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COUNTY RECORDER OFFICE
Olmsted County Minn.
I hereby certify that the within instrument was filed on

MAY 5 1999
at 3 o'clock P M.
by Pam. Nemmel Deputy
RT

COMMON INTEREST COMMUNITY NO. 161
(A PLANNED COMMUNITY)
NORTHERN HEIGHTS NORTH TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into this 16th day of April, 1999 by Abbas Tabatabai, a single person, hereinafter called "Declarant" pursuant to the provisions of Minnesota Statutes Chapter 515B for the purpose of creating Northern Heights North Townhomes, Common Interest Community No. 161.

WHEREAS, Declarant is constructing townhomes on the real property described in Article II of this Declaration and desires to create thereon a planned community; and

WHEREAS, Declarant has incorporated a non-profit corporation for the purpose of managing the Common Elements, collecting and disbursing the assessments and charges and enforcing these covenants and restrictions;

NOW, THEREFORE, Declarant declares that the real property described in Article II is, and shall be held, transferred, sold, conveyed

and occupied 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:

ARTICLE I

DEFINITIONS

Section 1. DEFINITIONS. The following words when used in this Declaration, shall have the following meanings:

- a) "Act" shall refer to the Minnesota Common Interest Ownership Act (Minnesota Statutes Chapter 515B) as amended from time to time.
- b) "Association" shall refer to Northern Heights North Townhomes Association, Inc. which is the non-profit corporation established pursuant to Minnesota Statutes Chapter 317A and Section 515B.3-101, to own, operate and manage the Common Elements.
- c) "Board" shall refer to the Board of Directors of the Association.
- d) "Common Elements" shall refer to the real property described in Section 1 of Article II below, including all improvements thereon, which is owned, operated and managed by the Association.
- e) "Declarant" shall mean and refer to the Declarant above-named and to its successors and assigns.
- f) "Dwelling" shall mean a building consisting of one or more

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

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

h) "Limited Common Elements" means a portion of the common elements designated for the exclusive use of one or more but fewer than all of the Units.

i) "Owner" shall mean a person who owns a Unit, but excluding contract for deed vendors, mortgagees and other secured parties within the meaning of Section 515B.1-103(29) of the Act. The words "Owner" and "Member" may be used interchangeably in the Declaration and Articles of Incorporation and Bylaws of the Association.

j) "Special Declarant Rights" shall mean the rights reserved in this Declaration for the benefit of the Declarant set forth in Section 3 of Article III, Sections 2 and 5 of Article V and Article VIII of this Declaration.

k) "Unit" means the parcels of real estate designated for separate ownership described in Section 2 of Article II of

this Declaration upon which a Dwelling is located or intended to be located.

1) "Northern Heights North" shall refer to the plat of Northern Heights North Townhomes First Subdivision, on file and of record in the office of the county recorder in and for Olmsted County, Minnesota.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1. PROPERTY OWNED BY ASSOCIATION. The real property which comprises the Common Elements of this Association is legally described as follows:

Lots 9, 10, 11 and 12, Block 1 and Lots 5 and 6, Block 2, all in Northern Heights North Townhomes First Subdivision, in the City of Rochester, Olmsted County, Minnesota.

Declarant shall convey marketable title to the Common Elements, free and clear of any liens or encumbrances, to the Association upon the recording of this Declaration subject only to the provisions of this Declaration, the public utilities easements shown on Northern Heights North and the rights of Declarant to maintain signs on the Common Elements set forth in Section 1 of Article VIII below. Additional property may be conveyed to the Association as part of the expansion of this Planned Community under Section 3 of this Article II.

Section 2. PROPERTY DESCRIPTIONS OF UNITS. Each of the platted lots described below shall constitute a Unit under this

Declaration. The Unit boundaries shall be the boundary lines of the lots shown on Century Hills. There is a total of 12 Units which are legally described as follows:

Lots 1-8, inclusive, Block 1, and Lots 1-4, inclusive, Block 2, Northern Heights North Townhomes First Subdivision, in the City of Rochester, Olmsted County, Minnesota.

The Unit identifier for a Unit shall be its lot and block number, and the subdivision name.

3. FLEXIBLE COMMUNITY. Declarant hereby reserves the right to the additional real estate described on Exhibit "A" attached to this Declaration and incorporated herein subject to the following restrictions or provisions:

- a) The maximum number of Units which will be added to this Planned Community will not exceed 56;
- b) Such additional Units shall be restricted to residential use;
- c) No assurance is made by Declarant that the Units to be located on the additional real estate will be identical to the pre-existing Units within the planned community.
- d) The additional real estate will be added to this planned community in phases; and
- e) Once added, the Units located within the additional real estate shall be subject to all provisions of this Declaration and related documents as though said Units had been originally included in this planned community.

ARTICLE III

MEMBERSHIP

Section 1. MEMBERSHIP. Every Owner shall be a member of this Association entitled to all privileges and subject to the obligations set forth in this Declaration. Membership in the Association shall be appurtenant to and may not be separated from the ownership of the Unit upon which it is based.

Section 2. VOTING RIGHTS. Every member shall be entitled to one vote in the Association. If more than one person owns a Unit, only one of the Owners shall be allowed to cast the vote. In the event the Owners cannot agree as to who shall cast the vote, the vote shall not be cast.

Section 3. DECLARANT CONTROL. Notwithstanding the voting rights afforded to the members of this Association, Declarant hereby reserves the right to appoint the members of the Board subject to the following limitations:

a) Not later than 60 days after conveyance of 50% of the Units to Owners other than Declarant or an affiliate of Declarant, a meeting of the Owners shall be held at which not less than 33 1/3% of the members of the Board shall be elected by Owners other than Declarant or an affiliate of Declarant.

b) Not later than 60 days after conveyance of 75% of the Units to Owners other than Declarant, Declarant shall surrender its control to elect the Board.

c) Once Declarant has surrendered its control to elect the Board, a majority of said Board shall consist of persons other than Declarant or an affiliate of Declarant.

d) Under no circumstances shall the period of the Declarant control set forth in this Section 3 exceed five years from the date of the first conveyance of a Unit to a Owner other than Declarant.

ARTICLE IV

EASEMENTS

Section 1. EASEMENTS BENEFITTING MEMBERS. The members of this Association shall be afforded the following easements and rights:

a) A non-exclusive easement over and across the Common Elements for ingress and egress to and from their respective Units.

b) The non-exclusive right to use and enjoy the Common Elements subject to such rules and regulations as may be promulgated by the Board from time to time.

Section 2. EASEMENTS BENEFITTING PUBLIC. A general public utility easement for the construction and maintenance of all necessary overhead, underground or surface utilities has been reserved over, under and across all of the Common Elements.

Section 3. EASEMENTS FOR ENCROACHMENTS. There is hereby created an exclusive easement running in favor of every Owner to the extent

their dwelling including all of its appurtenances encroaches onto an adjacent Unit or the Common Elements provided such encroachment is either part of the original construction of said Dwelling or added pursuant to Article VII below.

Section 4. LIMITED COMMON ELEMENTS. The Limited Common Elements are those parts of the Common Elements reserved for the exclusive use of the Owners and occupants of the Units to which they are allocated, and the rights to the use and enjoyment thereof are automatically conveyed with the conveyance of such Units. The Limited Common Elements are described and allocated to the Units as follows:

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

b) Improvements such as decks, patio, balconies, shutters, awnings, window boxes, doorsteps, stoops, perimeter doors and windows, constructed as part of the original construction to serve a single Unit, and authorized replacements and modifications thereof, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

Section 5. PARTY WALLS. Each wall built as part of the original construction of the Dwellings and located on the boundary line between Units shall constitute a party wall. To the extent not inconsistent with the Act, the general rules of law regarding party walls and of liability for property damage due to the negligent or willful acts or omissions shall apply hereto.

ARTICLE V.

ASSESSMENTS

Section 1. POWERS OF ASSOCIATION. The Association shall have all of the powers conferred upon it by Minnesota Statutes Section 515B.3-102 of the Act. It shall exercise these powers (through its Board) to the extent necessary to fulfill the duties, obligations and responsibilities imposed upon it by this Declaration and the Bylaws of the Association which shall include, but not be limited to:

- a) Maintenance, repair or replacement of the Common Elements and Limited Common Elements once initially improved by Declarant.
- b) The exclusive right to control the manner and method of maintaining, repairing and improving the exterior appearance and structure of every Dwelling.
- c) The exclusive right to manage the landscaping and lawn care surrounding the Dwelling within every Unit.

Section 2. INITIAL DEVELOPMENT. Declarant shall be responsible to

complete at its sole cost and expense the initial improvements set forth below which shall include the following:

- a) Installation of the public utilities providing service to each Dwelling to be constructed by Declarant.
- b) Installation of a paved driveway and parking area upon the Common Elements providing access to all of the Units within Century Hills.
- c) Installation of signage to be designed by Declarant upon the Common Elements.
- d) Installation of all street lighting required by the City of Rochester.
- e) Any and all landscaping deemed appropriate by Declarant or required by the City of Rochester to enhance the appearance of the Common Elements.
- f) Construction of one Dwelling upon every Unit shown on Northern Heights North in accordance with Declarant's development plans or otherwise allowed by the Declaration.

Declarant shall be afforded all easement rights reasonable and necessary to accomplish and complete the foregoing improvements.

Section 3. LIABILITY FOR ASSESSMENTS. The Board shall have the authority to levy assessments against its members in order to cover its costs and expenses. Until conveyance of the first Unit to a purchaser other than Declarant or an affiliate of Declarant, Declarant shall pay all actual expenses incurred by the Association. Thereafter, except as otherwise provided by Sections

4 and 5 below, the total of the costs and expenses so levied by the Board on an annual basis shall be allocated equally among all Units.

The total annual obligation of each Owner shall be divided equally into 12 installments and shall be payable monthly commencing on the first day of each month after becoming a member of this Association. Until the termination of the period of Declarant control set forth in Section 3 of Article III above, the increase in the annual assessment for any year shall not exceed the greater of

- a) the increase in the U.S. Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items for the prior year; or
- b) 5% of the total annual assessment for the Association's previous fiscal year, unless such increase is approved by the vote of two-thirds (2/3rds) of those Owners voting, in person or by proxy, at a meeting called for that purpose.

Section 4. SPECIAL ALLOCATION. The Board reserve the right to allocate specific costs and expenses which it incurs against specific Units within the Association including, without limitation to the following situations:

- a) Needed maintenance, repair or replacement of Limited Common Elements.
- b) Needed maintenance, repair or replacement of a party wall whether or not said maintenance, repair or replacement is due

to the acts or omissions of a Owner, their tenants, servants, agents, invitees or licensees.

c) Damage done to the Common Elements or exterior portions of a Dwelling under the control of the Association caused by such acts or omissions of a Owner, their tenants, servants, agents, invitees or licensees.

d) The deductible portion of any insurance policy covering the exterior portion of a Dwelling under the control of the Association.

In addition, the Board may also allocate the costs and expenses which it incurs based upon the actual square footage being maintained, repaired or replacement. (e.g. Units with two car garages can be required to pay more than Units with a one car garage).

Section 5. ALTERNATIVE ASSESSMENT PROGRAM. Notwithstanding the provisions of Section 3 of Article V above, Declarant hereby establishes an alternative assessment program as authorized by Minnesota Statutes Section 515B.3-115 which limits Declarant's assessment liability for each Unit owned by Declarant to an amount equal to 25% of the assessment amount established by the Board for each Unit within the Association. This program will expire with respect to each Unit owned by Declarant upon a Certificate of Occupancy being issued by the City of Rochester. Declarants obligation to pay assessments under this program shall commence upon the conveyance of a Unit to a purchaser other than Declarant

or an affiliate of Declarant. Declarant shall provide the Association with at least 60 days prior notice of the termination of this program. Declarant hereby certifies that this program will have no effect on the level of services for items set forth in the Association's budget.

Section 6. INITIAL CAPITAL CONTRIBUTION. The purchaser of every Unit shall make an initial capital contribution to the Association at closing equal to three months of the monthly assessment for the particular Unit being purchased by Purchaser.

Section 7. LIEN FOR ASSESSMENTS. The Association shall have a lien against the Units of its members to ensure payment of the assessments when they become due as established by the Board. This lien shall become effective on the date of the assessment comes due and will remain effective until paid. The Board may, in its discretion, impose late fees, fines or interest for the failure to pay the assessment in a timely fashion and may also, if necessary, foreclose the lien in the manner prescribed by the statute. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 7, and no further recordation of any notice of or claim for the lien is required.

Section 8. RIGHTS OF FIRST MORTGAGEE. Notwithstanding the provisions of Sections 3,4 and 7 above, in the event a Mortgagee having a first security interest in a Unit forecloses its liens,

such Mortgagee shall only be liable to the Association for the unpaid assessments which become due, without acceleration, during the six months preceding the first day following the end of the Owner's period of redemption. The remaining unpaid assessment balance, if any, not required to be paid by the First Mortgagee under this Section 8 shall be reallocated among all Owners using the formula specified above.

ARTICLE VI

INSURANCE

Section 1. INSURANCE BY ASSOCIATION. The Association shall maintain the following types of insurance:

- a) Property insurance for broad form covered causes of loss on the insurable portions of the Units and Common Elements which are the responsibility of the Association in a total amount of not less than the full replacement cost of the insured property, less deductibles. The policy shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available.
- b) Comprehensive public liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements and portions of the Units under the control of the Association in an amount deemed sufficient by the Board but in no event less than \$1,000,000.00 per occurrence.
- c) Fidelity bond or insurance coverage against dishonest acts

on the part of directors, officers, manager, trustees, employees or persons responsible for handling funds belonging to or administrated by the Association if deemed advisable by the Board or required by the regulations of FHA or FNMA as a precondition to the purchase or financing of a mortgage on a Unit. The fidelity bond or insurance shall name the association as the named insured and shall, 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, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

- d) Workers' Compensation insurance as required by law.
- e) Such other insurance as the Board may determine from time to time to be in the best interest of the Association and the Owners.

The insurance policies required to be maintained by the Association under this Section shall provide:

- a) Full coverage commencing no later than the date of the first conveyance of a Unit by Declarant.
- b) That all Owners and their Mortgagees are insured persons under the policy.
- c) That the insurer waives its rights to subrogation under the policy against the members of this Association, the Association and the Board.
- d) That no act or omission by any Owner or Mortgagee, 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.
- e) In the event an insurance policy maintained by a Owner under Section 2 of this Article VI provides duplicate coverage, the policy maintained by the Association shall be primary insurance.
- f) Such additional endorsements, coverages and limits as may be required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.
- g) At least 30 days prior written notice to the Association, to the FHA or FNMA (if applicable), all of the insured and all Eligible Mortgagees of any cancellation or substantial modification of any policy.
- h) That any provision giving the insurer the right to elect to restore damage in lieu of a cash settlement may only be exercised with the prior written consent of the Association.

Section 2. INSURANCE BY OWNER. Any Owner may, in their discretion, obtain additional or alternative insurance covering their Unit and contents at their own expense for their personal benefit. All insurance policies maintained by the Owners shall provide that they are without contribution as against the insurance purchased by the Association.

ARTICLE VII

ARCHITECTURAL CONTROL

After completion and sale of a Unit to a person other than Declarant or an affiliate of Declarant, no alteration, modification or addition can be made to the exterior portions of the Dwelling or surrounding landscaping within the boundaries a Unit unless the proposed alteration, modification or addition has been submitted to and approved in writing by the Architectural Control Committee established by the Board. The proposed alternation, modification or addition shall be accompanied by a detailed plan drawn to scale. In the event said Committee fails to issue its approval or disapproval within 30 days of submission, such approval shall not be required and this Article VII shall be deemed to have been fully complied with.

ARTICLE VIII

SPECIAL DECLARANT RIGHTS

Section 1. SALES OFFICE. Declarant reserves the right to maintain a sales office and up to 4 model Units within this planned

community at any one time. In addition, Declarant may maintain signs on the Common Elements advertising the Units for sale. The rights afforded to Declarant under this Section 1 will automatically expire upon the sale of every Unit within this planned community for the first time to a person other than Declarant or an affiliate of Declarant.

Section 2. CONSENT REQUIRED. As long as Declarant owns any unsold Unit, Declarant's written consent shall be required for any amendment to the Declaration or the Articles of Incorporation or Bylaws of the Association which directly or indirectly may affect Declarants rights under such documents.

ARTICLE IX

BUILDING AND USE RESTRICTIONS

Section 1. RESIDENTIAL USE. No Unit shall be used except for residential purposes.

Section 2. NUISANCES. No noxious or offensive activity shall be carried upon within any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. ANIMALS. No animal may be bred, kept or maintained for business or commercial purposes anywhere on the real property covered by this Declaration. The Board shall have the exclusive

authority to prohibit, or to allow and regulate the keeping of animals upon the real property covered by this Declaration. The word "animal" shall be construed in its broadest sense and shall include all living creatures except humans.

Section 4. ADVERTISING. Except for the rights afforded to Declarant under Section 1 of Article VIII above, no advertising signs, including but not limited to "for sale" or "for rent" signs shall be allowed except at such location as determined by the Architectural Control Committee.

Section 5. GARBAGE AND REFUSE DISPOSAL. No Unit shall be used or maintained as a dumping ground for rubbish. The Association shall select the refuse disposal company to be used by all members of the Association. No Owner shall be allowed to select their own refuse disposal company.

Section 6. STORAGE. No boats, snowmobiles, trailers, recreational vehicles, unlicensed or inoperable automobiles, trucks or other vehicles shall at any time be stored or parked on any Unit or upon the Common Elements without the express written approval of the Board.

Section 7. FIREWOOD. All firewood shall be stored within the Dwelling.

Section 8. SATELLITE DISHES. No Satellite dishes shall be allowed.

Section 9. SUBDIVISION OR ADDITION PROHIBITED. This planned community shall initially consist of 12 Units with the option of adding up to 24 additional units under Section 3 of Article II above. Declarant has no right to subdivide or convert any Unit under Section 515.2-112 of the Act.

Section 10. LEASING. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following conditions:

- a) that no Unit be leased for transient or hotel purposes;
- b) that no Unit may be subleased;
- c) that all leases shall be in writing; and
- d) that all leases shall provide that they are subordinate and subject to the provisions of this Declaration, the Act and the Rules and Regulations, Articles of Incorporation and Bylaws of the Association.

Section 11. COMPLIANCE WITH LAW. No use shall be made which would violate any then existing municipal code or ordinance, or state or federal laws, nor shall any act or use be permitted which would cause waste, cause a material increase in insurance rates or otherwise cause any unusual liability, health or safety risk, or expense for the Association or any Owner.

Section 12. TIME SHARE 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.

Section 13. ACCESS TO UNITS. In case of emergency, all Units and Limited Common Elements are subject to entry, without notice at any time, by an officer or member of the Board of the Association, by the Association's management agents or by any public safety official.

Section 14. NO RIGHT OF FIRST REFUSAL. The right of an Owner to sell, transfer or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restrictions.

Section 15. PATIOS AND DECKS. Nothing shall be allowed or stored on patios or decks except patio furniture and grills.

ARTICLE X

RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. CONSENT TO CERTAIN AMENDMENTS. The written consent of Eligible Mortgagees representing at least fifty-one percent (51%) of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned) shall be required for any amendment to the Declaration or the Articles of

Incorporation or Bylaws of the Association which causes any change in the following:

- a) voting rights;
- b) assessments, assessment liens, or priority of assessment liens;
- c) reserves for maintenance, repair and replacement of Common Elements;
- d) responsibility for maintenance and repairs;
- e) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use;
- f) redefinition of any Unit boundaries;
- g) convertibility of Units into Common Elements or vice versa;
- h) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property;
- i) insurance or fidelity bonds;
- j) leasing of Units;
- k) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit;
- l) restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration;
- m) any action to terminate the legal status of this planned community after substantial destruction or condemnation occurs; or
- n) any provisions that expressly benefit Eligible Mortgagees,

or insurers or guarantors of mortgages.

Section 2. CONSENT TO CERTAIN ACTIONS. The written consent of Eligible Mortgagees representing at least sixty-seven percent (67%) of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned) shall be required to:

- a) abandon or terminate this planned community;
- b) change the allocations of voting rights, Common Expense obligations or interest in the Common Elements;
- c) partition or subdivide a Unit except as permitted by statute;
- d) abandon, partition, subdivide, encumber or sell the Common Elements; or
- e) use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property, except as otherwise provided by law.

Section 3. 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.

Section 4. PRIORITY FOR CONDEMNATION AWARDS. No provision of this Declaration or the Articles or Bylaws of the Association shall give an Owner, or any other party, priority over rights of the Eligible

Mortgagee of the Unit pursuant to its mortgage in case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting any Unit or the Common Elements promptly upon receipt of notice from the condemning authority.

Section 5. REQUIREMENTS FOR MANAGEMENT AGREEMENTS. The term of any agreement for professional management may not exceed two (2) years in length and must contain a provision allowing termination without penalty or fee by either party with cause upon thirty (30) days prior written notice and without cause upon ninety (90) days prior written notice.

Section 6. ACCESS TO BOOKS AND RECORDS. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. If a request is made by FNMA or an institutional guarantor or insurer of a mortgage loan against a Unit, for an audit of the Association's financial statements for the preceding year, the Association shall cause an audit to be made

and deliver a copy to the requesting party.

Section 7. 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 number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

- a) a condemnation loss or any casualty loss which affects a material portion of the Common Elements or the Unit securing the mortgage;
- b) a 60 day delinquency in the payment of assessments or charges owed by the Owner of a Unit on which it holds a mortgage;
- c) a lapse, cancellation or material modification of any insurance policy maintained by the Association; and
- d) a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

ARTICLE XI

GENERAL PROVISIONS

Section 1. RULES AND REGULATIONS. The Board shall have the exclusive authority to approve and implement such rules and regulations not inconsistent herewith governing the use of the Common Elements and the exterior portions of the Units under the control of the Association.

Section 2. APPLICATION OF ACT. The Act is incorporated herein by reference to the extent necessary to supplement this Declaration. It is the intention of this provision for the Act to aide and facilitate the interpretation of this Declaration and to assist the Association in the performance of its obligations hereunder. In the event a conflict arises between the Act and this Declaration, the Act shall be controlling. 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.

Section 3. SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order shall not affect the validity or enforceability of the other portions of this Declaration.

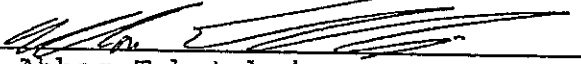
Section 4. AMENDMENT. Except as otherwise provided by the Act, Section 2 of Article VIII above or Article X above, this Declaration can be amended only by the affirmative vote of at least 67% of the members of the Association.

Section 5. TURNOVER OF ASSOCIATION. Both during and upon the expiration of the period of Declarant control, Declarant and its representatives acting as officers or directors of the Association shall fully comply with the provisions of Minnesota Statutes Section 515B.3-120.

Section 6. RUN WITH LAND. The covenants, easements and restrictions contained in this Declaration shall run with the land and shall inure to the benefit of the members of this Association.

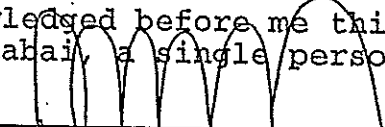
Section 7. CONSTRUCTION. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural or vice versa.

IN WITNESS WHEREOF, the undersigned Declarant has set its hand as of the day and year first above written.

BY: 
Abbas Tabatabai

STATE OF MINNESOTA)
) SS
COUNTY OF OLMSTED)

The foregoing instrument was acknowledged before me this 16th day of Nov, 1999 by Abbas Tabatabai, a single person.



Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Steven M. Spohn, Attorney
2727 18th Avenue NW
Rochester, MN 55901

