

3213182

COMMON INTEREST COMMUNITY NO. 945

Condominium

Girard at Summit Condominium

SEE THE CIC PLAT FILED AS PART OF THIS DECLARATION

DECLARATION

This Declaration is made in the county of Hennepin, state of Minnesota, on this 11th day of October, 1999, by Stephen M Figlmiller and Lazaro J Hernandez, incorporators (the "Declarants"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating Girard at Summit Condominium as a condominium under the Act.

3213182

WHEREAS, Declarants are the owner of certain real property located in Hennepin County, Minnesota, legally described in Exhibit B attached hereto and Declarants desires to submit said real property and all improvements thereon (collectively the "Property") to the Act, and

WHEREAS, Declarants desires to establish on the Property a plan for a permanent residential community to be owned, occupied and operated for the use, health and safety of its Owners and Occupants as defined herein, and for the purpose of preserving the value, the structural quality and the architectural character of the Property, and

WHEREAS, the Property is not subject to a "master association" as defined in the Act, and is not subject to an ordinance governing "conversion property" as defined in the Act.

THEREFORE, Declarants makes the Declaration and submits the Property to the Act as a condominium under the name "Girard at Summit Condominium" consisting of the Units referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

The definitions contained in Section 515B.1-103 of the Act shall apply to the corresponding words and terms used in the Governing Documents, except that certain words and terms used in the Governing Documents shall have the following meanings:

1.1 "Association" shall mean Girard at Summit Condominium Association, a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the state of Minnesota and Section 515B.3-101 of the Act, whose members consist of all Owners.

1.2 "Board" shall mean the Board of Directors of the Association as provided for in the Bylaws.

1.3 **"Building"** shall mean each structure which is or becomes a part of the Property and contains any Units, together with any garages not a part of a Unit.

1.4 **"Bylaws"** shall mean the Bylaws governing the operation of the Association, as amended from time to time.

1.5 **"Common Elements"** shall mean all parts of the Property except the Units, including all improvements thereon.

1.6 **"Common Expenses"** shall mean and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including without limitation allocations to reserves and those items specifically identified as Common Expenses in the Declaration or Bylaws.

1.7 **"Eligible Mortgagee"** shall mean any Person owning a mortgage on a Unit, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Unit, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.

1.8 **"Governing Documents"** shall mean this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.9 **"Limited Common Elements"** shall mean a portion of the Common Elements allocated by the Declaration or by operation of Section 515B.2-102(d) or (f) of the Act for the exclusive use of one or more, but not all, of the Units.

1.10 **"Member"** shall mean all persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

1.11 **"Occupant"** shall mean any person or persons, other than an Owner, in possession of or residing in a Unit.

1.12 **"Owner"** shall mean a Person who owns a Unit, but excluding contract for deed vendors, mortgagees, holders of reversionary interests in life estates and secured parties within the meaning of Section 515B.1-103(29) of the Act. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.

1.13 **"Person"** shall mean a natural individual, corporation, limited liability company, partnership, limited liability partnership, trustee, or other legal entity capable of holding title to real property.

1.14 "Plat" shall mean the recorded plat depicting the Property pursuant to the requirements of Section 515B.2-110(c) of the Act, including any amended or supplemental Plat recorded from time to time in accordance with the Act.

1.15 "Property" shall mean all of the real property submitted to this Declaration from time to time, including all improvements located thereon now or in the future. The Property is legally described in Exhibit B attached hereto.

1.16 "Rules and Regulations" shall mean the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.6.

1.17 "Unit" shall mean a part of the property within a Building, including one or more rooms or enclosed spaces, occupying part of one or more floors, designed and intended for separate ownership and use, as described in Section 2 and shown on the Plat.

SECTION 2

DESCRIPTION OF UNITS AND APPURTENANCES

2.1 Units. There are two Units, each of which shall be restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units within the meaning of the Act. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference. A schedule of the Units is set forth on Exhibit A.

2.2 Unit Boundaries. The boundaries of each Unit shall be the interior unfinished surfaces of its perimeter walls, floors and ceilings. Wallpaper, paneling, tiles and other finishing materials adhered to the interior of the Unit boundaries shall be a part of the Unit; provided, that any load bearing portions of any interior or perimeter walls, columns, ceilings or floors, and any common utility lines or other common systems located in or passing through a Unit, shall be Common Elements. The boundaries of each Unit shall also extend along the inside unfinished surfaces of its perimeter doors and windows, and their frames, and said perimeter doors, windows and frames, and their hardware, shall be deemed to be Limited Common Elements appurtenant to such Unit. Subject to this Section and Section 3.2, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

2.3 Access Easements. Each Unit shall be the beneficiary of an appurtenant easement for access to a public street or highway on or across the Common Elements, subject to any restrictions authorized by the Declaration.

2.4 Use and Enjoyment Easements. Each Unit shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, subject to any restrictions authorized by the Declaration or the Act.

2.5 Utility and Maintenance Easements. Each Unit shall be subject to and shall be the beneficiary of appurtenant easements for all services and utilities serving the Units or the Common Elements, and for maintenance, repair and replacement as described in Section 11.

2.6 Water and Gas Meter Access. Each Unit shall be subject to an appurtenant easement in favor of the city of Minneapolis and Gas utility company for reasonable access to read and maintain the water meter and gas meter located on the lower level of each Unit.

2.7 Encroachment Easements. Each Unit shall be subject to and shall be the beneficiary of appurtenant easements for encroachments as described in Section 11.

2.8 Declarants' Easements. Declarants shall have and be the beneficiary of easements for exercising its special declarants rights as described in Section 13.

2.9 Recorded Easements. The Property shall be subject to such other easements as may be recorded against it or otherwise shown on the Plat.

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

SECTION 3

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

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

3.1.1 All of the Property not included within the Units constitutes Common Elements, and the undivided interests therein are allocated among the Units based upon the formula set forth in Section 4.2. The Common Elements include, but are not limited to, all the areas and items listed in this Section or designated as Common Elements on the Plat or by the Act. The undivided interest in the Common Elements allocated to a Unit is appurtenant to such Unit and is inseparable from that Unit.

3.1.2 The Common Elements shall be subject to appurtenant easements for Building services, public and private utilities, access, use and enjoyment in favor of each Unit and its Owners and Occupants; subject to (i) the rights of Owners and Occupants in Limited Common Elements appurtenant to their respective Units and (ii) the right of the

Association to establish reasonable Rules and Regulations governing the use of the Property.

3.1.3 Subject to Sections 5 and 8, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association.

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

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

3.2.1 The fenced patio area on the north side of the Building, all as shown on the Plat, is allocated to Unit 1.

3.2.2 A fenced patio area on the south side of the Building, accessible from Unit 2, is allocated to Unit 2.

3.2.3 The north and northwest fenced yard area is allocated to Unit 1. The south yard area is allocated to Unit 2.

3.2.4 Any heating, ventilating or air conditioning piping or other equipment serving only a certain Unit, and located outside the Unit's boundaries, is allocated to the Unit which the equipment serves.

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

3.2.6 Improvements such as shutters, awnings, window boxes, doorsteps, stoops, perimeter doors and windows, which are a part of the existing construction and which serve a single Unit, and replacements and modifications thereof authorized pursuant to Section 7.10, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

SECTION 4

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

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

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

4.2 Allocation of Interests. Voting rights and Common Expense obligations shall be allocated equally between the Units, subject to special allocations of Common Expense as authorized by Section 6. Each Unit shall have one vote with respect to matters on which the Owners are entitled to vote. Undivided interests shall be allocated equally between the Units.

4.3 Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights, Common Expense obligations and undivided interests in the Common Elements described in Section 4.2. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Unit, separate from the title to the Unit, shall be void. The allocation of the rights, obligations and interests described in this Section may not be changed, except in accordance with the Governing Documents and the Act.

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

SECTION 5

ADMINISTRATION

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

5.1 General. The operation and administration of the Association and the Property shall be governed by the Governing Documents, the Rules and Regulations, and the Act. The Association shall, subject to the rights of the Owners set forth in the Governing Documents and the Act, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents, the Act and the statute under which it is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the

Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board unless specifically stated to the contrary.

5.2 Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible and (iii) preserving the value, and architectural uniformity and character, of the Property.

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

5.4 Bylaws. The Association shall have Bylaws to provide for the administration of its corporate affairs. The Bylaws, and any amendments thereto, shall be in the form approved by the Association, and shall be binding on all Owners and Occupants.

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

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

5.7 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future assessments or added to reserves, as determined by the Board.

SECTION 6

ASSESSMENTS FOR COMMON EXPENSES

6.1 General. Assessments for Common Expenses shall be determined and assessed against the Units by the Board, in its discretion; subject to the requirements and procedures set forth in this Section 6, and the requirements of the Bylaws. Assessments for Common Expenses shall include annual assessments under Section 6.2, and may include special assessments under Section 6.3 and other assessments under Section 6.4. Annual and special assessments shall be allocated between the Units in accordance with the allocation formula set forth in Section 4.2. of the Declaration. Limited assessments under Section 6.4 shall be allocated to Units as set forth in that Section.

6.2 Annual Assessments. Annual assessments shall be established and levied by the Board. Each basic annual assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared by all Units in accordance with the allocation formula set forth in Section 4.2. Annual assessments shall be payable in equal monthly installments, unless otherwise determined by the Board. Annual assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of the Common Elements and those parts of the Units (if any) for which the Association is responsible.

6.3 Special Assessments. In addition to annual assessments, and subject to the limitations set forth hereinafter, the Board may levy in any assessment year a special assessment for the purpose of defraying in whole or in part (i) the cost of any unforeseen or unbudgeted Common Expense, (ii) general or specific reserves for maintenance, repair or replacement, and (iii) the maintenance, repair or replacement of any part of the Property, and any fixtures or other property related thereto.

6.4 Limited Assessments. In addition to annual assessments and special assessments, the Board may, at its discretion, levy and allocate limited assessments among only certain Units in accordance with the following requirements and procedures:

6.4.1 Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed exclusively against the Unit to which that Limited Common Element is assigned.

6.4.2 Any Common Expense or portion thereof benefiting only one Unit shall be assessed exclusively against the Unit benefited.

6.4.3 The costs of insurance may be assessed in proportion to the square footage or actual cost per Unit, and the costs of utilities (to the extent not separately metered) may be assessed in proportion to usage or such other formula to which all Owners entitled to vote agree.

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

6.4.5 Late charges, fines and interest may be assessed as provided in Section 12.

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

6.4.7 Notwithstanding anything to the contrary in the Governing Documents, if any damage to the Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, or their guests, the costs of repairing the damage shall automatically be assessed exclusively against the Owner's Unit to the extent not covered by insurance.

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

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

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

6.5 Working Capital Fund. The Association shall establish a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The amounts contributed to the fund shall conform to the requirements of the Federal National Mortgage Association ("FNMA") if required by FNMA in connection with the financing of a Unit mortgage or mortgages. The Board shall include in each subsequent annual budget a reasonable amount for working capital, based upon the anticipated needs of the Association for the year in question.

6.6 Liability of Owners for Assessments. Subject to the authority of the first Board to defer the levying of an assessment, the obligation of an Owner to pay assessments shall commence at the later of (i) the recording of the Declaration or amendment thereto which creates the Owner's Unit, or (ii) the time at which the Owner acquires title to the Unit. The Owner at the time an assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. The liability is absolute and unconditional. No Owner is exempt from liability for payment of his or her share of Common Expenses by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act. The Association may invoke the remedies set forth in Section

12, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

6.7 Assessment Lien. The Association has a lien on a Unit for any assessment levied against that Unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as assessments, under this Section. Recording of the 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 release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

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

6.9 Lien Priority: Foreclosure. A lien under this Section is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if a first mortgage on a Unit is foreclosed, the first mortgage was recorded on or after June 1, 1994, and no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (h)(1) to (3), (i), and (l) of the Act which became due, without acceleration, during the six (6) months immediately preceding the first day following the end of the Owner's period of redemption.

6.10 Voluntary Conveyances: Statement of Assessments. In a voluntary conveyance of a Unit the buyer shall not be personally liable for any unpaid assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such assessments shall remain against the Unit until satisfied. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid assessments against the Unit, including all assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and buyer.

SECTION 7

RESTRICTIONS ON USE OF PROPERTY

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

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

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

7.3 **Residential Use.** The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings, occupied by not more than 3 persons, and not for transient, hotel, commercial, business or other non-residential purposes, except as permitted by Section 7.4. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than 7 days, or any occupancy which includes any material services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

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

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

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

7.4.3 Declarants may maintain offices and other business facilities on the Property in connection with the exercise of its special declarants rights.

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

7.6 Delegation of Use. An Owner may delegate, in accordance with the Governing Documents, the Owner's right of use and enjoyment of the Unit to persons living in the Unit pursuant to a legal right of possession; provided such persons shall be subject to the provisions of the Governing Documents and the Rules and Regulations. If lessees, or other persons other than the Owner or the Owner's family, have been given the legal right to possess the Owner's Unit, then those persons shall have the right to use any common facilities, parking, storage and other amenities on the Property in lieu of the Owner and the Owner's family.

7.7 Parking. Garages shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized in writing by the Association. The use of garages and driveways shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property. No overnight parking of vehicles allowed in driveway. Garbage containers to be stored inside garage, except pick up day.

7.8 Animals. Up to 2 common domestic cats may be kept in each Unit. However, no animal may be bred, or kept or maintained for business or commercial purposes, anywhere on the Property. Animals shall not be allowed in Common Areas. Subject to the foregoing restrictions, the Board shall have the exclusive authority to prohibit, or to allow and regulate, by Rules and Regulations, the keeping of animals on the Property. The word "animal" shall be construed in its broadest sense and shall include all living creatures except humans.

7.9 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units. The Property shall be occupied and used in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use and quiet enjoyment of the Property by other Owners and Occupants and their guests. In particular, Owners and Occupants shall take care not to create disturbing noise or activity in the use of their respective Limited Common Elements.

7.10 Architectural Controls. Except for those made by Declarants in connection with its initial sale of a Unit, no alterations, displays, improvements, repairs or replacements of any type (collectively referred to as "alterations") shall be made, or caused or allowed to be made, by any Owner or Occupant, or their guests, in any part of the Common Elements, or in any part of the Unit which affects the Common Elements or another Unit, or which is visible from the exterior of the Unit, without the prior written authorization of the Board.

7.10.1 The Board shall have authority to establish reasonable procedures for applying for authorization, and reasonable requirements for alterations, and shall be the sole judge of whether the criteria are satisfied, subject to any restrictions imposed by any applicable laws, ordinances or regulations.

7.10.2 The purpose of the requirements established by the Board shall be (i) to preserve the architectural character, the quality and the value of the Property, and (ii) to protect the Association and the Owners from liens and other liability arising out of the alterations or any construction activity in connection therewith.

7.11 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Association or any Owner or Occupant.

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

7.13 Access to Units. In case of emergency, all Units and Limited Common Elements are subject to entry, without notice and at any time, by an officer or member of the Board, by the Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Section 8 and for enforcement purposes under Section 12.

7.14 Security Systems. Each Unit shall have an active security system with active smoke detector capability.

SECTION 8

MAINTENANCE AND REPAIR

The following provisions shall govern the maintenance, repair and replacement of the property.

8.1 Association Responsibility. The Association shall, at its expense, be responsible for the maintenance, repair and replacement of all Common Elements, subject to the following:

8.1.1 The Association shall be responsible for all incidental damage caused to any part of the Property by work done by the Association pursuant to this Section.

8.1.2 If damage is caused to the Common Elements, Limited Common Elements or other Units by an Owner or such Owner's occupants or guests, or by any condition in the Unit or Limited Common Elements which the Owner or Occupant has caused or

allowed to exist, then the Association may repair the damage or correct the condition and assess the cost thereof against the responsible Owner and his or her Unit.

8.1.3 Maintenance, repair and replacement of Limited Common Elements shall be the responsibility of the Owners, as described in Section 8.2, unless the Association undertakes such work as to part or all of the Limited Common Elements. In any case, however, the Board shall have authority to determine when such work is needed and to establish the specifications for the work to assure quality and architectural compatibility.

8.2 Owner Responsibility. The Owner shall, at his or her expense, be responsible for maintenance, repair and replacement as follows:

8.2.1 To maintain, repair, and replace all portions of the Unit, and the Limited Common Elements allocated to the Unit. The Units and Limited Common Elements shall be kept in good, clean and sanitary condition and repair, and in a manner consistent with the architectural character of the Building.

8.2.2 To perform his or her responsibilities promptly when the need for maintenance or repair arises, and in such manner as not to damage the Property, or unreasonably disturb or cause a hazard to other persons occupying or otherwise using the Property. The Board may require that the Owners perform their obligations to maintain their Limited Common Elements in accordance with standards established by the Board.

8.2.3 To promptly pay or reimburse the Association for any costs incurred by the Association for the repair of any damage to the Common Elements, Limited Common Elements or other Units, caused by the Owner or Occupant, or their invitees, or caused by any condition in the Unit or Limited Common Elements which the Owner or Occupant has allowed to exist.

8.2.4 All maintenance, repair or replacement to any part of a Building which is visible from the exterior of the Building shall be subject to prior written approval by the Board in accordance with Section 7.10.

8.2.5 If any Owner fails or refuses to perform his or her duties to maintain, repair and replace, the Association shall have authority to undertake the necessary work and assess the Owner's Unit for the cost thereof.

8.3 Restrictions on Changes to Property. Except for the Declarants, no Owner or Occupant shall, without prior written authorization from the Board in accordance with Section 7.10:

8.3.1 Cause or permit any physical or aesthetic changes or alterations, whether temporary or permanent, to be made to a Unit or the Common Elements, nor display any sign or display (other than window coverings), if such change or alteration is visible from the exterior of their Unit.

8.3.2 Cause or permit any physical changes to their Unit or the Common Elements that could jeopardize or impair the weather-tight integrity, safety or soundness of any part of the Building, any Building system or equipment, or any other improvement located on the Property.

8.3.3 Interfere with or otherwise materially impair any easement.

8.4 Duty to Report Defects. Owners or Occupants shall promptly report to the Association any defect or need for repair to the Common Elements or Limited Common Elements.

8.5 Easements for Maintenance, Repair and Replacement. Each Unit and the Common Elements and Limited Common Elements are subject to appurtenant easements in favor of the Association for maintenance, repair, replacement and reconstruction of the Property for which the Association has responsibility. Each Owner shall afford to the Association and its authorized agents and employees, access at reasonable times and upon reasonable notice, to and through the Unit and its Limited Common Elements for maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency.

SECTION 9 INSURANCE

9.1 Required Coverage. 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 the Act and the additional requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the State of Minnesota, as follows:

9.1.1 Property insurance in broad form covering all risks of physical loss in an amount equal to one hundred percent (100%) of the insurable "replacement cost" of the Property, 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 cover personal property owned by the Association. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. With respect to the Units, such policy or policies shall include such additional endorsements, coverages and limits covering the foregoing and other hazards as may be required from time to time by the regulations of the FHA, the VA or the Federal National Mortgage Association ("FNMA") as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board may also, on behalf of the Association, enter into binding written agreements with a mortgagee, guarantor, insurer or servicer, including without limitation the FHA, VA or FNMA, obligating the Association to keep certain specified coverages or endorsements in effect.

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

9.1.3 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 deemed to be advisable by the Board or required by the regulations of the FHA or FNMA as a precondition to the purchase or financing of a mortgage on a Unit. The insurance shall name the Association as the named insured and shall, if required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing of a mortgage on a Unit, 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 three months aggregate assessments on all Units 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.

9.1.4 Workers' Compensation insurance as required by law.

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

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

9.2 Premiums; Improvements; Deductibles. All insurance premiums shall be assessed and paid as a Common Expense, and allocated among the Units by the Board as authorized by Section 6.4.3. The insurance need not cover improvements and betterments to the Units installed by Owners, but if improvements and betterments are covered, any increased cost may be assessed against the Units affected. The Association may, in the case of a claim for damage to a Unit, (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.

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 secured parties, including Eligible Mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association.

9.4 Required Policy Provisions. All policies of property insurance carried by the Association shall, to the extent reasonably available, provide that:

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

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

9.4.3 No act or omission by any Owner or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.

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

9.5 Cancellation: Notice of Loss. All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be cancelled or substantially modified, for any reason, without at least 30 days prior written notice to the Association, to the FHA, FNMA or VA (as applicable), all of the insureds and all Eligible Mortgagees.

9.6 Restoration in Lieu of Cash Settlement. All policies of property insurance maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any insurance trustee) or (ii) 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 Owner's Personal Insurance. Each Owner may obtain additional personal insurance coverage at his or her own expense covering fire and other casualty to the Unit, personal property or personal liability. All insurance policies maintained by Owners shall provide that they are without contribution as against the insurance purchased by the Association.

SECTION 10

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

10.1 Reconstruction. The obligations and procedures for the repair, reconstruction or disposition of the Property following damage or destruction thereof shall be governed by the Act. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Property as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given pursuant to Section 16.10.

10.2 Condemnation and Eminent Domain. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of the Act shall govern; provided, (i) that notice shall be given pursuant to Section 16.10, (ii) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements and (iii) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Eligible Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

10.3 Termination and Liquidation. The termination of the common interest community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the value of the Units as determined by their respective allocations of interests in the Common Elements, and shall be made to Owners and their mortgage holders, as their interests may appear, as provided in the Act.

10.4 Notice. The Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under Section 16.10.

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

SECTION 11

EASEMENTS

11.1 Easement for Encroachments. If there is an encroachment by a Unit upon another Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, an appurtenant easement for the encroachment for the maintenance thereof, shall exist; provided that with respect to alterations made pursuant to Section 7.10, no easement shall exist unless the same have been approved and constructed as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

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

maintenance, repair, replacement and reconstruction of the Units, and utilities serving the Units, to the extent necessary to fulfill the Association's obligations under the Governing Documents.

11.3 Utilities Easements. The Property shall be subject to non-exclusive, appurtenant easements for all utilities, water and sewer, and similar services, which exist from time to time, as constructed or referred to in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Unit, and the rights of the Owners and Occupants thereof, shall be subject to a non-exclusive easement in favor of the other Units for all such services, including without limitation any sewer or water lines servicing other Units. Each Unit shall also be subject to an exclusive easement in favor of the Association and all utilities companies providing service to the Units for the installation and maintenance of utilities and utilities metering devices. All easement rights shall include a right of reasonable access to maintain, repair and replace the utility lines and related equipment.

11.4 Continuation and Scope of Easements. Notwithstanding anything in this Declaration to the contrary, in no event shall an Owner or Occupant be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section shall supplement and not limit any easements described elsewhere in this Declaration or recorded, and shall include reasonable access to the easement areas through the Units and the Common Elements for purposes of maintenance, repair, replacement and reconstruction.

SECTION 12 COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents, the Rules and Regulations, the decisions of the Association, 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, in addition to the rights and remedies authorized elsewhere by the Governing Documents or the Act.

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

12.2 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants and/or their

guests, who violate the provisions of the Governing Documents, the Rules and Regulations or the Act:

12.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

12.2.2 Impose late charges of up to the greater of \$20, or 15% of the amount due, for each past due assessment or installment thereof, plus interest at the highest rate authorized by law accruing beginning on the 31st day after the assessment or installment was due.

12.2.3 In the event of default of more than 30 days in the payment of any assessment or installment thereof, all remaining installments of assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent assessments, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. Reasonable advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

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

12.2.5 Suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities; provided, that this limitation shall not apply to Limited Common Elements, easements appurtenant to the Unit, or those portions of the Common Elements providing utilities service and access to the Unit. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Governing Documents, and for up to 30 days thereafter, for each violation.

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

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

12.3 Alternative Dispute Resolution. In the event of a bona fide, good faith dispute between or among Owners (personally or in their capacities as officers or directors) and/or the Association with regard to the interpretation or enforcement of any part of the Governing Documents, any party may require that all parties enter into alternative dispute resolution in accordance with the provisions of this Section, as follows:

12.3.1 If the parties are unable to resolve their differences within 30 days following written notice of the disputed issues to the other parties, then any party may demand that the issues be submitted to mediation. The mediation shall be conducted by

a qualified mediator listed on the Minnesota Statewide ADR-Rule 114 Neutrals Roster, and shall be selected by a majority of the parties, or if a majority cannot agree within 30 days after the demand for mediation then by the Chief District Court Judge for the county in which the Property is located. If practicable, a mediator shall be selected who has experience with the issues being mediated. The first mediation session shall be held within 30 days following the appointment of the mediator, unless both parties agree to an alternative time schedule. The mediation shall be conducted pursuant to the Minnesota Civil Mediation Act, and the parties shall enter into an "Agreement to Mediate" as defined in said statute. The parties shall undertake mediation in good faith and with a bona fide intent to resolve the controversy in question.

12.3.2 If a "Mediated Settlement Agreement," as defined in the Minnesota Civil Mediation Act, is not executed within 90 days following the execution of the Agreement to Mediate, then any party may demand binding arbitration. The arbitration shall be in accordance with the then existing rules and code(s) of ethics of the American Arbitration Association. The arbitration shall be conducted before a panel of three arbitrators (unless the parties agree to one arbitrator).

12.3.3 The party demanding the arbitration shall designate in writing, within 15 days of the demand for arbitration, the name of an arbitrator who is a member of the American Arbitration Association and knowledgeable in the issues being arbitrated, and the other party shall make a similar designation within the same period of time. The arbitrators so appointed shall select and designate a third arbitrator. If the arbitrators so appointed are unable to agree upon the third arbitrator within 15 days of their appointment, then the third arbitrator shall be designated by the Chief Judge of the District Court for the county in which the Property is located as soon thereafter as possible. The arbitrators shall proceed with diligence to hold a hearing or hearings, and to make their decision, within 90 days of the appointment of the panel of arbitrators (or the single arbitrator if one arbitrator is agreed upon).

12.3.4 The arbitrators shall make their decision in strict conformity with the rules of the American Arbitration Association, and shall have no power to depart from or change any of the rules, unless agreed to by the parties to the arbitration. The decision of the arbitrators shall be binding upon all parties to the proceedings and shall be enforceable by any court exercising jurisdiction over the Property or the parties. The arbitration decision, and any court action or order arising out of the decision, shall not be appealable and shall be the final resolution of the issues presented for arbitration.

12.3.5 The parties to the arbitration proceeding shall each bear the expense of their selected arbitrators' fees and shall share the expense of the third arbitrator equally. However, the prevailing party shall be entitled to reimbursement from the other party or parties for its reasonable attorneys fees and costs of arbitration in connection with the preparation and presentation of its case. The arbitrators shall determine, as part of their findings, which party prevailed, and shall determine the amount of fees and costs.

12.3.6 Notwithstanding the foregoing requirements of this Section 12.3, the parties to the alternative dispute resolution may unanimously agree in writing to modify or waive one or more of the requirements for the purpose of more expeditiously resolving the dispute in question.

12.4 Lien for Charges, Penalties, Etc. Any assessments, charges, fines, penalties or interest imposed under this Section shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board 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.

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

12.6 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

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

SECTION 13

SPECIAL DECLARANTS RIGHTS

Declarants hereby reserves exclusive and unconditional authority to exercise the following special declarants rights within the meaning of Section 515B.1-103 (31) of the Act for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

13.1 Complete Improvements. To complete all improvements included in Declarants's development plans or allowed by the Declaration, and to make alterations in the Units and Common Elements to accommodate the exercise of any special declarants rights.

13.2 Relocate Boundaries and Alter Units. To relocate boundaries between Units and to otherwise alter Units owned by it, to the extent permitted by Section 14.

13.3 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by Declarants and on the Common Elements;

13.4 Easements. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Common Elements for the purpose of exercising its special declarants rights;

13.5 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-103 of the Act, until the earliest of: (i) voluntary surrender of control by Declarants, or (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than a Declarants of 50% of the total number of Units authorized to be included in the Property.

13.6 Consent to Amendment. Until such time as Declarants no longer owns any Unit for initial sale, Declarants shall have the right to approve any amendment to the Governing Documents which affects Declarants's rights under the Declaration or Bylaws.

SECTION 14

RIGHTS TO SUBDIVIDE, CONVERT, RELOCATE BOUNDARIES AND ALTER UNITS

Existing or future Units may be subdivided, converted or altered, and Unit boundaries may be relocated, only in accordance with the following conditions:

14.1 Combining Units. No owner may remove or alter any intervening partition between Units or create apertures therein under Section 515B.2-113 of the Act.

14.2 Relocation of Boundaries. The boundaries between adjoining Units may be relocated only in accordance with Section 515B.2-114 of the Act.

14.3 Subdivision or Conversion. No Unit may be subdivided or converted into additional Units.

SECTION 15 AMENDMENTS

Except for amendments by Declarants pursuant to Section 515B.2-112(c) of the Act, this Declaration may be amended only by the approval of (i) Owners of Units to which are allocated one-hundred percent (100%) of the total votes in the Association, (ii) the percentage of Eligible Mortgagees (based upon one vote per Unit financed) required by Section 16 as to matters prescribed by said Section; and (iii) the Declarants to certain amendments as provided in Section 13.7. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees, and the Declarants shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Act. The Amendment shall be effective when recorded as provided in the Act. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 16 RIGHTS OF ELIGIBLE MORTGAGEES

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

16.1 Consent to Certain Amendments. The written consent of Eligible Mortgagees representing at least fifty-one percent of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required for any amendment to the Governing Documents which causes any change in provisions involving the following: (i) voting rights; (ii) increases in assessments of over 25%, assessment liens, or priority of assessment liens; (iii) reductions in reserves for maintenance, repair and replacement of Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; (vi) redefinition of any Unit boundaries; (vii) convertibility of Units into Common Elements or vice versa; (viii) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property; (ix) hazard or fidelity insurance requirements; (x) imposition of restrictions on the leasing of Units; (xi) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit; (xii) a decision by the Association (if the project involves 50 or more Units) to establish self management when professional management is in effect as required by the Governing Documents or an Eligible Mortgagee; (xiii) restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents; (xiv) any action to terminate the legal status of the common interest community after substantial destruction or condemnation occurs; or (xv) any provisions that expressly benefit Eligible Mortgagees, or insurers or guarantors of mortgages.

16.2 Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven percent of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required to (i) abandon or terminate the common interest community; (ii) change the allocations of voting rights, Common Expense obligations or interests in the Common Elements; (iii) partition or subdivide a Unit except as permitted by statute; (iv) abandon, partition, subdivide, encumber or sell the Common Elements; or (v) use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property, except as otherwise provided by law.

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

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

16.5 Priority of Lien. Any holder of a first mortgage on a Unit or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Unit by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Unit free of any claims for unpaid assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said first mortgage holder or purchaser; (i) except as provided in Section 6.9 and the Act and (ii) except that any unreimbursed assessments or charges may be reallocated among all Units in accordance with their interests in the Common Elements.

16.6 Priority of Taxes and Other Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Units and not to the Property as a whole.

16.7 Priority for Condemnation Awards. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

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

16.9 Access to Books and Records/Audit. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual

reports and other financial statements. Financial statements, including any which are audited, shall be available within one hundred twenty days of the end of the Association's fiscal year. FNMA or any institutional guarantor or insurer of a mortgage loan against a Unit, may require that, at its own expense, an audit of the Association's financial statements be made for the preceding year, in which case the Association shall cooperate in having an audit made and a copy given to the requesting party.

16.10 Notice Requirements. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a mortgage on a Unit, and the Unit identifier or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

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

16.10.2 a sixty-day delinquency in the payment of assessments or charges owed by the Owner of a Unit on which it holds a mortgage;

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

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

SECTION 17

MISCELLANEOUS

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

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

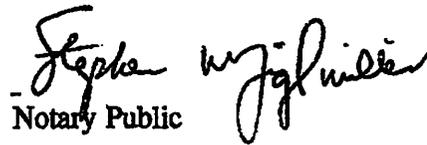
17.3 Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarants for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarants written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

Lazaro J Hernandez

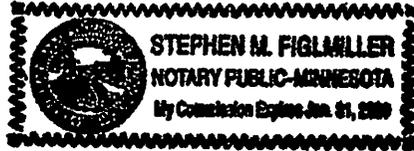


STATE OF MINNESOTA)
) ss.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 11th day of October, 1999, by Lazaro J. Hernandez, the Declarant of Girard at Summit, a Condominium, on behalf of said entity.


Notary Public

This instrument was drafted by:
Lazaro J. Hernandez, Esq.
1790 Girard Avenue South
Minneapolis, MN 55403



COMMON INTEREST COMMUNITY NO. 945

Girard at Summit Condominium

EXHIBIT A TO DECLARATION

SCHEDULE OF UNITS AND LIMITED COMMON ELEMENT GARAGES

<u>Unit Identifier</u>	<u>Allocation of Votes, Common Expenses and Common Element Interests</u>
Unit 1	1788 Girard Avenue South 50%
Unit 2	1790 Girard Avenue South 50%

COMMON INTEREST COMMUNITY NO. 945

Girard at Summit Condominium

EXHIBIT B TO DECLARATION

LEGAL DESCRIPTION OF PROPERTY

Current Legal is: Lot 6 and the south 25.0 feet
of lot 5, block 4, Summit Park
Addition to Minneapolis

Hennepin County, MN. See CIC Plat 945

GTR NO. 1034008

3213182

3213182

SEE THE CIC PLAT FILED AS
PART OF THIS DECLARATION

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3213182

OFFICE OF THE REGISTRAR OF TITLES
HENNEPIN COUNTY, MINNESOTA
CERTIFIED FILED ON

OCT 11 1999

Michael Williams Jam
REGISTRAR OF TITLES
BY *E. Engstrom* DEPUTY

49.50

15 } Declaration
4.50 }
30 - In. Plns

ARTICLES OF INCORPORATION

OF

GIRARD AT SUMMIT CONDOMINIUM ASSOCIATION

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A, and statutes amendatory thereof, hereby adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation shall be "Girard at Summit Condominium Association" (referred to herein as the "Corporation").

ARTICLE II

PURPOSES AND POWERS

The purposes for which the Corporation is formed, and its powers, are as follows:

1. To act as the Association which is referred to in the Declaration (the "Declaration") of Girard at Summit Condominium, a common interest community as defined in Minnesota Statutes Chapter 515B, located in Hennepin County, Minnesota.
2. To provide for the maintenance, operation and management of the Property described in the Declaration; for the preservation of the value and architectural character of the Property; and for the health and safety of the owners and occupants of the Property.
3. To exercise the powers and duties now or hereafter granted or imposed by law, the Declaration, or the Corporation's Bylaws, and to do all other lawful acts or things reasonably necessary for carrying out the Corporation's purposes; provided, that no actions shall be authorized or undertaken which violate any state or federal laws applicable to nonprofit corporations.

ARTICLE III

NO PECUNIARY GAIN

The Corporation shall not afford pecuniary gain, incidentally or otherwise, to its Members; provided that, subject to approval by the Board of Directors, that Members may be reimbursed for out-of-pocket expenses incurred in carrying out duties on behalf of the Association, as provided in the Bylaws, and Members may be reasonably compensated for goods and services furnished to the Association in an individual capacity subject to the limitations described in the Bylaws.

ARTICLE IV

DURATION

The duration of the Corporation shall be perpetual.

ARTICLE V

REGISTERED OFFICE

The location of the registered office of this Corporation shall be 1790 Girard Avenue South, Minneapolis, Minnesota 55403.

ARTICLE VI

INCORPORATOR

The name and address of the incorporator of this Corporation is as follows:

Stephen M. Figlmiller
1790 Girard Avenue South
Minneapolis, MN 55403

Lazaro J. Hernandez
1790 Girard Avenue South
Minneapolis, MN 55403

ARTICLE VII

LIMITED LIABILITY

The members of this Corporation shall not be subject to any personal liability for corporate obligations. In addition, no person who serves without compensation as a director, officer, member or agent of the Corporation shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as director, officer, member or agent of the Corporation, and did not constitute willful or reckless misconduct, except as follows:

1. an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;
2. a cause of action to the extent it is based on federal law;
3. a cause of action based on the person's express contractual obligation; or

4. an act or proceeding based on a breach of public pension plan fiduciary responsibility.

Nothing in this Article limits an individual's liability for physical injury to another person or for wrongful death which is personally and directly caused by that individual.

ARTICLE VIII

NO CAPITAL STOCK

This Corporation shall have no capital stock.

ARTICLE IX

MEMBERSHIP/VOTING

The Members of this Corporation shall be those persons described as Members in the Bylaws of the Corporation. Membership in the Corporation shall be transferable, but only as an appurtenance to and together with the Member's interest in the Unit (as defined in the Declaration) to which the membership is allocated. One membership shall be allocated to each Unit. The Members shall have the voting rights allocated to their respective Units as described in the Declaration. Cumulative voting by Members shall not be permitted.

ARTICLE X

BYLAWS

The Corporation shall have Bylaws for the regulation of the affairs of the Corporation. The first Board of Directors shall, upon first meeting thereof, adopt Bylaws. Thereafter, the Bylaws may be amended or revoked only by a vote of the Members of the Corporation, as provided in the Bylaws.

ARTICLE XI

MEETINGS

The Corporation shall hold meetings of its Members, at such time and in such manner as shall be specified in the Bylaws.

ARTICLE XII

AMENDMENTS

Amendment of these Articles of Incorporation shall require the prior approval of Members who hold in excess of fifty percent of the voting power of all Members, at a meeting duly held

