

6.8 Lien Priority: Foreclosure. A lien under this Section is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if a first mortgage on a Unit is foreclosed, and no Owner redeems during the Owner's period of redemption provided by Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (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.

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

## SECTION 7

### RESTRICTIONS ON USE OF PROPERTY

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

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

7.2 Subdivision Prohibited. Except as permitted by the Act, no Unit may be subdivided or partitioned without the prior written approval of all Owners of the affected Lot Unit and all secured parties holding first mortgages on the affected Units. Notwithstanding the foregoing, a Unit may be subdivided so as to add a portion of such Unit to an adjacent Unit only if the remnant portion of the Unit is not rendered a non-conforming parcel under the Douglas County Zoning Ordinance.

7.3 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings shall be used for residential-related purposes, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.4. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than six (6) months, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

7.4 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Unit; except (i) an Owner or Occupant residing in a Unit may keep and maintain his or her business or professional records in such Unit and handle matters relating to such business by telephone or correspondence therefrom, provided that such uses are incidental to the residential use, do not involve physical alteration of the Unit and do not involve any observable business activity such as signs, advertising displays, bulk mailings, deliveries, or visitation or use of the Unit by customers or employees; (ii) the Association may maintain offices on the Property for management and related purposes; and (iii) an Owner or Occupant may conduct a home occupation upon a Unit after obtaining a Conditional Use Permit from Douglas County.

7.5 Inoperable Motor Vehicles. No Owner or Occupant of any Unit shall allow a motor vehicle to remain on such Unit for a period of more than fifteen (15) days if such motor vehicle lacks vital component parts, is in an inoperable condition, or is not currently licensed.

7.6 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units, and shall use the Property in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of the Property by other Owners and Occupants and their guests.

7.7 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.

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

7.9 Pets. Dogs and cats shall not be raised, bred, kept or maintained for any commercial purposes. Each Unit within the Association shall not have a combined number of dogs and cats in excess of three (3) at any time. The owner of such dogs and cats shall be responsible for policing waste materials and shall, at all times, control such pets so as not to create a nuisance for the owners and occupants of other Units within the Property. Dog owners shall take reasonable steps to limit barking and to limit any disturbance to neighbors which may be caused by the barking of dogs. All such dogs and cats shall be kept under the control of their owner at all

times. Outdoor kennels shall be allowed so long as the owner or occupant of the Unit controls barking so as not to become a nuisance or annoyance to the neighborhood. No other animals, fowl or poultry of any kind shall be kept, raised or bred in or upon any Unit.

7.10 Campers. No trailer homes, mobile homes, trailers, boats, motor homes, campers, four wheelers, fish houses, snowmobiles or recreational vehicles may be stored upon the Property unless fully concealed within the Owner's garage or outbuilding, nor shall any such home or vehicle be used for a temporary or permanent residence upon the Property, except that storage or use of any one such item may occur on an Owner's designated parking area for not longer than four (4) weeks during any calendar year and also except as set forth in Section 7.11. No vehicles of any type may be allowed upon the Property except upon the designated roadway or parking areas.

7.11 Storage. No personal property shall be placed or stored outside of any building on any Unit unless (a) such item of personal property is appropriate for seasonal use at such particular time (e.g. a picnic table or boat may be stored outside of a building during the summer and a snowmobile or fish house may be stored outside during the winter) or unless (b) the item of personal property is a flag pole, bird house, lawn ornament, clothesline, or decoration, in which event such item shall not be placed outside of any building on any Unit unless it is approved by Declarant during the period of Declarant control as provided for in Section 12.7 or, following the term of Declarant control, by the Board of Directors or a committee appointed by it. Notwithstanding the foregoing, each Unit may contain a swing set or other playground equipment which may be stored and used outside of a building at any time so long as it is maintained in such condition so as not to become unsightly or a nuisance to the neighborhood and each Unit may contain one (1) enclosed trailer not exceeding twenty (20) feet in length which may be stored and parked outside of a building.

7.12 Signs. No sign of any kind shall be displayed to the public view on any Unit except (a) the undersigned reserves for itself and its agents the right to place any advertising sign upon any Unit until sold by the undersigned; (b) signs identifying the entrances to the Property; and (c) an owner of any Unit, other than the undersigned, may place a sign measuring less than 6 square feet in size advertising that a Unit or home is available for sale.

7.13 Restricted Dwellings. No structure of a temporary character, trailer, mobile home, manufactured home, prebuilt home, prefabricated home, modular home, basement home, tent, shack, garage, barn or other outbuilding shall be constructed or used upon any Unit at any time as a permanent residence. The term "manufactured home" shall mean a structure, transportable in one or more sections, which has wheels and axles, which is built on a permanent chassis, and which is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning and electrical systems contained therein. The term "manufactured home" shall be synonymous with the term "mobile home". Manufactured homes shall not be allowed regardless of whether or not they are affixed to land. The term "manufactured home" shall not include a "modular home" as defined herein. Lots may contain a prefabricated, prebuilt or modular home so long as it is not a

manufactured home. The term “modular home” as used herein shall mean any home which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site without disassembly, damage or construction, and which is made or assembled in manufacturing facilities off the building site, for installation, or assembly and installation, on the building site, and includes closed wall panelized housing. The term “modular home” does not include a mobile home or a manufactured home.

7.14 Refuse. No refuse pile or unsightly objects shall be allowed to be placed or subject to remain on any Unit and no noxious or poisonous weeds shall be permitted to grow on any of the Units. No Unit shall be used or maintained a dumping ground for rubbish, trash, garbage or other waste. Refuse shall not be kept except in sanitary containers.

7.15 Nuisance. No outside toilet shall be permitted on any Unit, except during the construction of a dwelling or building. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done thereon which may be or may become a nuisance or any annoyance to the neighborhood. A lawn shall be sodded or seeded on each Unit within twelve (12) months after commencement of construction of a Dwelling upon such Unit. Each Unit shall be mowed at least once per month during the growing season before a Dwelling is contained upon such Unit, except that, if the grass on a particular Unit is long as of May 1 in any year thereby providing nesting cover for pheasants or other birds, such Unit shall not be mowed prior to June 15 in such year. A Unit shall be mowed at least three (3) times per month during the growing season after such Unit contains a Dwelling and a lawn is established.

7.16 Dwelling Specifications. Any Dwelling constructed upon any Unit shall meet the following requirements:

- a. All dwellings shall have an attached garage which shall be not less than 790 square feet.
- b. Square footage of year round living space shall be not less than the following:
  - (1) 1,400 square feet on the main floor for a single story home.
  - (2) 1,000 square feet on the main floor of either a two story home or a multi-level home (excluding a split-entry home).
  - (3) 1,200 square feet on the main level of a split-entry home.
- c. Any Dwelling built upon any Unit shall have a minimum roof pitch of 6/12, provided, however, that an addition to a Dwelling, such as a screen porch, may have a lower roof pitch.

- d. Any Dwelling constructed upon any Unit shall have a minimum interior room height, measured from floor to ceiling, of at least 7 feet 10 inches in the basement and at least eight (8) feet on all other levels.
- e. A construction trailer shall be allowed upon a Unit during the period of construction of either the Dwelling or an allowed outbuilding, but not for a longer period of time than twelve (12) months.
- f. No Dwelling shall utilize post frame construction nor shall any Dwelling have the appearance of an outbuilding or storage building.

7.17 Completion. No building shall be erected and left uncompleted on the exterior for a period in excess of twelve (12) months.

7.18 Relocated Structures. No Unit shall contain any new or used structure which has been moved in or relocated from another location. The foregoing sentence shall not restrict construction practices utilizing panelized walls.

7.19 Driveway. Each Unit shall have a private driveway installed within eighteen (18) months after commencement of construction of the dwelling on such Unit, which private driveway shall utilize asphalt, concrete, paving stone, or other similar durable surface.

7.20 Outbuildings. No outbuilding shall be constructed or placed upon any Unit within the Property that fails to comply with the following:

- a. Only one such outbuilding shall be allowed on each Unit, except that the only outbuilding allowed upon the following Units shall be a gazebo, a playhouse or a detached screened porch: Lots 1, 4, 5, 6 and 7, Block One; Lot 6, Block Two; and Lot 26, Block Three; and Lots 9, 12, 13 and 14, Block Four, Pine Haven. Such gazebo, playhouse or detached screened porch shall not have storage as a principal use, shall be limited to a maximum size of 400 square feet, a maximum sidewall height of nine (9) feet, and a maximum height to the highest peak of nineteen (19) feet.
- b. Any outbuilding, other than a gazebo, playhouse or detached screen porch, shall (i) not have a sidewall greater than twelve (12) feet high; (ii) shall not be larger than 1,150 square feet on any Unit having an area of less than 70,000 square feet; and (iii) shall not be larger than 1,500 square feet on any Unit having an area of 70,000 square feet or more.
- c. Any outbuilding (including, but not limited to, a gazebo, playhouse or screened porch) shall have the same color material, style and brand of siding, shingles, soffit and fascia as the Dwelling contained upon the same Unit; and the same color of windows and doors as the Dwelling contained upon the same Unit.

- d. No galvanized metal on roof.
- e. Such outbuilding shall have a minimum roof pitch of 6/12 and shall have a minimum overhang at the eave of two (2) feet and a minimum overhang at the gable of one (1) foot.
- f. All outbuildings shall be constructed behind the back wall of the Dwelling, with the “back wall” being the exterior wall of the Dwelling that is furthest away from the front yard.
- g. No outbuilding shall be constructed upon any Unit until such Unit contains a Dwelling constructed in conformity with this Declaration.
- h. The maximum height of the peak on any outbuilding, other than a gazebo, playhouse or screened porch, shall not exceed the highest peak of the Dwelling on that Unit.
- i. All outbuildings shall observe the following minimum setbacks:
  - (i) Twenty (20) foot side yard setback.
  - (ii) Twenty (20) foot rear yard setback.
  - (iii) Forty (40) foot setback from the road right-of-way of Prairie Road.
  - (iv) Fifty (50) foot setback from the road right-of-way of County State Aid Highway No. 42.

The term “outbuilding” as used herein shall mean any structure, other than the Dwelling with attached garage, located upon any Unit.

7.21 Hooded Lights. All exterior lights shall be hooded so as not to project light to a neighboring Unit.

7.22 Restrictions on Removal of Vegetation. Owners and Occupants of Units that are wooded at the time of the adoption of this Declaration shall refrain from and are prohibited from any and all activities which would result in the removal, cutting, clearing, pruning or trimming of any or all trees contained within the following areas of each Unit:

- a. Within the ten (10) foot side yard at a distance of fifty (50) feet to one hundred (100) feet from a public road right-of-way.
- b. Within the twenty (20) foot side yard at a distance of more than one hundred (100) feet from a public road right-of-way.
- c. Within the twenty (20) foot rear yard setback.
- d. Within forty (40) feet of the public road right-of-way of Prairie Road.

No herbicide or defoliant shall be applied within such areas of any Unit, except as necessary to control noxious weeds. These provisions are not applicable to the removal of trees, limbs, branches or shrubs that are dead, diseased, or pose safety hazards. At the time of the adoption of this Declaration, the following Units are wooded: Lots 1 through 4, Block One; Lots 1 through 4, 7 through 14, 17 through 20, and 23 through 28, Block Two; Lots 1 through 3, 11, 12 and 15 through 26, Block Three; and Lots 3 through 10, Block Four.

7.23 Fences. Any fence constructed upon any Unit (other than an underground, invisible pet fence) shall observe the following requirements:

- a. No fence shall be within fifty (50) feet from any public street right-of-way, unless such fence that is within such fifty (50) foot setback does not exceed twenty (20) lineal feet and is not more than four (4) feet in height.
- b. No fence shall be closer to the road right-of-way than the front of the Dwelling upon each Unit, other than one fence not exceeding twenty (20) lineal feet and not exceeding four (4) feet in height.
- c. No fence shall be allowed at any time upon Lots 4, 5, 6 and 7, Block One, and upon Lots 12, 13 and 14, Block Four.
- d. Fences lying beyond the fifty (50) foot setback and lying beyond the front of the house as referred to in Subparagraphs a. and b. above shall not be higher than six (6) feet.
- e. No fence shall be placed within ten (10) feet of any lot line, subject to the tree removal limitation in Section 7.22.
- f. No fence shall be contained upon Lots 1 and 7, Block One; Lots 1 and 6, Block Two; Lot 26, Block Three; and Lots 9 and 14, Block Four, except that one fence not exceeding twenty (20) lineal feet and not exceeding four (4) feet in height shall be allowed upon each such Lots.
- g. The design and materials of all fences shall receive the prior approval from the Architectural Control Committee

7.24 Architectural Control. No residence or other building and no flag pole, bird house, lawn ornament, clothesline or decoration shall be erected, placed or constructed within any Unit until the construction plans and specifications and a site plan showing the nature, kind, shape, heights, color, materials, design, windows, siding, exterior doors, and locations of all improvements to be placed upon each such Unit have been approved by the Declarant if the construction of any such improvement commences on or before December 31, 2017. Any authority for approval given to the Declarant by this Declaration shall last only until December 31, 2017. The criteria for approval shall include and require, at a minimum, (i) similar

construction and design in relation to existing improvements and topography, (ii) comparable or better quality of materials as used in existing improvements, (iii) ease of maintenance and repair, (iv) compliance with governmental laws, codes and regulations, and (v) high quality materials and architectural design consistent with a first class residential neighborhood.

7.25 NPDES/SWPPP. Concurrently with the transfer of any Unit by Declarant to any third party, the initial transferee shall execute a Subdivision Registration on the form provided by the Minnesota Pollution Control Agency (MPCA) thereby assuming all responsibility in connection with the National Pollutant Discharge Elimination System Phase II Construction Site Permit ("NPDES"), the Stormwater Pollution Prevention Plan ("SWPPP"), and associated MPCA Rules relative to the discharge of stormwater from such Unit. By accepting a Deed of conveyance for a Unit within the Plat, the transferee covenants and agrees to execute such Subdivision Registration form, to assume responsibility under the NPDES and SWPPP for the discharge of stormwater from the Unit, and to conduct all excavation activities on such Owner's Unit in conformity with the NPDES and SWPPP.

## SECTION 8

### MAINTENANCE

8.1 Maintenance by Association. The Association shall provide for all maintenance and repair of any landscape islands, street lights, and entrance signs, if any, that may be installed by Declarant within any dedicated street right-of-way or any easement area benefitting the Association. The Association shall also be obligated to maintain, repair and improve the Common Elements.

8.2 Maintenance by Owner. Each Owner shall be responsible for the maintenance of his or her Unit, which shall include, without limitation, the mowing, watering, raking and maintenance of lawns, plants and landscaping, the maintenance of the exterior of the Dwelling and the maintenance of all other improvements located on his or her Unit, all of which shall be performed and maintained in accordance with any rules and regulations adopted by the Association from time to time.

8.3 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Section, if, in the judgment of the Association, the need for maintenance of any part of the Property is caused by the willful or negligent act or omission of an Owner or Occupant, or their guests, or by a condition in a Unit which the Owner or Occupant has willfully or negligently allowed to exist, the Association may cause such damage or condition to be repaired or corrected (and enter upon any Unit to do so), and the cost thereof may be assessed against the Unit of the Owner responsible for the damage.



## SECTION 9

### INSURANCE

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

- a. Comprehensive general liability insurance covering the use, operation and maintenance of the areas which the Association is obligated to maintain, with minimum limits of \$1,000,000 per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Property. The policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants. The policy shall include such additional endorsements, coverage and limits with respect to such hazards as may be required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.
- b. Workers' Compensation insurance as required by law.

9.2 Optional Coverages. The Association may obtain and maintain:

- a. 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 the FHA or FNMA as a precondition to the purchase or financing of a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured and shall, if required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing of a mortgage on a Unit, be written in an amount equal to the greater of (i) the estimated maximum of Association funds, including reserves, in the custody of the Association or management agent at any given time while the bond is in force, or (ii) a sum equal to three months aggregate assessments on all Units plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.
- b. Directors and officers liability insurance with such reasonable limits and coverage as the Board shall determine from time to time.

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

9.3 Owner's Personal Insurance. Each Owner shall obtain and maintain at his or her own expense fire and other casualty insurance on such Owner's Dwelling, outbuilding and personal property and shall also obtain and maintain personal liability insurance.

## SECTION 10

### EASEMENTS

10.1 Utilities Easements. The Property shall be subject to non-exclusive, appurtenant easements for all utilities, and similar services, which exist from time to time, as dedicated in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Unit, and the rights of the Owners and Occupants thereof, shall be subject to a non-exclusive easement in favor of the Association and all utilities companies providing service to the Units for the installation and maintenance of utilities metering devices.

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

10.3 Entrance Sign Easement. An Entrance Sign Easement for the benefit of the Property and the Association is hereby dedicated and reserved over and across that portion of Lot 5, Block One, Pine Haven, Common Interest Community No. 236 as described on the attached Exhibit D.

10.4 Storm Water Control System. A storm water control system has been constructed for the benefit of the Property, which storm water control system contains certain drainage retention ponds, drain ways, ditches and storm sewers. Drainage retention ponds are contained upon Outlot B and that portion of Lot 12, Block Four, which is dedicated as a drainage easement on the Plat. The Association shall have the responsibility for the maintenance, repair and improvement of the storm water control system, except to the extent that such maintenance responsibility is accepted by Carlos Township.

10.5 ALASD Lift Station Easements. Sanitary sewer lift stations that will be operated by the Alexandria Lake Area Sanitary District ("ALASD") have been installed upon portions of Outlot B and of Lot 9, Block Four, Pine Haven, and Declarant hereby declares and specifies that the following portions of said Outlot B and Lot 9 shall be subject to perpetual, appurtenant, exclusive easements for sanitary sewer lift station purposes: