

ARTICLE I
DEFINITIONS

Section 1 **"Association"** shall mean and refer to Shadowbrook Homeowners Association. Said Association has been incorporated under Chapter 317A of Minnesota Statutes.

Section 2 **"Property"** shall mean and refer to all the real property submitted to this Declaration, including the Buildings and all other structures and improvements located thereon now or in the future. The Property as of the date of this Declaration is legally described as follows:

Lots 1 through 9 Block 1; Lots 1 through 16 Block 2; Lots 1 through 10, Block 3; Lots 1 through 4, Block 4; Lots 1 through 12; Block 5; Lots 1 through 28 Block 6; and Lots 1 through 15, Block 7, SHADOWBROOK

Section 3 **"Board"** shall mean the Board of Directors of the Association as provided in the By-Laws.

Section 4 **"By-Laws"** shall mean the By-Laws governing the operation of the Association as amended from time to time.

Section 5 **"Common Improvements"** The community shall have Common Improvements.

Section 7 **"Owner"** shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation. In the event there is an outstanding contract for deed for the purchase of a Lot "Owner" shall refer to the person, whether one or more, or entities who are the contract purchasers in said contract for deed and not the holder of fee simple title. If there exists more than one outstanding contract for deed for the purchase of a Lot, "Owner" shall mean and refer to that person or entity who appears as purchaser in the last contract for deed entered into. "Owner" shall also include any person holding a life estate in any Lot.

Section 8 **"Declarant"** shall mean and refer to Premier Development of MN, Inc., a Minnesota corporation, and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 9 **"Declaration"** shall mean and refer to this Declaration applicable to the properties recorded in the office of the County Recorder, Hennepin County, Minnesota.

Section 10 **"Member"** shall mean and refer to those persons entitled to membership as provided in this Declaration and the Articles.

Section 11 "Building" shall mean and refer to a part of a structure consisting of one or more floors designed and intended for occupancy as a single family residence and located within the boundaries of a Lot. If the building is a rambler style home, it shall have a minimum of 1,800 sq. ft. of living area on the main floor. If the building is a two-story home, it must have a minimum of 2,250 sq. ft. of living area. If the building is a split-entry or multi-level home, it must have a minimum of 1,900 sq. ft. of living area and must meet architectural approval.

No building shall be erected, altered, placed or permitted to remain on any building lot except for one detached dwelling with attached private garage of at least three (3) cars (required at a minimum).

In addition to the building constructed as a single-family residence, the owner may construct one (1) additional detached building which shall not exceed 1,000 sq. ft. in area and must be at least six (6) feet from the dwelling. The detached building may not be constructed of steel or aluminum building materials. A building permit must be obtained from Brooklyn Park. Said detached building may not be used as a garage.

Detached garages are not permitted.

Section 12 "Eligible Mortgagee" shall mean and refer to any person owning a mortgage on any Lot which mortgage is first in priority upon foreclosure to all other mortgages that encumber such unit, and which has requested the Association, in writing, to notify it regarding any proposed actions which requires approval by a specified percentage of the Eligible Mortgagees.

Section 13 "Occupants" shall mean and refer to any person or persons other than an Owner in possession of or residing on a Lot.

Section 14 "Plat" shall mean and refer to the recorded plat known as SHADOWBROOK.

Section 15 "Rules and Regulations" shall mean and refer to the Rules and Regulations of the Association as approved from time to time pursuant to Article XII hereof.

Any terms used in the governing documents, and defined in the Act and not in this Article shall have the meaning set forth in the Act.

ARTICLE II **MEMBERSHIP AND VOTING RIGHTS** **IN THE ASSOCIATION**

Section 1 Membership. Each Owner of a Lot which is subject to assessment by the Association shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of such Lot, and shall be transferred with the conveyance of the Owners interest in the Lot.

Section 2 Voting Rights. Each Owner shall have one vote for each Lot owned. When more than one person owns any Lot, all such persons shall be members. If more than one person owns a Lot, the vote for such Lot shall be exercised pursuant to a written proxy signed by all persons owning an interest in said Lot assigning the vote for said Lot to one person, which proxy shall be effective until it is revoked by a writing filed with the Secretary of the Association. In no event shall more than one vote be cast with respect to any Lot.

Section 3 Classes. The Association shall have two classes of voting membership:

Class A. Class A members 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 any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the 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 either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on December 31, 2004.

ARTICLE III **THE COMMON IMPROVEMENTS**

Section 1 Common Improvements The common improvements consist of a monument described in Section 3 of Article V of this Declaration.

Section 2 Association Rights and Duties. The Association, subject to the rights of the owners set forth in this Declaration, shall be responsible for the exclusive management, control, repair and maintenance of the common improvements. For the purpose of preserving the architectural character, quality and uniform high standards for appearance of the property, the Association shall (i) provide for maintenance of all personal property located on the common elements, and (ii) create a committee for the purpose of approving all exterior modifications and additions to a building pursuant to the terms more fully set out in Article VII of this Declaration, and (iii) provide for the maintenance, repair and replacement of all entrance monuments.

Section 3 Services The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for proper

operation whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the properties or the enforcement of this Declaration. The Association may arrange trash collection, and other common services to Owners.

Section 4 Personal Property for Common Use. The Association may acquire and hold for the beneficial use and enjoyment of all of the Owners, tangible and intangible personal property, and may dispose of the same by sale or otherwise.

ARTICLE IV **COVENANTS FOR ANNUAL ASSESSMENTS** **AND SPECIAL ASSESSMENTS**

Section 1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it within the properties, hereby covenants, and each Owner of any Lot subject to this Declaration by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be and hereby is deemed to covenant and agrees to pay the Association: (a) annual assessments or charges; (b) special assessments, and (c) insurance assessments to be fixed, levied, established and collected from time to time as hereinafter provided. The annual, special, and insurance assessments, together with fees, charges, late charges, fines, interest imposed by the Association, costs of collection thereof and reasonable attorney's fees, shall be a charge on each such Lot and shall be a continuing lien on each such Lot against which such assessment is made. Each such assessment, together with interest thereon, costs of collection thereof and reasonable attorney's fees, shall be a personal obligation of the person or legal entity who was the Owner of each such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successor in title to the Lot against which such assessment was made unless expressly assumed by such successor. Filing of this Declaration constitutes record notice and perfection of any lien under this Article, and no further filing of any notice of or claim for the lien is required.

Section 2 Purpose of Assessments. The assessments for Common Expenses levied by the Association shall be used exclusively for the purposes of promoting the pleasure, health, safety and welfare of the residents of the properties and, in particular, for the maintenance of the property, services and facilities devoted to this purpose and related to the use and enjoyment of the improvements erected upon each Lot. An adequate reserve fund shall be maintained for maintenance, repairs and replacement of the Elements of the properties which must be maintained, repaired or replaced by the Association on a periodic basis, including, without limitation, roofs, exterior wall surfaces and driveways.

Section 3 Basis of Annual Assessments Annual assessments shall be levied on the basis of number of Lots assuming one building per Lot.

Section 4 Maximum Annual Assessments. Until December 31, 2004, the maximum annual assessment shall be \$15.00 Dollars per Lot. From and after December 31, 2003, the maximum annual assessment may be increased each year by the greater of six percent (6%) or the percentage increase during the previous 12 month period (as measured from the date on which the Board of Directors fixes such annual assessment pursuant to Section 7 hereof) in the Consumer Price Index. "All Urban Consumers", published for the Minneapolis/St. Paul metropolitan area by the U.S. Department of Commerce, Bureau of Labor Statistics ("CPI") or such other index as may be published in the future by the Federal Government as replacement for the CPI, provided, however, that such maximum annual assessment may be increased above the amount of any such increase on the CPI by a vote of members holding two-thirds (2/3) of the votes in each class of voting membership who are voting in person, by proxy, or by mail at a meeting duly called for that purpose. The Board of Directors may fix the annual assessment at any amount not in excess of the maximum. No Lot shall be assessed until an occupancy permit has been issued on said Lot. Said reduction shall not apply to any assessment or portion of assessment allocated for replacement reserves for maintenance, repair, or replacement of Common Improvements which the Association is obligated to maintain. This reduced assessment shall apply to each Lot owned by Declarant at the time that the Lot is created, and shall continue until the issuance of the certificate of occupancy as previously described. 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.

Section 5 Special Assessments In addition to the annual assessment authorized above and insurance authorized below, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of maintaining the properties which are to be maintained by the Association; provided, however, that any such assessment shall have the assent by a vote of members holding two-thirds (2/3) of the voting membership who are voting in person, by proxy or by mail at a meeting duly called for this purpose.

Section 6 Notice and Quorum Requirements for Any Action Authorized Under Section 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 of this Article IV shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting, excluding the day of the meeting. At any such meeting called, the presence of members, of proxies, and of mailed ballots of members entitled to cast sixty percent (60%) of all of 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 requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

Section 7 Uniform Rate. As applied to each Lot, annual assessments, insurance assessments, and special assessments must be fixed at a uniform rate for all Lots. Any assessment or portion thereof benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted, on the basis of (i) equality, or (ii) the actual cost incurred with respect to each Lot. If Common Expense liabilities are reallocated for any purpose authorized by the Act, Common Expense assessments and any installment thereof not yet due shall be

recalculated in accordance with the reallocated Common Expense liabilities.

Section 8 Commencement of Assessments. The assessments provided for herein shall commence upon the execution and filing of this Declaration.

Section 9 Duties of Board of Directors At least thirty (30) days in advance of each annual assessment period, the Association's Board of Directors shall fix the amount of the annual assessment against each Lot, establish due dates for such assessment, and send written notice of such annual assessments and due dates thereof to every Owner subject thereto. At this time, the Board of Directors shall also prepare a roster of the Lots and all assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by all Owners. The annual assessment period shall commence on January 1st and run to December 31st of the next succeeding year.

The Board of Directors shall also fix the due date of any special assessment to be levied against each Lot in any assessment year. The Board shall send written notice of such special assessments and the due dates thereof to every Owner subject thereto within thirty (30) days after the Owners have approved such special assessment pursuant to Section 5 of this Article IV.

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 issuance.

Section 10 Effect of Non-Payment of Assessment. If the assessments are not paid on the date when due, then such assessments shall become delinquent and shall, together with interest thereon, all reasonable attorney's fees incurred, and costs of collection hereinafter provided, become a continuing lien on the Lot. Said lien on the Lot may be enforced and foreclosed by action at law in the same manner as a mortgage. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest at the highest rate permitted by the Minnesota Law for mortgages on a single family Residential property in force on the due date of the assessment from the due date, and the Association may bring an action at law or a suit in equity against the Owner personally obligated to pay the same, or may foreclose the lien against the Lot pursuant to Minnesota Statutes Chapter 580 and 581. There shall also be added to the amount of such assessment the cost of preparing and filing the Complaint in such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, and reasonable attorney's fees to be fixed by the Court, together with other costs of the action. Fees, charges, late charges, fines and interest may be assessed as provided for in this Declaration.

No Owner may waive or otherwise avoid liability for the assessments provided for herein by abandonment of his or her Lot.

Section 11 Subordination of Lien to First Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien held by any First Mortgagee now or hereafter placed upon a Lot subject to assessments; provided, however, that such subordination shall apply

