adversarial Activities where (i) Declarant is an Adverse Owner, and (ii) topics of discussion include privileged or confidential information such as tactics, strategies or other matters that might affect the prosecution or outcome of the Adversarial Activity.
- 14.8 **Merger of Associations.** The right to merge or consolidate the Community with one or more adjoining communities and, at the same time, merge or consolidate the Association with the homeowners association(s) for the adjoining communities, provided all affected communities consist of single family homes with exterior home maintenance provided by a homeowners association.
- 14.9 **Neighborhood Association.** The right to create a master “neighborhood” association with jurisdiction, powers and authority over the Community and one or more adjoining communities.
- 14.10 **Consent to Amendments.** The right to approve or disapprove any amendment to any Governing Documents for so long as Declarant owns a Homesite; and during such time no amendment shall be effective without Declarant’s written consent.
- 14.11 **Product Characteristics.** The right to market multiple product lines of Homes in the Community; and to vary those product lines in terms of style, floor plans, general size, height and width, quality of construction and principal materials employed in construction, price range, designation and mix of floor plan and streetscape elements for specific Homesites, the identity of the builder of the Homes, and other characteristics (collectively “**Product Characteristics**”). Declarant makes no guaranties, assurances or representations concerning the Product Characteristics of Homes in different portions of the Community, on individual Homesites. Declarant reserves the right to introduce new and different product lines and Product Characteristics in the Community and to sell Homesites to other builders who will construct Homes according to their own Product Characteristics.

Section 15.
SPECIAL RIGHTS OF MORTGAGEES

Notwithstanding anything to the contrary in the Governing Documents, and subject to any greater requirements of MCIOA or other laws, Mortgagees shall have the following rights and protections:

- 15.1 **No Right of First Refusal.** The right of an Owner to sell, transfer or otherwise convey or dispose of his or her Homesite shall not be subject to any right of first refusal or similar restrictions.
- 15.2 **No Suspension of Rights.** Any rights that are suspended as to any Owner and that Owner’s Residents and their respective invitees and guests pursuant to this Declaration or other Governing Documents, shall not be suspended as to any Mortgagee or other Person

who becomes an Owner by virtue of Mortgage foreclosure or by any transfer of title in lieu of foreclosure, because of any default or failure of the prior Owner.

- 15.3 **Priority for Condemnation Awards.** No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of a Mortgagee of the Homesite 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 Homesite and/or the Common Elements.
- 15.4 **Access to Books and Records/Audit.** Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours and to receive free of charge, upon written request, copies of the Association's budgets, annual reports and other financial statements.
- 15.5 **Notice Requirements.** Upon written request to the Association identifying the name and address of the Eligible Mortgagee on a Homesite and the Lot number or address of the Mortgaged Homesite, the requesting Eligible Mortgagee shall be entitled to timely written notice of:
- (a) all regular and special meetings of the Owners and of the Board and all ballots solicited from Owners;
 - (b) any condemnation proceeding or any casualty loss that affects a material portion of the Common Elements or the Homesite securing the Mortgage;
 - (c) any 60-day delinquency in the payment of Assessments or charges owed to the Association by the Owner of a Homesite on which it holds a Mortgage;
 - (d) all defaults of the Owner of the Homesite on which it holds a Mortgage, then or thereafter existing under this Declaration or other Governing Documents; but the defaults set out in such notice shall not be conclusive on the Association;
 - (e) any lapse, cancellation or material modification of any insurance policy maintained by the Association; and
 - (f) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

Failure to give such notice to any or all such Eligible Mortgagees shall not invalidate or affect, in any way, any meeting or action by the Association or the Owners, if otherwise duly called, held and/or approved.

- 15.6 **Material Amendments.** Unless at least fifty-one percent (51%) of the Eligible Mortgagees (based upon one vote for each Homesite Mortgaged) have given their prior written approval, the Owners and/or the Association shall not be entitled to:
- (a) terminate the legal status of the Community as an MCIOA planned community after substantial destruction or condemnation;
 - (b) by act or omission, seek to abandon or terminate the Community as an MCIOA planned community [*condominium*];

- (c) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (the granting of easements for public utilities or for other purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause);
- (d) use hazard insurance proceeds for losses to any Community property (whether to Homesites or to Common Elements) or any condemnation award for a taking of the same for other than repair, replacement or reconstruction of such property substantially in accordance with this Declaration and the original plans and specifications for the Community; or
- (e) materially amend this Section 15 or any provision of this Declaration or other Governing Documents that establishes, provides for, governs or regulates any of the following:
 - (i) the pro rata interest or obligations of any individual Homesite for the purpose of:
 - (A) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - (B) determining the pro rata interest of each Homesite in the Common Elements;
 - (ii) the priority of Assessment liens as specified in Section 10.13;
 - (iii) the level of Reserves required pursuant to Section 1.41;
 - (iv) imposition of any right of first refusal or any similar restriction on the right of an Owner to sell, transfer or convey in any other manner the Owner's Homesite; or
 - (v) restoration or repair of the Community following a casualty or a partial condemnation in a manner other than that specified in this Declaration or other Governing Documents.

15.7 **Amendment of Mortgagee Rights.** Neither this Section 15, nor those provisions of Section 16 governing Eligible Mortgagee consent requirements for certain amendments of this Declaration, shall be amended without the written consent of 51% of all first Mortgagees of Homesites (based upon one vote for each Homesite Mortgaged).

15.8 **Deemed Consent by Mortgagee.** Any Mortgagee consent required pursuant to the Governing Documents or MCIOA is subject to the provisions of § 2-118 of MCIOA which provides that under certain circumstances a Mortgagee's consent is deemed given if the Mortgagee fails to timely refuse consent following notice that complies with § 2-118 of MCIOA.

Section 16. AMENDMENTS

16.1 **Approval Requirements.** Subject to any more stringent approval requirements of MCIOA, this Declaration may be amended by (a) the consent of Owners of Homesites to

which are allocated at least 67% of the votes in the Association; and (b) the consent of Declarant if required pursuant to Section 14.10, and (c) the consent of Eligible Mortgagees if required pursuant to Section 15.6. Consent of the Owners may be obtained in writing, (including by electronic signature), by written (including electronic) ballot, or at a meeting of the Association duly held in accordance with the Bylaws. The consent of Declarant shall be in writing. (including by electronic signature). The consent of Eligible Mortgagees may be implied pursuant to Section 15.8. Any amendment shall be subject to any greater requirements imposed by MCIOA.

- 16.2 **Effective Date of Amendment.** Each amendment (i) shall be executed by the President and Secretary of the Association, (ii) shall be executed by Declarant if required pursuant to Section 14.10, (iii) shall include a certification by the President and Secretary that such amendment has been approved by the requisite percentage of the voting power of the Owners and Eligible Mortgagees, and (iv) shall be recorded with the County Recorder and/or Registrar of Titles, as appropriate. The Amendment shall be effective when recorded.

Section 17. MISCELLANEOUS

- 17.1 **Duration.** This Declaration shall run with and bind the Community in perpetuity, unless the Community is terminated pursuant to applicable provisions of MCIOA pertaining to termination of a “common interest community.”
- 17.2 **Severability.** Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.
- 17.3 **Construction.** The title of this instrument and the captions of the articles, sections and subsections hereof are for convenience of reference only. The masculine gender of any word used herein shall include the feminine or neutral gender, or vice versa, and the singular of any word used herein shall include the plural, or vice versa. References to MCIOA, or any section of MCIOA, shall be deemed to include any statutes amending or replacing MCIOA, and the comparable sections thereof.
- 17.4 **Tender of Claims.** If any incident occurs that could reasonably give rise to a demand by the Association against Declarant for indemnification, the Association shall promptly tender the defense of the action to its insurance carrier and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.
- 17.5 **Notices.** Unless specifically provided otherwise in the Governing Documents, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Residents shall be in writing and shall be effective (i) upon hand delivery, or (ii) mailing if properly addressed with postage prepaid and deposited in the United States mail, (iii) if properly addressed and sent by next business day delivery by a national commercial messenger service that provides package tracking services, or (iv) by a form of electronic communication consented to by the recipient in accordance with the requirements for electronic notices to Members contained in the Minnesota Nonprofit Corporation Act. Any notice required to be sent to any Owner under the Governing

Documents shall be sent to the last known physical or electronic address of the Person listed as Owner in the records of the Association at the time such notice is given.

17.6 **No Trust Created.** No trust is created by this Declaration or by the conveyance of Common Elements to the Association. No charitable purpose is served by this Declaration. This Declaration is for the private use and benefit of the Owners and not for any public use, benefit or purpose.

17.7 **Governing Document Conflicts.** If there is any conflict among the provisions of MCIOA and the Governing Documents, MCIOA shall control unless it permits the Governing Documents to control. If there is any conflict among the provisions of the Governing Documents, the controlling documents, in order of priority are the Declaration, followed by the Association Articles, the Bylaws and lastly the Rules and Regulations.

SEE TABLE OF CONTENTS FOR LIST OF EXHIBITS

Declarant has executed this Declaration as of the Effective Date first set forth above.

DECLARANT:

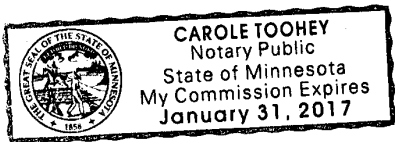
U.S. HOME CORPORATION,
a Delaware corporation.

By: [Signature]
JONATHAN A. AUNE

Its: Vice President – Minnesota Land Division

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

This instrument was acknowledged before me on the 29th day of Oct, 2015, by **Jonathan A. Aune**, as Vice President - Minnesota Land Division, of **U.S. Home Corporation**, a Delaware corporation, on behalf of the corporation.



[Signature]
Notary Public

Exhibit A

Legal Description of Initial Community

The following real property located in the City of Woodbury, Washington County, Minnesota, comprises the "Community" of Stonemill Farms Townhomes, Common Interest Community No. 372:

Initial Homesites

Lots 1 through 43, Block 1;
all in STONEMILL FARMS 15TH ADDITION
according to the recorded Plat thereof.

Initial Common Elements

To be owned in fee:

Lot 44, Block 1 of STONEMILL FARMS 15TH ADDITION
according to the recorded Plat thereof.

To be owned as easements:

None.

Exhibit B

Potential Classifications and Dispositions of Lots in the Plat(s) for the Community

The following potential classifications and dispositions of Lots in the Plat in which the Community is located are based on information as of the recordation of this Declaration and are subject to change. This Declaration does not encumber or affect title to any real property other than the Homesites and Common Elements initially included in the Community, as described in **Exhibit A** hereto:

Plat of STONEMILL FARMS 15TH ADDITION:	
Lots 1-43, Block 1	The 43 Homesites comprising the Community that are being developed by Declarant with attached townhomes and related residential amenities.
Lot 44, Block 1	Will be deeded to the Association as Common Elements containing open space, private drives and landscaping servicing the Community.

Proposed dispositions of land which is not part of the Community and future uses and development plans (including product types and densities) can change.

Exhibit C
Intentionally Deleted

Exhibit D

Description of Community Landscaping Area

Real Property in Washington County, Minnesota, described as follows:

1. **Community Landscaping Area:**

None.

Receipt:# 316192

AMD \$46.00

Return to:
ERECORDING PARTNERS
400 SECOND AVENUE
SOUTH

MINNEAPOLIS MN 55401

4059382



Certified Filed and/or recorded on:

3/4/2016 3:19 PM

4059382

Office of the County Recorder
Washington County, Minnesota
Jennifer Wagenius, County Recorder

(Space Above for Recorder/Registrar Use)

**FIRST AMENDMENT
TO
DECLARATION OF COVENANTS
FOR
STONEMILL FARMS TOWNHOMES
(ADDING FUTURE DEVELOPMENT AREA)**

THIS FIRST AMENDMENT to the Stonemill Farms Townhomes Declaration of Covenants (“**Amendment**”) is executed by the undersigned President and Secretary of Stonemill Farms Townhomes Homeowners Association, a Minnesota nonprofit corporation (“**Association**”) and by U.S. Home Corporation, a Delaware corporation, *dba* Lennar (“**Declarant**”). This Amendment is dated for identification purposes as of the date recorded in the Office of the Recorder, Washington County, Minnesota.

PREAMBLE

- A. The real property described in **Exhibit 1** hereto (“**Property**”) is subject to the Stonemill Farms Townhomes Declaration of Covenants recorded November 12, 2015, as Document No. **4047761** in the office of the Washington County Recorder (the “**Declaration**”).
- B. MCIOA provides that this Amendment requires unanimous consent of all Owners of Homesites, and Section 16.1 of the Declaration requires (i) the written consent of Declarant, and (ii) for certain amendments the consent of Eligible Mortgagees. Section 16.2 further provides that each amendment so approved must include an affidavit by the President and Secretary of the Association that such amendment has been approved by the requisite Persons.
- C. The purpose of this Amendment is to add the real property described in **Exhibit C** attached hereto as Future Development Area, and to amend other provisions of the Declaration related thereto.
- D. Pursuant to MCIOA and the Declaration (i) all Owners have unanimously consented to this Amendment and, although the consent of Eligible Mortgagees is required, no Eligible Mortgagees exist, all as evidenced by the affidavit herein of the Association’s President and Secretary, and (ii) Declarant has executed this Amendment.

THEREFORE, the Declaration is hereby amended as follows:

1. **Definitions.** Except as otherwise expressly defined herein, words and phrases in this Amendment have the same meanings as defined in the Declaration.
 - 1.1. The following sentence is added to the end of Section 1.8 defining "Common Elements": "Additional Common Elements may be annexed into the Community pursuant to Section 14.12. Future Common Elements, if any, annexed into the Community shall be described in the Supplemental Declaration that annexes such areas into the Community."
 - 1.2. The definition of "Community" in Section 1.9 is hereby amended to include those portions of the Future Development Area that are annexed into the Community pursuant to Section 14.12.
 - 1.3. Subsection (c) of Section 1.16 defining "Declarant Control Period" is hereby deleted and replaced with the following: "(c) the fifth anniversary of the date the first Homesite is conveyed to an Owner other than Declarant."
 - 1.4. The definition of "Future Development Area" in Section 1.21 is hereby deleted and replaced with the following: "means the land that may be annexed into the Community pursuant to Section 14.12, namely the land legally described in **Exhibit C**. The Future Development Area is "additional real estate" that may be added to a "flexible common interest community" as these terms are defined in MCIOA. Identification of the Future Development Area in **Exhibit C** does not encumber or otherwise affect title to the Future Development Area. Future Development Area will become subject to this Declaration, if and only if the land is added to the Community by Declarant pursuant to Section 14.12."
 - 1.5. The following sentence is added to the end of Section 1.25 defining "Homesite": "Additional Homesites may but need not be annexed into the Community pursuant to Section 14.12."
 - 1.6. The definition of "Projected Homesites" in Section 1.40 is hereby deleted and replaced with the following: "means the number of Homesites that Declarant estimates will be included in the Community, consisting of the initial 43 Homesites described in **Exhibit A** and, based on Declarant's good faith estimate, a total of 48 additional Homesites in the Future Development Area described in **Exhibit C** that Declarant may add to the Community pursuant to Section 14.12. The number of Projected Homesites is 91 and is relevant to the definition of the Declarant Control Period. Declarant makes no representation or warranty that the Community will eventually include that number of Homesites."
 - 1.7. The following definition for "Supplemental Declaration" is hereby added as Section 1.48: "Supplemental Declaration means an instrument recorded pursuant to Section 14.12 below adding Future Development Area to the Community subject to this Declaration."
2. **Related Provisions.** In connection with identifying Future Development Area as set forth in this Amendment, the following Sections of the Declaration are amended as follows:

- 2.1. The last sentence of Section 2.4 is hereby deleted and replaced with the following: "The easements in favor of the Association and the City are perpetual; and the easements in favor of Declarant shall expire automatically when Declarant no longer owns any Homesite and Declarant is no longer entitled to annex Future Development Area pursuant to this Declaration, whichever occurs last."
- 2.2. The last sentence of Section 3.4 is hereby deleted and replaced with the following: "The Association may, in its discretion, choose to remove and not replace any Improvements in the Common Elements; provided that so long as Declarant owns a Homesite or Declarant is entitled to annex Future Development Area pursuant to this Declaration, such removal or non-replacement shall require Declarant's consent."
- 2.3. Subsection (ii) of Section 3.5 is hereby deleted and replaced with the following: "(ii) by Declarant (if Declarant owns any Homesite or is still entitled to annex Future Development Area pursuant to this Declaration)."
- 2.4. The following is hereby added as Section 4.1.1(b): "(iii) any additional areas designated as Community Landscaping Area by Declarant in any Supplemental Declaration annexing land into the Community."
- 2.5. The last sentence of Section 4.1.2 is hereby deleted and replaced with the following: "Subject to governmental requirements applicable to public rights-of-way, the Association shall have the right, but not the obligation, to install Community Landscaping within each Community Landscaping Area and utilities within any Landscaping Access Lane(s); provided that so long as Declarant owns a Homesite or is entitled to annex Future Development Area pursuant to this Declaration, such installation shall require Declarant's written consent."
- 2.6. The last sentence of Section 4.1.3 is hereby deleted and replaced with the following: "For so long as Declarant owns any Homesite or is entitled to annex Future Development Area pursuant to this Declaration, Declarant's written consent is required before any Community Landscaping is removed without being replaced."
- 2.7. The last sentence of Section 5.7 is hereby deleted and replaced with the following: "This Section 5.7 shall not be applicable to Declarant for so long as the Declarant owns any Homesite, or is entitled to annex any Future Development Area into the Community pursuant to this Declaration."
- 2.8. Subsection (i) of Section 8.2 is hereby deleted and replaced with the following: "(i) Declarant, for as long as it owns a Homesite or is entitled to add Future Development Area to the Community pursuant to this Declaration, and".
- 2.9. The fourth sentence of Section 9.1.2 is hereby deleted and replaced with the following: "The policy shall designate the Owners (including Declarant for so long as Declarant owns a Homesite or may annex Future Development Area pursuant to this Declaration) as additional insureds and shall insure against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use as the Community."

- 2.10. The following sentence is hereby added to the end of Section 10.11.1: “Prorated annual General Assessments on Homesites annexed into the Community pursuant to a Supplemental Declaration shall commence effective on the first day of the month immediately following the month that such Supplemental Declaration is recorded.”
- 2.11. The first sentence of Section 11.1 is hereby deleted and replaced with the following: “For so long as Declarant owns a Homesite or is entitled to add Future Development Area to the Community pursuant to this Declaration, the ACC shall consist of three individuals appointed by Declarant.”

2.12. Special Declarant Rights.

2.12.1. The first sentence of the preamble to Section 14 is hereby deleted and replaced with the following: “Declarant reserves exclusive and unconditional authority to exercise the Special Declarant Rights for as long as it owns any Homesite or is entitled to annex Future Development Area pursuant to Section 14.12, or for such shorter period as may be specifically indicated in the Governing Documents or MCIOA.”

2.12.2. The following is hereby added to the Special Declarant Rights as Section 14.12:

“**14.12 Annexation.** At any time and from time to time before the tenth anniversary of the date this Declaration is recorded, additional lots and Outlots within the Future Development Area (which is legally described in **Exhibit C**) may be (but need not be) annexed into the Community by Declarant and the owner(s) of the land being annexed, without the consent of any other land owners or the Association.

14.12.1. **Supplemental Declaration.** Annexations shall be accomplished by means of one or more Supplemental Declarations executed by Declarant and the owner(s) of the land being annexed and recorded with the County Recorder and/or Registrar of Titles, as appropriate.

14.12.2. **Site-Specific Provisions.** A Supplemental Declaration annexing Future Development Area may contain such additions to and modifications of this Declaration as may be necessary or appropriate to reflect the different character of the annexed land; provided that all Future Development Area annexed into the Community shall be restricted to Homesites for residential use and related Common Elements. Any such additions or modifications shall be applicable only to the annexed land covered by such Supplemental Declaration. The provisions of this Declaration do not apply to any Future Development Area that is not added to the Community.

14.12.3. **No Assurances Regarding Proposed Buildout.** There are no assurances as to whether or when all or any part of the Future Development Area will be added to the Community, the order that parcels will be added, the number of parcels

per phase nor the size of the parcels. Declarant is under no obligation to add any or all of the Future Development Area to the Community and makes no representation, warranty, guaranty or promise about future annexations of land into the Community.

14.12.4. **No Assurances Regarding Product Characteristics.** Declarant makes no representation, warranty, guaranty or promise that future Homes or Homesites will have any particular Product Characteristics (as defined in Section 14.11) or will be constructed by Declarant or other builders. No assurances are made that, if and when added to the Community, the Homes and other structures created upon the Future Development Area will be compatible with the existing Community Homes and structures in terms of architectural style, quality of construction, principal materials employed in construction, size or other Product Characteristics.

14.12.5. **Supplemental Declaration Amendments.** The right to amend a Supplemental Declaration by recording an instrument of amendment executed by Declarant and the record owner(s) of all of the land annexed into the Community by such Supplemental Declaration.”

- 2.13. The only sentence in Section 14.10 is hereby deleted and replaced with the following: “The right to approve or disapprove any amendment to any Governing Documents for so long as Declarant owns a Homesite or is entitled to annex Future Development Area pursuant to Section 14.3; and during such time no amendment shall be effective without Declarant’s written consent.
- 2.14. The first sentence in Section 15.6 is hereby amended to add the following underlined language at the beginning thereof: “Except for Supplemental Declarations recorded by Declarant pursuant to Section 14.3,”.
3. **Future Development Area.** The land described in **Exhibit C** attached hereto is hereby identified as Future Development Area. **Exhibit C** attached hereto hereby replaces Exhibit C attached to the Declaration in its entirety.
4. **Declaration Continues.** Except as specifically amended herein, the Declaration continues unmodified, and is in full force and effect.

EXHIBITS:


- Exhibit 1** Description of the Property
Exhibit C Description of the Future Development Area

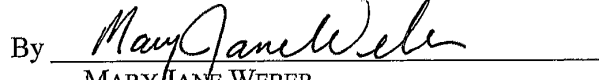
[Signature pages follow.]

IN WITNESS WHEREOF, the undersigned President and Secretary of the Association have executed this Amendment effective as of the recording date as first set forth above.

ASSOCIATION:

STONEMILL FARMS TOWNHOMES
HOMEOWNERS ASSOCIATION a Minnesota
nonprofit corporation

By 
CAROLE TOOHEY
Title: President

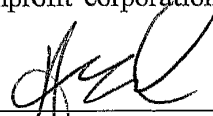
By 
MARY JANE WEBER
Title: Secretary/Treasurer

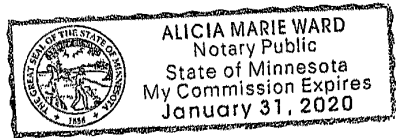
THIS INSTRUMENT WAS DRAFTED BY,
AND WHEN RECORDED MAIL TO:

U.S. Home Corporation *dba* Lennar
Minnesota Land Division
16305 36th Ave. N., Suite 600
Plymouth, MN 55446-4270

STATE OF MINNESOTA)
COUNTY OF Anoka) ss

The foregoing instrument was acknowledged before me this 23 day of Feb,
2016, by **Carole Toohey** as President and **Mary Jane Weber** as Secretary of **Stonemill Farms
Townhomes Homeowners Association**, a Minnesota nonprofit corporation, on behalf of the
corporation.


Notary Public



CONSENT

Declarant hereby consents to this Amendment pursuant to the Declaration.

DECLARANT

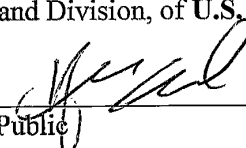
U.S. HOME CORPORATION
a Delaware corporation, d/b/a Lennar.

By: 
JONATHAN A. AUNE

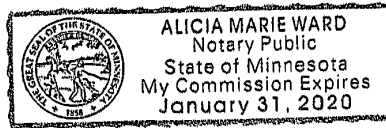
Its: Vice President – Minnesota Land Division

STATE OF MINNESOTA)
 Amora)ss.
COUNTY OF HENNEPIN)

This instrument was acknowledged before me on the 23 day of Feb, 2016, by **Jonathan A. Aune**, as Vice President - Minnesota Land Division, of **U.S. Home Corporation**, a Delaware corporation, on behalf of the corporation.



Notary Public



**AFFIDAVIT OF APPROVAL
OF
FIRST AMENDMENT
TO
DECLARATION OF COVENANTS
FOR
STONEMILL FARMS TOWNHOMES**

STATE OF MINNESOTA)
) ss.
COUNTY OF Anoka)

The undersigned, **Carole Toohey** and **Mary Jane Weber**, being duly sworn, on oath, state from personal knowledge that:

1. They are the President and Secretary, respectively, of Stonemill Farms Townhomes Homeowners Association, a Minnesota nonprofit corporation (“**Association**”).
2. Pursuant to Section 16.3 of the Stonemill Farms Townhomes Declaration of Covenants recorded November 12, 2015, as Document No. **4047761** in the office of the Washington County Recorder (the “**Declaration**”), this Affidavit is attached to the First Amendment to the Declaration (“**Amendment**”).
3. U.S. Home Corporation, a Delaware corporation, *dba* Lennar (“**Declarant**”) owns 100% of all Homesites in the Community; Declarant has executed this Amendment; and there are no existing Eligible Mortgagees. Consequently, this Amendment has been executed by all requisite Persons, as required by the Declaration

Affiants know the matters herein stated are true and make this Affidavit for purposes of certifying that the Amendment has been approved by the requisite Persons pursuant to the Declaration.

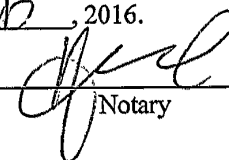
By: 
CAROLE TOOHEY

Title: PRESIDENT

By: 
Mary Jane Weber

Title: SECRETARY/TREASURER

Subscribed and sworn to by **Carole Toohey** and by **Mary Jane Weber** before me this 23 day of Feb, 2016.


Notary

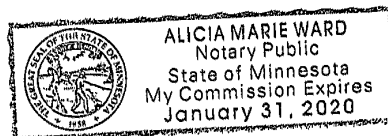


EXHIBIT 1

DESCRIPTION OF THE PROPERTY

The following real property located in the City of Woodbury, Washington County, Minnesota, comprises the "Community" of Stonemill Farms Townhomes, Common Interest Community No. 372:

Initial Homesites

Lots 1 through 43, Block 1;
all in STONEMILL FARMS 15TH ADDITION
according to the recorded Plat thereof.

Initial Common Elements

To be owned in fee:

Lot 44, Block 1 of STONEMILL FARMS 15TH ADDITION
according to the recorded Plat thereof.

To be owned as easements:

None.

EXHIBIT C

Legal Description of the Future Development Area

All of the following described property located in the City of Woodbury, Washington County, Minnesota:

Outlot H, STONEMILL FARMS 3RD ADDITION, according to the recorded Plat thereof.

[PID 24.028.21.24.0003]

As provided in § 1-116(a) of MCIOA, identification of the above property as Future Development Area does not encumber or otherwise affect title to the Future Development Area. Future Development Area will become subject to this Declaration only if added to the Community by Declarant pursuant to Section 14.12.

The Pointe at Settlers Ridge

Insurance Declaration Pages



Stonemill Farms Townhomes Homeowners Association

Balance Sheet Fund

Transaction 07/31/2020

	Operating	Reserve	Total
Assets			
<u>Cash</u>			
CAB Checking	\$60,874.59		\$60,874.59
<u>Total Cash</u>	<u>60,874.59</u>		<u>60,874.59</u>
<u>Cash & Investments</u>			
CAB Res MM		94,031.10	94,031.10
<u>Total Cash & Investments</u>		<u>94,031.10</u>	<u>94,031.10</u>
<u>Accounts Receivable</u>			
A/R Assessments	635.00		635.00
<u>Total Accounts Receivable</u>	<u>635.00</u>		<u>635.00</u>
<u>Total Assets</u>	<u>\$61,509.59</u>	<u>\$94,031.10</u>	<u>\$155,540.69</u>
Liabilities & Equity			
<u>Current Liabilities</u>			
Accounts Payable	\$3,800.53		\$3,800.53
Prepaid Assessments	1,150.61		1,150.61
<u>Total Current Liabilities</u>	<u>4,951.14</u>		<u>4,951.14</u>
<u>Funds</u>			
Beginning Operating Fund	55,765.07		55,765.07
Beginning Reserve Fund		92,420.51	92,420.51
Net Income	793.38	1,610.59	2,403.97
<u>Total Funds</u>	<u>56,558.45</u>	<u>94,031.10</u>	<u>150,589.55</u>
<u>Total Liabilities & Equity</u>	<u>\$61,509.59</u>	<u>\$94,031.10</u>	<u>\$155,540.69</u>

Stonemill Farms Townhomes Homeowners Association

Operating Statement w/ Balance

Transaction 7/1/2020 To 7/31/2020 11:59:00 PM

	Current Month Operating		Year to Date Operating		Annual	Remaining
	Actual	Budget	Actual	Budget	Budget	Budget
Income						
<u>Assessment Income</u>						
Assessment	8,600.00	8,600.00	34,400.00	34,400.00	103,200.00	68,800.00
TOTAL Assessment Income	<u>8,600.00</u>	<u>8,600.00</u>	<u>34,400.00</u>	<u>34,400.00</u>	<u>103,200.00</u>	<u>68,800.00</u>
<u>Other Income</u>						
Late Fees	0.00	0.00	100.00	0.00	0.00	(100.00)
Interest Income	2.81	0.00	10.93	0.00	0.00	(10.93)
Miscellaneous	0.00	0.00	2,453.54	0.00	0.00	(2,453.54)
TOTAL Other Income	<u>2.81</u>	<u>0.00</u>	<u>2,564.47</u>	<u>0.00</u>	<u>0.00</u>	<u>(2,564.47)</u>
TOTAL Income	<u>8,602.81</u>	<u>8,600.00</u>	<u>36,964.47</u>	<u>34,400.00</u>	<u>103,200.00</u>	<u>66,235.53</u>
Expense						
<u>Administrative</u>						
Miscellaneous Administrative	0.00	0.00	0.00	0.00	250.00	250.00
Transfer to Reserves	2,615.00	2,615.00	10,460.00	10,460.00	31,380.00	20,920.00
TOTAL Administrative	<u>2,615.00</u>	<u>2,615.00</u>	<u>10,460.00</u>	<u>10,460.00</u>	<u>31,630.00</u>	<u>21,170.00</u>
<u>Grounds/Landscaping</u>						
Lawn care Contract	2,073.94	1,824.00	9,673.72	7,296.00	21,888.00	12,214.28
Pest Control	0.00	0.00	0.00	0.00	290.00	290.00
Special Snow Removal	0.00	0.00	0.00	0.00	1,000.00	1,000.00
Water - Irrigation	0.00	0.00	2,216.89	0.00	0.00	(2,216.89)
TOTAL Grounds/Landscaping	<u>2,073.94</u>	<u>1,824.00</u>	<u>11,890.61</u>	<u>7,296.00</u>	<u>23,178.00</u>	<u>11,287.39</u>
<u>Maintenance & Repairs</u>						
Repairs & Maintenance	(362.60)	0.00	(362.60)	0.00	9,893.00	10,255.60
TOTAL Maintenance & Repairs	<u>(362.60)</u>	<u>0.00</u>	<u>(362.60)</u>	<u>0.00</u>	<u>9,893.00</u>	<u>10,255.60</u>
<u>Professional Fees</u>						
Review/Tax Return	0.00	0.00	0.00	0.00	737.00	737.00
Legal Fees	1,274.00	0.00	2,499.00	1,013.00	1,013.00	(1,486.00)
Management Fees	765.00	765.00	1,912.50	3,060.00	9,180.00	7,267.50
TOTAL Professional Fees	<u>2,039.00</u>	<u>765.00</u>	<u>4,411.50</u>	<u>4,073.00</u>	<u>10,930.00</u>	<u>6,518.50</u>
<u>Taxes/Insurance/Permits</u>						
Insurance	1,516.90	1,549.92	7,950.28	6,199.68	18,599.00	10,648.72
TOTAL Taxes/Insurance/Permits	<u>1,516.90</u>	<u>1,549.92</u>	<u>7,950.28</u>	<u>6,199.68</u>	<u>18,599.00</u>	<u>10,648.72</u>
<u>Utilities</u>						
Utilities	13.52	83.33	65.02	333.32	1,000.00	934.98
Trash Removal	439.07	439.17	1,756.28	1,756.68	5,270.00	3,513.72
Water & Sewer	0.00	0.00	0.00	0.00	2,700.00	2,700.00
TOTAL Utilities	<u>452.59</u>	<u>522.50</u>	<u>1,821.30</u>	<u>2,090.00</u>	<u>8,970.00</u>	<u>7,148.70</u>
TOTAL Expense	<u>8,334.83</u>	<u>7,276.42</u>	<u>36,171.09</u>	<u>30,118.68</u>	<u>103,200.00</u>	<u>67,028.91</u>
Excess Revenue / Expense	<u>267.98</u>	<u>1,323.58</u>	<u>793.38</u>	<u>4,281.32</u>	<u>0.00</u>	<u>(793.38)</u>

Stonemill Farms Townhomes Homeowners Association
Operating Statement w/ Balance

Transaction 7/1/2020 To 7/31/2020 11:59:00 PM

	Current Month Reserve		Year to Date Reserve		Annual	Remaining
	Actual	Budget	Actual	Budget	Budget	Budget
Income						
<u>Other Income</u>						
Interest Income	15.60	0.00	65.59	0.00	0.00	(65.59)
Contribution to Reserves	2,615.00	2,615.00	10,460.00	10,460.00	31,380.00	20,920.00
TOTAL Other Income	<u>2,630.60</u>	<u>2,615.00</u>	<u>10,525.59</u>	<u>10,460.00</u>	<u>31,380.00</u>	<u>20,854.41</u>
TOTAL Income	<u>2,630.60</u>	<u>2,615.00</u>	<u>10,525.59</u>	<u>10,460.00</u>	<u>31,380.00</u>	<u>20,854.41</u>
Expense						
<u>Grounds/Landscaping</u>						
Landscaping/Grounds Maint	0.00	0.00	8,915.00	0.00	0.00	(8,915.00)
TOTAL Grounds/Landscaping	<u>0.00</u>	<u>0.00</u>	<u>8,915.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,915.00)</u>
TOTAL Expense	<u>0.00</u>	<u>0.00</u>	<u>8,915.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,915.00)</u>
Excess Revenue / Expense	<u>2,630.60</u>	<u>2,615.00</u>	<u>1,610.59</u>	<u>10,460.00</u>	<u>31,380.00</u>	<u>29,769.41</u>

The Pointe at Settlers Ridge

Articles of Incorporation



Office of the Minnesota Secretary of State Certificate of Incorporation

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name: The Pointe at Settlers Ridge

File Number: 1153911200023

Minnesota Statutes, Chapter: 317A

This certificate has been issued on: 04/13/2020



A handwritten signature in black ink that reads "Steve Simon".

Steve Simon
Secretary of State
State of Minnesota

Office of the Minnesota Secretary of State
Minnesota Nonprofit Corporation/Articles of Incorporation
Minnesota Statutes, Chapter 317A



The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Incorporation:

ARTICLE 1 - CORPORATE NAME:

The Pointe at Settlers Ridge

ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:

Name

Address:

Steven Anderson

7260 University Av NE #200 Fridley MN 55432 0398 USA

ARTICLE 3 - INCORPORATOR(S):

Name:

Address:

Steven Anderson

**7260 University Av NE #200 Fridley Minnesota
55432**

DURATION: PERPETUAL

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

SIGNED BY: Steven Anderson

MAILING ADDRESS: None Provided

EMAIL FOR OFFICIAL NOTICES: sanderson@cedarmanagement.com

Office of the Minnesota Secretary of State
Minnesota Nonprofit Corporation | Articles of Incorporation
Minnesota Statutes, Chapter 317A



Read the instructions before completing this form.

Filing Fee: \$90 for expedited service in-person and online filings, \$70 if submitted by mail

A nonprofit corporation that wishes to apply for tax exempt status under 501(c)(3) to the Internal Revenue Service (IRS) cannot use this form for its articles due to the fact that the IRS has additional language requirements. See the instructions for further information.

Note: A professional corporation governed under Chapter 319B must include an attachment with the following information: (This information is only required if this is a professional corporation.)

1. Statement that the Minnesota firm elects to operate and acknowledges that it is subject to *Minnesota Statutes*, Chapter 319B.01 to 319B.12.
2. List the professional service the corporation is authorized to provide under *Minnesota Statutes*, Chapter 319B, subd 19.

Note: Information provided when filing a business entity is public data and may be viewable online. This includes but is not limited to all individual names and addresses.

The undersigned incorporator(s), in order to form a Minnesota Nonprofit Corporation under *Minnesota Statutes*, Chapter 317A adopt the following:

Article I – Name of Corporation (Required)

The Pointe at Settlers Ridge

Article II – Registered Office and Agent (A Registered Office Address is Required)

7260 University Av. NE #200	Fridley	MN	55432
Street Address (A PO Box by itself is not acceptable)	City	State	Zip

The Registered Agent at the above address is: Cedar Management, Inc.

Article III – Incorporators (Required)

I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Steven Anderson	7260 University Av NE	Fridley	MN	55432
Incorporator's Name	Street Address	City	State	Zip

	April 13, 2020
Signature	Date

Incorporator's Name	Street Address	City	State	Zip

Signature	Date

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

sanderson@cedarmanagement.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.



List a name and daytime phone number of a person who can be contacted about this form:

Steven Anderson	763-231-0398
-----------------	--------------

Contact Name

Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Minnesota Business Snapshot

To better serve Minnesotans, the Secretary of State's Office has created the "Minnesota Business Snapshot," a short and simple survey produced with the input of business owners, business organizations, non-profits, and researchers from across the state. These five questions will take less than three minutes to complete, and you may answer any or all of them. There is no penalty if you choose not to provide this information. However, the answers you do provide will create a useful pool of information for potential customers and inform the analysis of our quarterly "Minnesota Economic and Business Condition Reports". We do not independently verify the answers applicants provide. Again, this survey is voluntary and the answers are considered public data. Thank you.

1. (Select up to one) - How many Minnesota – based full time employees (or FTE equivalents) does this entity currently have?

- 0-5
- 6-50
- 51-200
- 201-500
- Over 500

2. (Select all that apply) - Does the owner or a member of the ownership group of this entity self-identify as a member of any of the following communities?

- Woman
- Member of a community of color
- Veteran
- Member of a disability community
- Member of an immigrant community

3. (Select up to one) - Using NAICS codes below, please select the code that best describes this entity. If you believe this entity falls into more than one category, please select the category that generates the majority of the entity's revenue.

- Agriculture, Forestry, Fishing and Hunting (Code 11)
- Mining (Code 21)
- Utilities (Code 22)
- Construction (Code 23)
- Manufacturing (Codes 31-33)
- Wholesale Trade (Code 42)
- Retail Trade (Codes 44-45)
- Transportation and Warehousing (Codes 48-49)
- Information (Code 51)
- Finance and Insurance (Code 52)
- Real Estate Rental and Leasing (Code 53)
- Professional, Scientific, and Technical Services (Code 54)
- Management of Companies and Enterprises (Code 55)
- Administrative and Support and Waste Management and Remediation Services (Code 56)
- Educational Services (Code 61)
- Health Care and Social Assistance (Code 62)
- Arts, Entertainment, and Recreation (Code 71)
- Accommodation and Food Services (Code 72)
- Other Services (except Public Administration) (Code 81)
- Public Administration (Code 92)

Office of the Minnesota Secretary of State
Minnesota Nonprofit Corporation | Articles of Incorporation
Minnesota Statutes, Chapter 317A



4. (Select up to one) Is this entity a full time or part time endeavor for those primarily responsible for operating this entity?

- Full time
- Part time

5. (Select up to one) - If applicable, what were this entity's gross revenues for the past year?

- \$0 - \$10,000
- \$10,001 - \$50,000
- \$50,001 - \$250,000
- \$250,001 - \$1M
- Over \$1M



Work Item 1153911200023
Original File Number 1153911200023

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
04/13/2020 11:59 PM

Steve Simon

Steve Simon
Secretary of State

The Pointe at Settlers Ridge

Current Unaudited Financial Documents



The Point at Settlers Ridge Homeowners Association FKA Stonemill Farms

Balance Sheet Fund

Transaction 01/31/2021

	Operating	Reserve	Total
Assets			
<u>Cash</u>			
CAB Checking	\$56,485.98		\$56,485.98
<u>Total Cash</u>	<u>56,485.98</u>		<u>56,485.98</u>
<u>Cash & Investments</u>			
CAB Res MM		109,818.71	109,818.71
<u>Total Cash & Investments</u>		<u>109,818.71</u>	<u>109,818.71</u>
<u>Accounts Receivable</u>			
A/R Assessments	1,837.79		1,837.79
<u>Total Accounts Receivable</u>	<u>1,837.79</u>		<u>1,837.79</u>
<u>Total Assets</u>	<u>\$58,323.77</u>	<u>\$109,818.71</u>	<u>\$168,142.48</u>
Liabilities & Equity			
<u>Current Liabilities</u>			
Accounts Payable	\$928.74		\$928.74
Prepaid Assessments	1,620.40		1,620.40
<u>Total Current Liabilities</u>	<u>2,549.14</u>		<u>2,549.14</u>
<u>Funds</u>			
Beginning Operating Fund	55,765.07		55,765.07
Beginning Reserve Fund		92,420.51	92,420.51
Net Income	9.56	17,398.20	17,407.76
<u>Total Funds</u>	<u>55,774.63</u>	<u>109,818.71</u>	<u>165,593.34</u>
<u>Total Liabilities & Equity</u>	<u>\$58,323.77</u>	<u>\$109,818.71</u>	<u>\$168,142.48</u>

The Point at Settlers Ridge Homeowners Association FKA Stonemill Farms

Operating Statement w/ Balance

Transaction 1/1/2021 To 1/31/2021 11:59:00 PM

	Current Month Operating		Year to Date Operating		Annual	Remaining
	Actual	Budget	Actual	Budget	Budget	Budget
Income						
<u>Assessment Income</u>						
Assessment	9,460.00	9,460.00	86,860.00	94,600.00	113,520.00	26,660.00
TOTAL Assessment Income	<u>9,460.00</u>	<u>9,460.00</u>	<u>86,860.00</u>	<u>94,600.00</u>	<u>113,520.00</u>	<u>26,660.00</u>
<u>Other Income</u>						
Late Fees	50.00	0.00	275.00	0.00	0.00	(275.00)
Interest Income	2.55	0.00	27.41	0.00	0.00	(27.41)
Miscellaneous	0.00	0.00	2,453.54	0.00	0.00	(2,453.54)
TOTAL Other Income	<u>52.55</u>	<u>0.00</u>	<u>2,755.95</u>	<u>0.00</u>	<u>0.00</u>	<u>(2,755.95)</u>
TOTAL Income	<u>9,512.55</u>	<u>9,460.00</u>	<u>89,615.95</u>	<u>94,600.00</u>	<u>113,520.00</u>	<u>23,904.05</u>
Expense						
<u>Administrative</u>						
Miscellaneous Administrative	385.28	0.00	385.28	0.00	250.00	(135.28)
Transfer to Reserves	2,615.00	2,615.00	26,150.00	26,150.00	31,380.00	5,230.00
TOTAL Administrative	<u>3,000.28</u>	<u>2,615.00</u>	<u>26,535.28</u>	<u>26,150.00</u>	<u>31,630.00</u>	<u>5,094.72</u>
<u>Grounds/Landscaping</u>						
Lawn care Contract	1,867.31	2,530.00	23,062.08	21,064.00	26,127.58	3,065.50
Pest Control	0.00	0.00	0.00	0.00	100.00	100.00
Sprinkler Maintenance	0.00	0.00	0.00	0.00	5,150.00	5,150.00
Landscaping/Grounds Maint	0.00	0.00	0.00	0.00	1,775.00	1,775.00
Special Snow Removal	0.00	0.00	0.00	500.00	1,470.00	1,470.00
Water - Irrigation	0.00	0.00	5,229.74	2,500.00	2,500.00	(2,729.74)
TOTAL Grounds/Landscaping	<u>1,867.31</u>	<u>2,530.00</u>	<u>28,291.82</u>	<u>24,064.00</u>	<u>37,122.58</u>	<u>8,830.76</u>
<u>Maintenance & Repairs</u>						
Repairs & Maintenance	0.00	0.00	2,892.38	2,000.00	2,000.00	(892.38)
Repairs Building	0.00	0.00	330.00	0.00	750.00	420.00
TOTAL Maintenance & Repairs	<u>0.00</u>	<u>0.00</u>	<u>3,222.38</u>	<u>2,000.00</u>	<u>2,750.00</u>	<u>(472.38)</u>
<u>Professional Fees</u>						
Review/Tax Return	0.00	0.00	0.00	0.00	700.00	700.00
Legal Fees	889.00	987.00	3,388.00	2,000.00	8,000.00	4,612.00
Management Fees	765.00	765.00	6,502.50	7,650.00	9,180.00	2,677.50
TOTAL Professional Fees	<u>1,654.00</u>	<u>1,752.00</u>	<u>9,890.50</u>	<u>9,650.00</u>	<u>17,880.00</u>	<u>7,989.50</u>
<u>Taxes/Insurance/Permits</u>						
Insurance	1,516.90	1,549.92	17,051.68	15,499.20	18,685.00	1,633.32
TOTAL Taxes/Insurance/Permits	<u>1,516.90</u>	<u>1,549.92</u>	<u>17,051.68</u>	<u>15,499.20</u>	<u>18,685.00</u>	<u>1,633.32</u>
<u>Utilities</u>						
Utilities	13.21	15.04	171.34	150.40	182.42	11.08
Trash Removal	491.76	439.17	4,443.39	4,391.70	5,270.00	826.61
TOTAL Utilities	<u>504.97</u>	<u>454.21</u>	<u>4,614.73</u>	<u>4,542.10</u>	<u>5,452.42</u>	<u>837.69</u>
TOTAL Expense	<u>8,543.46</u>	<u>8,901.13</u>	<u>89,606.39</u>	<u>81,905.30</u>	<u>113,520.00</u>	<u>23,913.61</u>
Excess Revenue / Expense	<u>969.09</u>	<u>558.87</u>	<u>9.56</u>	<u>12,694.70</u>	<u>0.00</u>	<u>(9.56)</u>

The Point at Settlers Ridge Homeowners Association FKA Stonemill Farms
 Operating Statement w/ Balance

Transaction 1/1/2021 To 1/31/2021 11:59:00 PM

	Current Month Reserve		Year to Date Reserve		Annual	Remaining
	Actual	Budget	Actual	Budget	Budget	Budget
Income						
<u>Other Income</u>						
Interest Income	18.36	0.00	163.20	0.00	0.00	(163.20)
Contribution to Reserves	2,615.00	2,615.00	26,150.00	26,150.00	31,380.00	5,230.00
TOTAL Other Income	<u>2,633.36</u>	<u>2,615.00</u>	<u>26,313.20</u>	<u>26,150.00</u>	<u>31,380.00</u>	<u>5,066.80</u>
TOTAL Income	<u>2,633.36</u>	<u>2,615.00</u>	<u>26,313.20</u>	<u>26,150.00</u>	<u>31,380.00</u>	<u>5,066.80</u>
Expense						
<u>Grounds/Landscaping</u>						
Landscaping/Grounds Maint	0.00	0.00	8,915.00	0.00	0.00	(8,915.00)
TOTAL Grounds/Landscaping	<u>0.00</u>	<u>0.00</u>	<u>8,915.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,915.00)</u>
TOTAL Expense	<u>0.00</u>	<u>0.00</u>	<u>8,915.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,915.00)</u>
Excess Revenue / Expense	<u>2,633.36</u>	<u>2,615.00</u>	<u>17,398.20</u>	<u>26,150.00</u>	<u>31,380.00</u>	<u>13,981.80</u>