

COMMON INTEREST COMMUNITY NO. 103 A
Planned Community

SCANDIA SHORES
DECLARATION

This Declaration is made in the County of St. Louis, State of Minnesota, on this __day of _____, 2006, by Bruhn-Leone, LLC, a Minnesota limited liability company, d/b/a Minnesota Shores Land Company (the "Declarant"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating a planned Community under the Act.

WHEREAS, Declarant is the owner of certain real property located in St. Louis County, Minnesota, legally described in Exhibit A attached hereto, and Declarant desires to submit said real property and all improvements thereon (collectively the "Property") to the Act as a planned community, and

WHEREAS, Declarant desires to establish on the Property, a common interest community to be owned, occupied and operated for the use, health, safety and welfare of its Owners and Occupants, and for the purpose of insuring the best use and the most appropriate development and improvement of the Property; to protect Owners of Lots against such use of the Property that will detract from the value of their Lots; to preserve, so far as practicable, the natural beauty and resources of the Property; to encourage and secure the construction of attractive structures on the Lots in appropriate locations on each Lot; to secure and maintain proper setbacks from the roads, Lot lines and waters; in general, to provide adequately for a high quality improvement of the Property; to preserve and enhance the value of investments made by purchasers of the Property, while preserving and protecting the natural resources of the Property; and to minimize and avoid undesirable environmental impacts, and

WHEREAS, the Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act, governing conversions to common interest ownership, and is not subject to a master association as defined in the Act.

THEREFORE, Declarant makes this Declaration and submits the Property to the Act as a planned Community under the name "Scandia Shores" declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.1 "Act" shall mean the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended.

1.2 "Applicable Laws" shall mean all ordinances, statues, laws and regulations of any unit of government or agency thereof having jurisdiction over the Property.

1.3 "Association" shall mean the Scandia Shores Owners' Association, Inc., a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the state of Minnesota and Section 515B.3-1 01 of the Act, whose members consist of all Owners.

1.4 "Board" shall mean the Board of Directors of the Association as provided for in the Bylaws.

1.5 "Bylaws" shall mean the Bylaws governing the operation of the Association, as amended from time to time.

1.6 "Common Elements" shall mean all parts of the Property except the Lots.

1.7 "CommonExpenses" shall mean and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including Assessments and items otherwise identified as Common Expenses in the Declaration or Bylaws, e.g. road maintenance.

1.8 "Governing Documents" shall mean this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.9 "Lot" shall mean any planed Jot subject to this Declaration, as shown on the Plat, including all improvements thereon, but excluding the Common Elements. The words "Lot" and "Unit" may be used interchangeably in the Governing Documents.

1.10 "Member" shall mean all persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

1.11 "Occupant" shall mean any person or persons, other than an Owner, in possession of or residing on a Lot.

1.12 "Owner" shall mean a Person who owns a Lot, but excluding contract for deed vendors, mortgagees and other secured parties within the meaning of Section 515B.1

103(29) of the Act. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.

1.13 "Person" shall mean a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.

I. 14 "Plat" shall mean the recorded plat of Scandia Shores, including any amended or supplemental Plat recorded from time to time in accordance with the Act.

1.15 "Property" shall mean all of the real property submitted to this Declaration, including the all improvements located thereon. The Property is legally described in Exhibit A attached hereto.

1. 16 "Rules and Regulations" shall mean the Rules and Regulations of the Association as approved from time to time pursuant to Section 5, if any.

I. 17 "Unit" shall mean a Lot, as defined herein.

Any terms used in the Governing Documents, and defined in the Act and not in this Section, shall have the meaning set forth in the Act.

SECTION 2

DESCRIPTION OF LOTS, BOUNDARIES AND RELATED EASEMENTS

2.1 Lots. There are fifteen (15) Lots. All Lots are restricted to residential use. Each Lot constitutes a separate parcel of real estate. No additional Lots may be created by the subdivision or conversion of Lots pursuant to Section 51 5B.2-1 12 of the Act. The locations of the Lots are as shown on the Plat, which is incorporated herein by reference. The Lot identifier for a Lot shall be its lot and block number and the subdivision name.

2.2 Lot Boundaries. The front, rear and side boundaries of each Lot shall be the boundary lines of the platted lot as shown on the Plat. The Lots shall have no upper or lower boundaries.

2.3 Access Easements. Each Lot shall be the beneficiary of a perpetual appurtenant easement for access on or across those portions of the Common Elements improved for use as roads, including Stockholm Way, Oslo Circle and Norsk Lane, as shown on the Plat, subject to any restrictions set forth in the Governing Documents or the Rules and Regulations. Each Lot is the beneficiary of a non-exclusive perpetual appurtenant easement for access to a public road, on or across the roadways known as Norsk Lane and Little Coyote Road, and that part of the Drummond Grade from Little Coyote Road to Lake County, pursuant to separate recorded easements as follows:

A 40-foot easement from the Drummond Grade to the Property over and across a portion of the NW1/4 of the SW1/4 of Section Thirty-Six (36), Township Fifty-Five (55), Range Twelve (12), St. Louis County, Minnesota, as further described in Document No. 1021030.

An easement for ingress and egress over that portion of the existing access road crossing Government Lot 2, Section Two (2), Township Fifty-Four (54), Range Twelve (12), St. Louis County, Minnesota, as further described in Document Nos. 707927,707928, and 702739.

An easement 33 feet on either side of the Center line of the abandoned OM & IRRailway Right-of-Way (Drummond Road) across the following described parcels: The NW 1/4 of the NW1/4, the NE1/4 of the NW1/4, the SE 1/4 of the NW1/4, the SW 1/4 of the NE1/4, the SE1/4 of the NE1/4, and the NE1/4 of the SE1/4, all in Section 1, Township 54, Range 12, St. Louis County, Minnesota; AND The NW 1/4 of the SW1/4 and the SW1/4 of the SW1/4, all in Section 36, Township 55, Range 12, St. Louis County, Minnesota, as further described in Document No. 998785.

A 66-foot permanent non-exclusive road right-of-way easement over certain tax forfeited lands owned by the State of Minnesota, situated in the County of St. Louis, and administered by the County of St. Louis, dated October 21, 2005, recorded November 15,2005, as Document No. 1001239.

A 66-foot wide road easement for ingress and egress across the Southwest Quarter of the Southwest Quarter of Section 36, Township 55 North, Range 12 West of the Fourth Principal Meridian, St. Louis County, Minnesota, as further described in Document Nos. 1005736 and 1012437. The Association is referred to as "Coyote Lake Road Association" in said Document No. 1012437, under which the Association agrees to maintain the road and assumes the cost of road maintenance.

2.4 Use and Enjoyment Easements. Each Lot shall be the beneficiary of perpetual appurtenant easements for use and enjoyment on and across the Common Elements, including Outlot A, Stockholm Way, Oslo Circle and Norsk Lane, subject to any restrictions authorized by the Governing Documents.

2.5 Utility Easements. Each Lot shall be subject to and shall be the beneficiary of perpetual appurtenant easements for all utilities servicing the Lots and the Common Elements, including but not limited to water and sewer, electricity, telephone, cable television and gas, and for maintenance, repair and replacement as described in Section II.

2.6 Recorded Easements. The Property shall be subject to such other easements as may be recorded against it or otherwise shown on the Plat.

2.7 Easements are Appurtenant. All easements and similar rights burdening or benefiting a Lot or any other part of the Property shall run with the land, and shall be permanent, subject only to termination in accordance with the Act or the terms of the easement. Any recorded easement benefiting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration.

2.8 No Lake Access from Backlots. Lot 14 and Lot 15 and no real property located outside the Plat shall have the benefit of access to Little Coyote Lake or King Lake over and across any part of the Property. Neither the Declarant, the Association, nor the Owner of any other Lot shall grant or convey such lake access to Lot 14 or Lot 15 or any other real property located outside

the Plat. Notwithstanding any provisions of Section 13 to the contrary, the foregoing provisions of this Section 2.8 shall not be amended by the Declarant, by written agreement of the Owners, or by the Association, without the written consent of the Director of the St. Louis County Planning Department.

SECTION 3

COMMON ELEMENTS

3.1 Common Elements. The Common Elements and their characteristics are as follows:

All of the Property except the Lots and all improvements on the Lots are Common Elements. The Common Elements include Outlot A, Stockholm Way, Oslo Circle and Norsk Lane. The Common Elements are owned by the Association for the benefit of the Owners and Occupants.

The Common Elements shall be subject to (i) the easements referred to in the Declaration; and (ii) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property.

Except as otherwise expressly provided in the Governing Documents, all maintenance, repair, replacement, management and operation of the Common Elements, shall be the responsibility of the Association.

Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 6.

No structures are permitted on Outlot A.

SECTION 4

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Lot of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.1 Membership. Each Owner shall be a member of the Association by virtue of Lot ownership, and the membership shall be transferred with the conveyance of the Owner's interest in the Lot. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Lot, all such Persons shall be members of the Association, but multiple ownership of a Lot shall not increase the voting rights allocated to such Lot nor authorize the division of the voting rights.

4.2 Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Lots, subject to Sections 6.4.

4.3 Appurtenant Rights and Obligations. The ownership of a Lot shall include the voting rights and Common Expense obligations described in Section 4.2. Said rights, obligations and interests, and the title to the Lots, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Lot, separate from the title to the Lot shall be void.

4.4 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner and who need not be an Owner, may cast the vote allocated to such Lot at meetings of the Association. However, if there are multiple Owners of a Lot, only the Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in the Bylaws.

SECTION 5

ADMINISTRATION

The administration and operation of the Association and the Property, including but not limited to the acts required of the Association, shall be governed by the following provisions:

5.1 General. The operation and administration of the Association and the Property shall be governed by the Governing Documents, the Rules and Regulations, and the Act. The Association shall, subject to the rights of the Owners set forth in the Governing Documents and the Act, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents, the Act and the statute under which the Association is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board unless specifically stated to the contrary.

5.2 Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations, (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible and (iii) preserving and protecting the natura] environment and the value, quality and original character of the Property.

5.3 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties as defined in the Act.

5.4 Bylaws. The Association shall have Bylaws. The Bylaws shall govern the operation and administration of the Association, and shall be binding on all Owners and Occupants.

5.5 Management. The Board may delegate to a manager or managing agent the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and Bylaws.

5.6 Rules and Regulations. The Board shall have exclusive authority to approve and implement such reasonable Rules and Regulations as it deems necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property; provided that the Rules and Regulations shall not be inconsistent with the Governing Documents or the Act. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules and Regulations shall be effective only after reasonable notice thereof has been given to the Owners.

5.7 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future assessments or added to reserves, as detelllined by the Board.

SECTION 6

ASSESSMENTS

6.1 General. Assessments shall be determined and assessed against the Lots by the Board, in its discretion; subject to the requirements and procedures set forth in this Section 6, and the requirements of the Bylaws. Assessments shall include annual Assessments under Section 6.2, and may include special Assessments under Section 6.3 and limited allocation Assessments under Section 6.4. Annual and special Assessments shall be allocated among the Lots equally, in accordance with the allocation formula set forth in Section 4.2. Limited allocation Assessments under Section 6.4 shall be allocated to Lots as set forth in that Section.

6.2 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each annual Assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared equally by all Lots in accordance with the allocation set forth in Section 4.2. Annual Assessments shall be payable in equal monthly installments. Annual Assessments shall provide for, among other things, the maintenance, repair and replacement of the roads throughout the Property and from the Property to the Drummond Grade. Annual Assessments shall also provide for an adequate reserve fund for the maintenance, repair and replacement of the Common Elements.

6.3 Special Assessments. In addition to annual Assessments, and subject to the limitations set forth hereafter, the Board may levy in any Assessment year a special Assessment against all Lots equally in accordance with the allocation formula set forth in Section 4.2. Special assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Common Expense.

6.4 Limited Allocation Assessments. In addition to annual Assessments and special Assessments, the Board may, at its discretion, levy and allocate limited allocation Assessments among only certain Lots in accordance with the following requirements and procedures:

- a. Any Assessment or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lot or Lots benefited.
- b. Reasonable attorneys' fees and other costs incurred by the Association in connection with (i) the collection of Assessments and (ii) the enforcement of the Governing Documents, the Act, or the Rules and Regulations, against an Owner or Occupant or their guests, may be assessed against the Owner's Lot.
- c. Late charges, fines and interest may be assessed as provided in Section 12.
- d. If any damage to the Common Elements or another Lot 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 Lot to the extent not covered by insurance.

6.5 Liability of Owner. (i) Assessments which the Owner acquires title to the Lot, or (ii) the due date of the first Assessment levied by the Board. The Owner at the time an Assessment is payable with respect to the Lot shall be personally liable for the share of the Common Expenses assessed against such Lot. Such liability shall be joint and several where there are multiple Owners of the Lot. The liability is absolute and unconditional. No Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Lot, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act. The Association may invoke the charges, sanctions and remedies set forth in Section 12, in addition to any remedies provided elsewhere in the Governing Documents, the Rules and Regulations, or Bylaws, for the purpose of enforcing its rights hereunder.

6.6 Assessment Lien. The Association has a lien on a Lot for any Assessment levied against that Lot from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-1 02(a)(1 0), (11) and (12) of the Act are liens, and are enforceable as Assessments, under this Section 6. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 6, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

6.7 Foreclosure of Lien; Remedies. A lien for Assessments may be foreclosed against a Lot under the laws of the state of Minnesota (i) by action, or (ii) by advertisement in a like manner as 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 the 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 to its other remedies, 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 the Lot.

6.8 Lien Priority; Foreclosure. A lien for Assessments is prior to all other liens and encumbrances on a Lot except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage encumbering the fee simple interest in the Lot, and (iii) liens for real estate taxes and other governmental Assessments or charges against the Lot. Notwithstanding the foregoing, if (1) a first mortgage on a Lot is foreclosed, (2) the first mortgage was recorded on or after the date of recording of this Declaration, and (3) no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Lot subject to unpaid Assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (e)(1) to (3), (f), and

(i) of the Act which became due, without acceleration, during the six (6) months immediately preceding the first day following the end of the Owner's period of redemption.

6.9 Voluntary Conveyances, Statement of Assessments. In a voluntary conveyance of a Lot, the buyer shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Lot prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Lot until released. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Lot, including all Assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and buyer.

SECTION 7

USE RESTRICTIONS

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

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

7.2 Applicable Laws. Applicable Laws shall bind the Property even if they are more restrictive than the requirements of this Declaration. In the event of a conflict between the provisions and restrictions set forth herein and the provisions of the Applicable Laws governing use of the Property, the more restrictive provision shall apply. All Owners and Occupants, including

their families and guests, and secured parties, must comply with the Applicable Laws of St. Louis County and the Minnesota Department of Natural Resources, including but not limited to zoning, wetland impact and public water work rules. More information about mitigation measures to minimize and avoid environmental impacts is available from the St. Louis County Planning Department and the Minnesota Department of Natural Resources.

7.3 Subdivision Prohibited. No Lot, nor any part of the Common Elements, may be subdivided or partitioned.

7.4 Residential Use. The Lots shall be used by Owners and Occupants and their guests, exclusively as private, single family residential dwellings, as provided in Section 7.6. The residential use may be permanent, seasonal or recreational. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Lot or the Common Elements, except an Owner or Occupant residing on a Lot may maintain a home occupation in such Lot and handle matters relating to such home occupation by telecommunications or correspondence therefrom; provided, that such uses are incidental to the residential use; are in compliance with all governmental laws, ordinances and regulations; and do not involve any observable business activity such as signs, advertising displays, regular deliveries, or regular pedestrian or vehicular traffic to and from the Lot by customers or employees.

7.5 Leasing. Leasing of Lots shall be allowed, provided that any lease shall be for a period of not less than thirty (30) days. All Leases are subject to the Governing Documents and the Rules and Regulations and the Act. Any failure of the Lessee to comply with the terms of the Governing Documents and Rules and Regulations of the Association shall be a default under the Lease.

7.6 Animals. No animal may be bred, or kept or maintained for business or commercial purposes, anywhere on the Property. No livestock shall be kept anywhere on the Property. Common domestic house pets such as dogs, cats, fish, birds and the like shall be permitted, but no animal shall be permitted to run free or to roam at large on the Property at any time. No more than three (3) dogs shall be kept on any Lot at any time. No pet housed in a Dwelling or kept outside shall be allowed to create a nuisance or unreasonable disturbance or noise.

7.7 No Mobile Homes. No mobile homes or unlicensed vehicles shall be permitted on the Property, nor shall any structure of a temporary character be used as a residence. Modular homes and manufactured homes shall be permitted. Travel trailers shall be permitted on a temporary basis as regulated by St. Louis County, and then, for recreational purposes only and shall not be used as a permanent dwelling.

7.8 Storage. No on-site unlicensed storage will be allowed for excess material and infrequently used or inoperative vehicles. Storage of snowmobiles, boats, trailers, all-terrain vehicles and other seasonal items frequently used will be allowed as long as they are kept in a neat and clean condition, provided they are not kept closer than 30 feet from the road right of way and 20 feet from any property line and further provided that they are screened from view by attractive fencing or suitable vegetative screening.

7.9. Garbage and Refuse Disposal. No Lot or any part of the Common Elements shall be used or maintained as a dumping ground for rubbish, trash, or garbage, nor shall any waste be kept on Property, except in sanitary containers kept out of sight except on days of trash collection. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition and shall comply with Applicable Laws. If stored outside, all such equipment shall be screened from view by attractive fencing or suitable vegetative screening.

7.10 Outhouses. Outhouses shall be permitted only as allowed by the Applicable Laws, and then not closer than 30 feet from a road right of way or 20 feet from any Lot line, and not closer than 50 feet from a deep well and 150 feet from the ordinary high water mark of either Little Coyote or King Lakes.

7.11 Exterior Lighting. All exterior lighting on the Property shall be restrained, limited and subdued so not to interfere in any way with the use and enjoyment of neighboring, adjacent and surrounding Lots or Common Elements and shall conform to the following standards:

- a. Flood lights or spot lights must be aimed no higher than 45 degrees above straight down when the source is visible from any adjacent Lot or Common Elements.
- b. All exterior lighting, excluding roadway lighting, shall be extinguished between 11 :00 p.m. and sunrise.
- c. No exterior lighting shall be directed toward King Lake, Little Coyote Lake, or any adjacent Lot or Common Elements.

7.12 Shoreland. The Property includes shoreland as defined in Minn. Stat. § 103F.205, including but not limited to King Lake and Little Coyote Lake. The Property is subject to St. Louis County ordinances and rules and regulations of the Minnesota Department of Natural Resources affecting the use and development of the shoreland.

7.13 Watercraft. The motor size for any watercraft used by the Owners or Occupants, and their families and guests, on either Little Coyote Lake or King Lake shall not exceed 10-horse power.

7.14 No Wake Zones. The no wake zones established on Little Coyote and King Lakes by the Declarant shall be observed by the Owners and Occupants, and their families and guests. The Association shall maintain and enforce the no wake zones.

7.15 Speed Limit. A twenty (20) mile per hour speed limit restriction shall be in effect on all roads throughout the entire Property and shall be enforced by the Association, except that a five (5) mile per hour speed limit restriction shall be in effect on all roads within the No Disturb Area described in Section 8.8 and depicted on Exhibit C attached hereto.

7.16 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Lots. No noxious, offensive trade or activity shall be carried on upon the Property. The Property shall be occupied and used in such a

manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use and quiet enjoyment of the Property by other Owners and Occupants, and their families and guests.

7.17 Wildlife. Each Owner and Occupant, and their families and guests, shall abide by the Applicable Laws for the purpose of conserving and managing the wildlife populations and habitats located within the Property.

7.18 Burial and Archaeological Site. The presence of a burial and archaeological site was discovered on the shore of Little Coyote Lake in 1976 outside the boundaries of the plat of Scandia Shores. In the event any cultural material or human remains are discovered anywhere on the Property, the Owner or Occupant must immediately notify St. Louis County, 1854 Authority, the Minnesota Office of the State Archaeologist, Fond Du Lac Band and the local authorities. All activity within the vicinity of any such discovery shall cease until appropriate federal, state, county or tribal authorities determine that activity may resume.

7.19 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 a Lot into separate time periods, is prohibited.

7.20 Eagle's Nest Protection. Lots 9, 10, and 15 are subject to a No Disturb area for the protection of an eagle's nest located on the Property on the date of this Declaration, as set forth and described in Section 8.8 herein.

7.21 Remedies for Violations. The Association may undertake any measures, legal or administrative, to enforce compliance with this Section and shall be entitled to recover from the Owner causing or permitting the violation all attorneys' fees and costs of enforcement incurred by the Association, whether or not a legal action is started. Such attorneys' fees and costs shall be a lien against the Owner's Lot and a personal obligation of the Owner. The Owner may also enforce compliance with the use restrictions in this Section 7 by private legal action.

SECTION 8

BUILDING STANDARDS AND PROPERTY RESTRICTIONS

8.1 Building Standards. One of the purposes of this Declaration is to preserve and enhance the value of the Property and to maintain a harmonious relationship among the Lots. Therefore, the restrictions and requirements shall apply to structures erected or maintained upon a Lot after the Lot is first conveyed in fee by Declarant to an Owner:

All structures erected on a Lot shall be of new materials and new construction and the exterior of all structures shall be completed within one (1) year after commencement of construction.

Building exteriors shall be of colors that are in harmony with the natural surroundings, commonly referred to as "earth tones".

Each Owner shall preserve and maintain the exterior of all improvements to his or her Lot, together with lawn and shrubbery care, in a good and reasonable manner. No Owner shall permit his or her Lot or the improvements thereon to become unsightly.

All homes, cabins or other dwellings' main floor, whether permanent, seasonal or recreational use, shall be at least 500 square feet in size and not less than 16 feet in width and must have a permanent foundation, excluding garages, patios, decks and basements. This square foot requirement does not apply to travel trailers permitted on a temporary basis in accordance with Section 7 herein.

All buildings and other structures shall be located on their respective Lot in accordance with the Applicable Laws, which shall supersede any provisions contained herein if they are more restrictive than the requirements of this Declaration. No building or other structure permitted under the terms of this Declaration shall be located closer than 30 feet from a road right of way or 30 feet from a Lot line. Any building or other structure built upon a Lot which abuts either Little Coyote or King Lakes shall comply with the minimum 150 foot setback from the shoreline of either Little Coyote or King Lakes under the St. Louis County Land Use Ordinance.

8.2 Wells. All water wells installed anywhere on any Lot or the Common Elements must be drilled and must qualify as a "deep well". All wells must further comply with the Applicable Laws.

8.3 Vegetative Management and Timber Removal. Clear cutting of any Lot or the Common Elements shall not be permitted, except for the purposes of clearing a building site, driveway or garden area or for a yard, which clear cutting shall be limited to a thirty (30) foot perimeter around the dwelling (subject to all other applicable set back requirements). No trees or brush may be cut within 30 feet of a common Lot line, except for the provision of underground utilities to the building site. Vegetative screening must be maintained in accordance with St. Louis County Ordinances. Inquiry should be made with the St. Louis County Planning Department for more information about mitigation measures to minimize and avoid environmental effects before altering or changing the condition of any vegetation or trees located on the Property. **In** addition to the foregoing provisions of this Section 8.3, the provisions of Section 8.4 shall also apply to shoreline alterations and vegetative removal within the shore impact zone. The use of commercial fertilizers, herbicides or pesticides on any Lot or the Common Elements is discouraged.

8.4 Shoreline Alterations. The following restrictions and requirements shall apply to all shoreline alterations within the Property:

- a. Any work or other alterations within the shore impact zone may require a permit from St. Louis County. All parts of the Property located between the ordinary high water level of either Little Coyote Lake or King Lake and a line parallel to it, at a setback of 75 feet, is within the shore impact zone. Prior to working within the shoreline area or the shore impact zone of any Lot, the Owner or Occupant must contact the St. Louis County Planning Department. Any alterations such as excavating, filling, grading or removal of vegetation below the ordinary high water

mark of either Little Coyote or King Lakes may require a permit from the Minnesota Department of Natural Resources.

There shall be no excavating or filling of wetlands allowed on any Lot or the Common Elements, without first obtaining proper permits required by St. Louis County or other governmental agencies.

Any vegetative removal from the waters of either Little Coyote or King Lakes requires a permit from the Minnesota Department of Natural Resources. It is recommended to leave wide shoreline buffer zones of unmowed, natural vegetation and as much aquatic vegetation (especially emergents like bulrushes & cattails) intact as possible when obtaining access to open water. Rather than clearing any aquatic vegetation along the shoreline for access to King Lake, boardwalk access is required.

The Minnesota Department of Natural Resources has or will prepare a DNR Aquatic Vegetation Map of both Little Coyote and King Lakes which details the varieties of emergent vegetation on both Lakes. Based upon the baseline of aquatic vegetation from this mapping, the Association shall establish reasonable Rules and Regulations pertaining to shoreline alterations and vegetation removal from the Lakes. Thereafter, the Association shall perform an annual review of the shorelines of King Lake and Little Coyote Lake for the purpose of monitoring compliance with shoreline alteration restrictions imposed by the Minnesota Department of Natural Resource's Aquatic Plant Management program and for the purpose of establishing any additional Rules and Regulations governing shoreline alterations and vegetation removal. If the Association determines that an Owner or Occupant violates any restrictions imposed by the Department of Natural Resources, the Association shall immediately notify the Owner and the Department of Natural Resources of the violations. In addition to the authority of the Department of Natural Resources to enforce the restrictions, the Association may undertake any measures, legal or administrative, to enforce compliance with this Section as set forth in Section 8.9 below.

8.5 Erosion Control. Each Owner and Occupant shall undertake the following erosion control measures:

All Lots shall be landscaped in such a fashion to maintain natural drainage to minimize any erosion or runoff.

All topsoil disturbed by construction shall be replaced as soon as possible using seed and mulch or sod.

Vegetation within 75 feet of the ordinary high water of either Little Coyote or King Lakes must be maintained as prescribed by the St. Louis County Zoning Ordinance to minimize direct runoff into the lake and to maintain screening.

Silt fencing, mulching and seeding are all encouraged as erosion control measures.

More information about mitigation measures to minimize and avoid the environmental effects of erosion is available from the St. Louis County Planning Department.

8.6 No Wetland Impact. No wetland impact is permitted on Outlot A or any of the Lots on King Lake. The Lots on King Lake must access the water by board walk or other means that result in no wetland impact.

8.7 Stormwater Management. The Declarant has obtained a stormwater permit from the Minnesota Pollution Control Agency. Each Lot must be able to retain stormwater from a ten (10) year storm event. At the time of the initial sale of a Lot, the Declarant shall provide acceptable design examples to Owners, which have been approved by the Soil and Water Conservation District. Best management practices must be maintained during construction on any Lot or any part of the Common Elements. Best management practices may include, but are not limited to, the following: protection of storm water inlets from discharge; stabilization of construction exits; protection of slopes by use of sediment control practices; protection of ditch bottoms; installation of silt fences along down slope perimeter; control of dewatering practices; control the location of and runoff from temporary stockpiles; and implementation of pollution prevention measures, including property trash management practices and procedures for hazardous waste storage.

8.8 No Disturb Area. On the date of this Declaration, there is an active bald eagle's nest located on Lot 9. To insure the long-term protection of the eagle's nest, those parts of Lots 9, 10 and 15 within the Buffer Area depicted on Exhibit C attached hereto are subject to the following restrictions:

The "No Disturb" area or Buffer Area shall forever remain in its natural state.

Construction of buildings, structures or other improvements in the No Disturb area is prohibited.

No cutting, mowing, trimming, draining, dredging or other alteration of vegetation or trees shall be permitted in the No Disturb area.

These restrictions may not be discharged or released unless the eagle's nest is abandoned for not less than 36 consecutive months or unless the tree in which the eagle's nest is currently situated is blown down or destroyed due to natural causes. In such event, this restriction may be discharged or released with the written consent of the affected Lot owner, the Association and the Director of the St. Louis County Planning Department.

Declarant, in executing and delivering deeds at the time of the initial sale of to said Lots 9, 10 and 15 shall insert in said conveyances, by reference, that the same are made subject to the No Disturb Area restrictions contained in this Section. Thereafter, said restrictions shall automatically be conveyed with a conveyance of said Lots, whether or not such conveyance mentions these restrictions.

Notwithstanding any provisions of Section 13 to the contrary, the restrictions set forth in this Section 8.8 shall not be amended by the Declarant, by written agreement of the Owners, or by the Association, except as provided in Section 8.8(d) above.

8.9 Remedies for Violations. The Association may undertake any measures, legal or administrative, to enforce compliance with this Section and shall be entitled to recover from the Owner causing or permitting the violation all attorneys' fees and costs of enforcement incurred by the Association, whether or not a legal action is started. Such attorneys' fees and costs shall be a lien against the Owner's Lot and a personal obligation of the Owner. In addition, the Association shall have the right to enter the Owner's Lot and to restore any part of the Lot 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 Lot. The Owner may also enforce compliance with this Section 8 by private legal action.

SECTION 9

MAINTENANCE

9.1 Maintenance by Association. The Association shall provide for all maintenance, repair or replacement (collectively referred to as "maintenance") of the Common Elements, including all improvements thereon, including but not limited to the roads throughout the Property and from the Property to a public road, which on the date of this Declaration includes Stockholm Way, Oslo Circle and Norsk Lane within the Plat, and the roadways without the Plat known as Norsk Lane, Little Coyote Road and that part of the Drummond Grade from Little Coyote Road to Lake County. Such road maintenance shall include but not be limited to snowplowing, dressing, grading and filling and any other road work necessary to maintain a suitable access consistent with original construction. The Association shall have easements as described in Section] I to perform its obligations under this Section 9. Notwithstanding any provisions of Section] 3 to the contrary, the road maintenance obligations of the Association set forth in this Section 9.] shall not be amended by the Declarant, by written agreement of the Owners, or by the Association, without the written consent of the Director of the St. Louis County Planning Department.

9.2 Maintenance by Owner. All maintenance of the Lots shall be the sole responsibility and expense of the Owners thereof. However, the Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to those parts of the Property which the Association is obligated to maintain.

9.3 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Section, if, in the judgment of the Association, the need for maintenance of any part of the Property is caused by the willful or negligent act or omission of an Owner or Occupant, or their guests, or by a condition on a Lot which the Owner or Occupant has willfully or negligently allowed to exist, the Association may cause such damage or condition to be repaired or corrected, and the cost thereof may be charged and assessed against the Lot of the Owner responsible for the damage. Such cost shall be a personal obligation of the Owner and a lien against the Owner's Lot.

SECTION 10

INSURANCE

10.1 Required Coverage. Section 515B.3-113 of the Act requires the Association to maintain property on the Common Elements and commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Property. The same section also authorizes the Association to carry any other insurance it considers appropriate, specifies minimum notice from an insurer prior to cancellation, specifies other provisions for such insurance, requires the Association or an insurance trustee to adjust all losses, and describes the Association's duty with respect to repair or rebuilding after casualty to the Common Elements.

SECTION 11

EASEMENTS

11.1 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Lot, and the rights of the Owners and Occupants thereof, shall be subject to the rights of the Association to an appurtenant easement on and over the Lots for the purposes of maintenance, repair, replacement and reconstruction of the utilities serving the Lots, to the extent necessary to fulfill the Association's obligations under the Governing Documents.

11.2 Utility Easements. The Property shall be subject to non-exclusive, appurtenant easements in favor of the Association and/or other utility providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV and other electronic communications, water, sewer, septic systems, wells, and similar services, and metering and control devices, which exist or are constructed as part of the development of the Property, or which are referred to in the Plat or otherwise described in this Declaration or any other duly recorded instrument. Each Lot, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive, appurtenant easement in favor of the other Lots for all such utilities and services; provided, that the utilities and services shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Lots by the Owners and Occupants, nor affect the structural or architectural integrity of the Lots.

11.3 Continuation and Scope of Easements. Notwithstanding anything in this Declaration to the contrary, in no event shall an Owner or Occupant be denied reasonable access to his or her Lot or the right to utility services thereto. The easements set forth in this Section 11 shall supplement and not limit any easements described elsewhere in this Declaration or recorded, and shall include reasonable access to the easement areas through the Lots and the Common Elements for purposes of maintenance, repair, replacement and reconstruction. All easement rights shall include a right of reasonable access to maintain, repair and replace the utility lines and related equipment.

SECTION 12

COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents, the Rules and Regulations, and such amendments thereto as may be made from time to time, and the decisions of the Association. A failure to comply shall entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

12.1 Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Governing Documents or available at law or in equity. Legal relief may be sought by the Association against any Owner to enforce compliance with the Governing Documents, the Rules and Regulations, the Act or the decisions of the Association. The Owner may also enforce compliance with the Governing Documents, the Rules and Regulations, or the Act by a private legal action, independent of this Section. No Owner may withhold any Assessments payable to the Association, or take or omit other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

12.2 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement anyone or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Governing Documents, the Rules and Regulations or the Act:

Commence legal action for damages or equitable relief in any court of competent jurisdiction.

Impose late charges of fifteen dollars (\$15), or such other amount as may from time to time be determined by the Association, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted Bylaws accruing beginning on the first day of the month after the Assessment or installment was due.

In the event of default of more than thirty (30) days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Lot owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees, costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. Not less than ten (10) days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules and Regulations of the Association.

Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Act.

Suspend the rights of any Owner to vote when the Assessments due with respect to the Owner's Lot are past due. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Governing Documents, and for up to thirty (30) days thereafter, for each violation.

- f. Restore any portions of the Common Elements damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Lots.
- g. Enter any Lot or Limited Common Element in which, or as to which, a violation or breach of the Governing Documents exists which is likely to materially affect the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Dwelling or other part of the Property or the property of the Owners or Occupants, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Lot or Limited Common Elements which is causing the violation; provided, that any improvements may be altered or demolished only pursuant to a court order or with the agreement of the Owner.

12.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 12.2 d., e., f. or g., the Board shall, upon written request of the offender, grant to the offender an opportunity for a fair and equitable hearing as contemplated by the Act. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least ten (10) days within which to request a hearing. The hearing shall be scheduled by the Board and held within thirty (30) days of receipt of the hearing request by the Board, and with at least ten (10) days prior written notice to the offender. If the offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within ten (10) days following the hearing, if not delivered to the offender at the hearing. The Board may delegate the foregoing hearing authority to a committee of three or more disinterested Owners, who shall conduct the hearing and make a recommendation to the Board regarding the disposition of the matter.

12.4 Lien for Charges, Penalties, Etc. Any Assessments, charges, fines, expenses, penalties or interest imposed under this Section shall be a lien against the Lot of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.

12.5 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Act, Governing Documents or Rules and Regulations, whether or not finally determined by a court or arbitrator, the Association may assess the violator and his or her Lot with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed Bylaws) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of such Owner and shall be a lien against such Owner's Lot.

12.6 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Lot, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Lot.

12.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, the Rules and Regulations, and the Act as provided therein.

SECTION 13

AMENDMENTS

13.1 Approval Requirements. Subject to Section 515B.2-118 of the Act, this Declaration may be amended only by vote or written agreement of Owners of Lots to which are allocated at least sixty-seven percent (67%) of the total votes in the Association. Notwithstanding any provisions to the contrary contained in this Declaration, the Declarant cannot amend the Declaration without the written consent of the Director of the St. Louis County Planning Department, in addition to any other approval requirements, until the Declarant has conveyed not less than 50% of the Lots to Owners other than the Declarant.

13.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Any amendment shall be subject to any greater requirements imposed by the Act. The amendment shall be effective when recorded. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 14

SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following special Declarant rights within the meaning of Section 515B.1-1 03 (31) of the Act for as long as it owns a Lot, or for such shorter period as may be specifically indicated:

14.1 Complete Improvements. To complete all the Lots and other improvements indicated on the Plat, or otherwise included in Declarant's development plans, and to make alterations in the Lots and Common Elements to accommodate the exercise of any special Declarant rights.

14.2 Signs. To erect and maintain signs and other sales displays offering the Lots for sale or lease, in or on any Lot owned by Declarant.

14.3 Easements. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Common Elements for the purpose of exercising its special Declarant rights.

14.4 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-1 03 of the Act, until the earliest of: (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within sixty (60) days after conveyance to Owners other than a Declarant of seventy-five percent (75%) of the total number of Lots authorized to be included in the Property or (iii) the date three (3) years following the date of the first conveyance of a Lot to an Owner other than a Declarant. Notwithstanding the foregoing, the Owners other than a Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent (33 1/3%) of the directors at a meeting of the Owners which shall be held within sixty (60) days following the conveyance by Declarant of fifty percent (50%) of the total number of Lots authorized to be included in the Property. "Seventy-five percent of the total number of Lots authorized to be included in the Property" means 12 Lots. "Fifty percent of the total number of Lots authorized to be included in the Property" means 8 Lots.

SECTION 15

MISCELLANEOUS

15.1 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this Declaration or exhibits attached hereto.

15.2 Construction. Where applicable, the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof.

15.3 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 pursuant to the Act, 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.

15.4 Notices. Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail.

15.5 Conflicts Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or any Rules or Regulations approved by the Association, the Act shall control unless it permits the documents to control. As among the Declaration, Bylaws and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.

15.6 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination as provided in this Declaration and the Act.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year first set forth in accordance with the requirements of the Act.

BRUHN -LEONE, LLC

By: Roger A. Bruhn Its: Chief
Financial Manager

By:
Richard J. Leone
Its: Chief Manager

MINNESOTA SHORES LAND COMPANY

Roger A. Bruhn

Richard J. Leone