

remain against the Unit until satisfied. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid assessments against the Unit, including all assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and buyer.

## SECTION 7

### RESTRICTIONS ON USE OF PROPERTY

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

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

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

7.3. Use. The Units and Garages shall be used by Owners and Occupants exclusively for storage purposes and none of the Units shall at any time be resided in as dwellings or as living units.

7.4. Leasing. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following conditions: (i) that no Unit shall be leased for dwelling purposes, (ii) that no Unit may be subleased except with the written consent of Declarant, (iii) that all leases shall be in writing, (iv) that all Leases shall be for minimum term of three (3) months, and (v) that all leases shall provide that they are subordinate and subject to the provisions of the Governing Documents, the Rules and Regulations and the Act, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Association may impose such reasonable Rules and Regulations as may be necessary to implement procedures for the leasing of Units, consistent with this Section.

7.5 Parking. Parking areas on the Property shall be as designated by the Association and shall be used only used only for parking of vehicles owned or leased by Owners and Occupants, and such other incidental uses as may be authorized in writing by the Association. The use of

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 Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property.

7.6 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.

7.7 Alterations. Except for those made by Declarant in consideration of its initial sale of a Unit, no alterations, changes, improvements, repairs or replacements of any type, temporary or permanent, structural, aesthetic or otherwise (collectively referred to as "alterations") shall be made, or caused or allowed to be made, by any Owner or Occupant, or any part of the Common Elements, or in any part of Unit which affects the Common Elements or which is visible from the exterior of the Unit, without the prior written authorization of the Board, or a committee appointed by it, as provided in Section 8. The board, or the appointed committee if so authorized by the Board, shall have authority to establish reasonable criteria and requirements for alterations, and shall be the sole judge of whether the criteria are satisfied.

7.8 Access to Units. In case of emergency, all Units are subject to entry, without notice and at any time, by an officer or member or the Board of the Association, by the Association's management agents or by any public safety personnel. Entry is also authorized for maintenance purposes under Section 9 and for enforcement purposes under Section 13.

7.9 Pets. No pets, animals, rabbits, livestock, fowl or poultry of any kind shall be kept, raised or bred in or upon the Common Elements of any Unit or any portion thereof, nor shall they be kept, bred or maintained for any purpose whatsoever.

7.10. Storage. No Owner or Occupant may store personal property of any nature upon any Common Elements or upon any Unit outside of any Garage. No Owner or Occupant may at any time store hazardous waste or explosives on the Property.

7.11. Signs. No signs other than for a "For Sale" sign shall be displayed on any Unit. "For Sale" signs not exceeding six (6) square feet in size may be displayed under the supervision of the Board; except that no "For Sale" signs other than those of the Declarant shall be permitted prior to the disposition of the last Unit originally offered for sale by the Declarant within the Property.

7.12 Restriction. No Garage or other structure, other than a propane tank, shall be placed within the following portions of the following described Units:

- a. Within the westerly 11.5 feet of Lots 11 through 22 and Lots 39 through 54, Block One, Stor Smart North.
- b. Within the easterly 11.5 feet of Lots 23 through 38 and of Lots 55 through 70, Block One, Stor Smart North.

## SECTION 8

### ARCHITECTURAL CONTROL

8.1 Restrictions on Alterations. The following restrictions and requirements shall apply to alterations on the Property:

- a. Except as expressly provided in this Section 8, and except for alterations made by Declarant in consideration of its initial sale of a Unit, no structure, building, addition, wall, window, exterior door, sign, display, decoration, color change, or landscaping change, nor any other exterior improvements to or alteration of any Garage or any other part of a Unit which is visible from the exterior of the Unit (collectively referred to as "alterations"), shall be commenced, erected or maintained in a Unit, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the alterations shall have been approved in writing by the Board of Directors or a committee appointed by it. Notwithstanding the foregoing, Declarant's written consent shall also be required for alterations until Declarant no longer owns any unsold Unit and has no further rights to add Additional Real Estate to the Property.
- b. The criteria for approval shall include and require, at a minimum, (i) substantial uniformity of type 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) adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed alterations, (v) compliance with governmental laws, codes and regulations, and (vi) such other reasonable criteria and requirements as established by the Board.
- c. Alterations described in Section 15 shall be governed by that Section.

8.2 Review Procedures. The following procedures shall govern requests for alterations under this Section:

- a. Detailed plans, specifications and related information regarding any proposed alteration, in form and content acceptable to the Declarant or the Board of



Directors, shall be submitted to the Declarant or the Board of Directors, as the case may be, at least sixty (60) days prior to the projected commencement of construction. No alterations shall be commenced prior to approval.

- b. The Declarant or the Board of Directors shall give the Owner written notice of approval or disapproval. If the Declarant or the Board of Directors fails to approve or disapprove within sixty (60) days after receipt of said plans and specifications and all other information requested by the Declarant or the Board of Directors, then approval will not be required, and this Section shall be deemed to have been fully complied with so long as the alterations are done in accordance with the plans, specifications and related information which were submitted.
- c. If no request for approval is submitted, approval is denied, unless (i) the alterations are reasonably visible and (ii) no written notice of the violation has been given to the Owner in whose Unit the alterations are made, by the Association or another Owner, within six months following the date of completion of the alterations. Notice may be direct written notice or the commencement of legal action by the Association or an Owner. The Owner of the Unit in which the alterations are made shall have the burden of proof, by clear and convincing evidence, that the alterations were completed and reasonably visible for at least six months following completion and that the notice was not given.

**8.3 Remedies for Violations.** The Association may undertake any measures, legal or administrative, to enforce compliance with this Section and shall be entitled to recover from the Owner causing or permitting the violation all attorneys' fees and costs of enforcement, whether or not a legal action is started. Such attorneys' fees and costs shall be a lien against the Owner's Unit and a personal obligation of the Owner. In addition, the Association shall have the right to enter the Owner's Unit and to restore any part of the Garage to its prior condition if any alterations were made in violation of this Section, and the cost of such restoration shall be a personal obligation of the Owner and a lien against the Owner's Unit.

## SECTION 9

### MAINTENANCE

**9.1 Maintenance by Association.** The Association shall provide for all maintenance, repair, or replacement (collectively referred to as "maintenance") of the Common Elements.

**9.2 Optional Maintenance by Association.** In addition to the maintenance described in Section 9.1, the Association may, with the approval of sixty-seven percent (67%) of the votes cast in person or by proxy at a meeting called for such purposes, undertake to provide additional exterior maintenance to the Units or Garages.

**9.3 Maintenance by Owner.** Except for the exterior maintenance required to be provided by the Association under Section 9.1 or the optional maintenance that the Association may undertake to provide under Section 9.2, all maintenance of the Garages and Units shall be the

sole responsibility and expense of the Owners thereof. However, the Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain. The Association may require that any exterior maintenance to be performed by the Owner be accomplished pursuant to specific uniform criteria established by the Association. The Association may also undertake any exterior maintenance which the responsible Owner fails to or improperly performs and assess the Unit and the Owner for the cost thereof.

9.4 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 by a condition in or upon a Unit which the Owner or Occupant has willfully or negligently allowed to exist or to become unsightly or to become a nuisance to other Owners, the Association may, upon the vote of sixty-seven percent (67%) of votes cast in person or by proxy at a meeting called for such purpose, 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 10

### INSURANCE

10.1 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. Property insurance in broad form covering all risks of physical loss in an amount equal to one hundred percent (100%) of the insurable "replacement cost" of the Common Elements, less deductibles. The policy or policies shall cover personal property owned by the Association. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverage and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the FHA or Federal National Mortgage Association ("FNMA") as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board may also, on behalf of the Association, enter into binding written agreements with a mortgagee, insurer or servicer, including without limitation the FHA or FNMA, obligating the Association to keep certain specified coverage or endorsements in effect.
- b. Comprehensive public liability insurance covering the use, operation and maintenance of Common Elements, with minimum limits of \$1,000,000 per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Property. The policy shall contain a

"severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants. 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.

- c. 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.
- d. Workers' Compensation insurance as required by law.
- e. Directors and officers liability insurance with such reasonable limits and coverage as the Board shall determine from time to time.
- f. 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. All property insurance premiums relating to the Units shall be paid by the Unit Owners.

10.3 Loss Payee; Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and secured parties, including Eligible Mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association in accordance with Section 515B.3-113(e) of the Act. Reconstruction shall be completed in accordance with the provisions of Section 11.1 of this Declaration.

10.4 Waivers of Subrogation. All policies of insurance shall contain waivers of subrogation by the insurer against the Association, or an Owner, members of the Owner's

household, officers or directors, as applicable, and, if available, waivers of any defense based on co-insurance or of invalidity from any acts of the insured.

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

**10.6 Restoration in Lieu of Cash Settlement.** All policies of property insurance maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any Insurance Trustee) or (ii) when in conflict with provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.


**10.7 No Contribution.** All policies of insurance maintained by the Association shall be the primary insurance where there is other insurance in the name of the Owner covering the same property, and may not be brought into contribution with any insurance purchased by Owners or their Eligible Mortgagees.

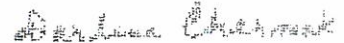
**10.8 Effect of Acts Not Within Association's Control.** All policies of insurance maintained by the Association shall provide that the coverage shall not be voided by or conditioned upon (i) any act or omission of an Owner or Eligible Mortgagee, unless acting within the scope of authority on behalf of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

**10.9 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 Unit or Garage, and personal property and shall also obtain and maintain personal liability insurance. All insurance policies maintained by Owners shall provide that they are without contribution as against the insurance purchased by the Association. Such fire and casualty insurance shall cover at a minimum the full insurable replacement cost of the Garage located on the Unit and shall be in a form satisfactory to the Association. It shall further provide that such policy shall not be canceled or substantially modified by any party without at least 30 days prior written notice to the Association. Each Owner shall furnish the Association satisfactory evidence of the maintenance of such insurance. The Association may, but shall not be required, to make payment of casualty insurance premiums on behalf of any Owner who defaults in his or her obligation to make such payments. Any amount so paid by the Association shall be immediately due and payable by such Owner and may be included in the maintenance assessment against such Unit.



Recorded  
DEC. 04, 2006 AT 04:15PM

TRANSFER ENTERED AND DEED TAX  
OF \$ 0  
PAID TO DOUGLAS COUNTY  
THIS 4 DAY OF Dec 20 06  
  
DEPUTY AUDITOR/TREAS.



OFFICE OF COUNTY RECORDER  
Douglas County Minnesota  
Darlene Chereak  
Fee Amount: \$46.00

COMMON INTEREST COMMUNITY NO. 227  
(A Planned Community)

STOR SMART NORTH

**FIRST AMENDMENT TO DECLARATION**

This First Amendment to Declaration (the "First Amendment") is made this 30<sup>th</sup> day of November, 2006, pursuant to the provisions of Minnesota Statutes Section 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), and Section 115B.2-118 thereof.

WHEREAS, the Declaration of Stor Smart North (the "Declaration") was recorded in the Office of the Douglas County Recorder on August 17, 2006 as Document No. 286437; and

WHEREAS, the undersigned Owners of Units in the Plat of Stor Smart North hold at least sixty-seven percent (67%) percent of the votes in the Association as required by Section 16 of the Declaration.

NOW, THEREFORE, the undersigned Owners hereby enact this First Amendment, in accordance with the requirements of the Declaration and the Act, for the purposes described herein.

**A. INSURANCE.**

Section 10.1 of the Declaration shall be amended to read as follows:

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

- d. Workers' Compensation insurance as required by law.
- e. Directors and officers liability insurance with such reasonable limits and coverage as the Board shall determine from time to time.
- f. Such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners.

Section 10.2 of the Declaration shall be amended to read as follows:

10.2. Premiums: Improvements: Deductibles. All property insurance premiums relating to the Units and the Garages shall be Common Expenses to be paid by the Association. The Owners of the Units and the Garages shall be responsible for all improvements to the Units and the Garages. If an Owner requests insurance in excess of the amount normally provided for a Garage, the Association shall be entitled to levy a special assessment against such Owner for the cost of the excess insurance premium. In the event of any damage to any of the Units or Garages, the Owners of such Units and Garages shall be responsible for any insurance deductible that may become payable.

***B. APPLICABILITY AND BINDING EFFECT.***

Except as specifically modified by this First Amendment, the Declaration, as amended, shall remain in full force and effect. Unless otherwise specifically set forth herein, all words and terms used in this First Amendment shall have the same meaning set forth in the Declaration, as amended.