

**CC&Rs**  
**President's Way Townhomes Association**

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**PROPOSED AMENDMENT TO  
DECLARATION OF COVENANTS  
RESTRICTIONS AND EASEMENTS OF  
PRESIDENTS WAY TOWNHOMES, RICE COUNTY MINNESOTA**

**ARTICLE IX**

**RESTRICTIVE PROVISIONS**

9. Renters. Renters, if any, shall abide and conduct themselves in accordance with the by-laws and rules and regulations of the Association.

CHANGE TO: Leasing of units is not allowed. eff 8-17-21 with new leases.

IN WITNESS WHEREOF, the undersigned, hereby certifies that the Amended and Restated Declarations of Presidents Way Townhome Association were approved by membership vote at the annual meeting on 8-17-21, 2021.

Gerald Olson  
Print Name Title President  
Gerald Olson 8-17-21  
Signature Date

Sarah Johnson  
Print Name Title Secretary  
Sarah Johnson 8/17/2021  
Signature Date

STATE OF MINNESOTA )  
  ) ss.  
COUNTY OF STEELE )

The foregoing instrument was acknowledged before me this 17th day of August, 2021, by Gerald Olson, President of President's Way Townhome Association, and by Sarah Johnson, Secretary of President's Way Townhome Association.



Jodi Goettl  
Notary Public



AMENDED DECLARATIONS OF COVENANTS  
of  
PRESIDENT'S WAY TOWNHOME ASSOCIATION

ARTICLE VII

INSURANCE AND RECONSTRUCTION  
SECTION 1

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 insurance "replacement cost" of the Property, less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned by the Association. The policy or policies shall also contain "Inflation Guard" and shall include such additional endorsements, coverages and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the Federal Housing Administration ("FHA"), the U.S. Department of Veterans' Affairs ("VA") or the 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, VA or FNMA, obligating the Association to keep certain specified coverages or endorsements in effect.
  - b. Comprehensive public liability insurance covering the use, operation and maintenance of the Common Elements, with minimum limits of one million dollars (\$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 act of the Association or other Owners or Occupants. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the FHA, VA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.
  - c. Fidelity insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or other 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 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 (3) 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.

- d. Workers' Compensation insurance as required by law.
- e. Directors and officer's liability insurance with such reasonable limits and coverages 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.

2. Premiums; Improvements; Deductibles. All insurance premiums shall be assessed and paid as an Annual Assessments, and allocated among the Units as determined by the Board consistent with the Governing Documents. The insurance need not cover improvements and betterments to the Units installed by Owners, but if improvements and betterments are covered, any increased cost may be assessed against the Units affected. The Association may, in the case of a claim for damage to a Unit or Units, (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.

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.

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

- a. Each Owner and secured party are an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common elements or membership in the Association.
- b. The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household and against the Association and members of the Board.
- c. No act or omission by any Owner or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.
- d. If at the time of a loss under the policy there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy is primary insurance.

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 thirty (30) days' prior written notice to the Association, to the FHA, VA or FNMA (if applicable), all of the insureds and all Eligible Mortgagees.

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.

7. No Contribution. All policies of insurance maintained by the Association shall be the primary insurance for all weather-related claims, and unit owner's insurance is primary for all other claims, 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.

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.

9. Owner's Personal Insurance. Each Owner must obtain additional personal insurance coverage at his or her own expense covering fire and other casualty to the Unit, personal property or personal liability. All insurance policies maintained by Owners shall provide that they are without contribution as against the insurance purchased by the Association, must include an acceptable loss assessment allowance, \$5,000 recommended, and proof of insurance provided to Board.

## SECTION 2

### RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

1. Reconstruction. The obligations and procedures for the repair, reconstruction or disposition of the Property following damage or destruction thereof shall be governed by the Act. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Property as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given as provided in Section 16.10.

2. Condemnation and Eminent Domain. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of the Act shall govern; provided, (i) that notice shall be given as provided in Section 16.10, (ii) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements and (iii) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Eligible Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

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

3. Notice. The Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under Section 16.10.



# III. AMENDED DECLARATIONS OF PRESIDENT'S WAY TOWNHOMES

## DECLARATION OF COVENANTS

## RESTRICTIONS AND EASEMENTS OF

## PRESIDENTS WAY TOWNHOMES, RICE COUNTY MINNESOTA

### ARTICLE I

#### DEFINITIONS

1. "Association" shall mean and refer to the Presidents Way Townhomes Association, its successors and/or assigns, a non profit corporation which has been created pursuant to Chapter 31A of the laws of the State of Minnesota, whose members consist of all owners as defined herein.
2. "Board" shall mean the Board of Directors of the Association as provided for in the By-Laws.
3. "By-Laws" shall mean the By-Laws governing the operation of the Association, as amended from time to time.
4. "Common Elements" shall mean all parts of the Property except the Units, including all improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. The Common Elements are legally described in Exhibit "B" attached hereto.
5. "Common Expenses" shall mean and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including, without limitation, allocations to reserves and those items specifically identified as Common Expenses in the Declaration or By-Laws.
6. "Dwelling" shall mean a part of a building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located with the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included with the boundaries of the Unit in which the Dwelling is located.
7. "Governing Documents" shall mean this Declaration, and the Articles of Incorporation and By-laws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
8. "Occupant" shall mean any person or persons, other than an Owner, in possession of or residing in a Unit.



9. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

10. “Party Wall” shall mean the shared wall between two dwellings.

11. “Person” shall mean a natural individual, corporation, limited liability company partnership, trustee, or other legal entity capable of holding title to real property and shall mean a Person who owns a Unit, but excluding contract for deed vendors, mortgagees, and other secured parties. The term “Owner” includes, without limitation, contract for deed vendees and holders of a life estate.

12. “Plat” shall mean the recorded plat depicting the Property, including any amended or supplemental Plat recorded from time.

13. “Properties” shall mean and refer to that certain real property described I Exhibit “A” appended hereto.

14. “Lot” shall mean and refer to any individual numbered Lot shown upon the recorded Plat.

15. “Developer” shall mean and refer to the undersigned and its successors or assigns (also herein referred to as “Declarant”) if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

16. “Mortgage” shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.

17. “Mortgagee” shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.

18. “FFA” shall mean the Federal Housing Administration.

19. “VA” shall mean the Veterans Administration.

20. “Unit” shall mean any platted Lot subject to this Declaration upon which a single family townhouse type dwelling is located or intended to be located, as shown on the Plat, including all improvements thereon, but excluding the Common Elements.

21. “Private Yard Area” shall refer to that portion of a Lot not covered by a Unit or a private common driveway.

22. “Private Common Driveway” shall refer to the access driveways from public streets to the Units.

23. “Exteriors” shall refer generally to the exterior, or visible, portion of any building.

24. “Rules and Regulations” shall mean the Rules and Regulations of the Association as approved from time to time.

## ARTICLE II

### MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every person or entity or is a record owner of a fee or undivided fee interest in any Lot which is subject to covenants or record to the assessment of the Association including contract sellers, shall be a member of the Association. The foregoing is not intended to include Mortgagees prior to their acquisition of the Lot by foreclosure or by any proceeding in lieu thereof. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

2. Voting Rights. The Association shall not have capital stock.

Class A. Class A member(s) shall be all Owners and shall be entitled to one vote for each lot owned. When more than one person holds an interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall there be a split vote. Prior to the time of any meeting at which a vote is to be taken each Lot having co-owners shall file the name of the vote co-owner with the Secretary of the Association in order to be entitled to a vote as such meeting, unless such co-owner has filed a general voting authority applicable to all votes until rescinded.

### ARTICLE III

#### COVENANTS FOR MAINTENANCE ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments.

Each owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) General annual assessments or charges, and
- (b) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorney's shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who is the Owner of such Property at the time when the assessment fell due. Each Owner of any Lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association thus to pay to the Association for the purpose provided I the Declaration, for such general and special assessments. Such assessments shall be fixed, established and collected from time to time in the manner provided in the Article. Each owner of any Lot by acceptance thereof, further consents to the foreclosure of any such lien by action or by advertisement and otherwise as by Chapters 580 and 581 of Minnesota Statutes, provided for real estate mortgage within a six-month redemption period. Each 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 when the assessments became applicable and shall not pass to his successors in title unless expressly assumed by them.

- (a) Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents for the properties, for maintenance of lots and grounds, and for maintenance, repair and repainting of the exteriors of the buildings.
- (b) Damage. If any damage to the Common Elements or another Unit is caused by the act or omission of any Owner of Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

2. Assessments.

- (a) The annual assessment may be increased by greater than 5% by a vote of two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (b) The Board of Directors may increase the annual Assessment for any fiscal year as long as it does not exceed 5% of the previous years annual Assessment.
- (c) A late fee may be fixed by the Board of Directors for assessments paid later than ten days from their due date.

3. Special Assessments for Capital Improvements. In addition

To the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

4. Notice of Meetings. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members and any mortgagee who shall request such notice in writing not less than 21 days 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 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.

5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, may be collected on a monthly basis, and shall be administered as provided in Article III, Section 7.

6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Lot to an Owner. The Board of Directors shall fix the amount of subsequent annual assessments at least thirty (30) days in advance of each subsequent calendar year. Written notice thereof shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an \_\_\_\_\_ officer \_\_\_\_\_ of \_\_\_\_\_ the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7. Lien for Assessments. All sums assessed to any Lot, pursuant to this Article together with interest thereon as provided herein, shall be secured by a lien thereon in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot except only for:

- a) Liens of general and special taxes; and
- b) A lien for all sums unpaid on any first Mortgage and to the extent in Section 10 of this Article provided.

All other lienors acquiring liens on any lot after this Declaration, which liens shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot and file of record the same, but such notice of lien shall not be recorded until there be a least a delinquency of thirty (30) days from the due date without payment of the assessment. Such lien may be enforced by the judicial foreclosure by the Association or by foreclosure by advertisement in the same manner in which mortgages on real property may be foreclosed in Minnesota. In any such foreclosures, the Owner shall be required to pay the costs and expenses which also shall be secured by the Lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure sale or other legal sale and to acquire, hold, lease, rent, encumber, use and otherwise deal with the Lot as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded, upon payment of all sums secured by a lien which has been subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall upon written request report to any encumbrancer of a Lot any unpaid assessments which have remained unpaid for longer than ninety (90) days after the same shall become due; provided, however, that such

encumbrancer shall, as a prerequisite thereto, furnish, or have furnished, to the Association formal written notice of the details of such encumbrance.

8. Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date, the Association may, upon ten (10) days written notice of the Owner, declare the entire amount of the assessment immediately due and payable in full and any unpaid assessment shall bear interest from the due date at the a reasonable rate and in accordance with State law.

The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclosure the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot. A suit to recover a money judgment for unpaid expenses hereunder shall be maintainable without foreclosing or waiving the lien securing the same.

9. Late Charges. Reasonable fees, charges, late charges fines, and interest may be assessed as provided in Section 515B.3-116(a) of the Act.

10. Judgments. Assessments levied under Section 515B.3-116 of the Act to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to the Common Expense liabilities.

11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot to a first mortgagee pursuant to mortgage foreclosure, or pursuant to any other proceeding or arrangement in lieu of foreclosure of any such first mortgage, shall extinguish the lien of such assessments as to installments which became due and were levied prior to the effective date of transfer to the Mortgagee, i.e., the expiration of redemption period in the event of foreclosure or the effective transfer date in the event of deed or other arrangement in lieu of foreclosure. Nothing herein shall be deemed to extinguish the personal obligation for the delinquent assessments as to the owners who were in title to the property at the time such assessments were originally levied unless such obligation is expressly assumed by the subsequent owner. No sale or transfer of any lot shall relieve such lot from liability for any assessment thereafter becoming due or from the lien hereof.

## ARTICLE IV

### EASEMENTS

1. Easements. Additionally to the easements, covenants and conditions of Article V concerning party walls and of Article VI concerning Architectural and Exterior Controls, the Units and Lots shall be subject to easements and covenants for the benefit of the properties or for the limited benefit of specified adjoining Lots as more fully provided in this Article. The purpose of this Section is to assure Owner or occupant reasonable access for utilities, repair, maintenance and reconstruction.

- a) Driveway Easements. Declarations establish limited private common driveway easements for ingress and egress by and to each of the units served by each particular easement. Maintenance of the driveways, parking pad, and private aprons from the common driveway to units shall be by the Association and assessable as part of the overall exterior maintenance.
- b) Fences and Walls. No owner shall construct, relocate, heighten, or lower or otherwise move or change any fence, wall or patio. A privacy ledge may be planted and landscaped around an existing patio, with the approval of the Board of Directors.

2. Private Yard Easement. Except as herein provided each Owner shall be fully entitled to use and occupancy of the private yard area in his Lot to the exclusion of others. The properties generally and the other Owners shall be entitled to a visual easement over the same limited only by original structures as originally erected thereon by Developer and the Owner shall not build any other structure of any sort upon the same, or make any plantings other than as approved specifically or generally by standards which may be adopted by the Association. Other than as may be done by the Owner under the foregoing sentence all planting and private yard

maintenance shall be by the Association and annual assessment by the Association shall include maintenance of private yard renewal planting as to each private yard area.

3. Utility and Walkway Easement. For utility service to a Lot over another or other Lots, Declarant will provide easements by separate Declaration. The Association is given free right of access as to any Unit to maintain on the exterior thereof a separately metered water line or lines for year maintenance purposes. Declarant may also declare one or more walkway easements for the benefit of the Owners. The Association assumes all responsibility for any sewer and water maintenance from the townhouse to the main.

## ARTICLE V

### PARTY WALLS

1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units upon, and placed on the dividing line between, the Units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. If damage is caused by one owner, then that owner is responsible for all damages.

3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty and it is not covered by insurance, any Owner who uses the wall may restore it and all party owners shall contribute to the cost of restoration thereof in proportion to their use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

5. Encroachments. Some of the multifamily dwellings may in fact be originally so placed or located because of survey difficulties or inaccuracies that the center of a party wall is not centered, in fact, on a dividing line. During the life of such building in such instance the offended lot shall be fully subject to an easement for maintenance of the wall as so located and for all purposes the wall shall be treated as if centered precisely upon the lot line. A perpetual easement is created for any overhang, deck or patio encroaching upon the Common Areas which were part of the original improvement of a lot. The Board or Designee shall have the power to approve the encroachment of future improvements upon the Common Areas.

6. Waterproofing or Other Damages. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

7. Arbitration. In the event of any dispute arising for any negligent act concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

In Witness Whereof, the undersigned, being the Declarants herein, have hereunto caused these presents to be executed this 18<sup>th</sup> day of October, 2013.

**PRESIDENT'S WAY TOWNHOME ASSOCIATION**

A Minnesota non-profit corporation

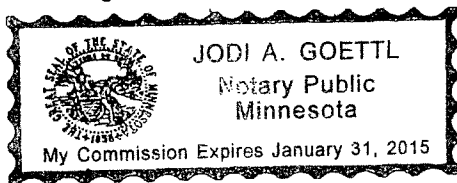
By: *Ron Brand*  
Ron Brand  
It's: President

By: *Vangie Hall*  
Vangie Hall  
It's: Secretary

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF STEELE    )

The foregoing instrument was signed and acknowledged before me this 18<sup>th</sup> day of October, 2013, by Ron Brand, President of President's Way Townhome Association and Vangie Hall, Secretary of President's Way Townhome Association, a Minnesota non-profit corporation..

*Jodi Goettl*  
Notary Public









RESTRICTIONS AND EASEMENTS  
OF  
PRESIDENT'S WAY TOWNHOMES, RICE COUNTY, MINNESOTA  
CIC NUMBER 14

This First Amendment to the Declaration of Restrictions and Easements, originally dated November 17, 1995, and registered November 21, 1995, as Document No. 20395 (hereinafter the "Declaration") is adopted in accordance with Article VIII of the Declaration.

Recitals

The Declaration established President's Way Townhomes Association (the "Association") as a planned community in accordance with Minnesota Statutes Chapter 515 which Chapter was subsequently modified by Minnesota Statutes Chapter 515B (the "Act");

The Declaration affects the real property described on Exhibit A attached hereto;

Article VIII of the Declaration permits the Declaration to be amended by consent of ninety percent (90%) of the Owners of the Units;

The Declarants no longer own any unsold units and, therefore, its consent to any amendment is not required;

The members of the Association desire to amend the Declaration;

Now therefore, the parties hereto, constituting at least ninety percent (90%) of the Owners (as that term is defined in the Declaration), hereby amend the Declaration as follows:

Article IX, Section 1 is hereby deleted in its entirety and replaced with the following:

Section 1: All Units shall be used, improved and devoted exclusively to residential use by a Single Family. For purposes of this Section, a Single Family shall mean a family unit of persons who are all related by blood, marriage, adoption, or are considered to be foster parents and/or children under a bona fide placement arrangement by a licensed placement agency. A Single Family shall also mean and include two (but not more than two) unrelated persons who are lawfully cohabiting a single unit. In the case of cohabitation of a unit by two unrelated persons, it shall not be a violation of this Section if members of either (or both) unrelated person's family

unit as that term is previously defined in this section, reside in the Unit with such person or persons. No gainful occupation, profession, trade or other nonresidential use shall be conducted on or in any Unit, but a Unit owner may maintain his own personal professional library, personal business or professional records or accounts in his Unit, or handle his personal business calls or correspondence from his Unit.

1. The President or Secretary of the Association are further authorized and directed to execute and record, with the appropriate real estate records, an affidavit in accordance with Minnesota Statute Section 515B.1-116(d) confirming that this Amendment and Approval have been duly adopted by at least ninety percent (90%) of the Unit Owners.
2. Except as specifically amended by this First Amendment, the Declaration shall remain in full force and effect as originally recorded.

I certify that this Declaration was duly adopted by at least ninety percent (90%) of the Unit owners of President's Way Townhomes Association.

Dated: 9/17/02

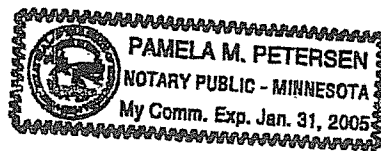
Evangeline Hall  
Secretary

This Instrument was drafted by:

Michael W. Hero, #146365  
HERO LAW OFFICE, P.A.  
516 Washington Street  
Northfield, MN 55057  
(507) 645-5631

Subscribed and sworn to before me  
this 17 day of Sept., 2002

Pamela M. Petersen  
Notary Public





20395

24-79<sup>th</sup> Dec  
95  
Cuts 7012-7021

IV

DECLARATION OF COVENANTS  
RESTRICTIONS AND EASEMENTS  
OF

M

PRESIDENTS WAY TOWNHOMES, RICE COUNTY MINNESOTA  
CIC NUMBER 14

THIS DECLARATION, made this 17th day of November, 1995 by C-H Properties, Inc., a Minnesota corporation, hereinafter referred to as "Declarant", pursuant to the provision of Minnesota Statutes, Chapter 515B ("The Act") for the purpose of establishing covenants, conditions, and restrictions for property located within the Plat of Presidents Way Townhomes, Rice County, Minnesota;

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Northfield, Rice County, Minnesota, as more particularly described as set forth on Exhibit "A" attached hereto, and Declarant desires to submit said property and all improvements thereof (collectively the "Property") to the Act;

WHEREAS, Declarant desires to provide for the preservation of the values and amenities on said premises and the maintenance of facilities; and, to this end the covenants, restrictions, easements, charges and liens hereinafter set forth, each of all of which is and are for the benefit of said property and the owners thereof;

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed as a planned community known as Presidents Way Townhomes and subject to a Master Association subject to the following easements, restrictions and covenants which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in, the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, or in the case of limited easements, to the owners specified.

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to the Presidents Way Townhomes Association, its successors and/or assigns, a non profit corporation which has been created pursuant to Chapter 317A and 515B.3-101 of the laws of the State of Minnesota, whose members consist of all owners as defined herein.

2. "Board" shall mean the Board of Directors of the Association as provided for in the By-Laws.

3. "By-Laws" shall mean the By-Laws governing the operation of the Association, as amended from time to time.
4. "Common Elements" shall mean all parts of the Property except the Units, including all improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. The Common Elements are legally described in Exhibit "B" attached hereto.
5. "Common Expenses" shall mean and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including, without limitation, allocations to reserves and those items specifically identified as Common Expenses in the Declaration or By-Laws.
6. "Dwelling" shall mean a part of a building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.
7. "Governing Documents" shall mean this Declaration, and the Articles of Incorporation and By-Laws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
8. "Occupant" shall mean any person or person, other than an Owner, in possession of or residing in a Unit.
9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
10. "Party Wall" shall mean the shared wall between two dwellings.
11. "Person" shall mean a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property and shall mean a Person who owns a Unit, but excluding contract for deed vendors, mortgagees, and other secured parties within the meaning of the Act. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.
12. "Plat" shall mean the recorded plat depicting the Property, including any amended or supplemental Plat recorded from time.
13. "Properties" shall mean and refer to that certain real property described in Exhibit "A" appended hereto. The total maximum number of units in Presidents Way are as set forth on Exhibit A, all of which are restricted to residential use. No additional units may be added to Presidents Way.

14. "Lot" shall mean and refer to any individual numbered Lot shown upon the recorded Plat.
15. "Developer" shall mean and refer to the undersigned and its successors or assigns (also herein referred to as "Declarant"), if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
16. "Mortgage" shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.
17. "Mortgagee" shall mean any person named as the Mortgagee under any Mortgage under which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.
18. "FHA" shall mean the Federal Housing Administration.
19. "VA" shall mean the Veterans Administration.
20. "Unit" shall mean any platted Lot subject to this Declaration upon which a single family townhouse type dwelling is located or intended to be located, as shown on the Plat, including all improvements thereon, but excluding the Common Elements.
21. "Private Yard Area" shall refer to that portion of a Lot not covered by a Unit or a private common driveway.
22. "Private Common Driveway" shall refer to the access driveways from public streets to the Units.
23. "Exteriors" shall refer generally to the exterior, or visible, portion of any building.
24. "Rules and Regulations" shall mean the Rules and Regulations of the Association as approved from time to time.

## ARTICLE II

### MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every person or entity or is a record owner of a fee or undivided fee interest in any Lot which is subject to covenants of record to the assessment of the Association including contract sellers, shall be a member of the Association. The foregoing is not intended to include Mortgagees prior to their acquisition of the Lot by foreclosure or by any proceeding in lieu thereof. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

2. Voting Rights. The Association shall not have capital stock, but shall have two classes of voting membership:

Class A. Class A member(s) shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall there be a split vote. Prior to the time of any meeting at which a vote is to be taken each Lot having co-owners shall file the name of the vote co-owner with the Secretary of the Association in order to be entitled to a vote at such meeting, unless such co-owner has filed a general voting authority applicable to all votes until rescinded.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and all converted to Class A membership on the earlier of the following:

- (a) when the total votes outstanding in the Class A membership equal or exceed in total votes outstanding in the Class B membership; or
- (b) January 1, 1998.

### ARTICLE III

#### COVENANTS FOR MAINTENANCE ASSESSMENTS

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 therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) General annual assessments or charges, and
- (b) Special Assessments for capital improvements, 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 the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who has the Owner of such Property at the time when the assessment fell due. Each Owner of any Lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association thus to pay to the

Association for the purpose provided in this Declaration, for such general and special assessments. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Each owner of any Lot by acceptance thereof, further consents to the foreclosure of any such lien by action or by advertisement and otherwise as by Chapters 580 and 581 of Minnesota Statutes, provided for real estate mortgage within a six-month redemption period. Each owner does further thereby and hereby give full and complete power of sale by advertisement to the Association. Each 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 when the assessments became applicable and shall not pass to his successors in title unless expressly assumed by them.

- a) Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents for the properties, for maintenance of Lots and grounds, and for maintenance, repair and repainting of the exteriors of the building.
- b) Damage. If any damage to the Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

2. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot by Developer to an Owner, the maximum annual assessment shall be \$36.00 per month.

- a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner the annual assessments may be increased by an amount not to exceed five per cent (5%) above the prior year's assessment without consent. The annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- b) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum amounts set forth herein.
- c) General assessments shall be deemed to include an annual amount of at least \$20.00 per year for exterior painting and replacement. The General Assessment shall be fixed by the Board of Directors on an annual basis.



d) A late fee not to exceed the greater of \$10.00 or five per cent (5%) of the assessment due may be fixed by the Board of Directors for assessments paid later than ten days from their due date.

3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any 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.

4. Notice of Meetings. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members and any mortgagee who shall request such notice in writing not less than 30 days nor more than 60 days 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 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.

5. Equal Rate of Assessment. Both annual and special assessments must be fixed at an equal rate for all Lots, may be collected on a monthly basis, and shall be administered as provided in Article III, Section 7, next following; provided, however, that Lots owned by Declarant shall be assessed at a rate equal to twenty five per cent (25%) the amount assessed against Lots owned by other than Declarant. Notwithstanding the foregoing, a Lot owned by Declarant shall be assessed amounts equal to the amounts assessed against Lots owned by other than Declarant from and after the time that a building constructed upon such Lot is used by Declarant as a model for regular public inspection, or occupied by a Tenant of Declarant as a residential dwelling.

6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Lot to an Owner other than Developer. The Board of Directors shall fix the amount of subsequent annual assessments at least thirty (30) days in advance of each subsequent calendar year. Written notice thereof shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the

status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7. Lien for Assessments. All sum assessed to any Lot pursuant to this Article together with interest thereon as provided herein, shall be secured by a lien thereon in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot except only for:

- a) Liens of general and special taxes; and
- b) A lien for all sums unpaid on any first Mortgage and to the extent in Section 10 of this Article provided.

All other lienors acquiring liens on any lot after this Declaration, which liens shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot and file of record the same, but such notice of lien shall not be recorded until there be at least a delinquency of thirty (30) days from the due date without payment of the assessment. Such lien may be enforced by the judicial foreclosure by the Association or by foreclosure by advertisement in the same manner in which mortgages on real property may be foreclosed in Minnesota. In any such foreclosures, the Owner shall be required to pay the costs and expenses which also shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure sale or other legal sale and to acquire, hold, lease, rent, encumber, use and otherwise deal with the Lot as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded, upon payment of all sums secured by a lien which has been subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall upon written request report to any encumbrancer of a Lot any unpaid assessments which have remained unpaid for longer than ninety (90) days after the same shall become due; provided, however, that such encumbrancer shall, as a

prerequisite thereto, furnish, or have furnished, to the Association formal written notice of the details of such encumbrance.

8. Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date, then the Association may, upon ten (10) days written notice of the Owner, declare the entire amount of the assessment immediately due and payable in full and any unpaid assessment shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclosure the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot. A suit to recover a money judgment for unpaid expenses hereunder shall be maintainable without foreclosing or waiving the lien securing the same.

9. Late Charges. Fees, charges, late charges, fines and interest may be assessed as provided in Section 515B.3-116(a) of the Act.

10. Judgments. Assessments levied under Section 515B.3-116 of the Act to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to the Common Expense liabilities.

11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot to a first mortgagee pursuant to mortgage foreclosure, or pursuant to any other proceeding or arrangement in lieu of foreclosure of any such first mortgage, shall extinguish the lien of such assessments as to installments which became due and were levied prior to the effective date of transfer to the Mortgagee, i.e., the expiration of redemption period in the event of deed or foreclosure or the effective transfer date in the event of deed or other arrangement in lieu of foreclosure. Such unpaid assessments arising before the effective date shall be deemed to be common expenses collectible from all of the owners excluding said mortgagee. The foregoing sentence shall not apply to installments becoming due and levied after the effective date of transfer. Nothing herein shall be deemed to extinguish the personal obligation for the delinquent assessments as to the owners who were in title to the property at the time such assessments were originally levied unless such obligation is expressly assumed by the subsequent owner. No sale or transfer of any lot shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

## ARTICLE IV

### EASEMENTS

1. Easements. Additionally to the easements, covenants and conditions of Article V concerning party walls, and of Article VI concerning Architectural and Exterior Controls, the Units and Lots shall be subject to easements and covenants for the benefit of the properties or for the limited benefit of specified adjoining Lots as more fully provided in this Article. The purpose of this Section is to assure Owner or occupant reasonable access for utilities, repair, maintenance and reconstruction.

- a) Driveway Easements. Each Unit shall have access through driveways located upon the Common Areas. A Limited Common Area shall be established as set forth on Exhibit B. Maintenance of the driveways, parking pad, and private aprons from the common driveway to units shall be by the Association and assessable as part of overall exterior maintenance.
- b) Fences and Walls. No owner shall construct, relocate, heighten, lower or otherwise move or change any fence, wall or patio. A privacy ledge may be planted and landscaped around an existing patio, with the approval of the Board of Directors.

2. Private Yard Easements. Except as herein provided each Owner shall be fully entitled to use and occupancy of the private yard area in his Lot to the exclusion of others. The properties generally and the other Owners shall be entitled to a visual easement over the same limited only by original structures as originally erected thereon by Developer and the Owner shall not build any other structure of any sort upon the same, or make any planting other than as approved specifically or generally by standards which may be adopted by the Association. Other than as may be done by the Owner under the foregoing sentence all planting and private yard maintenance shall be by the Declarant originally or by the Association thereafter, and annual assessment by the Association shall include maintenance of private yard and renewal planting as to each private yard area.

3. Utility and Walkway Easement. For utility service to a Lot over another or other Lots, Declarant will provide easements by separate Declaration. The Association is given free right of access as to any Unit to maintain on the exterior thereof a separately metered water line or lines for yard maintenance purposes. Declarant may also declare one or more walkway easements for the benefit of the Owners. The Association assumes all responsibility for any sewer and water maintenance from the townhouse to the main.

## ARTICLE V

### PARTY WALLS

1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units upon, and placed on the dividing line between, the Units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.
3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty and it is not covered by insurance, any Owner who uses the wall may restore it and all party owners shall contribute to the cost of restoration thereof in proportion to their use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.
4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.
5. Encroachments. Some of the multifamily dwellings may in fact be originally so placed or located because of survey difficulties or inaccuracies that the center of a party wall is not centered in fact on a dividing line. During the life of such building in such instance the offended lot shall be fully subject to an easement for maintenance of the wall as so located and for all purposes the wall shall be treated as if centered precisely upon the lot line. A perpetual easement is created for any overhang, deck or patio encroaching upon the Common Areas which were part of the original improvement of a Lot. The Architectural Control Committee shall have the power to approve the encroachment of future improvements upon the Common Areas.
6. Waterproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

## ARTICLE VI

### ARCHITECTURAL AND EXTERIOR CONTROLS

1. (a) Architectural Control and Committee Authority. No exterior additions or alterations to any units on the Properties, or changes in existing fences, walls, walkways and other structures shall be commenced, erected, or maintained except such as are installed or approved by the Declarant in connection with the initial construction on the Properties until the plans and specifications showing the nature, kind, shape, height, materials, located and approximate cost of same, shall have been submitted in writing to an Architectural Committee composed of the Board of the Directors of the Association, or of representatives or members designated by the Board of Directors. In the event said Committee and the Board of Directors under procedures adopted by it, fail to approve or disapprove such design and location within forty five (45) days after said plans and specifications have been submitted approval will be deemed to have been given. If no application has been made to the Architectural Committee, suit to enjoin or remove such additions, alterations or changes may be instituted at any time unless a deed to a new Owner is placed on record after the period of ninety (90) days upon the completion of the unapproved work has elapsed. Neither the members of the Architectural Committee nor its designated representatives shall be entitled to compensation to themselves for services performed pursuant to this paragraph, but compensation may be allowed to independent professional advisors retained by the Architectural Committee. Exterior antenna shall not be placed on any building without the approval of the Architectural Committee upon similar written application. The foregoing standards and controls shall also apply to yard planting.

b) Landscaping. The Board, in accordance with uniform standards adopted from time to time and subject to amendment and revocation, permit an owner to maintain annual and perennial flowers and plantings within a specific portion of the owners townhouse lot, subject to the Board's right to disapprove plantings and locations which might be in non-conformance with the general landscaping plans of the properties, or a hinderance to mowing and other maintenance.

2. Exterior Maintenance. The Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks and other exterior improvements and utility lines used in common by more than one Unit. Such exterior maintenance shall not include glass surfaces nor patio decking nor individual connecting lines to common utility lines.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

3. 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 Board of Directors, shall be submitted to the Board of Directors at least sixty (60) days prior to the projected commencement of construction. No alterations shall be commenced prior to approval.
- b. The Board of Directors shall give the Owner written notice of approval or disapproval. If 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 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.

4. 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 of 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 Dwelling or Unit 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.

## ARTICLE VII

### INSURANCE AND RECONSTRUCTION

1. Insurance Provisions. The Board of Directors shall provide, obtain and maintain a master policy or policies in accordance with the Act and as set forth herein, both property insurance and public liability insurance covering Association responsibility in such amounts as may be determined at the

discretion of the Board of Directors from time to time. The Board of Directors shall also provide fidelity bond or bonds covering deflection or other dishonest acts on the part of directors, managers, officers, employees or volunteers responsible for the handling of funds or deposits of the Association in an amount sufficient to provide no less protection than one and one-half times estimated annual operating expenses and reserves.

2. Destruction and Reconstruction. In the event of a partial or total destruction of a building or buildings and determination to rebuild the building or buildings involved, then, and in such event, the reconstruction thereof shall be undertaken within 90 days of the date on which the homeowners involved consent to such reconstruction. In order to reconstruct the building involved the unanimous consent of all owners residing in the residential building shall be required in writing along with written approval of the Architectural Committee. In order to fund reconstruction each owner covenants to obtain and retain adequate homeowner's insurance protecting against fire and for extended coverage.

On reconstruction, the design, plan and specifications of any building or Unit may vary from that of the original upon approval of the Association, provided, however, that the number of square feet of any Unit may not vary by more than 5% from the number of square feet for such Unit as originally constructed, and the location of the buildings shall be substantially the same as prior to the damage or destruction and reconstruction costs shall be the obligation of the affected owners only, and shall not be assessed to other owners.

3. 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 cancelled 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.

4. Owner's Personal Insurance. Each Owner may obtain additional personal insurance coverage at his or her own expense covering fire and other casualty to the Unit, personal property or personal liability. All insurance policies maintained by Owners shall provide that they are without contribution as against the insurance purchased by the Association.

## ARTICLE VIII

### GENERAL PROVISIONS

1. Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration including the collection of assessments. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If these restrictions are enforced by the appropriate proceedings by any such Owner or



Owners, such Owner or Owners may be reimbursed by the Association for all or any part of the costs incurred in the discretion of the Board of Directors of the Association.

2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for a successive period of ten (10) years. This Declaration may be amended during the first twenty (20) years by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy five percent (75%) of the Lot Owners. Any amendment must be recorded.

4. FHA/VA Approval. 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; Amendments of this Declaration of Covenants, Conditions and Restrictions.

## ARTICLE IX

### RESTRICTIVE PROVISIONS

1. Residential Only. Each lot shall be used for single family residential purposes only and no commercial business activity shall be conducted upon the same, except that Declarant reserves the right to use one or more units for display or model home units. This provision should not be construed so as to prohibit the use of a portion of a residence for incidental office purposes, to the extent permitted by applicable zoning laws.

2. Nuisances. No noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Nothing shall be done or kept on any lot which would be violation of any statute, rule, regulation, or requirement of any governing body. No damage to or waste thereof of any part of the exterior of properties and buildings shall be committed by any owner or guest. No noxious, destructive or offensive activity shall be allowed on any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to any other owner or to any other person at any time lawfully residing on the properties.

3. Animals or Pets. No pets shall be permitted to be kept on the property of owners or occupant, except conventional domesticated animals. No kennels, dog houses, or outside run shall be constructed or maintained on the property. No pet shall be kept for any commercial purpose, nor shall pets be bred for commercial purposes on the property. Any pet when outside of a townhouse must be kept under control by the owner or his designatee. Within the boundaries of the Association, the owner or his designatee shall clean up after his or her pet. The board may require the removal of any particular pet for uncontrollable barking, howling, repeated

instances of wandering unleashed, or other repeated behavior found to be reasonably offensive to others. The owner of the townhouse harboring the offensive pet shall have 30 days written notice, so as to appeal or correct the offensive behavior.

4. Signs. No signs of any kind shall be displayed to the public view on any Lot except one sign if not more than 5 square feet advertising the property for sale or rent, which sign shall be attached or affixed to the unit and shall not be placed upon the private yard area, or signs used by the Declarant to advertise the property during the construction and sales period.

5. Maintenance of Garages. In accordance with the general plan of development, Declarant proposes to construct units containing two car drive in garages. It is declared to be an essential part of the Development that off-street, interior storage~~x~~ of vehicles be provided and maintained and therefore it is a specific restriction that any garage facility originally erected as a part of a unit be retained as and for a garage and the same shall not be converted by construction or usage to any other purpose. No structure of a temporary or permanent character, trailer, basement, tent, or shack shall be maintained on any lot.

6. Outside Antennae. As provided in Article VI, Section 1, <sup>Now permitted</sup> no exterior antennae shall be placed upon any unit without specific approval of the Architectural Committee~~x~~ as therein provided.

7. Storage. Outside storage of any items including but without limiting the generality of the forgoing, sporting equipment, toys, outdoor cooking equipment, (except lawn furniture and one gas or charcoal grill per lot) yard and garden tools, trash and garbage containers, or firewood stacks shall not be allowed. No boats, snowmobiles, trailers, camping vehicles, tractor/trailers, trucks, unlicensed or inoperable vehicles shall at any time be stored or parked on any lot outside of any townhouse or garage. Any exceptions to the above restrictions must be approved by the Board of Directors.

8. Clothes Lines. No clothes lines shall be permitted upon a lot or the exterior of a house or garage, nor shall clothes, sheets, blankets, laundry or other articles of such nature be hung out so as to be visible from outside the lot.

9. Renters. Renters if any shall abide and conduct themselves in accordance with the by-laws and rules and regulations of the Association.

10. Fire Hazards. Care must be exercised as to the use of gas or charcoal barbecue grills on wooden decks. It is further recommended that operable fire extinguishing devices be maintained in close proximity, when this type of equipment, or any other possible fire producing device, is in use.

11. 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.

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.

*Bikes - toys riding  
on driveway*

12. Alterations. Except for those made by Declarant in consideration of its initial sale of 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 their guests, in any part of the Common Elements, or in any part of the Unit which affects the Common Elements or which is visible from the exterior of the Unit, without prior written authorization of the Board, or a committee appointed by it, as provided in Section VI. 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 judgment of whether the criteria are satisfied.

13. 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 Unit into separate time periods, is prohibited.

14. Access to Units. In case of emergency, all Units and Limited Common Elements are subject to entry, without notice and at any time, by an officer or member of the Board of the Association, by the Association's management agent or by any public safety personnel. Entry is also authorized for maintenance purposes under Section VI (2) and for enforcement purposes under Section VIII (1).

15. Temporary Housing Restricted. No R.V's, pop-up trailers, any temporary housing, trailer homes, tents or fifth wheel trailers shall be permitted on the premises for longer than 48 hours unless by permission of the Association.

16. Outside Lights. The area shall be lighted by four (4) lights, provided by the City of Northfield to the Association, and any other additional outside lighting shall only be available upon permission of the Association.

17. Outbuildings. No outbuildings shall be permitted on the premises without permission of architectural control or the Association.

18. Model Home. Declarant reserves the right, so long as it owns any unit, to maintain and relocate from time to time, sales offices and a model home within any unit or units or in or on any part of the Common Elements.

## ARTICLE X

### NOTICE AND OTHER PROVISIONS FOR FIRST MORTGAGEES

1. Rights Additional. Additionally to, and not in *articles* derogation of any other provisions herein (or in the *articles* or

By-Laws of the Association contained), for the benefit and protection of first mortgagees contained, the following provisions shall apply and, to the extent of any conflict with any other provisions hereof or thereof, shall control.

2. Notice of Default. Any first mortgage of a unit, who shall so request in writing filed with the Association, shall be entitled to written notification of any default by the mortgagor (or his successor or assign) in payment of assessments or performance of any other duty or obligation hereunder, which default shall have endured uncured for 30 days, and lack of such notice, while contained, shall postpone any other time limits applicable to the Association for collection or remedy of the same.

3. Consent Required. Unless at least 75% of the Owners (based upon one vote for each unit in the properties other than units owned by Developer) have given their prior written approval, the Association shall not be entitled to:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any property which the Association shall have acquired for the benefit of the Owners.
- (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a unit.
- (c) by act or omission change, waive or abandon the scheme of exterior and architectural controls, of exterior maintenance, maintenance of party walls, of lawn maintenance as hereinabove contained.

IN WITNESS WHEREOF, the said first party has caused these presents to be executed in its corporate name by Robert A. Carel, President of C-H Properties, Inc., the Declarant, on behalf of the Corporation.

C-H PROPERTIES, INC.


BY:   
Robert A. Carel, President



EXHIBIT A

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

OF

PRESIDENTS WAY TOWNHOMES ASSOCIATION

Legal description of Properties subject to Declaration:

Lots 1-12, Block 1, Presidents Way Townhomes, Rice County, Minnesota

Lots 1-5, Block 2, Presidents Way Townhomes, Rice County, Minnesota

Schedule of Units and Percentage of Undivided Interest in Common Elements

<u>Unit</u>	<u>Percentage of Interest</u>
Lot 1, Block 1, Presidents Way Townhomes	1/15
Lot 2, Block 1, Presidents Way Townhomes	1/15
Lot 3, Block 1, Presidents Way Townhomes	1/15
Lot 4, Block 1, Presidents Way Townhomes	1/15
Lot 5, Block 1, Presidents Way Townhomes	1/15
Lot 6, Block 1, Presidents Way Townhomes	1/15
Lot 7, Block 1, Presidents Way Townhomes	1/15
Lot 8, Block 1, Presidents Way Townhomes	1/15
Lot 9, Block 1, Presidents Way Townhomes	1/15
Lot 10, Block 1, Presidents Way Townhomes	1/15
Lot 11, Block 1, Presidents Way Townhomes	1/15
Lot 1, Block 2, Presidents Way Townhomes	1/15
Lot 2, Block 2, Presidents Way Townhomes	1/15
Lot 3, Block 2, Presidents Way Townhomes	1/15
Lot 4, Block 2, Presidents Way Townhomes	1/15

EXHIBIT B

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

OF

PRESIDENTS WAY TOWNHOMES ASSOCIATION

Description of Common Areas and Limited Common Areas:

Common Areas:

Lot 12, Block 1, Plat of Presidents Way Townhomes, Rice County, Minnesota

Lot 5, Block 2, Plat of Presidents Way Townhomes, Rice County, Minnesota

Limited Common Areas

The portion of the driveway located in the Common Areas and immediately adjacent to each townhome shall be designated a Limited Common Area for the use of the Owner of such Townhome, his or her guests and invitees.

REGISTRAR'S OFFICE  
RICE COUNTY, MINN.

20395

I hereby certify that the within instrument  
was filed in this office 21 day  
of November A.D. 19 95  
at 9 o'clock A. M.

Meredith Truman  
(Registrar of Titles)

By \_\_\_\_\_ Deputy

STATE OF MINNESOTA  
COUNTY OF RICE

Certified to be a true and correct  
copy of the original on file or of  
record in my office.

MEREDITH TRUMAN  
COUNTY RECORDER AND  
REGISTRAR OF TITLES

DATE Nov 21, 1995

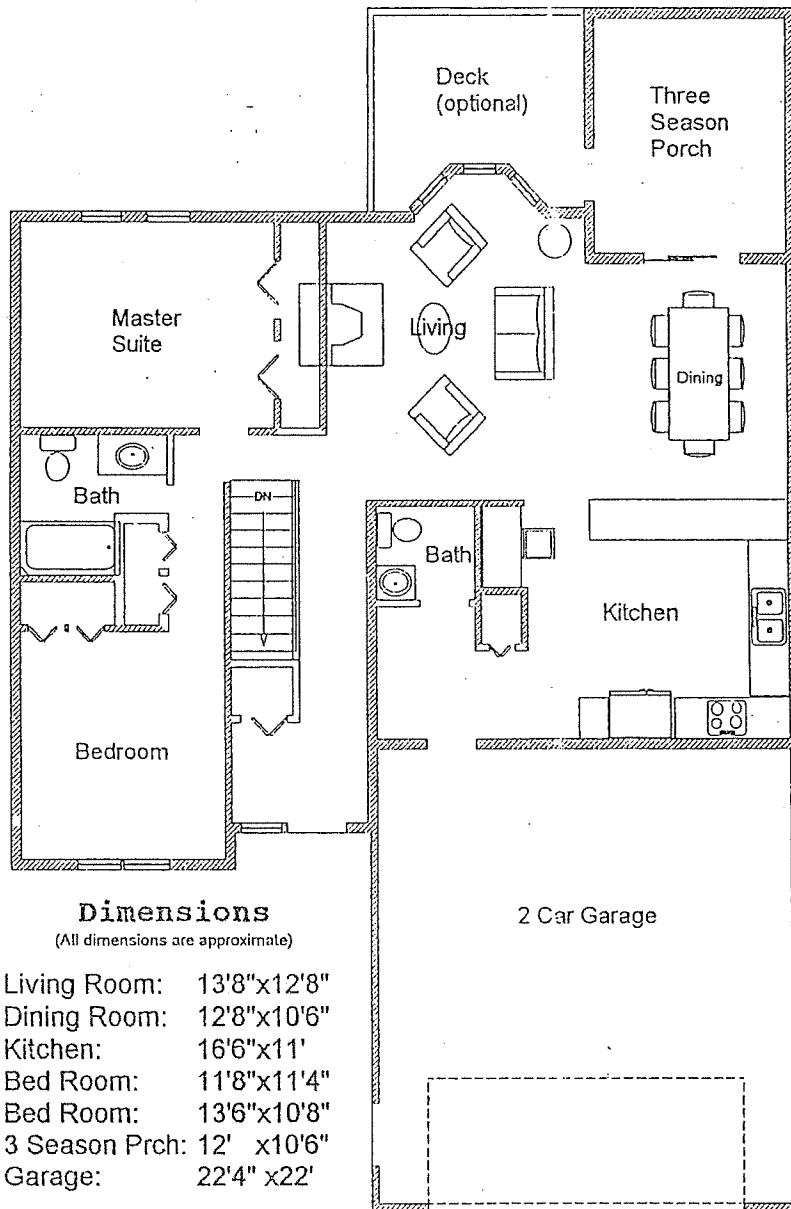
BY J. Lambert  
DEPUTY

## **VI. FLOOR PLANS**



# Main Floor Plan

( not to scale )



## Dimensions

(All dimensions are approximate)

- Living Room: 13'8"x12'8"
- Dining Room: 12'8"x10'6"
- Kitchen: 16'6"x11'
- Bed Room: 11'8"x11'4"
- Bed Room: 13'6"x10'8"
- 3 Season Prch: 12' x10'6"
- Garage: 22'4" x22'

**VII. HOUSING AND HOME  
IMPROVEMENTS  
STATUTORY WARRANTIES**

Chapter 327A  
HOUSING AND HOME IMPROVEMENT  
STATUTORY WARRANTIES

Sec.

- 327A.01 Definitions.
- 327A.02 Statutory warranties.
- 327A.03 Exclusions.
- 327A.04 Waiver and modification limited.
- 327A.05 Remedies.
  - 1. New home warranties.
  - 2. Home improvement warranty.
- 327A.06 Other warranties.
- 327A.07 Variations.
- 327A.08 Limitations.

**327A.01 Definitions**

Subdivision 1. As used in sections 327A.01 to 327A.07, the terms in this section shall have the meanings assigned to them.

Subd. 2. "Building standards" means the structural, mechanical, electrical, and quality standards of the home building industry for the geographic area in which the dwelling is situated.

Subd. 3. "Dwelling" means a new building, not previously occupied, constructed for the purpose of habitation; but does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the dwelling, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Subd. 4. "Initial vendee" means a person who first contracts to purchase a dwelling from a vendor for the purpose of habitation and not for resale in the ordinary course of trade.

Subd. 5. "Major construction defect" means actual damage to the load-bearing portion of the dwelling or the home improvement, including damage due to subsidence, expansion or lateral movement of the soil, which affects the load-bearing function and which vitally affects or is imminently likely to vitally affect

§ 327A.03 TRADE REGULATIONS

- (d) Loss or damage from normal wear and tear;
- (e) Loss or damage from normal shrinkage caused by drying of the dwelling or the home improvement within tolerances of building standards;
- (f) Loss or damage from dampness and condensation due to insufficient ventilation after occupancy;
- (g) Loss or damage from negligence, improper maintenance or alteration of the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (h) Loss or damage from changes in grading of the ground around the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (i) Landscaping or insect loss or damage;
- (j) Loss or damage from failure to maintain the dwelling or the home improvement in good repair;
- (k) Loss or damage which the vendee or the owner, whenever feasible, has not taken timely action to minimize;
- (l) Loss or damage which occurs after the dwelling or the home improvement is no longer used primarily as a residence;
- (m) Accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards;
- (n) Loss or damage from soil movement which is compensated by legislation or covered by insurance;
- (o) Loss or damage due to soil conditions where construction is done upon lands owned by the vendee or the owner and obtained by him from a source independent of the vendor or the home improvement contractor;
- (p) In the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement.

Laws 1977, c. 65, § 3, eff. Jan. 1, 1978. Amended by Laws 1981, c. 119, § 7, eff. Jan. 1, 1982.

*Amendments to become effective January 1, 1982,  
included in text.*

§ 327A.07 TRADE REGULATIONS

Historical Note

The 1981 amendment inserted "or the home improvement contractor" following "of the vendor", and "or owner" following "to the vendee". For effective date and application of Laws 1981, see the Historical Notes under § 327A.01.

Library References

Contracts ⇐ 205.

C.J.S. Contracts §§ 327, 342.

327A.08 Limitations

Notwithstanding any other provision of Laws 1981, chapter 119, sections 1 to 10:

(a) The terms of the home improvement warranties required by Laws 1981, chapter 119, sections 1 to 10 commence upon completion of the home improvement and the term shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) The home improvement warranties required by Laws 1981, chapter 119, sections 1 to 10 shall not include products or materials installed that are already covered by implied or written warranty; and

(c) The home improvement warranties required by Laws 1981, chapter 119, sections 1 to 10 are intended to be implied warranties imposing an affirmative obligation upon home improvement contractors, and Laws 1981, chapter 119, sections 1 to 10 do not require that written warranty instruments be created and conveyed to the owner.

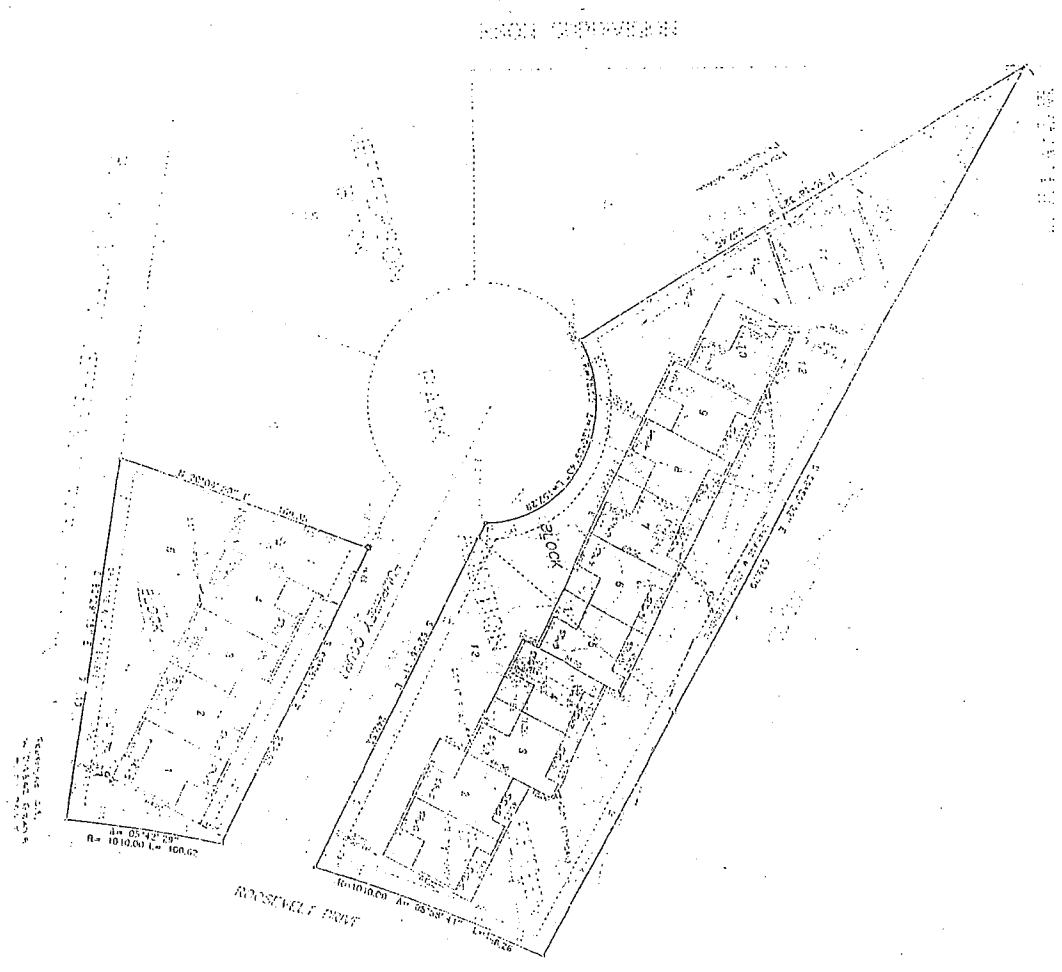
Added by Laws 1981, c. 119, § 11, eff. Jan. 1, 1982.

*Text to become effective January 1, 1982.*

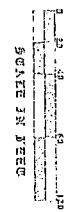
Historical Note

For effective date and application of Laws 1981, c. 119, see the Historical Notes under § 327A.01.

VIII. PLAT OF  
PRESIDENTS WAY  
TOWNHOMES



PRELIMINARY PLAT  
 PRESIDENTS WAY TOWNHOMES  
 BOB CYREL & DALLAS HAAS  
 LOTS 1, 3, 3 & 7 BLOCK FIFTEEN  
 JEFFERSON PARK ADDITION  
 BOHLEN LAND SURVEYING, INC.



--- BOUNDARY LINE  
 --- EASEMENT  
 --- LOT OR BLOCK NUMBER  
 --- CENTER POINT OF LOT OR BLOCK  
 --- CENTER POINT OF CURVE

2844