

6743006

HIDDEN MEADOWS HOMES

DECLARATION

THIS DECLARATION is made on this 3rd day of June, 1997, by THE RYLAND GROUP, INC., a Maryland corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Maple Grove, County of Hennepin, State of Minnesota, which is more particularly described as set forth on Exhibit A attached hereto and incorporated herein (the "Property" or "Properties"), which Declarant intends to develop for residential uses; and

WHEREAS, Declarant also owns certain property in the City of Maple Grove, County of Hennepin, State of Minnesota, which is more particularly described as set forth on Exhibit B attached hereto and incorporated herein (the "Additional Real Estate"), and has the option to add all or a part of the Additional Real Estate to the Property.

WHEREAS, Declarant desires that all of the Property, and any Additional Real Estate added thereto, shall be subject to certain uniform covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby declares that (i) all of the Properties, and any Additional Real Estate added thereto, shall be owned, sold, transferred and conveyed subject to the easements, restrictions, covenants and conditions contained herein, which are for the purpose of protecting the value and desirability of the Properties and any Additional Real Estate added thereto, and (ii) the easements, restrictions, covenants and conditions contained herein shall run with the Properties, and any Additional Real Estate added thereto, and shall be binding on all parties having any right, title or interest in the Properties, and any Additional Real Estate added thereto, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

This community consists solely of separate parcels of real estate designed or utilized for single family dwellings; the "Association" (as defined below) has no obligation to maintain any building containing a dwelling and is not subject to the Minnesota Common Interest Ownership Act by virtue of Minn. Stat. Sec. 515B.1-102(e)(2) (the "Act"). The Property is, however, subject to a "Master Association" (as defined below).

ARTICLE I.

DEFINITIONS

Section 1. "Additional Real Estate" shall mean the real property legally described in Exhibit B, including all improvements located thereon now or in the future, and all easements and rights appurtenant thereto, which property Declarant has the right to add to this Declaration.

Section 2. "Association" shall mean Hidden Meadows Homeowners Association, a corporation formed under Chapter 317A, Minnesota Statutes, its successors and assigns.

Section 3. "Common Areas" shall mean all areas of the Property which do not constitute or form a part of any Lot, including, without limitation, the Open Space Area.

Stewart Title Co., of MN
597 Marquette Ave. S. Ste. 500
Minneapolis, MN 55402
97501236
Box 122

Section 4. "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, allocation to reserves and those items specifically identified as Common Expenses in this Declaration.

Section 5. "Declarant" shall mean Ryland Homes, Inc., a Minnesota corporation, its successors and assigns.

Section 6. "Dwelling" shall mean the construction of a residential dwelling unit in accordance with these Declarations on any Lot.

Section 7. "Eligible Mortgagee" shall mean any person owning or holding a mortgage on any Lot, which mortgage is first in priority to any other mortgages that encumber such Lot, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.

Section 8. "Lot" shall mean any separately identified plot of land shown upon any recorded subdivision map or plat of the Property which intended to sold as a separate property. Where appropriate, reference to "Lot" shall include all structures located upon a Lot.

Section 9. "Master Association" shall mean Hidden Meadows Master Association, a corporation formed under Minnesota Statutes, Chapter 317A, its successors and assigns, the members of which are the Association and Hidden Meadows Townhomes Association, a corporation formed under Minnesota Statutes, Chapter 317A. The Master Association shall be charged with the operation, maintenance and repair of the Open Space Area.

Section 10. "Open Space Area" shall mean, collectively, Outlots B, G, E and I, Hidden Meadows, according to the recorded plat thereof on file and of record in the Office of the County Recorder in and for Hennepin County, Minnesota.

Section 11. "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Where any such Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered to be the owner of the Lot if: (1) the rights of the contract vendor hereunder are delegated to the vendee under such contract for deed; and (2) the vendee shall furnish proof of such delegation to the Association.

Section 12. "Properties" shall mean, collectively, all that certain real property legally described on Exhibit A hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

Class A Class A members shall be all members with the exception of Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members and shall jointly cast the one vote allowable to such Lot, if at all. In no event shall the vote of any Owners be split as to any Lot. In the event that the Owners fail to determine how to cast any vote, no vote shall be cast.

Class B The Class B members shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the first to occur of the following events:

- (a) when the total votes of members outstanding in the Class A membership equal the total votes outstanding in favor of Declarant in the Class B membership; or
- (b) on December 31, 2017.

ARTICLE III.

COVENANT FOR COMMON EXPENSE AND INSURANCE PREMIUM ASSESSMENTS; INITIATION FEE

Section 1. Creation of the Lien and Personal Obligation of Assessments. Assessments for Common Expenses shall be determined and assessed against the Lots by the Board of Directors, in its discretion; subject to the limitations set forth in Sections 1 and 2 of this Article III, and the requirements of the By-Laws. Assessments for Common Expenses shall include annual assessments and may include special assessments. Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract for deed therefor, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association (or the Master Association to the extent such power to assess is delegated by the Association to the Master Association):

- (1) general annual assessments or charges;
- (2) a common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on the basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Lot.
- (3) assessments for master insurance premiums shall be assessed equally for all Lots. The cost of utilities may be assessed in proportion to usage.
- (4) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.
- (5) assessments levied to pay a judgment against the Association, which assessments may be levied only against the Lots existing at the time the judgment was entered, in proportion to their Common Expense liabilities.
- (6) assessments for fees, charges, late charges, fines and interest.

- (7) assessments for any damage to the Common Areas or another Lot caused by the act or omission of any Owner, the guests of an Owner or the occupant of any Lot, assessments for the costs of repairing the damage may be assessed exclusively against the Owner's Lot to the extent not covered by insurance.

If any installment of an assessment becomes more than sixty (60) days past due, then the Association may, upon ten (10) days prior written notice of the Owner, declare the entire amount of the assessment and late charges immediately due and payable in full.

The assessments, together with interest, costs and attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot 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 was the Owner of such property at the time when the assessment fell due and if more than one person was an Owner then such obligation shall be joint and several. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of the Owner's Lot. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. Recording of this Declaration constitutes record notice and perfection of any lien under this Section, and no further recordation of any notice of or claim for the lien is required, whether the lien is enforced by the Association or the Master Association pursuant to a delegation of power by the Association.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the purposes of the Association as set forth in Article IV.

Section 3. Limitation on Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to an Owner and the Owner's Lot shall be \$ 100.00 per Lot.

- (a) From after January 1 of the year immediately following the conveyance of the first Lot to an Owner and thereafter while Declarant is the Owner of any Lot, the maximum annual general assessment may not be increased by more than ten percent (10%) above the maximum annual general assessment for the previous year, without a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (b) The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto.

Section 4. Special Assessment for Capital Improvements. In addition to the annual general assessments, 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, (i) the cost of any construction, reconstruction, maintenance, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto; (ii) the cost of any foreseen or unbudgeted Common Expense; and (iii) general or specific reserves for maintenance, repair or replacement, 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.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of an annual meeting or not less than seven (7) days nor more than thirty (30) days in advance of a special meeting. At the first such meeting called, the presence of members or of proxies entitled to cast more than fifty percent (50%) 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 of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment; Alternative Assessment Program. Both general annual and special assessments on all Lots must be fixed at a uniform rate, except vacant Lots which shall be assessed at twenty-five percent (25%) of the established assessment rate except:

- (a) no assessments shall be made against any Lot which is a parcel of real estate which is not intended for separate ownership or occupancy.
- (b) any Lot owned by Declarant and which is not exempt from assessment by Section 6(a) shall be assessed at twenty-five percent (25%) of the established assessment rate, until such time as a certificate of occupancy is issued by the City of Maple Grove, Minnesota.
- (c) There are no assurances that this alternative assessment program will have no effect on the level of services for items set forth in the Association's budget.

Annual and/or special assessments may be collected on a monthly basis at the discretion of the Association.

Section 7. Date of Commencement of Assessments; Due Dates. The general annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance by Declarant of a Lot. Notwithstanding the foregoing to the contrary, any Lot owned by Declarant shall be assessed pursuant to the alternative assessment program set forth in Section 6 of this Article III.

The first general annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of such assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of such assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an authorized representative 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.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment to any Member not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of ten percent (10%) per annum. A lien for Common Expenses may be foreclosed against a Lot under the laws of the State of Minnesota by action, or by advertisement as a lien under a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot so acquired. The Owner and any other Person claiming an interest in

the Lot, by acceptance or assertion of any interest in the Lot, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any assessment or charge against a Lot.

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be prior to all other liens and encumbrances on an Lot except (i) liens and encumbrances recorded before this Declaration, (ii) the lien of any first mortgage on a Lot, and (iii) liens for real estate taxes and other governmental assessments or charges against a Lot. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Initiation Fee. Each initial purchaser of a Lot from Declarant shall pay to the Association an initiation fee in an amount equal to two (2) times the then estimated monthly common expense assessment against the Lot. Said payment is not a deposit or advance payment of assessments which the purchaser is otherwise required in the Declarations to pay to the Association, but is rather a payment to a working capital fund established by the Association for the initial months of its operations.

ARTICLE IV.

DUTIES OF ASSOCIATION

The Association shall provide for maintenance of the Common Areas and also the maintenance of Outlot A located within the plat of Hidden Meadows ("Outlot A"), as long as the City remains the owner thereof, including without limitation the following: Monument entry signage and lighting, landscaping, wetlands, trees, shrubs, grass, walks, irrigation systems and other improvements located on the Common Areas or Outlot A, excluding any trees, shrubs or other plantings installed by any Owner.

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

The Association shall provide for payment of any local real estate taxes assessed against the Common Areas. The Association shall enforce the covenants, conditions and restrictions set forth herein and any amendments hereto and any rules and regulations adopted by the Association. The Association shall cause the Common Areas to comply with all requirements of the wetland ordinance in effect from time to time. The Association may provide for trash removal services and a master or common policy of property insurance for all Lots within the Association.

The Association shall undertake, at its discretion, such further duties as determined by the Board of Directors.

ARTICLE V.

ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. There is hereby created an Architectural Control Committee ("ACC") which shall initially be composed of three (3) or more representatives

appointed by Declarant, until Declarant no longer owns any Lots, or until Declarant voluntarily relinquishes its right to appoint the ACC, whichever is earlier, and then thereafter, such appointment shall be made by the Board of Directors of the Association. A majority of the ACC may designate a representative to act for it. In the event of death or resignation of any member or members of the ACC, the remaining member or members shall have full authority to designate a successor or successors. Neither the members of the ACC nor its designated representatives shall be entitled to any compensation for services performed pursuant to this Declaration. Following termination of Declarant's control of the ACC, the Owners of a majority of all of the Lots affected by this Declaration shall have the power to change the membership of the ACC, eliminate the ACC or modify its powers and duties. Such action shall be effective only when evidenced by an instrument which has been executed by the Owners of the majority of the Lots and recorded in the Office of the County Recorder or Registrar of Titles, as applicable, in and for Hennepin County, Minnesota.

Section 2. Structures. No building, fence, wall, antenna, satellite dish or receptor (excluding satellite dishes or receptors with a diameter of less than twenty inches) or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural control committee ("ACC") composed of three (3) or more representatives appointed by Declarant, until Declarant no longer owns any Lots or December 31, 2017, whichever is earlier, and then thereafter, such appointments shall be made by the Board of Directors of the Association.

Section 3. Original Construction. A site plan, landscaping plan and plans and specifications for the construction of a Dwelling unit on any Lot shall be submitted to the ACC for its written approval before any construction activity is begun. No structure, fence, mailbox, wall or monument shall be erected, placed or altered on any Lot until the plans and specifications and a plan showing the location of the structure, elevators and finished grade levels have been approved as provided by the ACC, as to (i) quality and type of workmanship and materials, (ii) external design and harmony with any existing structure, and (iii) location with respect to topography and finished grade elevations. Accompanying such documentation shall be the name and address of the party to whom approval or disapproval is to be mailed. Approval or disapproval will be effective on the date of postmark when mailed by first-class mail, postage prepaid and addressed to the named party. Plans and specifications and site plans shall be deemed to have been received by the ACC when one or more of the ACC members or its designated representative acknowledges receipt of such documents in writing.

Section 4. Approval. The ACC's approval or disapproval shall be in writing, in the event the ACC fails to approve or disapprove the plans and specifications and site plans within thirty (30) days after the same have been submitted to it, approval will not be required and the restrictions, covenants and conditions set forth in this document shall be deemed to have been complied with.

Section 5. Standard of Review. The ACC may promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition, the following shall apply: the plans and specifications shall be reviewed as to quality of workmanship, design and harmony of external design with existing structures (including structures on other Lots), topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of the Owners' residence or to paint the interior of the Owners' residence any color desired.

Section 6. Procedure. If the ACC fails to approve or disapprove plans and specifications within thirty (30) days after the submission of the same to it, approval will be deemed to have been granted. In the event of disapproval by the ACC, the requesting Owner may give written notice that the Owner wishes to appeal the ACC decision and request a hearing by the Association's Board of Directors. Such notice must be furnished to the ACC within ten (30) days of its decision. The hearing shall be at a special meeting of the Board of Directors to be held within thirty (30) days of the receipt of the Owner's notice of appeal.

Section 7. Removal and Abatement. The ACC or the Association shall have the right to order an Owner to remove or alter any structure on any Lot erected in violation of the terms of this Declaration, and to employ appropriate judicial proceedings to compel the alteration or demolition of any non-conforming construction or other violation. Any cost incurred by the ACC shall be levied against such Lot as an assessment as provided herein.

Section 8. Variances. Reasonable variances to the covenants, conditions and restrictions may be granted by the ACC after review, in order to overcome practical difficulties or to prevent unnecessary hardship. A variance may only be granted if it is not detrimental to other property and shall not defeat the purpose of this Declaration.

Section 9. New Construction Covenants, Conditions and Restrictions. Without limiting the broad discretion granted to the ACC by this Article, the following additional covenants, conditions and restrictions shall apply to new construction, or reconstruction after demolition or casualty loss, of a Dwelling on the Lots:

- A. The ACC shall be entitled to review and approve all exterior siding and roofing materials to be used in the construction and the color(s) thereof.
- B. The ACC shall require that the minimum roof pitch on each Dwelling be six-twelfths (6/12) with a rise of six (6) feet in elevation for each twelve (12) feet of surface.
- C. Promptly upon completion of construction, but in no event later than six (6) months after commencement of construction, a hard-surface driveway and landscaping, including sodding of the Lot, shall have been installed.
- D. All utility meters located on the exterior of a Dwelling shall be concealed from view by landscaping or architecturally-treated to blend in with the Dwelling.
- E. During construction, all trash or debris shall be contained in approved containers to be located on each Lot during the period of construction. Soil fences shall be installed on each building site, and the front of each building site is to be swept or kept clean at the expense of the Lot Owner on an as-needed basis.
- F. Each Dwelling constructed on a Lot shall meet the following minimum square-footage requirements:
 - Single-story structures shall contain at least 1,650 square feet of finished and heated main floor living area, exclusive of areas included within open porches, breezeways, garages and basements.
 - Dwellings of two stories or more shall be constructed to contain at least 1,650 square feet of finished and heated living space; exclusive of areas included within breezeways, open porches, garages and basements.

G. The construction of all exterior components of any Dwelling must be completed within nine (9) months of commencement of construction.

H. No building shall be located on any Lot nearer to a front lot line, a rear lot line, an interior side lot line or a side street right-of-way line, if any, than the applicable City ordinance, shall allow. For purposes of this paragraph, eaves, steps, fireplaces, and open porches shall not be considered as part of a building; provided, however, that this statement shall not be construed to permit any eave, step, fireplace or open porch on a Lot to encroach upon another Lot.

I. No building shall exceed two stories in height.

ARTICLE VI.

ADDITIONAL RESTRICTIONS; RULES AND REGULATIONS

Section 1. Additional Restrictions

A. No Lot shall be used except for residential purposes, with improvements consisting of one (1) detached single-family Dwelling with one (1) attached private garage sufficient to store a minimum of two (2) motor vehicles, except that Declarant shall be entitled to maintain model homes and other sales facilities upon the Lots.

B. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one (1) square foot, one sign of not more than five (5) square feet advertising the property for sale, except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertising the Property until Declarant conveys the last Lot. This restriction shall not apply to permanent entrance monuments which may be approved by the City of Maple Grove and created by Declarant.

C. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes. Dog kennels are prohibited except when they meet the following requirements: exterior dog kennels or runs shall be located so as to be screened from streets and from neighboring Lots. The fencing or outside run area shall be adjacent to the Dwelling and shall not exceed eighty (80) square feet, in fenced area with a maximum six (6) foot high fence. Dog kennel plans shall be reviewed and approved by the ACC.

D. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage, rubbish and trash shall not be kept on said premises except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and screened from public view.

E. No noxious or offensive activity 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 Owner of any Lot.

F. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, fish house or other building shall be used on any Lot at any time as a residence, either

temporarily or permanently.

G. No trailers, boats, buses, motor homes, campers, snowmobiles or other types of recreational vehicles shall be parked on any Lot for more than 45 consecutive hours unless such vehicle is parked within a garage or storage shed located on such Lot; provided that the Board of Directors of the Association grant permits to park such vehicles on Lots for limited periods of time not to exceed fourteen (14) days in any twelve (12) - month period. No such vehicles shall be parked on any Common Area.

H. No aerial, antenna over 38 () feet in height, as measured from the point on the ground or on any structure to which the aerial, antenna or satellite dish is affixed, shall be permitted on any Lot. In no event shall such aerial, antenna or satellite dish extend above the roof of the Dwelling. Conventional television antennas should be mounted within the attic of the Dwelling. Any aerial, antenna or satellite dish over twenty (20) inches in diameter which is located outside the Dwelling shall be screened from view from streets and adjacent Lots. The ACC shall review and approve all plans and installation of such equipment outside a Dwelling.

I. No abandoned motor vehicle as defined in Minnesota Statutes Section 168B.02, subdivision 2, as amended from time to time, shall be permitted to remain upon the streets or driveways or on any Lot or parking area herein. The Association shall have the right to remove any such vehicle at any time, and assess the costs of such removal against the Lot which is owned or occupied by the person in control or possession of such vehicle.

J. All fencing or decorative walls shall meet the requirements of the City of Maple Grove and shall be approved by the ACC.

K. Neither the Association nor any Owner shall permit any truck with a gross weight in excess of 3/4 ton to operate or travel on a regular periodic basis upon any driveway or street which is not dedicated as a public street.

L. Except as herein permitted for Declarant, 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, except: (i) an Owner or occupant residing in a Lot may keep and maintain his or her business or professional records in such Lot and handle matters relating thereto by telephone or correspondence therefrom, provided that such uses are incidental to the residential use of the Lot; and (ii) the Association and the Master Association may maintain offices on the Property for management and related purposes.

M. No Lot may be leased for transient or hotel purposes. Any lease of any Lot shall be in writing which shall be expressly subject to these Declarations and any Rules and Regulations adopted by the Association and which provide that any violation of these Declarations and any Rules and Regulations shall be a default under the lease. No time shares shall be created with respect to any Lot.

Section 2. Rules and Regulations. The Association may adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation, Bylaws or these Declarations of the Association, as follows: (a) regulating the use of the Common Areas; (b) regulating the use of Lots and the conduct of living unit occupants, which may jeopardize the health, safety and welfare of other occupants, which involve noise or other disturbing activity, or which may damage the common elements or other living units; (c) regulating or prohibiting animals; (d) regulating changes in the appearance of the common elements and conduct which may damage the community; (e) regulating the exterior appearance of the community, including, by way of illustration and not

limitation, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a living unit; (f) implementing the Articles of Incorporation, Bylaws or Declarations of the Association; and (g) other rules facilitating the operation of the community. After notice and an opportunity to be heard, the Association may impose reasonable sanctions, including the levying of reasonable fines, for violations of the Declaration, Bylaws and Rules and Regulations of the Association.

ARTICLE VII.

EASEMENTS

Section 1. In addition to the easements, covenants, restrictions and conditions herein, all Lots shall be subject to easements and covenants hereinafter specifically described for the benefit of the Properties or for the limited benefit of specified adjoining Lots, all as more fully set forth hereinafter in this Article. Within such easements, no building, structure, planting, fill or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of any utilities or which may change the flow or drainage channels within the easements or which may obstruct, retard or change the flow of water through drainage easements. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for improvements which are the responsibility of a public authority or utility company.

Section 2. Utility Easements. Declarant has, or will by separate declaration, provide easements for utility purposes to and from all Lots in the Properties. The Association or its proper representatives shall have the right of free access to any Lot or living unit for the purpose of maintaining any utility service to any Lot on the Properties.

Section 3. Easements for Encroachment. In the event that any buildings or other structures originally constructed by Declarant or constructed or erected thereafter on any Lot in accordance with this document encroaches upon any other Lot, or, if any such encroachment shall hereafter arise because of settling or shifting of the building or other cause, an exclusive easement appurtenant to said encroaching Lot for such encroachment and the maintenance thereof shall exist.

Section 4. Easement for Maintenance. Declarant hereby grants an easement in favor of the Association over and across each Lot for the purposes of the Association performing its duties hereunder.

Section 5. Easements in Favor of the City.

Declarant has granted certain easements to the City of Maple Grove as set forth in the plat of Hidden Meadows, on file and of record in the office of the Hennepin County Recorder, including the following platted easement areas (collectively the "City Easements"):

1. The westerly platted easement through Lot 18, Block 1, Hidden Meadows
2. The southerly 10 foot platted easement through Lot 1, Block 5 Hidden Meadows;
3. The northerly 10 foot platted easement through Lot 2, Block 5, Hidden Meadows;

4. The southerly 10 foot platted easement through Lot 24, Block 5, Hidden Meadows; and
5. The northerly 10 foot platted easement through Lot 25, Block 5, Hidden Meadows.

No permanent easement landscaping, fencing or other structures shall be placed on or within the City Easements, which would obstruct use of the City Easements or access for the purpose of maintaining storm water treatment ponds.

ARTICLE VIII.

TRASH REMOVAL

Section 1. Master Contract. The Association may contract with a single provider for the removal and disposal of garbage, trash and other solid waste from all Lots in accordance with this Declaration. Each Owner shall be obligated to purchase such services from the provider designated by the Association upon the terms, conditions and rates negotiated by the Association.

Section 2. Charges. Any charges imposed by the provider designated by the Association shall be paid by the Association and shall be included in the general assessments to Owners. In the event that any Owner requests any services not included within the basic/general charges of the provider, the Owner, upon written demand by the Association, shall reimburse the Association for any charges for such services, plus all related costs, including interest, attorney fees and administrative charges of the Association, and if not paid by Owner, such charges shall be a lien against the Lot. Any charge, lien or claim pursuant to this Article shall not be subject to any maximum increase in general assessments.

ARTICLE IX.

INSURANCE AND RECONSTRUCTION

Section 1. Insurance. The Association shall procure and maintain the following insurance coverage:

- (a) Fidelity coverage against dishonest acts on the part of Directors, Managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The Fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times (1-1/2) the Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if said policy would not otherwise cover volunteers.
- (b) A comprehensive policy of public liability insurance covering the Common Property in an amount not less than one million and no/100 dollars (\$1,000,000.00). Such insurance shall contain a "severability of insurance" endorsement which shall preclude the insurer from denying the claim of the Owner because of negligent acts of the Association or other Owners. The policy shall include such additional coverages, endorsements or limits as may be required by regulations of the Federal Housing Administration, ("FHA"), or the Federal National Mortgage Association,

("FNMA"), as a precondition to their insuring, purchasing or financing a mortgage on a Lot.

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

Section 2. Deductibles. As to any deductibles under any insurance coverages obtained by the Association, the Board of Directors may:

- (a) pay the deductible as a general common expense;
- (b) assess the deductible against any Owner and the Owner's Lot if the loss was caused by the act or omission of the Owner, or the Owner's agents, employees, invitee, guests or any one occupying the Lot with the expressed or implied permission of the Owner.

ARTICLE X.

RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. Consent to Certain Amendments. The written consent of eligible mortgages representing at least fifty-one percent (51%) of the Lots that are subject to first mortgages held by Eligible Mortgagees, (based upon one vote per first mortgage owned), shall be required for any amendment to the Declaration, Articles of Incorporation or Bylaws of the Association which causes any change in the following: (a) voting rights; (b) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or priority of assessment liens; (c) reductions in reserves for maintenance, repair and replacement of Common Areas; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the Common Areas or right to their use; (f) redefinition of any Lot boundaries; (g) convertibility of Lots into Common Areas or vice versa; (h) expansion of the Property or the addition or withdrawal of property to or from the Property; (i) hazard or fidelity insurance requirements; (j) leasing of Lots; (k) imposition of any restrictions on the leasing of Lots; (l) restoration or repair of the Property, (after a hazard damages or partial condemnation) in a manner other than that specified in the Declaration; (m) any action to terminate the legal status of the community after substantial destruction or condemnation occurs; or (n) any provisions that expressly benefit mortgage holders, or insurers or guarantors of mortgages. Notwithstanding the foregoing, implied approval of a proposed amendment shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided that the notice was delivered by certified mail with a return receipt.

Section 2. Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven percent (67.0%) of the Lots that are subject to first mortgages, (based upon one vote per first mortgagee) shall be required to abandon or terminate the community.

Section 3. Consent to Subdivision. No Lot may be partitioned or subdivided without the prior written approval of the Owner Eligible Mortgagee thereof, and the Association.

Section 4. No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his or her Lot shall not be subject to any right of first refusal or similar restrictions.

Section 5. Priority of Lien. Any holder of a first mortgage on a Lot or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Lot by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Lot free of any claims for unpaid assessments or other charges or liens imposed against the Lot by the Association which have accrued against such Lot prior to acquisition of possession of the Lot by said first mortgage holder or purchaser; except that any unpaid assessments or charges with respect to the Lot may be reallocated among all Lots in accordance with their interests in Common Areas.

Section 6. Priority of Taxes and Other Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Lots and not the Property as a whole.

Section 7. Priority for Condemnation Awards. No provisions of the Declaration or the Articles of Incorporation or Bylaws of the Association shall give an Owner, or any other party, priority over any rights of the Eligible Mortgagee of the Lot pursuant to its mortgage in the case of a distribution to such Owner of condemnation awards for losses to or a taking of the Lot and/or the Common Areas. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the property promptly upon receipt of notice from the condemning authority.

Section 8. Management Agreements. The term of any agreement for professional management of the Property may not exceed two (2) years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party (i) with cause upon thirty (30) days prior written notice.

Section 9. Access to Books and Records. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. If a request is made by FNMA or any institutional guarantor or insurer of a mortgage loan against a Lot for an audit of the Association's financial statements, the Association shall cause an audit to be made and deliver a copy to the requesting party.

Section 10. Notice Requirements. Upon written request to the Association, identifying the names and address of the holder, insurer or guarantor of a mortgage on a Lot, and the Lot number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

- (a) a condemnation loss or any casualty loss which affects a material portion of the Property of the Unit securing the mortgage.
- (b) a 60-day delinquency in payment of assessments or charges owed by the Owner of a Lot on which it holds a mortgage.
- (c) a lapse, cancellation or material modification of any insurance policy maintained by the Association.
- (d) a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

ARTICLE XI.

MASTER ASSOCIATION

The Association is a member of the Master Association, a master association within the meaning of the Act.

- A. **Delegation.** The Master Association is hereby delegated the powers and duties to:
- (i) adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation and Bylaws of the Master Association relating to the use, repair, replacement and maintenance of the Open Space Area;
 - (ii) provide and contract for maintenance services and insurance coverages for the Master Association;
 - (iii) adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses relating to the open space areas from all Members of the Master Association and Owners of the Properties in the same manner as provided in this Declaration for the levy and collection of assessments by the Association, and invoke the remedies provided for herein for non-payment of such assessments;
 - (iv) hire and discharge managing agents and other employees, agents and independent contractors; provided, however, that any agreement for professional management of or provision of services to the development must, at a minimum, provide for termination by the Master Association, for cause upon thirty (30) days prior written notice and without penalty;
 - (v) institute, defend or intervene in litigation or administrative proceedings on behalf of itself or members of the Master Association affecting the Open Space Area;
 - (vi) make contracts and incur liabilities;
 - (vii) repair, replace, maintain, modify and cause improvements to be made to the Open Space Area;
 - (viii) acquire, hold, encumber and convey in its own name, any right, title or interest to real estate or personal property;
 - (ix) impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Rules and Regulations, Articles of Incorporation and Bylaws of the Master Association;
 - (x) impose reasonable charges for the review and preparation of resale certificates, statements of unpaid assessments and furnishing copies of the Master Association Records;
 - (xi) provide for the indemnification of the officers and directors of the Master

Association and maintain officers and directors liability insurance;

- (xii) such additional powers described in the Act which may necessary or incidental to the exercise of any delegated powers.

B. In addition to the powers and duties delegated to the Master Association in this Article XI.A, the Board of Directors of the Association may delegate additional powers to the Master Association not inconsistent with this Declaration, the Articles of Incorporation and Bylaws of this Association, the Articles of Incorporation and Bylaws of the Master Association, or the Act.

C. The powers delegated to the Master Association shall be exercised by the Master Association in a manner which is uniform and consistent with the exercise of all similar powers delegated to the Master Association.

D. Upon the expiration of a control period as defined in Minn. Stat. § 515B.2-212(g), the Board of Directors of the Master Association shall be elected by the Members of the Master Association.

E. Upon resale of a Lot by an Owner, the Owner shall provide the prospective purchaser prior to execution of the purchase agreement or otherwise prior to the conveyance, a copy of this Declaration, the articles of incorporation and bylaws of the Association, any rules and regulations, the organizational and operating documents relating to the Master Association, any amendments to the foregoing, and a disclosure statement as required by Minn. Stat. §515B.4-107.

ARTICLE XII.

RIGHTS OF THE CITY OF MAPLE GROVE

In the event that the Association fails to maintain the Common Areas or Outlot A in accordance with the applicable rules and regulations of the City of Maple Grove, fails to pay real estate taxes or special assessments, if any, on the Common Areas as they become due, and the City of Maple Grove incurs any expenses necessary to enforce its rules and regulations with respect to the Common Areas or Outlot A, which expenses are not immediately reimbursed by the Association, then the City of Maple Grove shall have the right to assess the Common Areas for such expenses. In addition, should the Common Areas fail to comply with all requirements of the wetland ordinance of the City of Maple Grove in effect from time to time, and such failure shall continue for ten (10) days after written notice thereof from the City of Maple Grove, the City shall be authorized to take such action as is reasonably necessary to cause such compliance and to assess the costs incurred by the City of Maple Grove therefor to the Common Areas. Such assessments, together with interest thereon and costs of collection, shall be a lien on the Common Areas against which each such assessment is made. If the City of Maple Grove so assesses the Common Areas, then the Association shall levy a special assessment pursuant to Article III hereof against the Lots to defray the total amount of the City assessment. Said special assessment need not have the consent of the Owners or the Board of Directors.

ARTICLE XIII.

RIGHTS TO ADD ADDITIONAL REAL ESTATE

Declarant hereby expressly reserves the right to add Additional Real Estate to the Property, by unilateral action, subject to the following conditions:

Section 1. The right of Declarant to add the Additional Real Estate to the Property shall terminate ten (10) years after the date of recording of this Declaration or upon earlier express written withdrawal of such right by Declarant or a successor Declarant, unless extended by a vote of the Owners. There are no other limitations of Declarant's rights hereunder, except as may be imposed by law.

Section 2. The Additional Real Estate is described in Exhibit B. The Additional Real Estate may be added to the Property in parcels consisting of one or more platted lots or portions thereof, by recording an amendment to this Declaration and identifying the platted lot or lots to be added to the Property. Notice of Declarant's intention to add the Additional Real Estate to the Property shall be given, with a copy of the proposed amendment, to each Lot Owner at least fifteen (15) days prior to recording the amendment. Following delivery of said notice of intention, the amendment shall not be changed so as to materially and adversely affect the rights of Lot Owners or the Association.

Section 3. There are no assurances as to the times at which all or any part of the Additional Real Estate will be added to the Property, the order in which it will be added, the number of lots per phase nor the size of the parcels. Declarant is under no obligation to add the Additional Real Estate to the Property, and the Additional Real Estate may be developed by Declarant or its successors in interest for other purposes, subject only to approval by the appropriate governmental authorities.

Section 4. All covenants and restrictions contained in this Declaration affecting the use, occupancy and alienation of Lots shall apply to all Lots created on the Additional Real Estate.

Section 5. The statements made in Sections 1 through 4 above shall not apply to any Additional Real Estate which is not added to the Property.

ARTICLE IX.

GENERAL PROVISIONS

Section 1. **Enforcement.** The Association, or any Owner shall have the right to enforce, by any proceeding by law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. 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.

Section 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.

Section 3. **Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land and shall be perpetual. This Declaration may be amended by an instrument signed by the Owners representing Lots to which not less than sixty-seven percent (67%) of votes have been

allocated. Any amendment must be recorded.

Section 4. Annexation. Additional residential or commercial property and Common Areas may be annexed to the property with the consent of Declarant or three-quarters (3/4) of each class of members.

Section 5. Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

Section 6. Conflicts Among Documents. In the event of any conflict among the provisions of the Declaration, the Bylaws of the Association or any Rules and Regulations adopted by the Association, the documents shall control in the following order of priority: (i) the Declaration, (ii) the Bylaws and (iii) the Rules and Regulations.

Section 7. Affordable Housing Units. As a condition to approval of the final plat of Hidden Meadows, the City of Maple Grove has required that the Developer agree to construct, and the Developer intends to construct, on Outlots M and N of the plat of Hidden Meadows at least sixteen units of "affordable housing," as that term is used in Minnesota Statutes, Section 473.254.

THE RYLAND GROUP, INC.,
a Maryland corporation

By Wayne J. Soojian
Its VICE PRESIDENT

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss.

The foregoing instrument was acknowledged before me this 3rd day of June, 1997, by Wayne J. Soojian a Vice President of THE RYLAND GROUP, INC., a Maryland corporation, on behalf of said corporation.

Tracey M. Alto
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Winthrop & Weinstine, P.A.
3000 Dain Bosworth Plaza
60 South Sixth Street
Minneapolis, MN 55402



MPL1: 112787-3 (7837-1)

EXHIBIT A TO DECLARATION

HIDDEN MEADOWS

Legal Description of the Property

Lots 1 through 18, inclusive, Block 1, Lots 1 through 9, inclusive, Block 2, Lots 1 through 5, inclusive, Block 3, Lots 1 through 6, inclusive, Block 4, Lots 1 through 27, inclusive, Block 5, Lots 1 through 10, inclusive, Block 6, Hidden Meadows, according to the recorded plat thereof on file and of record in the Office of the County Recorder in and for Hennepin County, Minnesota.

together with an undivided one-half (1/2) interest in:

Outlots B, I, K, and L, Hidden Meadows, according to the recorded plat thereof on file and of record in the Office of the County Recorder in and for Hennepin County, Minnesota.

MPL1:112787-3/7837-1

EXHIBIT B TO DECLARATION

HIDDEN MEADOWS

Legal Description of Additional Real Estate

Outlots F, G and H, Hidden Meadows, according to the recorded plat thereof on file and of record in the Office of the County Recorder in and for Hennepin County, Minnesota.

MPL1: 112787-3/7837-1

1996
AND PRIOR TAXES PAID
TAXPAYER SERVICES
TRANSFER ENTERED
JUN 4 1997
HENNEPIN COUNTY MINN.
DEPUTY

30
10

6743006

9JUN97 10:34 06743006 SDD \$4.50
9JUN97 10:34 06743006 DDC \$20.00

OFFICE OF COUNTY RECORDER
HENNEPIN COUNTY, MINNESOTA

CERTIFIED FILED AND OR
RECORDED ON

97 JUN -9 AM 10: 30

AS DOCUMENT # **6743006**
RECORDED BY RECORDER

BY *[Signature]* DEPUTY

[Faint, illegible text]

20

6743006