

**RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTHFORK
(edited as of August 1, 1993)**

*A Development of Single Family Homes
in
Ramsey, Minnesota*

NORTH FORK, INC.

INTRODUCTION TO
DECLARATIONS OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTHFORK

The Restated Declaration for Northfork is the principle operating document for the Northfork Planned Unit Development (PUD). The goal of the Northfork developers was to create an upscale community while preserving much of the natural habitat and beauty of the area. The designation of several hundred acres of permanent open space was an important element of this plan. To guaranty the preservation and proper use of the open space for all homeowners, the creation of a Homeowners Association was necessary. To guarantee the upscale nature of the community, some form of architectural control was also needed. The Restated Declaration establishes both the Homeowners Association and an Architectural Control Committee.

The Restated Declaration was filed in April of 1986 and completely superseded a prior Declaration (Original Declaration). Since that time there have been several Supplementary Declarations filed, most principally the Sixth Supplementary Declaration which approved the creation of the golf course; amended certain sections of the Restated Declaration; and deleted certain obsolete provisions. The Eighth Supplementary Declaration relocates homeowner access to Lake Itaska. The balance of the Supplementary Declarations are concerned with the inclusion of additional property into the PUD.

The Restated Declaration, together with the various Supplementary Declarations, total more than 100 pages. Therefore, for your convenience we have integrated the various Supplementary Declarations with the Restated Declaration; deleted obsolete provisions; paraphrased a couple of provisions to minimize confusion; and eliminated the technical sections on Insurance and the Rights of Mortgage Holders. The provisions affected are marked by brackets and italicized. Despite these efforts, the current submittal is still quite lengthy. Prior to closing, or at your request, you will receive a full set of all Declarations.

As a special note of clarification please be advised that the requirements originally outlined in Article IX, Architectural Review, as amended have become obsolete. Considerably higher standards are now being required. To avoid confusion in these matters, the current standards, while not technically a part of the Restated Declarations, are included, and the prior standards removed. (Please note attached letter of December 17, 1992 from North Fork, Inc. to Quietus Corporation regarding these standards.)

TABLE OF CONTENTS

	Page
I. DEFINITIONS	2
II. PROPERTY SUBJECT TO THIS DECLARATION	5
2.1 Property	5
2.2 Transfer of Lots	5
2.3 Additions to Property	5
2.4 Covenant to Convey Additional Common Property	6
III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION	7
3.1 Membership	7
3.2 Voting Rights	7
IV. RIGHTS AND OBLIGATIONS OF OWNERS	9
4.1 Rights and Easements in Common Property	9
4.2 Limitations on Owners' Rights and Easements	9
4.3 Use of Lots	10
4.4 Delegation of Use	12
4.5 Taxes and Special Assessments on Common Property	12
4.6 Rights of Declarant	12
4.7 Private Sewer and Water Systems	12
4.8 Environmental Protection	13
V. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	14
5.1 General	14
5.2 Services	14
5.3 Rules and Regulations	14
5.4 Board of Directors	14
VI. COVENANTS FOR ASSESSMENTS	15
6.1 Creation of the Lien and Personal Obligation of Assessments	15
6.2 Purposes of Assessments	15
6.3 Maximum Annual Assessments	16
6.4 Special Assessments for Capital Improvements	16
6.5 Notice and Quorum for Any Action Authorized	16
Under Sections 6.3 and 6.4	
6.6 Uniform Rate of Assessment	17
6.7 Date of Commencement of Annual Assessments; Due Dates	17
6.8 Certificate of Payment	17
6.9 Remedies for Nonpayment of Assessments	17
6.10 Subordination of Lien to Mortgages	18
6.11 Assessments by Municipal Government	18
VII. COVENANTS FOR INSURANCE; RECONSTRUCTION	19
VIII. FUTURE IMPROVEMENTS BY DECLARANT	20
8.1 <i>(obsolete)</i>	20
8.2 <i>(obsolete)</i>	20
8.3 <i>(obsolete)</i>	20
8.4 Improvement Fund	20

IX.	ARCHITECTURAL CONTROL	21
9.1	Restrictions on Alterations	21
9.2	Review of Proposed Alterations; Remedies for Violations	21
9.3	Relief Against Owners	22
9.4	Relief Against Reviewing Authority	22
9.5	Retention of Records	22
X.	MAINTENANCE OF COMMON PROPERTY	23
10.1	Maintenance and Repair	23
10.2	Damage by Owner	23
XI.	EASEMENTS	24
11.1	Platted Easements	24
11.2	<i>(deleted)</i>	24
11.3	Lake Access Area	24
11.4	<i>(expired)</i>	24
11.5	Horse Stable Area	24
11.6	<i>(deleted)</i>	25
11.7	<i>(deleted)</i>	25
11.8	<i>(deleted)</i>	25
XII.	RIGHTS OF FIRST MORTGAGEES	26
XIII.	AMENDMENTS	27
XIV.	COMPLIANCE; SANCTIONS AND REMEDIES	28
14.1	Entitlement to Relief	28
14.2	Sanctions and Remedies	28
14.3	Right to a Hearing	29
14.4	Costs of Proceeding and Attorney Fees	29
14.5	Liability for Owners' and Occupants' Acts	30
XV.	GENERAL PROVISIONS	31
15.1	Duration	31
15.2	FHA/VA Approvals	31
15.3	Notices	31
15.4	Construction	31

**RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTHFORK**

[The Restated Declaration was executed January 15, 1986 and recorded April 1987.]

WHEREAS, the parties desire to provide for the preservation of the values, aesthetic character and amenities in said community and for the maintenance of open spaces and other common facilities and to this end desire to subject the Property together with such additions as may thereafter be made hereto, to the covenants, restrictions, easements, charges and liens (hereinafter sometimes called the "Covenants and Restrictions") hereinafter set forth, all of which are for the benefit of said property and each Owner and Occupant thereof; and

WHEREAS, Declarant has incorporated, under the laws of the State of Minnesota, Northfork Homeowners Association, Inc., a nonprofit corporation, which has been delegated and assigned the power and duty to own, maintain and administer the Common Property legally described in Section 1.1, paragraph d hereof, to administer and enforce the Covenants and Restrictions and to collect and disburse the assessments and charges provided for herein; and

WHEREAS, the Declarant has heretofore executed a Declaration of Covenants, Conditions and Restrictions for Northfork dated September 25, 1985 and recorded September 27, 1985 as Anoka County Registrar of Titles Document No. 145186 (the "Original Declaration"); and

WHEREAS, the parties desire to make so many amendments to the Original Declaration that it would be more convenient to execute a restated declaration in lieu of a lengthy amendment to the Original Declaration.

NOW, THEREFORE, the Parties declare that the property, and such additions thereto as many hereinafter be made, is and shall be held, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, in lieu of the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Declaration, which is hereby repealed, replaced and superceded.

ARTICLE I. DEFINITIONS

Section 1.1

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

- a. **"ADDITIONAL PROPERTY"** shall mean and refer collectively to all of the property which Declarant has the right to subject in the future to the covenants and restrictions of this Declaration, namely Outlots C and D, Northfork, Anoka County, Minnesota.
- b. **"ASSOCIATION"** shall mean and refer to Northfork Homeowners Association, Inc., a nonprofit corporation created by Declarant under the laws of the State of Minnesota for the purpose of administering and enforcing on behalf of the Owners the Covenants and Restrictions contained in this Declaration.
- c. **"COMMON EXPENSES"** shall mean and include: (i) all expenses approved or incurred by the Board of Directors or by Officers of the Association, pursuant to authority granted by the Governing Documents or by law, in the performance of their powers and duties; and (ii) those items identified as Common Expenses in this Declaration and in the Association's Bylaws.
- d. **"COMMON PROPERTY"** shall mean and refer to all real property, and improvements thereon, owned by the Association for the common use and enjoyment of the Owners.

[The common property currently includes a part of Outlot A, Northfork; Outlot B, Northfork; Outlot A, Northfork Park Addition; Outlots A, B, C & D, Northfork Trail Addition; and Outlot A, Northfork Lake Addition. Additional Common Property may be conveyed to the Association from time to time.]
- e. **"DECLARANT"** shall mean and refer to North Fork, Inc., a Minnesota corporation, its successors and assigns, if such successors and assigns should acquire any undeveloped portions of the property from the Declarant for the purpose of Development or by virtue of foreclosure of a mortgage or by any transfer in lieu thereof.
- f. **"FIRST MORTGAGEE"** shall mean and refer to any person named as a mortgagee under any mortgage against a Lot, which mortgage is first in priority upon foreclosure to all other mortgages against said Lot, or any successors in interest to such person under said mortgage or any rights arising therefrom.

- g. **"GOVERNING DOCUMENTS"** shall mean and refer to 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.
- h. **"LOT"** shall mean and refer to any platted plot of land shown upon any recorded plat of property, excluding the Common Property.
- i. **"MEMBER"** shall mean and refer to members of the Association as described in this Declaration and in the Bylaws of the Association.
- j. **"OCCUPANT"** shall mean and refer to each temporary or permanent resident of a dwelling constructed on a Lot, whether said resident is an Owner, tenant or other person.
- k. **"OWNER"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot except that if (i) a Lot is being sold on a contract for deed, (ii) the contract vendee is in possession of the Lot and (iii) the contract so provides, then the vendee and not the vendor shall be deemed the "Owner."
- l. **"PROPERTY"** shall mean and refer collectively to all of the real property now or hereafter submitted to the Covenants and Restrictions of this Declaration.

[The property presently included and the Declaration that subjected the property to the Covenants and Restrictions of the Declarations are as follows:

<i>Northfork (original Plat)</i>	<i>.</i>	<i>Restated Declaration</i>
<i>Northfork Second</i>	<i>.</i>	<i>Supplementary Declaration</i>
<i>Northfork Third</i>	<i>.</i>	<i>Second Supplementary</i>
<i>Northfork Fourth</i>	<i>.</i>	<i>Third Supplementary</i>
<i>Northfork Park Addition</i>	<i>.</i>	<i>Fourth Supplementary</i>
<i>Northfork Trail Addition</i>	<i>.</i>	<i>Fifth Supplementary</i>
<i>Northfork Links Addition</i>	<i>.</i>	<i>Seventh Supplementary</i>
<i>Northfork Point Addition</i>	<i>.</i>	<i>Ninth Supplementary</i>
<i>Northfork Links 2nd Addition</i>	<i>.</i>	<i>Tenth Supplementary</i>
<i>Northfork Links 3rd Addition</i>	<i>.</i>	<i>Eleventh Supplementary</i>
<i>Northfork Lake Addition</i>	<i>.</i>	<i>Twelfth Supplementary]</i>

Additional Lots and Common Property may be added to the property pursuant to Section 2.4 of this Declaration.

- m. **"RULES AND REGULATIONS"** shall mean and refer to the Rules and Regulations of the Association as approved from time to time by the Association pursuant to Section 5.3.

- n. **"HOUSE"** shall mean and refer to any building located on a Lot and designated and intended for use and occupancy as a residence by a single family and including any garage which may be adjacent to or within such building.
- o. **"PARTIES"** shall mean and refer to North Fork, Inc., Northfork Homeowners Association [*and three original builders*].

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Property.

The property legally described in Section 1.1, paragraph 1 shall be held, transferred, sold, used, conveyed and occupied subject to this Declaration. The Common Property legally described in Section 1.1, paragraph d, has been conveyed to the Association.

Section 2.2 Transfer of Lots.

The Lots shall be freely transferable in accordance with the applicable laws of the State of Minnesota and the provisions of the Governing Documents; provided, that the share of an Owner in the assets of the Association, and the Owner's rights and obligations as a member of the Association cannot be assigned, pledged, encumbered, conveyed or transferred in any manner, except as an appurtenance to his or her lot.

Section 2.3 Additions to Property.

[The date in the first sentence below amended by Section 2a of the Sixth Supplementary Declaration to read December 31, 1994.]

Until December 31, 1994, the Declarant, its successors and assigns, shall have the right, without the consent of the Owners, to bring all or part of the Additional Property within the scheme of this Declaration and any Amended or Supplementary Declaration recorded in connection with such addition; provided that the FHA or the VA determines that the annexation is in accordance with the general plan of development approved by them. Such addition may contain additional Lots and additional Common Property, shall be in accordance with the general plan of development, and the buildings and other improvements constructed thereon shall be compatible in terms of architecture and materials with those constructed on the Property. Each addition authorized under this Section shall be made by filing of record with the Anoka County Registrar of Titles a Supplementary Declaration of Covenants, Restrictions and Easements with respect to the additional property, which shall extend the scheme of covenants, conditions and restrictions contained in this Declaration to such additional property. Each Supplementary Declaration may contain such additions to this Declaration, but shall not materially alter the Covenants and Restrictions contained herein.

[Section 2c of the Sixth Supplementary Declaration added the following language:

The total number of Lots subject to this Declaration shall not exceed 290. Moreover, no Lot shall contain less than one (1) acre of land and no more than 29 lots shall contain less than one and one-half (1.5) acres of land.]

Section 2.4 Covenant to Convey Additional Common Property.

[The conveyance of Outlots A, B, C & D, Northfork Trail Addition to the Northfork Homeowners Association; and dedication to the City of Ramsey of Park 1, 2, and 3 in that plat fulfill Declarant's obligation under this section.]

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1 Membership.

The qualifications of members and the manner of their admission into the Association shall be as follows:

- a. Every Owner shall, solely by virtue of such ownership interest, be a member of the Association, and such membership shall automatically cease when the person is no longer an Owner. When one or more persons is an Owner, all such persons shall be Members.
- b. It shall be the duty of each Owner to register his name, his Lot address, the name and address of his First Mortgagee, and the nature of his interest with the Secretary of the Association. If the Owner does not so register, the Association shall be under no duty to recognize his ownership for purposes relating to the operation of the Association, including voting, but such failure to register shall not relieve the Owner of his obligations under the Governing Documents.
- c. Membership in the Association is appurtenant to ownership of a Lot, and transfers of any interest of any Owner in the Property may be made only in accordance with provisions of the Governing Documents.

Section 3.2 Voting Rights.

The Association shall have two classes of voting membership.

- a. Class A Members. Class A members shall be all Owners, with exception of the Declarant. Class A members shall be entitled to one vote for each Lot of which they are the Owner. When more than one person is an Owner of any Lot, all such persons shall be members, but the Owners of such Lot shall be collectively entitled to only one vote for that lot. When there is more than one Owner of a Lot, the vote shall be cast by one person designated in writing signed by all Owners of the Lot. Such voting authority shall be valid until revoked in writing by such Owners.
- b. Class B Members. The Class B Member shall be the Declarant who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A

membership upon the occurrence of the earlier of the following (hereinafter called the "Conversion Date"):

- (1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership,
or
- (2) [*The date in this Subparagraph amended by Section 4 of the Sixth Supplementary Declaration to read December 31, 1994.*]

ARTICLE IV. RIGHTS AND OBLIGATIONS OF OWNERS

Section 4.1 Rights and Easements in Common Property.

Subject to the provisions of Section 4.2, every Owner shall have the following non-exclusive, appurtenant rights and easements of enjoyment over, under and upon the Common Property:

- a. For access and use of utilities such as sewer, water, power and telephone which may be installed by, for or with the permission of the Association.
- b. For enjoyment and use for recreational purposes, subject to reasonable regulation by the Association.
- c. For parking as located and constructed by the Declarant or the Association and as may be reasonably limited and regulated by the Association.

Section 4.2 Limitations on Owners' Rights and Easements.

Except as otherwise provided herein, the Owners' rights and easements created hereby, the right of the Association to govern the use and enjoyment of the Property, and the right and title of the Association to the Common Property, shall be subject to the following:

- a. The right of the Association, in accordance with the Governing Documents to maintain, repair and replace portions of the Common Property pursuant to Article X; and
- b. The right of the Association, in accordance with the Governing Documents, to improve the Common Property, and in furtherance thereof to borrow money and to mortgage said Common Property; provided, however, that the rights of such mortgagee in said Common Property shall be subordinate to this Declaration and to the rights of the Owners and the First Mortgagees; and
- c. The right of the Association to suspend the right of any Owner to vote and the right of any Owner, Occupants of the Owner's Lot and their respective guests to use the Common Property for any period during which any assessment against the Owner's Lot remains unpaid and for an additional period of up to 30 days for each violation of the provisions of the Governing Documents and Rules and Regulations by the Owner, Occupants of the Owner's lot their respective guests; and

- d. The right of the Association to charge reasonable admission and other fees for the use of recreational facilities, if any, on the Common Property; and
- e. The right of the Owners to use the common parking areas, if any, subject to reasonable regulation by the Association; and
- f. The right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority, or utility for public or utility purposes subject to written approval by Members entitled to cast two-thirds (2/3) of the votes of each class of membership and a like percentage of the First Mortgagees, or the right of the Declarant to effect such a dedication or transfer at its sole discretion prior to the Conversion Date.

Section 4.3 Use of Lots.

In addition to any other restrictions that may be imposed by the Governing Documents or by law, the use and conveyance of Lots shall be governed by the following provisions:

- a) Each House shall be used as a private residential dwelling only, which shall include parking and recreation, as described in and authorized by the Governing Documents and the Rules and Regulations.
- b) Any lease between an Owner and a lessee shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents and the Rules and Regulations, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing and a copy of such lease shall be provided to the Association by the Owner at such time as its terms are agreed upon but no later than the commencement of the lease and tenancy of the House. The Association may approve and enforce such other reasonable rules and regulations governing leasing as it deems necessary from time to time.
- c) Each owner shall provide and use adequate garages and/or parking spaces on the Owner's own Lot for the permanent parking or storage of all motor vehicles owned by the Owner and the Occupants of the Lot. The Association may maintain upon the Common Property vehicle parking spaces for the common occasional use of the Owners, the Occupants and their guests in accordance with applicable municipal requirements and any parking regulations established by the Association.

- d) Each Lot shall be held, conveyed, encumbered, leased, used and occupied subject to all covenants, conditions, restrictions, uses, limitations and obligations expressed in the Governing Documents and the Rules and Regulations. All such covenants and obligations are in furtherance of a plan for the preservation and enjoyment of the Property, and shall be deemed to run with the land and be a burden and benefit to any person acquiring or owning an interest in the Property, their heirs, personal representatives, grantees, successors and assigns. Each Owner, Occupant and their guests shall use his Lot in such a manner as will not unduly restrict, interfere with or impede the use by other Owners and Occupants of their Lots.
- e) The keeping of any pet on the Property shall be restricted according to provisions of the Association's Rules and Regulations as amended by the Board of Directors from time to time; provided, however, that in no case may any type of fish, fowl or animal be bred, kept or maintained for commercial purposes on the Property.
- f) No use shall be made of the property which would violate the then existing municipal ordinances or state or federal laws, nor shall any act or use be permitted which would cause an increase in insurance rates on the Property or otherwise tend to cause liability or unwarranted expense for the Association or any Owner.
- g) No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot. This restriction, however, shall not be deemed to prohibit an Owner or Occupant from maintaining his personal business or professional library therein, keeping his personal business or professional records or accounts therein, or handling his personal business or profession by telephone or correspondence therefrom.
- h) No alteration or improvement, of any type, temporary or permanent shall be made or caused or suffered to be made by an Owner or Occupant on the exterior of any House without the prior written authorization of the Board of Directors, or a Design Review Committee appointed by it, pursuant to Article IX of this Declaration.
- i) In the event of damage to the Common Property caused by the willful or negligent act of any Owner or Occupant, or their guests, the Association shall have the right to restore the Common Property to its prior condition and assess the cost thereof against the Owner who violates, or whose Occupants or guests violate, such provisions, and such cost shall become a lien

upon the Owner's Lot and shall be due and payable upon demand.

Section 4.4 Delegation of Use.

Any owner may delegate, in accordance with the Governing Documents, his right of enjoyment to the Common Property to his or her lessees who reside in the House and to members of his or her family and their respective guests; but the Owner shall remain responsible for any damages caused by the willful or negligent acts of such persons, and such persons shall be subject to the provisions of the Governing Documents.

Section 4.5 Taxes and Special Assessments on Common Property.

Any taxes or special assessments levied separately against the Common Property by a governmental authority shall be divided and levied against the Lots as the Association shall direct, which levies shall be a lien against said Lots and shall be collectible by the Association as part of the annual assessment, if the same are not required to be paid directly to the governmental authority.

Section 4.6 Rights of Declarant.

[The date herein amended by Section 5 of the Sixth Supplementary Declaration to read Dec. 31, 1994.]

Notwithstanding any provisions of the Governing Documents, the Declarant may maintain a business and sales office, model houses and other development and sales facilities within one or more Houses or on the Common Property and any Additional Property, and it shall have temporary easements for itself and prospective purchasers for ingress, egress, parking and enjoyment in connection therewith, until the earlier of the date upon which all of the Lots are sold or December 31, 1994, and may display the signs offering the same for sale. The Declarant may also lease or rent Houses owned by it without restriction within the time period specified above.

Section 4.7 Private Sewer and Water Systems.

[Section 4.7 added by Section 4 of the Second Supplementary Declaration.]

No municipal sewage system or municipal water system serves any lot or outlot in Northfork or Northfork Second. All sewage disposal systems and water supply systems for lots and outlots within Northfork, Northfork Second and replats thereof shall be "on-site" systems (i.e. systems not connected to a municipal system). All on-site sewage disposal systems shall be located and constructed in accordance with the standards and specifications of the City of Ramsey ("city") and appropriate state agencies. Such standards and specifications may include percolation tests and soil borings, if determined necessary by the City or an appropriate state agency. If any individual on-site sewage disposal system fails, the then owner of the property benefited by the system shall be responsible for the reconstruction of the system. If

several individual on-site systems fail, the then owners of the properties benefited by the systems shall be responsible for the construction of a community on-site system, if directed by the city or an appropriate state agency. The city does not intend to extend any municipal sewer or water system to serve Northfork, Northfork Second or replats thereof. The Metropolitan Waste Control Commission has provided no sewage capacity for this area of the City of Ramsey. The provisions of this Section 4.7 are for the benefit of the City, the Owners and the Association.

4.8 Environmental Protection.

[Section 4.8 added by Section 5 of the Second Supplementary Declaration.]

City of Ramsey Ordinance #85-2 deals with environmental protection, including the protection of certain shorelands and wetlands within Northfork, Northfork Second and replats thereof. All lands within 1000 feet from the ordinary high water mark of Lake Itasca are subject to Ordinance #85-2. All lands within 50 feet of certain wetlands are also subject to Ordinance #85-2. Said distances and other provisions of Ordinance #85-2 are subject to amendment by the City Council of the City of Ramsey.

ARTICLE V. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 5.1 General.

The Association shall be responsible for the management and control of the Common Property and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Association may at all times maintain an office on the Common Property for management purposes.

Section 5.2 Services.

The Association may contract and pay for the services of any person or entity who or which is a professional property manager to manage the Association's affairs, or any part thereof, to the extent it deems advisable. Such manager may employ such personnel as the manager shall determine to be necessary or desirable for the proper operation of the Association's affairs, whether such personnel are furnished by the manager or by third parties hired by the manager. However, any such contract for professional management shall provide for termination by either party, with cause upon thirty (30) days prior written notice, and without cause and without payment of a termination fee or penalty upon ninety (90) days or less prior written notice. In addition, when professional management of the Property has been required by any First Mortgagee and in fact utilized by the Association, any decision to discontinue professional management and establish self-management by the Association shall require the prior consent of: (i) Owners of Lots to which at least sixty-seven percent (67%) of the vote in the Association are allocated; and (ii) the approval of First Mortgagee's holding mortgages on Lots to which are allocated at least fifty-one percent (51%) of the votes in the Association.

Section 5.3 Rules and Regulations.

The Association may make such reasonable Rules and Regulations governing the use, maintenance and enjoyment of the Common Property, as it deems reasonably necessary, which Rules and Regulations shall not be inconsistent with the rights and duties established by the Governing Documents.

Section 5.4 Board of Directors.

The power and authority of the Association in the Governing Documents and Rules and Regulations shall be vested in a Board of Directors elected by the Owners in accordance with the Bylaws of the Association. The Association shall act through the Board of Directors, unless specifically provided otherwise in the Governing Documents. Accordingly, all references to the Association shall mean the Association acting through its Board of Directors.

ARTICLE VI. COVENANTS AND ASSESSMENTS

Section 6.1 Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or capital equipment to be owned by the Association; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on each Lot and shall be a continuing lien upon each Lot. Annual assessments shall become a lien upon each Lot on the first day of January of the year in which such assessment is due and payable. Special assessments shall become a lien on the earliest date any part of the same is due and payable. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 6.2 Purposes of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and for the improvement and the maintenance of the Common Property and common personal property thereon, including but not limited to:

- a) Payment by the Association of charges for utility services to the Common Property.
- b) Taxes and special assessments against the Common Property, if any, and income and other taxes levied or assessed against or charged to the Association, if any;
- c) Premiums for liability and other insurance carried upon the Common Property by the Association, including hazard insurance maintained on the Common Property pursuant to Article VII hereof, the deductible amount not covered by such insurance and the additional amounts deposited by the Association or its Board of Directors to repair or restore improvements on the Common Property;
- d) Repair, replacement, construction, reconstruction, alterations, maintenance, snow removal and additions undertaken by the Association pursuant hereto;

- e) Creation of reasonable contingency, emergency, and working capital reserves (an adequate reserve fund funded from annual assessments and not from special assessments, shall be maintained for maintenance, repair and replacement of those elements of the Common Property which must be replaced on a periodic basis);
- f) The cost of labor, equipment, and materials for all work done by or for the Association; and
- g) Reasonable fees for management and supervision of the Common Property pursuant to this Declaration during the time the Common Property is owned by the Association.

Section 6.3 Maximum Annual Assessments.

The current annual assessment is \$240.00. The Board of Directors may increase the maximum annual Association assessment in an amount not to exceed the greater of (i) five percent (5%) of the previous year's Association assessment or (ii) the percentage increase in the most recently published US. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (Urban Wage Earners and Clerical Workers, Minneapolis-St. Paul Index, All Items), compared to the same index published 12 months earlier. Any increase in excess of this amount shall require the approval of sixty-seven (67%) of the Members of a class who are voting in person or by proxy.

Section 6.4 Special Assessments for Capital Improvements.

In addition to annual assessments authorized above, the Association may levy, in any calendar year, one or more special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement (i) of capital improvements upon the Common Property, including fixtures and personal property related thereto or, (ii) capital equipment to be owned by the Association; provided that each such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments shall be due and payable as determined by the Board.

Section 6.5 Notice of Quorum for Any Action Authorized under Sections 6.3 or 6.4.

Written notice for any meetings called for the purpose of taking any action authorized under Section 6.3 or 6.4 shall be sent to all Members not less than 30 days nor more than 60 in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required

quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6.6 Uniform Rate of Assessment.

Both annual and special assessments shall be fixed at a uniform rate for all Lots; provided, however, that any Lot owned by Declarant shall be assessed at one-fourth the rate assessed against Lots owned by others until the earlier of: (i) the issuance of an occupancy permit for the House located on Lot by Declarant as a model or as a residence; or (iii) the inspection and approval for occupancy of the House on such Lot by the FHA or VA.

Section 6.7 Date of Commencement of Annual Assessments; Due Dates.

The Board shall fix the amount of the annual assessment provided for herein against each Lot at least fifteen (15) days in advance of each annual assessment period. The initial annual assessment period shall commence as to all Lots on the first day of the month following the conveyance of the Common Property to the Association and shall run through and including the next succeeding December 31. Each succeeding annual assessment period shall be a calendar year. Written notice of the annual assessment shall be sent to every Owner. Annual assessments shall be due and payable in twelve equal monthly installments on the first day of each month, beginning on the first day of January.

Section 6.8 Certificate of Payment.

The Association shall, upon demand and free of charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid in full and, if not paid in full, stating which assessments are unpaid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of its issuance.

Section 6.9 Remedies for Non-Payment of Assessments.

- a) If any assessment is not paid on or before its due date, the Association may impose interest from the due date at the rate of eight percent (8%) per annum, and/or bring an action at law against the Owner personally obligated to pay the same or foreclose the lien by action in the manner provided for foreclosure of mortgage liens. Each Owner, by acceptance of any conveyance of any interest in the Property, grants to the Association a power of sale to accomplish the foreclosure and sale of each Owner's lot. In a foreclosure action the Association shall be entitled to recover, in addition to the principal amount of the assessments, all costs of collection, including interest, attorneys' fees and the cost of prosecuting such action and filing any liens. In addition the Association may impose an

administrative charge of up to 25% of the delinquent installments for each delinquent installment of assessments, and/or invoke any other remedies or sanction set forth in Article XIV. All remedies shall be cumulative, and the exercise of one remedy shall not constitute a waiver of any other.

- b) No Owner may waive or otherwise escape liability for any assessments or other obligations imposed under the Governing Documents or Rules and Regulations by non-use or waiver of any rights in the Common Property or abandonment of his or her Lot.

Section 6.10 Subordination of Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage now or hereafter placed upon a Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the date of expiration of the period of redemption following a mortgage foreclosure sale, or the date of any sale or transfer in lieu of foreclosure. Upon the expiration of the period of redemption of a mortgage foreclosure sale, or the delivery of a deed or other transfer in lieu of foreclosure, the interest of the holder of the Sheriff's Certificate or other instrument of transfer shall be prior and superior to the lien of any assessments then against the Lot, and such assessments shall, at the option of the Association become a lien against all of the Lots in equal shares. Any sale or transfer shall not release a Lot from liability for any assessment thereafter becoming due, nor from a lien of any subsequent assessment.

Section 6.11 Assessments by Municipal Government.

It is expressly declared that the foregoing Sections of this Article shall not in any way interfere with, abrogate, or affect the power of any local governmental authority to levy and collect taxes and special assessments.

**ARTICLE VII.
COVENANTS FOR INSURANCE;
RECONSTRUCTION**

[Article VII requires maintenance of insurance on common property and improvements. All premiums are a common expense.]

ARTICLE VIII. FUTURE IMPROVEMENTS BY DECLARANT

8.1-8.3

[The obligations contained in Sections 8.1 - 8.3 have been fulfilled by Declarant.]

8.4 Improvement Fund.

Declarant covenants to the Owners and to the Association that, after the first 20 lots in Blocks 1 through 5, Northfork, have been sold, the Declarant will contribute the following amounts for further improvements on the Common Property: (i) \$500 per lot upon the closing of the sale of each lot in the balance of Blocks 1 through 5, Northfork; and (ii) \$250 per residential lot in all subsequent phases of the project which becomes subject to this Declaration. Developer will consult with the Class A Members about the types of improvements desired by them and will either install the improvements, or donate the per lot amount to the Association to be held in trust by the Association and to be used only for the acquisition of the improvements to the Common Property desired by the Class A Members.

ARTICLE IX. ARCHITECTURAL CONTROL

[Section 10 of the Sixth Supplementary Declaration. Added four additional subsections to Section 9. These sections principally outline square footage requirements to be applied. Since substantially higher standards are presently being applied, these higher standards have been included herein.]

Section 9.1 Restrictions and Alterations.

From and after the sale of the first Lot, no structure or building of any kind shall be commenced, erected or maintained upon any Lot, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the same shall have been approved in writing as to harmony of external design, color, size, and location in relation to surrounding structures and topography by the Board of Directors or a Design Review Committee composed of three or more Owners appointed by the Board of Directors (referred to herein as the "Reviewing Authority").

[The current Architectural Standards divide the Lots into "Type A" and "Type B" and contain the following square footage requirements:]

<u>Lot Type</u>	<u>"A"</u>	<u>"B"</u>
Square Feet Minimum Size - 1 Story:	2000	1750
Square Feet Minimum Size - Split Level	2000	1750
Square Feet Minimum Size - 1 1/2 Story:	2250	2000
Square Feet Minimum Size - 2 Story:	2500	2200

It is anticipated that these requirements will increase in the future.

Section 9.2 Review of Proposed Alteration; Remedies for Violations.

Detailed plans and specifications of any proposed alteration, in form acceptable to the Reviewing Authority, shall be submitted to the Reviewing Authority for approval prior to the projected date of commencement of construction. No alteration or construction shall be commenced prior to the projected date of commencement of construction, and no alteration or construction shall be commenced prior to such approval. In the event the Reviewing Authority fails to approve or disapprove such design and location within thirty-five (35) days after said plans and specifications have been submitted, then approval will not be required, and this Article shall be deemed to have been fully complied with, so long as the alterations or improvements are done in accordance with the plans and specifications submitted. Notwithstanding the foregoing, the Board of Directors retains the right to submit any request for approval to the Members of the Association at a special meeting called pursuant to the Bylaws. Such meeting shall be called within thirty-five (35) days after receiving the request in accordance with this Article, in which case the 35-day review period shall

be extended until three (3) days following such meeting. In addition, Declarant reserves the right to veto any proposed construction or alterations until such time as all Lots have been conveyed to Owners other than the Declarant.

Section 9.3 Relief Against Owners.

- a) If construction of or exterior changes to a dwelling or other improvement are commenced without approval of the plans and specifications, or if construction of or exterior changes to a dwelling or other improvement are completed not in accordance with approved plans and specifications, the Association or any Owner of a Lot in the Properties, may bring an action to enjoin further construction and compel the offending Owner to conform the dwelling or other improvement with plans and specifications approved by the Reviewing Authority, provided that such action shall be commenced and a notice of lis pendens shall be filed no later than ninety (90) days after the date on which the certificate of occupancy is issued by the appropriate municipal authority, in the case of a dwelling, or the date of completion, in the case of any other improvement.
- b. If the Association or complaining Owner prevails as to any relief sought in any action brought to enforce compliance with this Article, it shall be entitled to recover from the offending Owner reasonable attorney's fees and costs shall be a lien against the offending Owner's Lot and a personal obligation of the offending Owner. In addition, the Association shall have the right to restore any Lot to its prior condition, if any alteration was made in violation of this Article, and the cost of such restoration shall be a personal obligation of the offending Owner and a lien against such Owner's Lot.

Section 9.4 Relief Against Reviewing Authority.

In the event that the Reviewing Authority and/or the members of the Reviewing Authority shall fail to discharge their respective obligations under this Article, then any Owner of a Lot in the Properties may bring an action to compel the discharge of said obligations. Such an action shall be the exclusive remedy of any Owner of a Lot in the Properties for failure of the Reviewing Authority and/or its member to discharge such obligations. Under no circumstances shall the Reviewing Authority and/or its members be liable to any person for damages (direct, consequential or otherwise).

Section 9.5 Retention of Records.

The Board of Directors shall retain for a period of ten (10) years all plans and specifications submitted to the Reviewing Authority and a record of all actions taken with regard to them.

ARTICLE X. MAINTENANCE OF COMMON PROPERTY

Section 10.1 Maintenance and Repair.

The Association shall provide for the maintenance and repair of the Common Property. Maintenance and repair shall be determined and implemented from time to time by the Board of Directors at its sole discretion and assessed against all the Owners pursuant to Article VI of this Declaration, except that the costs of management, utilities, maintenance and repair of any horse stable on Common Property shall be covered by user fees in proportion to the number of horses stabled, and except that the cost of certain maintenance and repairs shall be assessed against particular Owners as provided in Section 10.2.

[The stabling of horses by owners on Common Property was considered a possibility at the time the Restated Declaration was executed. At present there is virtually no possibility of this ever occurring.]

Section 10.2 Damage by Owner.

If, in the judgment of the Board of Directors, the need for maintenance, repair or replacement, by the Association of any part of the Common Property is caused by willful or negligent act of an Owner or Occupant or their guests, the cost of such maintenance or repair may be added to become part of the assessment to which such Owner and his or her Lot are subject, rather than assessed against all Owners.

ARTICLE XI. EASEMENTS

Section 11.1 Platted Easements.

All Lots shall be subject to the utility, drainage and street easements dedicated in the plat of NORTHFORK.

Section 11.2

[Section 11.2 deleted by Section 6 of the Sixth Supplementary Declaration.]

Section 11.3 Lake Access Area.

[The Eighth Supplementary Declaration locates the lake access area on the southern end of Lake Itasca.]

Declarant hereby grants unto the Association, for the use and enjoyment of the Owners and Occupants, a temporary easement for recreational use of the Lake Access Area. Recreational use of said area may include launching and docking of boats and canoes, cross country skiing, snow shoeing, picnicking, sunbathing and fishing. Overnight camping is prohibited. Motor vehicles and horses may be used only for ingress and egress from the Lake Access Area. The Association may install picnic tables, park benches, a dock, other recreational facilities and portable toilets, but shall not erect any building or other permanent structures within the Lake Access Area. Declarant may adopt additional rules and regulations governing the use of the Lake Access Area. Declarant may relocate the Lake Access Area to another site on the shore of Lake Itasca containing at least 2.5 acres of land by executing a supplement to this Declaration, which supplement must be executed by all Owners and mortgagees of the substitute Lake Access Area, but need not be executed by anyone else. Upon such relocation, the Association shall remove from the old area all improvements erected by the Association or by others. The easement shall expire upon the conveyance to the Association of fee title to the Lake Access Area as originally granted or as relocated, whereupon the Association may adopt rules and regulations governing the Lake Access Area.

Section 11.4

[Expired by its own terms.]

Section 11.5 Horse Stable Area

[Describes horse stable location. Unlikely that any such area will ever be developed.]

Section 11.6

[Section 11.6 deleted by Section 7 of the Sixth Supplementary Declaration.]

Section 11.7

[Section 11.7 deleted by Section 8 of the Sixth Supplementary Declaration.]

Section 11.8

[Section 11.7 deleted by Section 9 of the Sixth Supplementary Declaration.]

**ARTICLE XII.
RIGHTS OF FIRST MORTGAGEES**

[Article XII discusses the rights of the First Mortgagees.]

ARTICLE XIII. AMENDMENTS

[Amended by Section 11a of the Sixth Supplementary Declaration to read as follows:

This Declaration may be amended by the Association with the approval of the Owners of not less than seventy-five percent (75%) of the Lots, in writing or at a duly constituted meeting of the Association held for such purposes, subject to the rights of First Mortgagees as set forth in Article XII. In the case of approval of an amendment at a special or annual meeting of Association members, a copy of the proposed amendment shall be delivered to the Owners by the same means and at the same time as the notice of the meeting. Whenever such an amendment has been so approved, it shall be recorded in a form substantially similar to this Declaration with the Anoka County Registrar of Titles, and shall not be effective until so recorded. The Association shall have the power and authority to certify such approval, and such certification shall be sufficient evidence of approval for all purposes including recording.]

ARTICLE XIV. COMPLIANCE; SANCTIONS AND REMEDIES

Each Owner and Occupant shall be governed by and shall comply with the provisions of the Governing Documents, and such amendments thereto as may be made from time to time. A failure to comply shall entitle the Association (and/or Owners in certain stated instances) to the following relief:

Section 14.1 Entitlement to Relief.

An Owner or the Association may commence legal action to recover sums due, for damages, injunction relief, foreclosure of lien or any combination thereof, or any action for any other relief authorized by the Governing Documents as available at law or in equity. Relief may be sought by the Association or, if appropriate, by an aggrieved Owner, but in no case may any Owner or Occupant withhold any assessments due and payable to the Association, or take (or omit) other action in violation of the Governing Documents, as a measure to enforce such Owners or Occupant's position, or for any other reason.

Section 14.2 Sanctions and Remedies.

In addition in to any other remedies or sanctions, express or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupant's who violate (or whose guests violate) the provisions of the Governing Documents:

- a) Impose interest charges at the highest rate allowed by law for any delinquent assessments payments.
- b) Impose administrative charges (in addition to interest), in amounts up to 25% of each delinquent installments for each such delinquent assessment payment.
- c) In the event of default of more than thirty (30) days in the payment of any assessments or installment thereof, all remaining installments of assessments assessed against the defaulting Owner or Occupant may be accelerated and than shall be payable in full, forthwith at the call of the Board of Directors. Prior written notices of such acceleration shall be given to the defaulting Owner or Occupant.
- d) Impose reasonable monetary penalties for each violation of the Governing Documents, and the Rules and Regulations and for the continuing violation thereof, other than delinquent assessment payments.
- e) Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the

foreclosure of mortgages in the state where the property is located.

Any assessment, charges, penalties, or interest imposed under this Article XIV shall be a lien against the Lot of the Owner or Occupant against whom the same are imposed in the same manner as a lien for Common Expenses, and shall also be a personal obligation of such Owner or Occupant. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations appealed under Section 14.3 until affirmed in writing following the hearing provided for in Section 14.3.

Section 14.3 Right to a Hearing.

In the case of imposition of any of the remedies authorized by Section 14.2, Paragraph d, the Board of Directors shall cause to be mailed or delivered to the Owner or Occupant against whom the remedy is sought to be imposed written notice specifying the general nature of the violation, the remedy to be imposed and the effective date of such imposition, which notice must be delivered at least ten (10) days prior to such effective date. Said Owner or Occupant shall have the right, upon written request delivered to the Board of Directors, to a hearing before the Board of Directors or a committee of no fewer than three disinterested persons appointed by the Board to hear such matters. The hearing shall be set by the Board at a reasonable time and place, with reasonable notice to the parties involved, but in no case later than 30 days after the request for a hearing.

The Board of Directors shall establish, and make known to all parties involved, uniform and fair rules for the conduct of such hearing, including without limitation the right of interested parties to appear and be heard. If a hearing is requested, the remedy imposed shall not take effect until the hearing is completed or the matter is otherwise resolved by mutual agreement of the Board of Directors and the person against whom the remedy is sought, whichever event occurs first, provided, however, that if the person or persons against whom the remedy is sought do not appear at their duly noticed hearing, the remedy imposed may be enforced forthwith. The decision of the Board, or the hearing committee, and the rules for the conduct of hearings established by the Board, shall be final and binding on all parties. The rights bestowed upon Owners and Occupants by this paragraph 14.3 shall be the sole and exclusive remedy of such Owners and Occupants with respect to the matters covered by this Article, except as may be specifically authorized by statute or by the Governing Documents.

Section 14.4 Costs of Proceeding and Attorney Fees.

In any legal or arbitration proceeding (exclusive of any proceeding authorized under this Article XIV) arising between the Association and an Owner or Occupant, or between Owners or Occupants, because of an alleged default or violation by any Owner or Occupant, the Association shall, if it prevails as to any material part of the relief sought, be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court or arbitration Board. In any situation in which the Association has incurred costs and expenses, including

attorney's fees, in order to collect unpaid monthly assessments or to correct any other default or violation by an Owner or Occupant of the provisions of the Governing Document, the Owner or Occupant who has caused the Association to incur such costs and expenses shall be responsible therefore, and such costs and expenses shall become an assessment against such Owner's or Occupant's Lot.

Section 14.5 Liability for Owner's and Occupants' Acts.

All Owners and Occupants shall be liable for the expense of any maintenance, repair or replacement rendered necessary by their willful acts or negligence, or by that of their guests, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association or such Owner or Occupant.

ARTICLE XV. GENERAL PROVISIONS

Section 15.1 Duration.

The covenants, restrictions, conditions and reservations imposed and created by this Declaration shall bind the property for a period of thirty (30) years from the date of recordation of this Declaration. After the expiration of said thirty (30) year period, all of such covenants, restrictions, conditions and reservations shall continue to run with and bind the Property for successive periods of ten (10) years unless revoked by Members entitled to cast at least ninety percent (90) of each class of votes and evidenced by a recorded instrument executed by a duly authorized officer of the Association and such percentage of First Mortgagees as may be required by Article XII.

Section 15.2 FHA/VA Approvals.

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Property, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 15.3 Notices.

Any notice required to be sent to any person or an entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person on the records of the Association at the time of such mailing, except for registrations pursuant to Section 3.1 (b) which shall be effective upon receipt by the Association.

Section 15.4 Construction.

This Declaration shall be construed under the laws of the State of Minnesota. The singular shall be deemed to include the plural wherever appropriate and unless the context clearly indicates to the contrary, any obligations and duties as of the owners shall be joint and several. Invalidation of any one of these covenants or restrictions by judgment or court order, or otherwise, shall in no way effect the validity of any other provision.

