

**CLOVER FIELD ROWHOUSES
DECLARATION**

**Exhibit A
to Clover Field Rowhouse Disclosure Statement**

CLOVER FIELD ROWHOUSES DECLARATION

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(Above Space Reserved for Recording Data)

COMMON INTEREST COMMUNITY NO. 58
Condominium

CLOVER FIELD ROWHOUSES

DECLARATION

This Declaration is made in the County of Carver, State of Minnesota, on this _____ day of _____, 2004, by Clover Run, LLC, a Minnesota limited liability company (the "Declarant"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating Clover Field Rowhouses as a condominium under the Act.

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

WHEREAS, Declarant or Declarant's assignee of Declarant Rights (as defined herein) also own or have the right to acquire the real property legally described on Exhibit C attached hereto (the "Additional Real Estate"), and have the option to add all or a part of the Additional Real Estate to the Property; and

WHEREAS, Declarant desires to establish on the Property, and on any Additional Property added thereto, a plan for a permanent, residential community to be owned, occupied and operated for the use, health, safety and welfare of its resident Owners and Occupants, and for the purpose of preserving the value, the structural quality and the original architectural character of the Property; and

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

WHEREAS, the Property and the Association (as hereinafter defined) are subject to the Master Governing Documents of Clover Field, and to the jurisdiction of Clover Field Community Association, a master association as defined in Section 515B.2-121 of MCIOA; and

WHEREAS, it is intended that the Master Association shall exercise all of the powers of the Association on behalf of the Association with limited exceptions as described in the Master Declaration.

THEREFORE, Declarant submits the Property to this Declaration under the name "Clover Field Rowhouses," initially consisting of the Units referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property, and that the Property, and all Additional Real Estate added thereto, shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein and in the Master Declaration, all of which shall run with the land and be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

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

1.1 "Act" means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended from time to time.

1.2 "Additional Real Estate" means the real property legally described in Exhibit C attached hereto, including all improvements located thereon now or in the future, and all easements and rights appurtenant thereto, which property Declarant or Declarant's assignee of Declarant Rights has the right to add to the common interest community.

1.3 "Assessment" means an Assessment levied by the Master Association pursuant to the Master Governing Documents.

1.4 "Association" means Clover Field Rowhouse Association, a Minnesota non-profit corporation created pursuant to Minnesota Statutes Chapter 317A and Section 515B.3-101 of the Act, whose members consist of all Owners.

1.5 "Board" means the Board of Directors of the Association as provided for in the Bylaws.

1.6 "Building" means each structure, all or part of which is or becomes a part of the Property and contains any Dwellings.

1.7 "Bylaws" means the Bylaws governing the operation of the Association, as amended from time to time.

- 1.8 "City" means the City of Chaska, Minnesota.
- 1.9 "Common Elements" means all parts of the Property except the Units, including all improvements thereon.
- 1.10 "Common Expenses" means all expenditures made or liabilities incurred by or on behalf of the Master Association or Association and incident to the operation of the Master Association and the Association, and the operation and maintenance of the Master Common Elements or those parts of the Property required to be maintained by the Master Association or Association.
- 1.11 "Declarant Control Period" means the time period during which Declarant has the exclusive right to appoint the members of the Board, as provided in Section ____ of this Declaration.
- 1.12 "Declarant Rights" means those exclusive rights reserved to Declarant as described in Section ____.
- 1.13 "Development Area" means all real estate subject to development by the Master Developer as part of Clover Field, as described in the Master Declaration.
- 1.14 "Dwelling" means a part of a Building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.
- 1.15 "Eligible Mortgagee" means any Person who owns a first mortgage on a Unit, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Unit, and which has requested in writing that the Association notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.
- 1.16 "Governing Documents" means 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.
- 1.17 "Jonathan Covenants" means the Declaration of Development Standards, Covenants, Conditions and Restrictions dated September 12, 2001 and recorded on October 15, 2001 in the Office of the County Recorder for Carver County, Minnesota as Document No. A298082 which grant, establish or impose certain easements, development standards, restrictions, covenants and conditions upon the Property, Owners and Occupants.
- 1.18 "Master Association" means Clover Field Community Association, a non-profit corporation created pursuant to Minnesota Statutes Chapter 317A and Section 515B.2-121 of MCIOA, and its successors and assigns. The Master Association is a "master association" as defined in MCIOA.
- 1.19 "Master Board" means the board of directors of the Master Association, which is the governing body of the Master Association.

1.20 "Master Declaration" means the Clover Field Amended and Restated Master Declaration dated December 11, 2002, in the office of the Carver County Recorder as Document No. A334004, as amended or supplemented from time to time.

1.21 "Master Developer" means the Master Developer as defined in the Master Declaration, and its successors and assigns.

1.22 "Master Developer Control Period" means and refers to the Master Developer Control Period described in the Master Declaration.

1.23 "Master Developer Rights" means the exclusive rights reserved to the Master Developer to control the Master Association and complete the development of the Development Area, as described in the Master Declaration.

1.24 "Master Governing Documents" means the Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.25 "Master Rules" means the Rules of the Master Association, as approved from time to time by the Master Board.

1.26 "MCIOA" means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended.

1.27 "Member" means all persons who are members of the Association by virtue of being Owners. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

1.28 "Occupant" means any person or persons, other than an Owner, in possession of or residing in a Unit.

1.29 "Owner" means a Person who owns a Unit, but excluding contract for deed vendors, mortgagees and other parties holding a security interest in a Unit, and Persons holding a remainder interest in a life estate. The term "Owner" includes, without limitation, contract for deed vendees and holders of life estates.

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

1.31 "Plat" means 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.

1.32 "Property" means all of the real property now or hereafter subjected to this Declaration, including the Units and all other structures and improvements located thereon now or in the future. The Property is legally described in Exhibit B attached hereto.

1.33 "Rules" means the Rules of the Association as approved from time to time pursuant to Section 5.7.

1.34 "Unit" means 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.

Terms defined in the Master Declaration, and not in this Section, shall have the meaning set forth in the Master Declaration. References to section numbers shall refer to sections of this Declaration, unless otherwise indicated.

SECTION 2

DESCRIPTION OF UNITS AND BOUNDARIES, AND RELATED EASEMENTS AND RESTRICTIONS

2.1 Units. There are six Units; provided, that Master Developer and Declarant have the exclusive right to (i) add additional Units in accordance with Section 16, and (ii) subdivide and convert Units in accordance with Section 17, and Section 515B.2-112 of the Act. Except as provided in Section 8.5 of the Master Declaration, and designated in an Amendment to the Declaration, all Units are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference. A schedule of Units is set forth on Exhibit A attached hereto.

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 facilities 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 each 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 Appurtenant Easements. The Units shall be subject to and benefited by the easements described in Section 12.

SECTION 3

COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND OTHER PROPERTY

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

3.1.1 All of the Property not included within the Units constitutes Common Elements. The Common Elements include those parts of the Property designated as Common Elements in this Declaration, on the Plat or in the Act.

3.1.2 The Common Elements shall be subject to (i) the easements described in this Declaration, the Master Governing Documents, the Plat and any other recorded instrument; (ii) the rights of Owners and Occupants in Limited Common Elements appurtenant to their respective Units and (iii) the right of the Master Association to establish Master Rules and the right of the Association to establish reasonable Rules governing the use of the Property.

3.1.3 Except as otherwise expressly provided in the Governing Documents or the Master Governing Documents, or as agreed in writing between the Association and the Master Association, all maintenance, repair, replacement, management and operation of any Common Elements, including Limited Common Elements, shall be the responsibility of the Master Association, such responsibility being hereby delegated to and accepted by the Master Association under the Master Declaration.

3.1.4 Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements, including the Limited Common Elements, shall be assessed and collected from the Owners in accordance with Section 7 of the Master Declaration, such authority being hereby delegated to and accepted by the Master Association under the Master Declaration.

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 Those items or areas designated as Limited Common Elements on the Plat or by the Act.

3.2.2 Those parts of the Building located outside the Unit's boundaries, such as chimney flues, exterior doors and windows and their frames, windows, skylights, and related trim, hardware and fixtures, are allocated to the Unit or Units which they serve.

3.2.3 Improvements, if any, such as decks, shutters, awnings, window boxes, walks, doorsteps and stoops, which are designed to serve a single Unit or Units, and replacements and modifications thereof authorized pursuant to Section 8, located outside the Unit boundaries, are Limited Common Elements allocated exclusively to that Unit or Units.

3.2.4 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 or several but not all Units, are allocated to the Units they serve. Any portion of such installations

serving or affecting the function of any portion of the Common Elements is a part of the Common Elements.

3.2.5 Heating, ventilating, air conditioning, plumbing and electrical equipment serving only a certain Unit or Units, and located wholly or partially outside the Unit or Unit's boundaries, are allocated to the Unit or Units served by such equipment.

3.2.6 The yard area adjoining each Unit, as shown on the Plat, is allocated to that Unit.

3.3 Annexation of Other Property. In addition to any Additional Real Estate added by Declarant, other real property may be added to the Property as Common Elements and subjected to this Declaration, with the approval of (i) Owners (other than Declarant) of Units to which are allocated at least sixty-seven percent of the votes in the Association, (ii) Declarant so long as Declarant owns any unsold Unit for sale or has the right to add Additional Real Estate to the Property, (iii) the Master Board and (iv) Master Developer, so long as Master Developer owns any unsold Unit for sale or has the right to add additional property. Following the required approvals, the Association shall be authorized to take all actions necessary to complete the annexation, including without limitation the execution and recording of an amendment to this Declaration reflecting the annexation.

3.4 Dedication and Deannexation of Property. The Association has the power to dedicate or convey reasonable portions of the Common Elements to any governmental or private Person for private or public purposes, subject to (i) the written consent of the City, (ii) the written consent of the Declarant so long as Declarant owns an unsold Unit for sale or has the right to add Additional Real Estate to the Property, (iii) the Master Board, and (iv) the requirements of the Governing Documents. The portion of the Property which is deannexed shall be automatically released from this Declaration, effective upon the recording of an instrument evidencing such dedication or conveyance; provided that such instrument shall reference this Declaration and the authority contained in this Section.

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 is a member of the Association by reason of Unit ownership, and the membership is automatically transferred with the conveyance of the Owner's title to the Unit. An Owner's membership terminates when the Owner's Unit ownership terminates. When more than one Person is an Owner of a Unit, all such Persons are members of the Association, but multiple ownership of a Unit does not increase the voting rights allocated to the Unit nor authorize the division of the voting rights.

4.2 Voting and Common Expenses. Voting rights and undivided interests are allocated equally among the Units. Common Expense obligations are allocated among the Units

in accordance with the qualifications set forth in Section 6 herein and Section 7 of the Master Declaration. Said rights, obligations and interest shall be reallocated, based upon the same allocation formula, among the Units as additional Units are added to the Property.

4.3 Appurtenant Rights and Obligations. The ownership of a Unit includes the voting rights and Common Expense obligations described in Section 4.2. Said rights and obligations, and the title to the Units, cannot 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 is void. The allocation of the rights and obligations described in this Section may not be changed, except in accordance with the Governing Documents, the Master Governing Documents and the Act.

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

4.5 Membership in Master Association. Each Owner is also a member of the Master Association by reason of Unit ownership, and the membership is automatically transferred with the conveyance of the Owner's title to the Unit. Owners subject to this Declaration are by their membership in the Master Association entitled to elect two of the seven voting members of the Master Board of the Master Association. Membership in the Master Association, voting rights and other rights and obligations pertaining to the Master Association are governed by the Master Governing Documents.

SECTION 5

ADMINISTRATION

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

5.1 General. The operation and administration of the Association and the Property are governed by the Master Governing Documents, the Master Rules, the Governing Documents, the Rules and the Act. Subject to Section 5.2, the Association is responsible for the operation, management and control of the Property. The Association has all powers described in the Governing Documents and the Act. All powers exercisable by the Association are vested in the Board, unless action or approval by the Owners is specifically required by the Governing Documents. All references to the Association mean the Association acting through the Board unless specifically stated to the contrary.

5.2 Delegation of Powers to Master Association. All powers of the Association are delegated to and shall be exercised by the Master Association, unless relinquished to the Association in accordance with Section 6.4 of the Master Bylaws or reserved to the Association or the Board.

5.3 Operational Purposes. The Property shall be managed for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens imposed under the Master Governing Documents and the Governing Documents, (ii) maintaining, repairing and replacing those portions of the Property for which the Association is responsible, and (iii) preserving the value and the architectural uniformity and character of the Property.

5.4 Binding Effect of Actions. All agreements and determinations made by the Master Association, or the Association in accordance with the Governing Documents and Master Governing Documents shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties.

5.5 Bylaws. The Association shall have Bylaws. The Bylaws govern the operation and administration of the Association, and are binding on all Owners, Occupants and other Persons owning or acquiring any interest in the Property.

5.6 Management. The Master Board has authority to select a manager or managing agent and to delegate the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act. However, such delegation does 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.

5.7 Rules. Subject to Section 5.2, the Board has authority to approve and implement such reasonable Rules as deemed necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property. The Rules shall be consistent with the Governing Documents, the Master Governing Documents and the Master Rules. The inclusion in other parts of the Governing Documents of authority to approve Rules is in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules are effective only after reasonable notice thereof has been given to the Owners.

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

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

SECTION 6

ASSESSMENTS

6.1 General. The Association's authority to levy Assessments is delegated to the Master Association as provided in Section 5.2. Assessments shall be determined and assessed against the Units by the Master Board, in its discretion; subject to the requirements and procedures set forth in the Master Governing Documents. Assessments shall include Annual Assessments, Building Class Assessment and Subassociation Assessments, and may include Special Assessments and Limited Assessments under Section 7 of the Master Declaration. Assessments shall be allocated among the Units in accordance with the allocation formula set forth in the Master Declaration.

6.2 Liability of Owners for Assessments. Except as provided in Sections 7.10.2 and 7.10.3 of the Master Declaration, the obligation of an Owner to pay Assessments shall commence at the later of (i) the time at which the Owner acquires title to the Unit, or (ii) the due date of the first Assessment levied by the Master Board. Subject to Sections 7.10.2 and 7.10.3 of the Master Declaration 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, subject to Sections 7.10.2 and 7.10.3 of the Master Declaration. No Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Master Association, the Association or their officers, directors or agents, or for their failure to fulfill any duties under the Master Governing Documents, the Governing Documents or the Act. The Master Association may invoke the charges, sanctions and remedies set forth in Section 13 of the Master Declaration, in addition to any remedies provided elsewhere in the Master Governing Documents, the Master Rules, the Governing Documents, the Rules, or by law, for the purpose of enforcing its rights hereunder.

6.3 Assessment Lien. The Master 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 Master Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as Assessments, under Section 7 of the Master Declaration. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 6 or Section 7 of the Master Declaration, 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 Master Association.

6.4 Foreclosure of Lien; Remedies. A lien for Assessments may be foreclosed against a Unit under the laws of the state of Minnesota (i) by action, or (ii) by advertisement in a like manner as a mortgage containing a power of sale. The Master 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 Master Association a power of sale and full authority to accomplish the foreclosure. The Master Association shall, in addition to its other remedies, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any Assessment or charge against the Unit.

6.5 Lien Priority; Foreclosure. A lien for Assessments is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before this 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 (1) a first mortgage on a Unit is foreclosed, (2) the first mortgage was recorded on or after the date of recording of this Declaration, and (3) 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 levied pursuant to Sections 515B.3-115(a), (e)(1) to (3), (f), and (i) of the Act which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption.

6.6 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 Master Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Unit until released. Any seller or buyer shall be entitled to a statement, in recordable form, from the Master Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Master Association's current fiscal year, which statement shall be binding on the Master 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 Jonathan Covenants, Master Governing Documents 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 Master Governing Documents and the Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master Governing Documents and 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 Jonathan Covenants. The Jonathan Covenants recorded against the Property impose certain restrictions on the use of the Property, including among other restrictions therein,

subject to specific exceptions to the limitation for residential uses only; limiting garages to a maximum of three garage stalls; prohibiting the subdivision or splitting of lots without the express written consent of the Jonathan Association; prohibiting noxious or offensive activities; requiring compliance with City zoning regulations; and among other matters, limiting or restricting signage, animals, structures, exterior antennas, objectionable trees, utility meters, trash receptacles, above ground utility distribution facilities, vehicle parking and storage, in the home offices or businesses, outside storage, fences, and animal enclosures.

7.3 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. The dedication or de-annexation of a portion of the Property pursuant to Section 3 shall not be deemed a subdivision or partition.

7.4 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.5. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than thirty days, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

7.5 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:

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

7.5.2 The Master Association may maintain offices and other facilities on the Property for management and related purposes.

7.5.3 The Master Developer, Declarant and authorized Builders, may maintain offices, model homes and other related facilities on the Property in connection with the exercise of their rights under this Master Declaration or the Governing Documents.

7.6 Leasing. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following conditions: (i) no Unit shall be leased for transient or hotel purposes, (ii) no Unit may be subleased, (iii) a Unit must be leased in its entirety (not by room), (iv) all leases shall be in writing, and (v) all leases shall provide that they are subject to the Master Governing Documents, Master Rules, 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.

7.7 Parking. Garages and parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized by this Declaration or the Master Governing Documents. The use of garages, driveways and other parking areas on the Property, and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Master Association and the Association, including without limitation the right of the Master Association or the Association to tow illegally parked vehicles or to remove unauthorized personal property.

7.8 Pets. Only dogs, cats, small birds and fish, and other animals generally recognized as domestic household pets (collectively referred to as "pets") may be kept on the Property, subject to the conditions set forth in this Section, the Master Governing Documents and the Master Rules and Regulations.

7.8.1 Rules and Regulations may be adopted by the Master Association and the Association to regulate pets on the Property, including, but not limited to the type and number of pets allowed to be kept in a Unit.

7.8.2 Pets shall be kept solely as domestic household pets and/or as statutorily authorized "service animals" used by handicapped persons, and not for any other purpose. No animal of any kind shall be raised or bred, or kept for business or commercial purposes by any Person upon any part of the Property.

7.8.3 No pet shall be allowed to make an unreasonable amount of noise, nor to become a nuisance or a threat to the safety of others.

7.8.4 Pets shall be housed only within the Dwellings. No structure, fence or enclosure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Property, except as approved pursuant to Section 8.

7.8.5 Pets shall be under control at all times when outside the Dwelling.

7.8.6 Owners and Occupants keeping pets within their Dwellings are responsible for the pet's behavior and for complying with municipal pet laws, ordinances and regulations. An Owner or Occupant is liable to the Association for the cost of repair of any damage to the Property, or the expenses associated with any personal injury, caused by an animal kept within that Owner or Occupant's Unit.

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.

7.10 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.

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

7.12 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 Master Board or the Board, by the Master Association's or Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Sections 9 and 13, and for enforcement purposes under Section 13.

7.13 Improvements. Except for those made by the Master Developer or Declarant or authorized Builders in connection with the construction or sale of a Unit, no Improvement may be made or caused or allowed to be made, in any part of the Common Elements, or in any part of a Unit which is visible from the exterior of the Unit, without approval pursuant to Section 8.

SECTION 8

ARCHITECTURAL STANDARDS

No addition, modification or alteration to a Building, structure, addition, deck, patio, enclosure, window, exterior door, antennae or other type of sending or receiving apparatus, sign, display, decoration, shrubbery, material topographical or landscaping change, fence, wall or any other part of a Unit which is visible from the exterior shall be commenced or undertaken, nor shall any exterior paint color or exterior siding color be changed unless and until the plans and specifications thereof are submitted to and approved in writing by the Jonathan Association's Architectural Review Committee in accordance with the Jonathan Covenants.

In addition, there is hereby delegated to the Master Association, by its Master Board, the authority to establish additional architectural guidelines and requirements applicable to the Property to further insure that the exteriors of the Buildings, Dwellings, exterior improvements or any part of a Unit which is visible from the exterior are kept architecturally attractive in appearance and compatible with the original design of the common interest community. The Master Association, by its Master Board is further hereby delegated the power and authority to establish procedures for the administration and enforcement of any architectural guidelines and regulations established by the Master Board, and when so established such architectural guidelines, requirements and procedures shall be binding on the Owners, Occupants and the Property.

SECTION 9

MAINTENANCE AND REPAIR

9.1 Maintenance by Association. For the purpose of preserving the architectural character, quality, and high standards for appearance of the Property, the Association shall, at its expense, undertake and perform the maintenance, repair and replacement (collectively referred to as "maintenance") of all Common Elements and Limited Common Elements, subject to the following qualifications:

9.1.1 Subject to Section 9.1.2, the cost of maintenance, repair or replacement of part or all of a Limited Common Element shall be assessed against the Unit to which the Limited Common Element is allocated.

9.1.2 The Association may assign to an Owner the obligation for routine maintenance of a Limited Common Element allocated to the Owner's Unit. However, if the Owner fails to adequately perform the maintenance, the Association may enter the Limited Common Element, perform the maintenance and assess the Owner's Unit for the cost.

9.1.3 The Association or Master Association, as applicable, shall be responsible for incidental damage caused to a Unit or its Limited Common Elements by work undertaken by the Association or Master Association pursuant to this Section.

9.1.4 The Association shall provide maintenance of private streets, alleys, walkways, sidewalks and driveways in or on the Property; and

9.1.5 The Association shall provide snow removal from private streets, alleys, driveways, sidewalks and walkways in the Property (excluding steps and porches of the Dwellings); and

9.1.6 The Association shall maintain utility metering equipment serving more than one Unit.

9.1.7 If damage is caused to the Common Elements, Limited Common Elements or other Units by an Owner or such Owner's occupants or invitees, 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 costs thereof against the responsible Owner's Unit.

9.2 Delegation of Maintenance to Master Association. The Association's maintenance performance provided in Section 9.1 has been delegated to and shall be the responsibility of the Master Association, unless relinquished and delegated by the Master Association to the Association in accordance with the Master Governing Documents.

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

9.3.1 To maintain, repair, and replace all portions of the Owner's Unit, including the garage, in good, clean and sanitary condition.

9.3.2 To perform such routine maintenance of the Limited Common Elements allocated to the Unit as the Association or the Master Association, whichever is responsible, assigns to the Owner. The Master Association or Association may require that the Owners perform their maintenance obligations in accordance with standards established by the Master Association. Unless undertaken by the Master Association or Association, Owners and Occupants shall be responsible for snow removal from their respective porches, decks and steps.

9.3.3 To perform the responsibilities in such manner as not to damage the Property, or unreasonably disturb or cause a hazard to other persons occupying or using the Property;

9.3.4 To promptly pay or reimburse the Master Association or Association for any costs incurred by the Master Association or 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.

9.4 Restrictions on Changes to Property. Except for the Master Developer, the Declarant, or as permitted by Section 8, no Owner or Occupant shall:

9.4.1 Cause or permit any physical or aesthetic changes, whether temporary or permanent, to be made to the Common Elements or any part of a Unit visible from the exterior.

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

9.4.3 Interfere with any easement.

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

9.6 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 Master Association and the Association for maintenance, repair, replacement and reconstruction of the Units, Common Elements and Limited Common Elements. Each Owner shall afford to the Master Association, the Association and their management 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 10

INSURANCE

10.1 Required Coverage. The Master Association, or the Association if the Master Association fails to do so, 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:

10.1.1 Property insurance in broad form covering all risks of physical loss in an amount equal to one hundred percent of the insurable "replacement cost" of the Property, exclusive of: (i) deductibles and (ii) land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The Association may insure the improvements and betterments referred to in Section 515B.3-113(b)(i) through (vii) of the Act, but must do so if required by the FNMA, FHLMC, FHA or VA, as referred to hereafter. 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 available. Such policy or policies shall include such additional endorsements, coverages and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation (the "FHLMC"), the Federal Housing Administration ("FHA") or the Secretary of Veterans Affairs ("VA"), if required by one of such agencies as a precondition to their purchase, financing, insuring or guarantee of a mortgage on a Unit. The Board may also, on behalf of the Association, enter into binding written agreements with a mortgagee, or insurer, guarantor, or servicer of a mortgage, obligating the Association to keep certain specified coverages or endorsements in effect.

10.1.2 Commercial general liability insurance covering the use, operation and maintenance of the Common Elements, with minimum limits of One Million Dollars 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. The policy shall include additional endorsements, coverages and limits necessary to comply with the regulations of the FNMA, the FHLMC, the FHA or VA, if required by one of such agencies as a precondition to the purchase, financing, insuring or guarantee of a mortgage on a Unit.

10.1.3 Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to or administered by the Association, if deemed to be advisable by the Board or required by the regulations of any financing-related institution as a precondition to the purchase, insuring, guarantee, or financing of a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured, and shall comply

with the regulations of the FNMA, the FHLMC, the FHA or VA, if required by one of such agencies as a precondition to the purchase, financing, insuring, or guarantee of a mortgage on a Unit. 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.

10.1.4 Workers' Compensation insurance as applicable and required by law.

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

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

10.2 Premiums; Improvements; Deductibles. Except as provided in Section 7 of the Master Declaration, all insurance premiums shall be assessed and paid as an Building Class Assessment. If the Owners' improvements and betterments to the Units are covered, any increased cost may be assessed against the Units affected. In the case of a claim for damage to a Unit or Units, the Master Association may, as authorized by Section 515B.3-115(b) of the Act, (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against one or more of the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly. The Master Association's decision as to who shall be charged with paying the deductible amount may, but need not, be based on fault.

10.3 Loss Payee; Insurance Trustee. All insurance coverage maintained by the Master Association or the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Master Association or the Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and secured parties, including mortgage holders, which suffer loss. The Master Association or 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.

10.4 Required Policy Provisions. All policies of property insurance carried by the Master Association or the Association shall provide that:

10.4.1 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.

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

10.4.3 The coverage shall not be voided by or conditioned upon (i) any act or omission of an Owner or Eligible Mortgagee, unless acting within the scope of authority on behalf of the Master Association or the Association, or (ii) any failure of the Master Association or the Association to comply with any warranty or condition regarding any

portion of the Property over which the Master Association or the Association has no control.

10.4.4 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 Master Association's or the Association's policy is primary.

10.5 Cancellation; Notice of Loss. Property insurance and comprehensive liability insurance policies maintained by the Master Association or the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least thirty days prior written notice to the Master Association and the Association and to all secured parties holding first mortgages on Units.

10.6 Restoration in Lieu of Cash Settlement. Property insurance policies maintained by the Master Association or 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 Master Association and the Association (or any insurance trustee) or (ii) when in conflict with provisions of any insurance trust agreement to which the Master Association or the Association may be a party, or any requirement of law.

10.7 Owner's Personal Insurance. Each Owner is encouraged to obtain additional personal insurance coverage (commonly known as "gap coverage" or an "HO6" policy) at his or her own expense covering fire and other casualty to the interior of the Unit, personal property and the Owner's personal liability. Insurance policies maintained by Owners are without contribution as against the insurance purchased by the Master Association or the Association, except as to deductible amounts or other items not covered under the Master Association's or the Association's policies.

SECTION 11

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

11.1 Delegation of Obligations and Procedures to Master Association. The obligations, procedures, powers and duties imposed upon or delegated to an association pursuant to the Act are hereby delegated to the Master Association, such delegation having been accepted by the provisions of the Master Governing Documents, provided however, such powers may be relinquished by the Master Association to the Association in accordance with Section 8.1 of the Master Bylaws.

11.2 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 as provided in Section 14.10.

11.3 Condemnation and Eminent Domain. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of the Act shall govern; provided,

(i) that notice shall be given as provided in Section 14.10, (ii) that the Master 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 Master 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.

11.4 Termination and Liquidation. The termination of the common interest community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the value of the Units as determined by their relative value for property insurance purposes, and shall be made to Owners and their mortgage holders, as their interests may appear, as provided in the Act.

11.5 Notice. The Master Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under Section 14.10.

11.6 Master Association's Authority. In all cases involving reconstruction, condemnation, eminent domain, termination or liquidation of the common interest community, the Master 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 Master 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 12

EASEMENTS

12.1 Easement for Encroachments. Each Unit and the Common Elements, and the rights of the Owners and Occupants therein, shall be subject to an exclusive appurtenant easement for encroachments in favor of the adjoining Units for encroachments caused by the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, and for improvements to Units which are added in compliance with Section 8. If there is an encroachment by a Unit or improvement to a Unit as a result of any of the aforementioned causes, an appurtenant easement for the encroachment, for the use, enjoyment and habitation of any encroaching Unit or improvement, and for the maintenance thereof, shall exist. However, with respect to improvements or alterations to Units added pursuant to Section 8, no easement shall exist unless the proposed improvements have been approved and constructed as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

12.2 Access Easements. Each Unit shall be the beneficiary of a non-exclusive perpetual easement for access to a public roadway on or across those portions of the Master Common Elements and Common Elements designated for use as roadways or walkways, as shown on the Plat or designated by the Master Association or the Association, subject to any restrictions imposed pursuant to the Master Governing Documents, Governing Documents, Master Rules or Rules.

12.3 Use and Enjoyment Easements. Each Unit shall be the beneficiary of perpetual easements for use and enjoyment on and across the Master Common Elements or Common Elements (if any), and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Master Governing Documents, Governing Documents, Master Rules or Rules.

12.4 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 and Master Association to an appurtenant easement through the Units for the purposes of maintenance, repair, replacement and reconstruction of the Property and improvements located within the Units, and utilities serving the Units, to the extent necessary to fulfill the Association's and Master Association's obligations under the Governing Documents and Master Governing Documents.

12.5 Utility and Service Easements. The Property, including each Unit, shall be subject to non-exclusive, appurtenant easements in favor of all utility companies and other comparable service providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV and other electronic communications, water, sewer, irrigation and similar services, and metering and control devices, which exist or are constructed as part of the development of the Property or the Additional Real Estate, or which are referred to in the Plat or otherwise described in this Declaration or other recorded instruments. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive, appurtenant easement in favor of the other Units for all such utilities and services. Utilities and related services or systems shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Property.

12.6 Structural Support Easements. Each Unit and the Common Elements shall be subject to and the beneficiary of non-exclusive easements for structural support in all walls, columns, joists, girders and other structural components located in or passing through another Unit, or shared with adjoining Units or the Common Elements.

12.7 Declarant's and Master Developer Easements. Declarant shall have and be the beneficiary of exclusive easements for the exercise of its Declarant Rights, and the Master Developer shall have easements as described in the Master Governing Documents.

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

12.9 Emergency Access to Units. In case of emergency, all Units and Limited Common Elements are subject to an easement in favor of the Association and Master Association for access, without notice and at any time, by an officer or member of the Board or Master Board, by the Association's or Master Association's management agents or by any public safety personnel. The Master Board may require that an Owner or Occupant leave keys to the Unit with another Owner of his or her choice and to advise the manager or Master Board of the location(s) of the keys, so as to allow access for emergencies when the Owner or Occupant is absent for extended periods.

12.10 Scope and Non-Interference. Notwithstanding anything in this Declaration to the contrary, no Owner or Occupant shall be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section 12 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. No Person shall impair, obstruct or cause damage to any easement area, or improvements or equipment installed therein.

SECTION 13

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 Master Governing Documents, the Master Rules, the Governing Documents, the Rules and Regulations, and such amendments thereto as may be made from time to time, and the decisions of the Master Association and, subject to Section 5.2 herein, the Association. A failure to comply shall, subject to Section 5.2, entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

13.1 Entitlement to Relief. Subject to Section 5.2, legal relief may be sought by the Association or Master Association, as applicable, 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 or Master Association, as applicable. However, no Owner may withhold any Assessments payable to the Association or Master Association, nor take or omit other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

13.2 Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association, or the Master Association to the extent of delegation pursuant to Section 5.2, 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 invitees, who violate the provisions of the Governing Documents, the Rules and Regulations or the Act:

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

13.2.2 Impose late charges of up to the greater of twenty-five dollars, or fifteen percent of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the month after the Assessment or installment was due.

13.2.3 In the event of default of more than thirty days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees, costs of collection and late charges, are not paid in full prior to the

effective date of the acceleration. Not less than ten days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

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

13.2.5 Suspend the rights of any Owner or Occupant, or their invitees, to use any Common Element amenities; provided, that the suspension of use rights shall not apply to Limited Common Elements 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 thirty days thereafter, for each violation.

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

13.2.7 Enter any Unit or Limited Common Element in which, or as to which, a violation or breach of the Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of the other Owners or Occupants, or their invitees, or the safety or soundness of any Unit or other part of the Property or the property of the Owners or Occupants, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit or Limited Common Elements which is causing the violation; provided, that any improvements to a Unit may be altered or removed only pursuant to a court order or with the agreement of the Owner.

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

13.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 13.2.4, 13.2.5, 13.2.6 or 13.2.7, the Master Board or Board, whichever is applicable, shall, upon written request of the offender, grant to the offender an opportunity for a fair and equitable hearing as contemplated by the Act. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least ten days within which to request a hearing. The hearing shall be scheduled by the Board or Master Board as applicable and held within thirty days of receipt of the hearing request by the Board or Master Board, and with at least ten days' prior written notice to the offender. If the offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board or Master Board may take such action as it deems appropriate. The decision of the Board or Master Board and the rules for the conduct of hearings established by the Board or Master Board shall be final and binding on all parties. The Board's or Master Board's decision shall be delivered in writing to the offender within ten days following the hearing, if not delivered to the offender at the hearing.

13.4 Lien for Assessments, Charges, Etc. Any Assessments, charges, fines, expenses, 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 or Master Board, as applicable, makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.

13.5 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, subject to Section 5.2 herein, assess the Unit owned by the violator with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association or Master Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association or Master Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of the Owner and shall be a lien against the Owner's Unit.

13.6 Liability for Acts of Owners and Occupants. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or invitees in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, Master 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.

13.7 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 14

AMENDMENTS

14.1 Approval Requirements. Except for amendments by Declarant pursuant to Section 17, and subject to consent by Declarant pursuant to Section 16.8, this Declaration may be amended with the following approvals:

14.1.1 The Board.

14.1.2 Owners of Units to which are allocated at least sixty-seven percent of the total votes in the Association.

14.1.3 The percentage of Eligible Mortgagees (based upon one vote per Unit financed) required by Sections 15.1 or 15.2, as to certain amendments referenced by said Sections.

14.1.4 The FHA, if such agency has approved the project, but only as to the following matters and during the Declarant Control Period:

14.1.4.1 The annexation of Additional Real Estate.

14.1.4.2 The merger or consolidation of the Association with another Association or other legal entity.

14.1.4.3 The acquisition, dedication or mortgaging of Common Elements.

14.1.4.4 The dissolution of the Association.

14.1.4.5 The amendment of this Declaration, or the Articles of Incorporation or Bylaws of the Association.

14.1.5 Declarant as to certain amendments as provided in Section 16.8.

14.1.6 Any greater approval requirement imposed by the Act.

14.1.7 The Master Board as to any amendment which affects the Association's relationship to the Master Association, or any rights or obligations, including delegation of authority or relinquishment of authority, relating to the Master Association.

14.1.8 The Master Developer so long as the Master Developer owns property subject to the Master Declaration or has the right to subject additional property to the Master Declaration.

14.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees, the FHA, Declarant, Master Developer or Master Board, if required, shall be in writing. 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 15

RIGHTS OF ELIGIBLE MORTGAGEES

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

15.1 Consent to Certain Amendments. Subject to Declarant's rights under Sections 16 and 17, 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 including the following: (i) voting rights; (ii) increases in annual Assessments over twenty-five percent; (iii) Assessment liens, or priority of Assessment liens; (iv) reductions in reserves for maintenance, repair and replacement of Common Elements; (v) responsibility for maintenance and repairs; (vi) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; (vii) redefinition of any Unit boundaries; (viii) convertibility of Units into Common Elements or vice versa; (ix) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property; (x) hazard or fidelity insurance requirements; (xi) imposition of material restrictions on the leasing of Units; (xii) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit; (xiii) a decision by the Association (if the common interest community involves fifty or more Units) to establish self management when professional management is in effect as required previously by the Governing Documents or an Eligible Mortgagee; (xiv) restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents; (xv) any action to terminate the legal status of the common interest community after substantial destruction or condemnation occurs; or (xvi) any provisions that expressly benefit Eligible Mortgagees, or insurers or guarantors of mortgages.

15.2 Consent to Certain Actions. Subject to Declarant's rights under Sections 16 and 17, 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 any 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.

15.3 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.

15.4 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.

15.5 Priority of Lien. Any Person who comes into possession of a Unit by foreclosure of the first mortgage on a Unit, or by deed or assignment in lieu of foreclosure of the first mortgage on a Unit, takes the Unit free of any claims for unpaid Assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said Person; (i) except as provided in Section 6.5 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.

15.6 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.

15.7 Priority for Condemnation Awards. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the Eligible 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.

15.8 Requirements for 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.

15.9 Access to Books and Records/Audit. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice, for a proper purpose and 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 days of the end of the Association's fiscal year. The FNMA, or any Eligible Mortgagee, institutional guarantor or insurer of a mortgage loan against a Unit, may require that an audit of the Association's financial statements be made for the preceding year, in which case the Association shall cooperate in having an audit made and a copy given to the requesting party. If the common interest community consists of fifty or more Units, the Association shall provide the requested audit at its expense. If the common interest community consists of fewer than fifty Units, the requesting party shall pay for the audit.

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

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

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

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

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

SECTION 16

SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following special declarant rights within the meaning of Section 515B.1-103(32) of the Act for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

16.1 Complete Improvements. To complete all the Units and other improvements indicated on the Plat, or otherwise included in Declarant's development plans or allowed by the Declaration, and to make improvements in the Units and Common Elements to accommodate the exercise of any special declarant rights.

16.2 Add Additional Real Estate. To add Additional Real Estate to the Property as described in Section 17.

16.3 Relocate Boundaries and Alter Units. To relocate boundaries between Units and to otherwise alter Units owned by it, to the extent permitted by Section 17.

16.4 Sales Facilities. To construct, operate and maintain a sales office, management office, model Units, and other development, sales and rental facilities within the Common Elements, and within any Units owned or leased by Declarant from time to time, located anywhere on the Property.

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

16.6 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 declarant rights.

16.7 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-103 of the Act, until the earliest of: (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than Declarant of seventy-five percent of the total number of Units authorized to be included in the Property or (iii) the date five years following the date of the first conveyance of a Unit to an Owner other than Declarant. Notwithstanding the foregoing, the Owners other than Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent of the directors at a meeting of the Owners which shall be held within sixty days following the conveyance by Declarant of fifty percent of the total number of Units authorized to be included in the Property.

16.8 Consent to Certain Amendments. Until such time as Declarant no longer owns any Unit for initial sale, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules which directly or indirectly affects Declarant's rights under the Governing Documents or the Act.

16.9 Transfer of Special Declarant Rights. All or some of the special declarant rights created or reserved under this Section 16 or under the Act may be voluntarily transferred pursuant to Section 515B.3-104 of the Act by a separate instrument evidencing the transfer recorded in every county in which any part of the Property is located.

The foregoing rights are subject to and in addition to the Master Developer Rights described in the Master Declaration.

SECTION 17

RIGHTS TO ADD ADDITIONAL REAL ESTATE AND RELOCATE BOUNDARIES

17.1 Declarant's Rights to Add Additional Real Estate. Declarant hereby expressly reserves the right to add the Additional Real Estate to the Property, by unilaterally executing and recording an amendment to this Declaration pursuant to Section 515B.2-111 of the Act, subject to the following conditions:

17.1.1 Time Limit. The right of Declarant to add the Additional Real Estate to the common interest community shall terminate ten years after the date of recording of this Declaration or upon earlier express written withdrawal of such right by Declarant or a successor Declarant, unless extended by a vote of the Owners pursuant to Section 515B.2-106(2) of the Act. There are no other limitations on Declarant's rights hereunder, except as may be imposed by law.

17.1.2 Sequence to Add. The Additional Real Estate is described in Exhibit C attached hereto. The Additional Real Estate may be added to the Property in phases consisting of one or more parcels and in any sequence.

17.1.3 No Obligation to Add. Declarant has no obligation to add the Additional Real Estate to the Property. If Declarant decides to add the Additional Real Estate to the Property, there are no assurances as to the times at which any part of the Additional Real Estate will be added, the order in which it will be added, the number of parcels per phase nor the size of the parcels. The Additional Real Estate may be developed by Declarant or its successors-in-interest for other purposes, subject only to approval by the appropriate governmental authorities.

17.1.4 Maximum Units. The maximum number of Units that may be created within the Additional Real Estate described as such on the date of this Declaration is 70. All but up to 8 Units created on the Additional Real Estate shall be restricted exclusively to residential use.

17.1.5 Architectural Style and Compatibility. Any Buildings erected upon the Additional Real Estate shall be compatible with the other Buildings and other improvements which are a part of the Property in terms of architectural style, quality of construction, principal materials employed in construction and size; subject (i) to any changes required by governmental authorities, the Jonathan Association or lenders and (ii) to any interior or exterior changes made by Declarant to meet changes in the market

and (iii) any changes made by Declarant to accommodate the business and commercial use of the 8 Units that are not to be restricted exclusively to residential use.

17.1.6 Continuation of Covenants. All covenants and restrictions contained in this Declaration affecting the use, occupancy and alienation of Units shall apply to all Units created on the Additional Real Estate.

17.1.7 Written Consent. The written consent of the Master Developer so long as the Master Developer owns any property subject to the Master Declaration or has the right to subject additional property to the Master Declaration, and if the project is approved by FHA, the written consent of FHA, shall be required.

The statements made in this Section 17.1 shall not apply to any Additional Real Estate which is not added to the Property.

17.2 Rights to Relocate Boundaries. Subject to limitations or requirements, if any, in the Master Declaration and the Jonathan Covenants, Declarant shall have the exclusive right and authority, subject to FHA consent which shall be required if the project is approved by FHA, to relocate the boundaries of any Unit owned by it pursuant to Section 515B.2-114 of the Act.

SECTION 18

MISCELLANEOUS

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

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

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

18.4 Notices. Unless specifically provided otherwise in the Master Governing Documents, the Governing Documents or the Act, all notices authorized or required to be given under the Governing Documents shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 of the Bylaws shall be effective upon receipt by the Association.

18.5 Conflicts Among Documents. In the event of any conflict between the provisions of the Jonathan Covenants, Master Governing Documents, the Declaration, the Bylaws or the Rules, the Jonathan Covenants shall control. As among the Master Governing Documents, the Declaration, the Bylaws or the Rules, the Master Governing Documents shall control. As among the Declaration, the Bylaws or the Rules, the Declaration shall control. As between the Bylaws and the Rules, the Bylaws shall control. The Master Rules shall control as against the Rules with respect to those matters within the authority of the Master Association.

18.6 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination as provided in this Declaration and the Act.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year first set forth in accordance with the requirements of the Act.

CLOVER RUN, LLC,
a Minnesota limited liability company

By: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, by _____, the _____ of Clover Run, LLC, a Minnesota limited liability company, on behalf of said entity.

Notary Public

This instrument was drafted by:
J. Patrick Brinkman, Esq.
Felhaber, Larson, Fenlon & Vogt, P.A.
220 South Sixth Street, Suite 2200
Minneapolis, Minnesota 55402
Telephone: (612) 373-8520

COMMON INTEREST COMMUNITY NO. 58

CLOVER FIELD ROWHOUSES

EXHIBIT A TO DECLARATION

Schedule of Units and Undivided Interests

<u>Unit No.</u>	<u>Percentage Interest</u>
101	16.67%
102	16.67%
103	16.67%
104	16.67%
105	16.66%
106	16.66%
Total	100.00%

COMMON INTEREST COMMUNITY NO. 58

CLOVER FIELD ROWHOUSES

EXHIBIT B TO DECLARATION

Description of Property

Lot 1, Block 3, Clover Run, Carver County, Minnesota

COMMON INTEREST COMMUNITY NO. 58

CLOVER FIELD ROWHOUSES

EXHIBIT C TO DECLARATION

Description of Additional Real Estate

Outlot A, Clover Field Rows, Carver County, Minnesota;

and

Lots 1 and 2, Block 1; Lots 1 through 3, Block 2; Lot 2, Block 3; Lots 1 and 2, Block 4, Clover Run, Carver County, Minnesota;

and

Lot 1, Block 1; and Lot 1, Block 23; Clover Field, Carver County, Minnesota;

and

Lot 2, Block 6, Clover Field 4th Addition, Carver County, Minnesota.

CONSENT BY MORTGAGEE

IN WITNESS WHEREOF, the Mortgagee has caused this Consent to be executed on the ____ day of _____, 2004.

By _____
Its _____

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, by _____, the _____ of _____, on behalf of said _____.

Notary Public

This instrument was drafted by:
J. Patrick Brinkman, Esq.
Felhaber, Larson, Fenlon & Vogt, P.A.
220 South Sixth Street, Suite 2200
Minneapolis, Minnesota 55402
Telephone: (612) 373-8520

(Above Space Reserved for Recording Data)

COMMON INTEREST COMMUNITY NO. 58
Condominium

CLOVER FIELD ROWHOUSES

FIRST AMENDMENT TO DECLARATION

This First Amendment to Declaration (the "Amendment") is made this _____ day of _____, 2004, by Clover Field Homes, LLC, a Minnesota limited liability company ("Clover Field Homes"), pursuant to the provisions of Minnesota Statutes, Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), and specifically pursuant to Sections 515B.2-111 and 515B.3-104 of the Act.

WHEREAS, the Declaration of Clover Field Rowhouses was recorded in the office of the Carver County Recorder as Document No. _____ (the "Declaration"), and

WHEREAS, the Declaration provides for the addition to Clover Field Rowhouses (the "CIC") of Additional Real Estate as defined in the Declaration, and

WHEREAS, Clover Field Homes is the owner of part of the Additional Real Estate identified in the Declaration and legally described as follows (the "Transferee Additional Real Estate"):

Lots 1 through 5, Clover Field Rows, Carver County, Minnesota,
and

WHEREAS, by that Transfer of Special Declarant Rights recorded in the office of the Carver County Recorder as Document No. _____ Declarant transferred, assigned and conveyed to Clover Field Homes, pursuant to Section 515B.3-104 of the Act the right to subject the Transferee Additional Real Estate to the Declaration and to add the Transferee Additional Real Estate to the CIC, and

WHEREAS, Clover Field Homes desires to add and incorporate into the CIC the Transferee Additional Real Estate which Transferee Additional Real Estate will constitute seven Units of the CIC.

NOW, THEREFORE, the undersigned hereby enacts this Amendment, in accordance with the requirements of the Declaration, Transfer of Special Declarant Rights and the Act, for the purpose of subjecting the Transferee Additional Real Estate described above to the Act as part of the CIC, Clover Field Rowhouses, hereby declares that said Transferee Additional Real Estate shall be held and owned subject to the covenants, restrictions, easements, charges and liens provided for in the Declaration and this Amendment, all of which shall be binding upon all persons having or hereafter acquiring any right, title or interest therein, including their heirs, personal representatives, grantees, successors and assigns. Unless otherwise specifically set forth herein, all words and terms used in this Amendment shall have the same meaning set forth in the Declaration.

A. DESCRIPTION OF UNITS

Section 2.1 of the Declaration is hereby amended to state:

2.1 There are thirteen Units; provided, that Master Developer and Declarant have the exclusive right to (i) add additional Units in accordance with Section 16, and (ii) subdivide and convert Units in accordance with Section 17, and Section 515B.2-112 of the Act. Except as provided in Section 8.5 of the Master Declaration, and designated in an Amendment to the Declaration, all Units are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference. A schedule of Units is set forth on Exhibit A attached hereto.

B. REALLOCATION OF VOTING RIGHTS AND COMMON EXPENSE OBLIGATIONS

Voting rights and Common Expense obligations are reallocated among all Units created by the Declaration and this Amendment, in accordance with the formula set forth in Section 4.2 of the Declaration, effective as of the date of recording of this Amendment. The Unit identifier of each Unit is set forth on Exhibit A attached hereto.

C. DESCRIPTION OF LIMITED COMMON ELEMENTS

The Limited Common Elements created in the Transferee Additional Real Estate added by this Amendment include those items contained in said Transferee Additional Real Estate which fall within the descriptions of Limited Common Elements contained in Section 3 of the Declaration or the Act, or which are labeled as such on the Plat. Said Limited Common Elements are allocated among the Units created in said Transferee Additional Real Estate pursuant to the allocation provisions contained in Section 3.2 of the Declaration.

D. SCHEDULE OF UNITS AND UNDIVIDED INTERESTS

Exhibit A to the Declaration containing the Schedule of Units and Undivided Interests shall be amended and replaced by Exhibit A attached hereto. All references to Exhibit A in the Declaration shall refer to Exhibit A attached hereto.

E. LEGAL DESCRIPTION OF PROPERTY

Exhibit B to the Declaration containing the underlying legal description of the Property shall be amended and replaced by Exhibit B attached hereto. All references to Exhibit B in the Declaration shall refer to Exhibit B attached hereto.

F. LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE

Exhibit C to the Declaration containing the legal description of the Additional Real Estate shall be amended and replaced by Exhibit C attached hereto. All references to Exhibit C in the Declaration shall refer to Exhibit C attached hereto.

G. APPLICABILITY AND BINDING EFFECT

Except as specifically modified by this Amendment, the Declaration, as amended, shall remain in full force and effect, and all of the rights, benefits, restrictions and obligations conferred by the Declaration, as amended, shall apply to the Transferee Additional Real Estate added hereby.

IN WITNESS WHEREOF, Clover Field Homes has executed this instrument the day and year first set forth above.

CLOVER FIELD HOMES, LLC
a Minnesota limited liability company

By: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, by _____, the _____ of Clover Field Homes, LLC, a Minnesota limited liability company, on behalf of said company.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
J. Patrick Brinkman, Esq.
FELHABER, LARSON, FENLON & VOGT, P.A.
220 South Sixth Street, Suite 2200
Minneapolis, MN 55402-4302
(612) 373-8420

COMMON INTEREST COMMUNITY NO. 58
Condominium

CLOVER FIELD ROWHOUSES

EXHIBIT A TO FIRST AMENDMENT TO DECLARATION

Schedule of Units and Undivided Interests

<u>Unit No.</u>	<u>Percentage Interest</u>
101	7.70%
102	7.70 %
103	7.70%
104	7.69%
105	7.69%
106	7.69%
201	7.69%
202	7.69%
203	7.69%
204	7.69%
205	7.69%
206	7.69%
207	7.69%
Total	100.00%

COMMON INTEREST COMMUNITY NO. 58
Condominium

CLOVER FIELD ROWHOUSES

EXHIBIT B TO FIRST AMENDMENT TO DECLARATION

Lot 1, Block 2 and Lot 1, Block 3, Clover Run, Carver County, Minnesota,

COMMON INTEREST COMMUNITY NO. 58
Condominium

CLOVER FIELD ROWHOUSES

EXHIBIT C TO FIRST AMENDMENT TO DECLARATION

Description of Additional Real Estate

Outlot A, Clover Field Rows, Carver County, Minnesota;

and

Lots 1 and 2, Block 1; Lots 2 and 3, Block 2; Lot 2, Block 3; Lots 1 and 2, Block 4, Clover Run, Carver County, Minnesota;

and

Lot 1, Block 1; and Lot 1, Block 23; Clover Field, Carver County, Minnesota;

and

Lot 2, Block 6, Clover Field 4th Addition, Carver County, Minnesota.

CONSENT BY MORTGAGEE

IN WITNESS WHEREOF, the Mortgagee has caused this Consent to be executed on the ____ day of _____, 2004.

By _____
Its _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, by _____, the _____ of _____, on behalf of said _____.

Notary Public

MPLS-Word 65686.1

**CLOVER FIELD ROWHOUSES
BYLAWS**

**Exhibit B
to Clover Field Rowhouse Disclosure Statement**

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CLOVER FIELD ROWHOUSE ASSOCIATION

BYLAWS

SECTION 1 GENERAL

This document constitutes the Bylaws of Clover Field Rowhouse Association, a Minnesota nonprofit corporation (the "Association"). The Association is organized pursuant to Minnesota Statutes Chapter 317A, for the purpose of operating and managing Clover Field Rowhouse, a condominium created pursuant to the Minnesota Common Interest Ownership Act ("MCIOA").

1.1 Clover Field Community Association/Powers. Each member of the Association is also a member of Clover Field Community Association (the "Master Association") and the Association is subject to the Master Declaration of Clover Field (the "Master Declaration").

1.2 Terms and Definitions. The terms used in these Bylaws shall have the meanings assigned to them in the Declaration of Clover Field Rowhouse (the "Declaration") or in the Master Declaration, if not otherwise defined.

SECTION 2 MEMBERSHIP

2.1 Owners Defined. All Persons described as Owners in Section 4 of the Declaration shall be members of the Association. No Person shall be a member solely by reason of holding a security interest in a Unit. A Person shall cease to be a member at such time as that Person is no longer an Owner.

2.2 Registration of Owners and Occupants. Upon request of the Association, an Owner shall register with the Secretary of the Association, in writing, (i) the name and address of each Owner of the Unit; (ii) the nature of such Owner's interest or estate in each Unit owned; and (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; and (iv) the name and address of the secured party holding the first mortgage on the Unit, if any. Each Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information, and shall be obligated to provide the names of the Occupants of the Unit upon request of the Association.

2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Unit or as otherwise specifically authorized by the Governing Documents, the Master Governing Documents or by law.

SECTION 3 VOTING

3.1 Entitlement. Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit is owned by the Association.

3.2 Authority to Cast Vote. At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner. If there is more than one Owner of a Unit, only one of the Owners may cast the vote. If the Owners of a Unit fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Unit and be counted as present at any meeting of the Owners by executing a written proxy naming another Person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall be effective until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is given, (ii) the adjournment of the meeting for which the proxy is given, or (iii) the time at which the granting Owner is no longer an Owner, or (iv) any other applicable event specified in Minnesota Statutes Section 317A.453.

3.4 Voting by Written Ballot. The entire vote on any issue, except the election or removal of directors, may be determined by written ballots mailed to the Owners along with a notice of the vote, subject to the following requirements.

3.4.1 The notice of the vote shall: (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter other than election of directors, and (iv) specify the time by which a ballot must be received by the Association in order to be counted.

3.4.2 The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.

3.4.3 The Board shall set the time for the return of ballots, which shall not be less than fifteen nor more than thirty days after the date of mailing of the ballots to the Owners. The Board shall provide notice of the results of the vote to the Owners within ten days after the expiration of the voting period.

3.4.4 Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by written ballot in accordance with Section 3.4, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is required by the Governing Documents or the Act. The term "majority" as used herein shall mean in excess of fifty percent of the votes cast by the Owners voting in accordance with the voting procedures set forth in Section 3 and the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4 MEETINGS OF OWNERS

4.1 Place. All meetings of the Owners shall be held at the office of the Association or at such other place in the state of Minnesota reasonably accessible to the Owners as may be designated by the Board in any notice of a meeting of the Owners.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board shall be elected pursuant to Section 6, (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Owners, shall be considered and acted upon at the meeting.

4.3 Special Meetings. A special meeting of the Owners may be called by the President as a matter of discretion. A special meeting of the Owners must be called by the President or Secretary within thirty days following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least twenty-five percent of all votes in the Association. The meeting shall be held within ninety days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

4.4 Notice of Meetings. Not less than twenty-one nor more than thirty days in advance of any annual meeting of the Owners, and at least seven, but no more than thirty, days in advance of any special meeting of the Owners, the Secretary shall send, to all persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting, by United States mail, or by hand delivery, at the Owner's Unit address or to such other address as the Owner may have designated in writing to the Secretary. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and director of the Association.

4.5 Quorum/Adjournment. The presence of Owners, in person or by proxy, who have the authority to cast in excess of twenty-five percent of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting may be adjourned from time to time, but until no longer than fifteen days later, without notice

other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any Unit owned by the Association.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Unit numbers, the names of the Owners, the vote attributable to each Unit and the name of the Person (in the case of multiple Owners) authorized to cast the vote.

4.7 Agenda. The agenda for meetings of the Owners shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

SECTION 5 ANNUAL REPORT

The Board, or the Master Board if required by the Master Governing Documents, shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent of the Association's current budget or five thousand dollars, whichever is greater, approved by the Association or Master Association for the current year or succeeding two fiscal years.

5.2 Reserve Funds. A statement of the balance in any reserve or replacement fund and any portion of the fund designated for any specified project by the Board or Master Board.

5.3 Financial Statements. A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year, provided however if the power and authority to levy assessments and the obligation to maintain the Association's common elements is delegated to the Master Association in accordance with the Master Governing Documents, and not relinquished to the Association, the afore-described statements shall be provided by the Master Association.

5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 Insurance. A detailed description of the insurance coverage provided by the Association or the Master Association, including a statement as to which, if any, of the terms referred to in Section 515B.3-113(b) of the Act are covered.

5.6 Status of Assessments. A statement of the total past due assessments on all Units owned by Members, current as of not more than sixty days prior to the date of the meeting.

SECTION 6 BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The first Board shall consist of the persons appointed by Declarant from time to time, subject to the rights of Owners to elect directors as set forth in Section 6.2. Upon the expiration of the terms of the members of the first Board, the Board shall be composed of three or five directors, a majority of whom shall be Owners, or a duly authorized representative of the Owner if the Owner is a Person other than a natural person.

6.2 Term of Office. The terms of office of the members of the Board shall be as follows:

6.2.1 The terms of all directors appointed by Declarant during the Declarant Control Period shall terminate upon the earliest of (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than the Declarant of seventy-five percent of the total number of Units authorized to be included in the Association, or (iii) the date five years following the date of the first conveyance of a Unit to an Owner other than the Declarant.

6.2.2 Notwithstanding the provisions of Section 6.2.1, the Owners other than Declarant shall have the right to nominate and elect not less than 33 1/3% of the directors at a meeting of the Owners held within sixty days following the conveyance by Declarant of fifty percent of the total number of Units authorized to be included in the common interest community. The term of office of any director elected pursuant to this Subsection shall terminate at the same time as the directors appointed by Declarant.

6.2.3 The terms of office of the directors elected by the Owners immediately following the termination of the terms of the directors comprising the first Board shall be staggered such that the terms of one or two of the directors are elected for one year terms and the remainder are elected for two year terms. Each term of office thereafter shall be two years and shall expire upon the election of a successor at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. The nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for directors.

6.3 Nominations. Except for directors appointed by the Declarant, nominations for election to the Board at the annual meetings shall be made by a nominating committee appointed by the Board, or made from the floor at the meeting. Nominations may be submitted only by Owners (including nominations submitted by the Board), and may not be made without the prior consent of the person nominated. The nominating committee shall consist of Owners who are

representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations.

6.4 Powers. Subject to the powers delegated to the Master Association as described in Section 6.5, the powers of the Association include, without limitation, all powers necessary for the administration of the affairs of the Association, including all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Owners) by law or by the Governing Documents. The powers of the Association are vested in the Board, unless expressly reserved to the Owners by the Governing Documents or by law. The Association's powers include, without limitation, the power to:

6.4.1 adopt, amend and revoke reasonable Rules consistent with the Governing Documents and the Master Governing Documents, as follows: (i) regulate the use of the Common Elements (if any); (ii) regulate the use of the Units, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the Common Elements (if any) or other Units; (iii) regulate animals; (iv) regulate changes in the appearance of the Common Elements (if any) and conduct which may damage the Property, (v) regulate the exterior appearance of the Property, including, for example, signs and other displays, regardless of whether inside a dwelling; (vi) implement the Governing Documents, and exercise the powers granted by this Section; and (vii) otherwise facilitate the operation of the Property.

6.4.2 adopt and amend budgets for revenues, expenditures and reserves, levy and collect Assessments for Common Expenses, and foreclose Assessment liens incidental to its collection efforts.

6.4.3 hire and discharge managing agents and other employees, agents, and independent contractors.

6.4.4 institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more Owners on matters affecting the Common Elements (if any) or other matters affecting the Property or the Association, or, (ii) with the consent of the Owners of the affected Units on matters affecting only those Units.

6.4.5 make contracts and incur liabilities.

6.4.6 regulate the use, maintenance, repair, replacement and modification of the Common Elements (if any) and the Units.

6.4.7 cause improvements to be made as a part of the Common Elements (if any).

6.4.8 acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property.

6.4.9 grant easements as follows: (i) public utility and cable communications easements through, over or under the Common Elements (if any) may be granted by the Board, subject to any restrictions contained in the Jonathan Covenants and the Master Governing Documents; and (ii) other public or private easements, leases and licenses through, over or under the Common Elements (if any) may be granted only by approval of the Board, and by the Owners (other than Developer) voting at an Association meeting, unless such easement is expressly authorized by the Declaration or another previously recorded instrument, subject to any restrictions contained in the Jonathan Covenants or the Master Governing Documents.

6.4.10 impose and receive any payments, fees, or charges for services provided to Owners.

6.4.11 impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations.

6.4.12 borrow money, and encumber or pledge the assets of the Association as security therefor; provided that any borrowings in any twelve month period which exceed, in aggregate, ten percent of the Association's current annual budget, shall require approval by the Owners voting at an Association meeting.

6.4.13 impose reasonable charges for the review, preparation and recording of amendments to the Declaration or Bylaws, statements of unpaid assessments, documents for subsequent buyers of Units or furnishing copies of Association records.

6.4.14 provide for the indemnification of its officers, directors and committee members, and maintain directors' and officers' liability insurance.

6.4.15 provide for reasonable procedures governing the conduct of meetings and the election of directors.

6.4.16 appoint, regulate and dissolve committees.

6.4.17 exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 Delegation of Powers. The Master Association, a master association within the meaning of Minn. Stat. § 515B.2-121, is delegated and exclusively authorized to exercise all powers of the Association, including but not limited to all of those powers listed in Section 6.4, unless such powers are relinquished to the Association in accordance with Section 8.1 of the Master Bylaws or otherwise reserved to the Association.

6.6 Meetings and Notices. An annual meeting of the Board shall be held promptly following each annual meeting of the Owners. At each annual meeting of the Board the officers of the Association shall be elected.

6.6.1 Regular meetings of the Board shall be held at such times as may be fixed from time to time by a majority of the members of the Board, or, in the absence of such action, by the President. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and made available for the information of Owners, as provided in Section 6.6.5.

6.6.2 Special meetings of the Board shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten days following the written request of a majority of the directors. Notice of any special meeting shall be given to each director not less than three days in advance thereof, subject to Section 6.6.3. Notice to a director shall be deemed to be given (i) when deposited in the United States mail postage prepaid to the Unit address of such director, or such other address designated by the director in writing to the Secretary of the Association, (ii) when sent by facsimile to a number designated in writing by the director, or (iii) when personally delivered, orally or in writing, by a representative of the Board to the director.

6.6.3 Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

6.6.4 A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting.

6.6.5 Except as otherwise provided in this Section, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of a Board meeting. If the date, time and place of meetings are provided for in the Declaration, Articles, Bylaws, announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Section 11.1 of these Bylaws. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:

6.6.5.1 personnel matters;

6.6.5.2 pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant of a Unit; or

6.6.5.3 criminal activity arising within the Property or involving an Owner or Occupant if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting.

6.6.6 All Board meetings shall be open to any member of the Master Board designated to attend the meeting as the Master Board's representative.

6.7 Quorum and Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies are prohibited for Board meetings.

6.8 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors.

6.9 Vacancies. A vacancy in the Board, other than those described in Sections 6.1, 6.2 and 6.10, shall be filled by a person elected within thirty days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.

6.10 Removal. A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose, (ii) that the director to be removed has a right to be heard at the meeting and (iii) that a new director is elected at the meeting by the owners to fill the vacant position caused by the removal. A director may also be removed by the Board if such director (i) has more than two unexcused absences from Board meetings and/or Owners meetings during any twelve month period or (ii) is more than thirty days past due with respect to the payment of assessments or installments thereof on the director's Unit. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.11 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, the directors of the Association shall receive no compensation for their services in such capacity. A director or an entity in which the director has an interest may, upon approval by the Board, be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested director, and (ii) that the director's interest is disclosed to the Board prior to approval. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

6.12 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7 OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board.

7.2 Election. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

7.3 Removal. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.

7.4 President. The President is the chief executive officer of the Association, and presides at all meetings of the Board and the Association. The President has all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall perform other duties as are prescribed by the Board.

7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall perform such other duties as are prescribed by the Board.

7.6 Secretary. The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary is responsible for keeping the books and records of the Association, and giving all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided, that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 Treasurer. The Treasurer is responsible for all financial assets of the Association, and shall be covered by a bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, assessment rolls and accounts; (ii) cause an annual financial report to be prepared, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by

the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided, that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as an officer; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

SECTION 8 OPERATIONS

8.1 General. The Association shall have all powers necessary to conduct its lawful affairs, including but not limited to those powers granted to it by the Governing Documents and by law. The Association shall exercise such powers with respect to all matters affecting the common interest community, except to the extent that such powers are delegated to and exercised by the Master Association.

8.2 Budget and Assessment Procedures. At least sixty days prior to commencement of the Master Association's fiscal year, the Board shall prepare, approve and submit to the Master Board of the Master Association in accordance with the Governing Documents a budget for the Association Common Expenses for the ensuing year, including contributions for reasonable repair, replacement and operating reserves for the Association Common Elements. The Board shall also prepare a schedule of proposed Class Assessments and Limited Assessments that it recommends the Master Board levy and assess against its Members to satisfy and pay the budgeted Common Element Expenses, including contributions to reserves, for the ensuing year. The Board shall provide any additional assistance or information requested by the Master Board to assist the Master Board in its review and final approval of the Master Board's final budget for the Association and Common Element Expenses and the Master Board's establishment, assessment and levy of Assessments, including but not limited to Class Assessments and Limited Assessments against Units owned by Members of the Association.

8.3 Payment of Assessments. Unless otherwise designated by the Master Board or the Master Governing Documents, Assessments shall be due and payable in monthly installments in advance on the first day of each month of the year or other period for which the Assessments are made. All Owners shall be absolutely and unconditionally obligated to pay the Assessments. No Owner or Occupant shall have any right of withholding, offset or deduction against the Master Association or Association with respect to any Assessments, or late charges or costs of collection, regardless of any claims alleged against the Association or the Master Association or their officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.4 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Master Board may assess, and such Owner shall be obligated to pay, a late charge as provided in the Master Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorneys' fees, incurred by the Master Board in collecting any such unpaid Assessment.

8.4.1 If there is a default of more than thirty days in payment of any Assessment, the Master Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Owner, and the entire unpaid balance of the Assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts, including late charges, costs of collection and fines, are paid prior to said date.

8.4.2 The Master Board shall have the right and duty to attempt to recover all Assessments on behalf of the Master Association and the Association, together with any charges, attorneys' fees or expenses relating to the collection thereof. In addition, the Master Board shall have the right to recover any collection or contingency fees or costs charged to the Association or Master Association by a collection agency or other Person acting on behalf of the Master Association or Association in collecting any delinquent amounts owed to the Master Association by an Owner or Occupant.

8.4.3 The rights and remedies referred to herein shall in no way limit the remedies available to the Association or Master Association under the Declaration, the Master Governing Documents or by law.

8.5 Foreclosure of Liens for Unpaid Assessments. The Master Association has the right to foreclose a lien against a Unit for Assessments imposed by the Master Association, as more fully described in the Master Governing Documents.

8.6 Records. The Board shall cause to be kept at the registered office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners of the Association, names of the Owners, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged or confidential information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by the Owners upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Unit setting forth the amount of the Assessments against the Unit, the date when due, the amount paid thereon and the balance remaining unpaid.

8.7 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Jonathan Covenants, Master Governing Documents, the Governing Documents, the Rules, the Master Rules and the Act. The Master Association or the Association may impose any or all of the charges, sanctions and remedies authorized by the Master Governing Documents, the Governing Documents or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9 AMENDMENTS

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

9.1 Approval. The amendment must be approved by:

9.1.1 The Board,

9.1.2 Owners who have authority to cast in excess of fifty percent of the total votes in the Association, in writing or at a duly held meeting of the Owners,

9.1.3 The Master Developer as provided in the Master Declaration, and

9.1.4 Declarant, as provided in the Declaration.

9.1.5 Eligible Mortgagees and/or the FHA to the extent of approval rights provided in the Declaration.

9.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U.S. mail, or hand delivered, to all Owners authorized to cast votes and the Master Board; and

9.3 Effective Date. An amendment is effective on the date of approval by the required vote of the Owners, and need not be recorded. If recorded, the amendment shall be recorded in the office of the recording officer for the county in which the Property is located.

SECTION 10 INDEMNIFICATION

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of Minnesota Statutes Section 317A.521.

SECTION 11 MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, the Master Association, the Master Board, the officers of the Association or Master Association, or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.3 Captions. The captions in these Bylaws are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict between the provisions of the Jonathan Covenants, the Master Governing Documents, the Governing Documents, Master Rules or Rules, the Jonathan Covenants shall control. In the event of any conflict between the provisions of the Master Governing Documents and the Governing Documents, Master Rules or Rules, the Master Governing Documents shall control. As among the Declaration, these Bylaws and the Rules, the Declaration shall control. The Bylaws shall control as against the Rules. The Master Rules shall control as against the Rules.

11.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.6 No Corporate Seal. The Association shall have no corporate seal.

11.7 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

The undersigned certifies that these were Bylaws were adopted by the first Board of Clover Field Rowhouse Association, a Minnesota nonprofit corporation, effective as of the date hereof.

Dated: _____

Secretary
Clover Field Rowhouse Association