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OFFICE OF THE REGISTRAR
OF TITLES
HENNEPIN COUNTY, MINNESOTA
CERTIFIED FIELD ON

FEB - 1 2000

Michael A. Conway
REGISTRAR OF TITLES
BY [Signature] DEPUTY

2000 AND PRIOR TAXES PAID
TAXPAYER SERVICES
TRANSFER ENTERED

JAN 31 2000

HENNEPIN COUNTY MINN.
[Signature] DEPUTY

DECLARATION OF SAUNDERS LAKE SOUTH HOMEOWNERS ASSOCIATION

THIS DECLARATION is made this 7th day of JANUARY, 2000,
by Wara Real Estate, Incorporated, a Minnesota corporation, hereinafter
called "Wara".

WITNESSETH:

WHEREAS, Wara owns the Property (as herein after defined) and desires to
create a homeowners association which will be responsible for the ownership
and maintenance of Common Open Space (as hereinafter defined) for the
common use and enjoyment of the Owners (as herein after defined);

WHEREAS, Wara desires that the Association (as herein after defined)
provide for the maintenance of Signage and Monumentation (as herein after
defined);

WHEREAS, Wara desires that the Association provide for landscaping of the
Entrances (as herein after defined);

WHEREAS, Wara desires that the Association be financially responsible for
all recurring and non-recurring costs associated with the street lights, including the
City of Minnetrista light in the park (Outlot A on the Final Plat thereof);

WHEREAS, Wara desires to provide for the preservation of the values,
amenities, and purposes set forth in this Declaration and to this end desires to subject
the Property to the covenants, reservations, restrictions, easements, assessments,
charges and liens hereinafter set forth (sometimes collectively referred to as "
Covenants and Restrictions"), each and all of which is and are for the benefit of said
real property and each Owner thereof;

WHEREAS, Wara deems it desirable for the efficient preservation of the
values, amenities, and purposes set forth in this Declaration to create the Association
(as herein after defined) to which Wara shall delegate and assign the powers of
maintaining, administering and enforcing the Covenants and Restrictions and
collecting and disbursing the assessments, charges and liens hereinafter created; and,

WHEREAS, Wara has incorporated the Association under the laws of the
State of Minnesota as a non-profit corporation for the purpose of exercising the
functions aforesaid;

NOW, THEREFORE, Wara declares that the property is, and shall be, held,
transferred, sold, conveyed and occupied subject to the covenants and restrictions of

this Declaration, which covenants and restrictions: (i) are for the purpose of protecting the value, desirability and amenities of the Property and every Lot (as hereinafter defined) therein; (ii) shall operate as equitable covenants, restrictions and reservations which shall run with the Property and all Lots therein and be binding on all parties having any right, title or interest in the same or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof; and (iii) are imposed upon each Lot as a servitude in favor of the other Lots.

ARTICLE 1. DEFINITIONS

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

Section 1.1. Articles And By-Laws. " Articles And By-Laws" shall mean and refer to the articles of incorporation and by-laws of the Association, as may be adopted and amended from time to time in the manner set forth herein and in said articles and buy-laws.

Section 1.2. Association. " Association" shall mean and refer to Saunders Lake South Homeowners Association, Inc., a Minnesota non-profit corporation.

Section 1.3. Association Assessments. "Association Assessments" shall mean and refer collectively to Regular Association Assessments, Special Association Assessments, Property Tax Assessments, and Member Damage Assessments as each is defined in Section 5.1.

Section 1.4. Board. "Board" shall mean and refer to the Board of Directors of the Association, which shall be elected by a majority of all votes described in Section 3.2 and act in the manner and for the term set forth in the Articles And By-Laws.

Section 1.5. Casualty. "Casualty" shall mean and refer to fire, damage or destruction to all or portions of common open space, Signage and Monumentation, or Entrances.

Section 1.6. City. " City" shall mean and refer to the City of Minnetrista, a Minnesota municipal corporation.

Section 1.7. Condemnation. "Condemnation" shall mean and refer to taking by eminent domain, condemnation, governmental action in the nature of

condemnation, or deed or conveyance in lieu of condemnation of all or portions of the common open space, Signage and Monumentation, or Entrances.

Section 1.8. Entrances. "Entrances" shall mean and refer to the property immediately adjacent to and on both sides of the entrance on Bluffs Lane North and the entrance on Basswood Drive including, but not limited to, rock mulch and other landscaping materials and shrubs and trees and other plant materials thereon as described in the easement on Document No. _____, recorded on _____, 1999 in the office of the County Recorder, and filed on _____, 1999, in the office of the Registrar of Titles, both in and for Hennepin County, Minnesota.

Section 1.9. Initial Contract For Deed. "Initial Contract For Deed" shall mean and refer to a contract for deed made by and between Wara as vendor and a vendee who purchases any Lot for construction of a residence with the primary objective of reselling such residence.

Section 1.10. Landscaping. "Landscaping" shall mean and refer to maintenance, repair, replacement, alteration and improvement of rock mulch and other landscaping materials and shrubs and trees and other plant materials, including without limitation, weed control and trimming.

Section 1.11. Lot. "Lot" shall mean and refer to any tract or parcel of land designated as a lot shown upon any registered or recorded plat or subdivision of the land covering the Property.

Section 1.12. Member. "Member" shall mean and refer to all parties who are members of the Association as provided in Section 3.1.

Section 1.13. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including the vendor under the Initial Contract For Deed, and a vendee, whether one or more persons or entities, under other contracts for deed covering any Lot. A vendee under an Initial Contract For Deed shall not be an Owner until such vendee shall pay in full all amounts owed to Wara pursuant to such Initial Contract For Deed and shall perform all construction and other obligations in the manner required and approved By Wara in Wara's sole discretion. "Owner" shall not include holders of an interest in any Lot merely as security for the performance of an obligation.

Section 1.14. Property. "Property" shall mean and refer to all properties that are described in Article 2.

Section 1.15. Signage and Monumentation. "Signage and Monumentation" shall mean and refer to the signage and decorative monumentation identifying Saunders Lake South and the area of the Property identified in Exhibit A attached hereto. Wara shall have the option at its discretion to create an easement for such area by recording and filing the easement substantially in the form as set forth in Exhibit B attached hereto.

Section 1.16. Common Open Space. "Common Open Space" shall mean and refer to the area of the Property in Saunders Lake South as described in Exhibit D attached hereto.

ARTICLE 2.

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. The Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Minnetrista, County of Hennepin and State of Minnesota, and is legally described in Exhibit C attached hereto and made a part hereof.

ARTICLE 3.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1. Membership. Subject to the provisions of this Section 3.1, every Owner of a Lot shall be a Member of the Association and be subject to the obligations and Covenants and Restrictions and benefit from the use and enjoyment of all privileges set forth in this Declaration, provided that when more than one person holds an ownership interest in any Lot, such persons shall determine, among themselves, who shall be the Member of the Association for such Lot, but in no event shall there be more than one Member with respect to any Lot. A vendee under an Initial Contract For Deed shall have the obligations, including without limitation, all Association Assessments, of a Member of the Association but shall not be a Member of the Association and shall not benefit from the use and enjoyment of any privilege set forth in this Declaration, except that Wara in its sole discretion may permit such vendee to use and enjoy some or all of the privileges of this Declaration, provided such vendee: (a) shall have paid in full all amounts owed to Wara pursuant to such Initial Contract For Deed; (b) shall have performed all construction and other obligations, including without limitation, payment of all Association Assessments, in the manner required and approved by Wara in Wara's sole discretion; and shall have obtained Wara's consent in writing. In the event a vendor properly cancels or

otherwise terminates the interest of a vendee under a contract for deed, including an Initial Contract For Deed, such vendee shall cease to be a Member, and such vendor shall once again be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3.2. Voting Rights. The Association shall have two classes of Voting memberships as follows:

- a. Class A. A Class A member shall be the Member with respect to each Lot, with the exception of Wara, and shall be entitled to one vote for each Lot owned. In no event shall more than one vote be cast with respect to any Lot.
- b. Class B. The Class B Member shall be Wara and shall be entitled to such number of votes as shall be necessary at all times to bind and make conclusively any and all decisions, approvals, disapprovals or amendments for and on behalf of the Association. The Class B membership shall continue so long as Wara shall be the Owner of any Lot, unless earlier discontinued by Wara in its sole discretion. Wara shall notify each Owner of a Lot as provided in section 7.5 that the Class B membership has been discontinued, and thereupon Wara shall have no further responsibility, obligation or liability in connection with the Association or the Property.

ARTICLE 4.

PROPERTY RIGHTS AND OBLIGATIONS

Section 4.1. Extent of Members' Rights. The rights in favor of the Members created hereby shall be subject to the following as further provided herein:

- a. The right of the Association, as provided herein, to borrow money for the purpose of improving, repairing and maintaining those areas described in Exhibit A hereto;
- b. The right of the Association, as provided herein, to suspend the voting rights set forth in Section 3.2 and the right of use and enjoyment set forth in this Declaration of any Member for any period during which any Association Assessments remain unpaid or for any infraction of the published rules and regulations, and further to impose a fine to be reasonably determined by the Board in accordance with the Articles and By-Laws for each infraction of its published rules and regulations, each

day during which infractions exist being deemed a separate and distinct infraction;

- c. Utility, drainage and other easements as reserved on the plat of Saunders Lake South, Hennepin County, Minnesota.

Section 4.2. Association Maintenance of Signage, Monumentation, Landscaping of Entrances, Constructed Storm Water Runoff Ponds, Street/Park Lighting.

The Association is charged with the maintenance, repair, replacement, alteration, improvement and landscaping of Signage and Monumentation and is also charged with the maintenance and landscaping of entrances. The Association is responsible for all recurring and non-recurring costs associated with the street and park lighting and is also responsible for the proper maintenance of all constructed storm water runoff ponds. These constructed storm water runoff ponds shall be maintained in accordance with the provisions of the applicable ordinances of the City of Minnetrista; failure of the Association to properly maintain these ponds in accordance with the City ordinances shall be cause for the City of Minnetrista to perform the necessary maintenance and assess the cost incurred by the City to the property.

**ARTICLE 5.
ASSESSMENTS**

Section 5.1. Creation Of The Lien And Personal Obligation.

- a. The Association is charged with responsibility for the maintenance, repair, operation, replacement, alteration, and improvement of Signage and Monumentation and with the responsibility for landscaping and maintenance of the entrances. The Owners, for each Lot, hereby covenant, and each successor Owner of any Lot by acceptance of a deed therefor. Whether or not it shall be so expressed in such deed, is deemed to covenant, to pay to the Association: (1) regular association assessments ("Regular Association Assessments") for all costs of (a) the maintenance, repair, operation, replacement, alteration, and improvement of Signage and Monumentation and landscaping of the entrances., (b) premiums for insurance maintained pursuant to Section 5.9 hereof, (c) fines pursuant to Section 5.6 hereof, and (d) reserves for any of the foregoing; (2) special association assessments ("Special Association Assessments") for any extraordinary or unforeseen expenditures for maintenance, repair, operation, replacement, alteration, and improvement of Signage and Monumentation and landscaping of the entrances; and (3) member

damage assessments (" Member Damage Assessments") for damage to Signage and Monumentation or Entrances by a Member or its invitees and licensees which damage the Member fails promptly to repair or restore in the manner and quality required in Section 5.4 (Collectively, pursuant to Section 1.3 these assessments are referred to as Association Assessments.)

b. Association Assessments shall be established and collected as hereinafter provided. Any and all Association Assessments together with any late charges, costs, and attorney's fees and costs incurred by the Association in connection with the enforcement or collection thereof, shall be a charge on each Lot and shall, when due and payable as defined in Sections 5.2, 5.3, 5.4, and 5.5, respectively, be a continuing lien upon each Lot against which each Association Assessment is made. Each Association Assessment, together with any late charges, costs,, and attorney's fees and costs incurred by the Association in connection with the enforcement or collection thereof, shall also be the personal obligation of the person who was the Owner of each Lot at the time when each Association Assessment became due and payable. No sale or transfer of any Lot shall relieve the transferring Owner from personal obligation for any Association Assessments then due or affect the lien as to any Association Assessments on such Lot. The personal obligation for delinquent Association Assessments shall not pass to successors in title unless expressly assumed by them.

Section 5.2. Determination Of Regular Association Assessments. Regular Association Assessments shall be levied by the Association through the Board for the purposes described in Section 5.1 at a meeting of the Board duly called in accordance with the Articles and By-Laws for that purpose. Regular Association Assessments shall be levied each calendar year by the Board on or before November 30 of the preceding calendar year and shall become due and payable to the Board or to such other entity or person as may be set forth in the Articles or By-Laws in tow equal installments on January 31 and June 30, respectively, of the calendar year in question, and each such installment shall become a lien against each Lot, on February 1, and July 1, respectively, of the calendar year in question if not earlier paid. Regular Association Assessments shall be based on an operating budget prepared by the Board for the calendar year in question, and notice of each Regular Association Assessment and a copy of the budget shall be provided to Owners as set forth in Section 7.5.

Section 5.3. Determination Of Special Association Assessments. Special Association Assessments shall be levied by the Association through the Board for the purposes described in Section 5.1 with the approval of two-thirds of all votes of Members voting in person or by proxy at a meeting of the Association duly called in accordance with the Articles and By-Laws for that purpose. Such Special Association Assessments shall be payable in such manner as the Board at such meeting may elect and shall be due and payable to the Board or to such other entity or persons as may be set forth in the Articles or By-Laws in full in one installment (or in such installments as the Board may determine), and shall also become a lien against each Lot, thirty (30) days after the date notice is given of adoption unless earlier paid. Notice of each Special Association Assessment shall be provided to Owners as set forth in Section 8.5.

Section 5.4. Members' responsibility For Damage And Determination Of Member Damage Assessments. Each member shall at its expense cause to be repaired or restored any damage to Signage and Monumentation or Entrances caused by acts or other activities of it or its invitees or licenses thereon, unless covered by insurance maintained by the Association, in which event such Member shall promptly pay upon demand of the Board any and all deductibles and amounts not covered by such insurance. All such repair and restoration shall be approved of by the Board in its sole discretion prior to commencement and shall be accomplished using good materials and good and appropriate techniques so as to return the Signage and Monumentation and Entrances to a condition at least as good as their condition before such damage. In the event that any Member fails to commence such repair or restoration (and diligently pursue it to completion thereafter) within 60 days after the date of notice from the Board as set forth in Section 7.5 specifying such failure, then the Association through the Board may elect to cure such failure and to levy a Member Damage Assessment, due and payable in full immediately, for the costs, including but not limited to, reasonable attorney's fees and costs, of such cure against the Lot of such Member, which levy shall also become immediately a lien against the individual Lot of the Member. Notice of each Member Damage Assessment shall be provided to the Member involved and to all Owners as set forth in Section 7.5.

Section 5.5. Certificates. The Association shall, upon demand, furnish a certificate signed by an office of the Association setting forth whether the Association

Assessments on a specified Lot have been paid, provided that such certificate shall in no way be binding upon the Association or otherwise excuse payment of any Association Assessments actually owed.

Section 5.6. Uniform Rate Of Assessment. All Association Assessments must be fixed at a uniform rate for all Lots and shall be divided equally among Lots regardless of size and regardless of location, except that:

a. Penalties and late fees shall be assessed against the individual Lot charged with the penalty or late fee pursuant to Section 5.7;

b. Attorneys fees and costs incurred by the Association in enforcing this Declaration, including, but not limited to, collecting and Regular and Special Association Assessments, shall be assessed against the individual Lot against which or against whose Owner the enforcement proceeding was brought

c. Member Damage Assessments and any attorney's fees and costs incurred by the Association in collecting Member Damage Assessments shall be assessed against the individual Lot pursuant to Section 5.5.

Section 5.7. Effect Of Nonpayment Of Association Assessments; Remedies Of The Association. If any Owner fails to pay any of the Association Assessments within fifteen (15) days after the respective due dates therefor, then such Owner shall incur for each such failure a one-time late fee to be reasonably determined by the Board. If any Association Assessment, including late fee, is not paid after expiration of such 15 day period, the Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien for said Association Assessment and late fee against the Lot by advertisement or action at law or inequity or otherwise in the manner provided by statute for foreclosure of mortgages with the power of sale being hereby expressly conferred. No Owner may waive or otherwise escape liability for any Association Assessment provided for herein by non-use of Signage and Monumentation or Entrances or by abandonment of his or her Lot.

Section 5.8. Subordination Of The Lien To Mortgages And Initial Contract For Deed Vendor. The lien of Association Assessments provided for in the Declaration shall be subordinate in all respects to the lien of any first mortgage on a Lot, whether given prior to or after the lien provided for in this Declaration arises. The lien of Association Assessments which arises while an Initial Contract For Deed is in effect shall be subordinate to the right of the vendor under such contract for deed. No

sale or transfer of any Lot shall relieve the transferring Owner from personal obligation for any Association Assessment on such Lot.

Section 5.9. Insurance.

a. The Board shall, if available at premiums acceptable to the board, obtain and at all times thereafter maintain, or cause to be obtained and at all times thereafter be maintained:

(1) Insurance with respect to Signage and Monumentation and the Entrances against loss or damage by fire, windstorm (including so0called "extended coverage"), and additional risks as the Board may from time to time determine, in each case the full replacement value of the improvements. Such insurance shall contain the standard mortgage clause which names the holders of the first mortgage as additional insureds;

(2) Comprehensive general public liability insurance against claims for bodily injury, death or property damage, occurring on, in or about Signage and Monumentation and Entrances in the amounts of not less than \$1,000,000 in respect of bodily injury, death or property damage arising out of a single occurrence, with a severability of interest endorsement or equivalent protection, and including protection against water damage liability and liability for property of others;

(3) Such other insurance as the Board in its sole discretion may determine from time to time to be in the best interest of the Association, Owners and Members.

b. All insurance policies provided for in Section 5.9 shall:

(1) Be valid and enforceable policies, in such forms and, where not expressly provided for above, in such amounts as may from time to time be determined by the Board, issued by financially sound and responsible insurance companies authorized to do business in Minnesota.

(2) Be in the name of and, except for public liability insurance, provide that all proceeds shall be payable to the Association as trustee for the use and benefit of the Owners and Members;

(3) Provide that such policies shall not be changed or canceled without at least thirty (30) days' prior written notice to the Board;

(4) Provide that losses shall be adjusted with the insurers and/or underwriters exclusively by the Board;

(5) Provide that (i) no act or omission of the Members, or any of them, or of any holder of an interest as security for an obligation, which is not within the control of the Association, (ii) no failure of the Association to comply with any warranty or condition regarding any portion of Signage and Monumentation or Entrances over which the Association has no control, and (iii) no term, provision, or condition of this Declaration shall in any way impair the validity or enforceability of such insurance; and

(6) Contain a waiver of subrogation by the insurer as to any and all claims against the Association, Owners, Members and their respective agents, employees, tenants, and volunteers, and of any defense based on co-insurance or on invalidity arising from acts of the insured.

Section 5.10. Determination Of Assessments By Wara. Notwithstanding any term or provision, expressed or implied, in this Declaration and without limiting the generality of any such term or provision, Wara shall have the absolute and discretionary right, but shall not be obligated, to establish, collect, levy and otherwise enforce the terms and provisions of Article 5 so long as Wara shall be the owner of any Lot, unless earlier waived by Wara in its sole discretion.

ARTICLE 6 SPECIAL PROVISIONS

Section 6.1. Overriding Provisions. The provisions of this Article take precedence over any other conflicting provisions of this Declaration.

Section 6.2. Notice Of Default. A first mortgage of a Lot, upon written request, is entitled to written notification from the Association of a any default in the performance by the Member of any obligation under this Declaration which is not cured within sixty (60) days or such time as may be reasonably determined by such first mortgagee. The provisions of this Section 6.2 shall not extend any time periods for performance and payment of any obligation set forth elsewhere in this Declaration.

Section 6.3. Examination Of Books And Records. First mortgages shall, within a reasonable time after written request to the Association, have the right to examine the books and records regarding the Property of the Association, provided that such examination and any information obtained thereby shall be confidential and shall be solely for purposes consistent with such mortgagees' rights as first mortgagee.

Section 6.4. Priority Of First Mortgagee. No provision contained in this Declaration shall be construed as giving to the Owner, Member or to any other party

priority over any rights of first mortgagees of Lots pursuant to their mortgages in the case of a distribution to the Owner or Members of insurance proceeds or condemnation awards for losses to Signage and Monumentation and Entrances.

Section 6.5. Compliance With Ordinances And Regulations. All land use and improvements shall comply with regulations and ordinances of the City and the State of Minnesota.

ARTICLE 7.

GENERAL PROVISIONS

Section 7.1. Enforcement. The Association, any Owner or Member shall have the right to enforce, by a proceeding at Law or in equity, the performance of the Covenants and Restrictions contained herein, including without limitation, the right to institute and prosecute proceedings against any party violating or attempting to violate said Covenants and Restrictions, the right to seek recovery of damages and the right to seek any other legal or equitable remedies. If the Association, or any Owner or Member seeking to enforce the performance of the Covenants and Restrictions, prevails, it shall be entitled to reasonable attorney's fees together with all necessary costs and disbursements incurred in connection therewith. Failure by the Association, any Owner or Member to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. All rights and remedies provided herein are cumulative and are not intended to be exclusive of any other remedies available hereunder, at law or in equity.

Section 7.2. Severability. Invalidation of any one of the Covenants and Restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 7.3. Duration. The Covenants and Restrictions of this Declaration shall be perpetual, shall run with and bind the land and shall be a servitude thereon, shall be binding and obligatory upon and inure to the benefit of all Owners of any Lot or Lots, and shall be enforceable by, the Association or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns.

Section 7.4. Amendment.

a. Except as hereinafter provided and expressly subject to Section 3.2.b., the Covenants and Restrictions of this Declaration may be amended by: (1) An instrument approved by a majority vote of the Members; and (2) Written approval of

said instrument by a majority of the first mortgagees of Lots, based on one vote for each first mortgage held. Any amendment must be duly executed, acknowledged and filed and recorded, and a copy thereof provided to the City.

b. Notwithstanding the foregoing provisions of this paragraph or any provision to the contrary contained in this Declaration, unless the unanimous written consent or vote of all Members and first mortgagees is obtained: (1) Sections 5.7, and 5.9 and Article 7 shall not be amended; (2) No Lot shall be deprived of its rights under Article 4; nor (3) shall the rights appurtenant to any Lot be diminished other than on a uniform basis for all Lots.

Section 7.5. Notices. Any notice required to be sent to any Owner or Member, as the case may be, under the provisions of this Declaration shall be in writing and shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Owner or Member, as the case may be, on the records of the Association at the time of the mailing.

ARTICLE 8.

CASUALTY AND CONDEMNATION

Section 8.1. Casualty. In the event of Casualty to all or portions of the Signage and Monumentation or Entrances, the Association shall promptly restore the Signage and Monumentation and Entrances to its condition prior to such Casualty, and shall be entitled to apply all insurance proceeds to such restoration. The cost of restoration in excess of available insurance proceeds shall be a common expense to all Members. Any insurance proceeds in excess of those needed for restoration shall be distributed equally to all members.

Section 8.2. Partial Condemnation. In the event of Condemnation of portions of the Signage and Monumentation or Entrances, the Association shall restore the remaining portion thereof as nearly as possible to its condition prior to Condemnation. In the event of such partial condemnation of Signage and Monumentation or Entrances, condemnation awards shall be distributed as follows:

a. Condemnation awards payable to the Association shall be applied first to restoration of the remaining portions of Signage and Monumentation or Entrances as nearly as possible to its original condition prior to Condemnation, with any excess to be distributed equally to each Member of the Association.

b. Costs of restoration in excess of condemnation awards available for restoration as provided above shall be a common expense to all Members, with each such Member paying such common expense equally.

Section 8.3. Condemnation. In the event of Condemnation of all Signage and Monumentation and Entrances, all condemnation awards shall be paid to the Association, to be applied to the indebtedness and obligations of the Association, with any excess distributed equally to each Member, and the Association shall be terminated.

EXHIBIT A

ENTRANCE MONUMENT EASEMENTS

Easement A- a perpetual easement for entrance monument construction and maintenance over and across Lot 2, Block 6, Saunders Lake South, Hennepin County, Minnesota, according to the record plat thereof that lies southeasterly of the following described line:

Commencing at the southeast corner of said Lot 2; thence on an assumed bearing of South 67 degrees 02 minutes 52 seconds West along the south line of said lot 2 a distance of 39.06 feet to the point beginning of the line described; thence North 20 degrees 04 minutes 51 seconds East a distance of 58.02 feet to the east line of said Lot 2 and said line there terminating.

Easement B- a perpetual easement for entrance monument construction and maintenance over and across Lot 1, Block 7, Saunders Lake South, Hennepin County, Minnesota, according to the record plat thereof that lies southwesterly of the following described line:

Commencing at the southwest corner of said Lot 1; thence on an assumed bearing of North 67 degrees 02 minutes 52 seconds East along the south line of said Lot 1 a distance of 39.06 feet to the point beginning of said line; thence North 67 degrees 57 minutes 08 seconds West a distance of 54.61 feet to the west line of said Lot 1 and said line there terminating.

Easement C- A perpetual easement for entrance monument construction and maintenance over and across Lot 4, Block 7, Saunders Lake South, Hennepin County, Minnesota, according to the record plat thereof that lies southeasterly of the following described line:

Commencing at the southeast corner of said Lot 4; thence on an assumed bearing of 67 degrees 02 minutes 52 seconds West along the south line of said Lot 4 a distance of 39.06 feet to the point beginning of said line; thence North 22 degrees 02 minutes 52 seconds East a distance of 55.24 feet to the easterly line of said Lot 4 and said line there terminating.

Easement D- A perpetual easement for entrance monument construction and maintenance over and across Lot 1, Block 8, Saunders Lake South, Hennepin County, Minnesota, according to the record plat thereof that lies southeasterly of the following described line:

Commencing at the southwest corner of said Lot 1; thence on an assumed bearing of North 67 degrees 02 minutes 52 seconds East along the southerly line of said Lot 1 a distance of 39.06 feet to the point of beginning of said line; thence North 67 degrees 57 minutes 08 seconds West a distance of 55.25 feet to the westerly line of said Lot 1 and said line there terminating.

EXHIBIT B

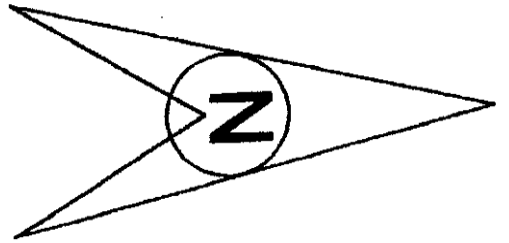
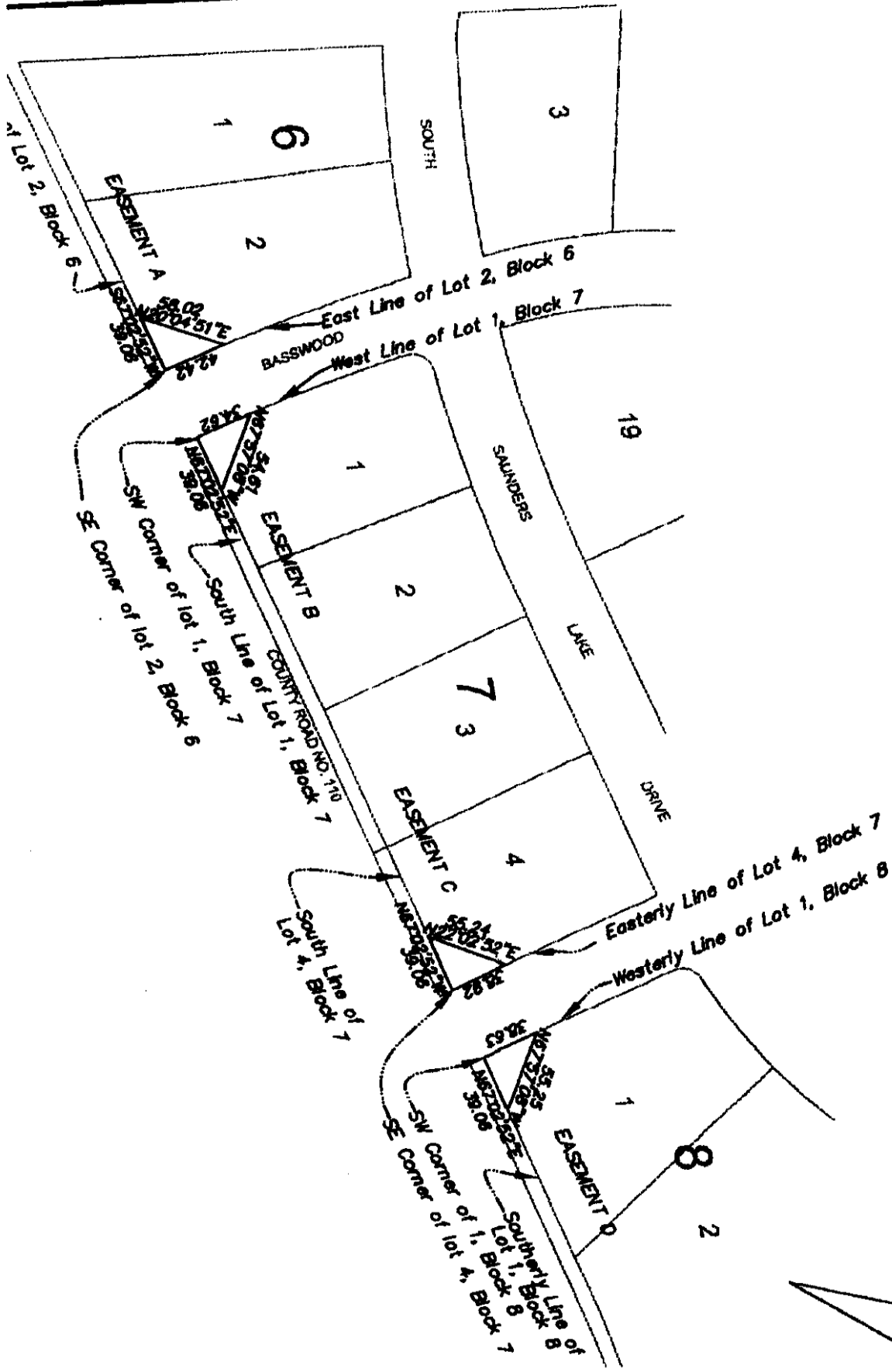


EXHIBIT C

PROPERTY

Lots 1 through 22, inclusive, Block 1;

Lots 1 through 11, inclusive, Block 2;

Lots 1 through 4, inclusive, Block 3;

Lots 1 through 7, inclusive, Block 4;

Lots 1 through 20, inclusive, Block 5;

Lots 1 through 2, inclusive, Block 6;

Lots 1 through 4, inclusive, Block 7;

Lots 1 through 3, inclusive, Block 8;

all in Saunders Lake South, according to the plat thereof on file in the office of the Registrar of Titles and recorded in the office of the County Recorder, both of Hennepin County, Minnesota.

PROPOSED CONSERVATION EASEMENT:

(A)

A perpetual easement over and across Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 22, Block 1, Outlot A, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Block 2 all in SAUNDERS LAKE SOUTH, Hennepin County, Minnesota, according to the record plat thereof described as follows:

Commencing at the southwest corner of said Lot 1, Block 1; thence on an assumed bearing of North 00 degrees 04 minutes 07 seconds West, along the west line of said Lot 1, Block 1, a distance of 218.04 feet to the point of beginning; thence North 53 degrees 09 minutes 45 seconds East, a distance of 37.29 feet; thence North 41 degrees 34 minutes 49 seconds East, a distance of 127.99 feet; thence South 51 degrees 02 minutes 31 seconds East, a distance of 10.52 feet; thence South 69 degrees 45 minutes 31 seconds East, a distance of 34.28 feet; thence South 87 degrees 44 minutes 05 seconds East, a distance of 39.39 feet; thence 299.02 feet northeasterly on a tangential curve concave northwesterly having a radius of 151.52 feet and a central angle of 113 degrees 04 minutes 12 seconds; thence 165.22 feet on a reverse curve having a radius of 87.36 feet and a central angle of 108 degrees 21 minutes 10 seconds; thence 144.95 feet on a compound curve having a radius of 95.30 feet and a central angle of 87 degrees 08 minutes 41 seconds; thence 86.15 feet on a compound curve having a radius of 275.66 feet and a central angle of 17 degrees 54 minutes 19 seconds; thence 81.41 feet on a reverse curve having a radius of 131.72 feet and a central angle of 35 degrees 24 minutes 39 seconds; thence South 22 degrees 48 minutes 46 seconds East tangent to said curve a distance of 114.55 feet; thence South 33 degrees 48 minutes 45 seconds West, a distance of 15.31 feet; thence South 15 degrees 37 minutes 39 seconds East, a distance of 230.94 feet; thence South 01 degree 49 minutes 45 seconds East, a distance of 102.33 feet; thence South 34 degrees 41 minutes 10 seconds West, a distance of 42.60 feet; thence South 54 degrees 04 minutes 18 seconds West, a distance of 49.08 feet; thence South 73 degrees 03 minutes 09 seconds West, a distance of 95.13 feet; thence North 63 degrees 49 minutes 36 seconds West, a distance of 54.04 feet; thence North 49 degrees 14 minutes 20 seconds West, a distance of 75.11 feet; thence North 75 degrees 01 minute 18 seconds West, a distance of 90.35 feet; thence South 85 degrees 18 minutes 25 seconds West, a distance of 57.08 feet; thence South 46 degrees 51 minutes 07 seconds West, a distance of 47.85 feet to the easterly line of Basswood Drive, according to said SAUNDERS LAKE SOUTH; thence southerly along said easterly line to the westerly common corner of said Lots 9 and 10, Block 1; thence North 59 degrees 56 minutes 25 seconds East, a distance of 37.69 feet; thence South 80 degrees 18 minutes 39 seconds East, a distance of 92.50 feet; thence South 27 degrees 12 minutes 31 seconds East, a distance of 32.38 feet; thence South 52 degrees 27 minutes 51 seconds East, a distance of 51.10 feet; thence South 83 degrees 40 minutes 02 seconds East, a distance of 42.34 feet; thence North 77 degrees 01 minute 13 seconds East, a distance of 41.59 feet; thence North 49 degrees 25 minutes 55 seconds East, a distance of 43.09 feet; thence North 37 degrees 30 minutes 32 seconds East, a distance of 29.44 feet; thence North 20 degrees 34 minutes 42 seconds East, a distance of 33.26 feet; thence North 01 degree 16 minutes 28 seconds West, a distance of 35.04 feet; thence North 13 degrees 00 minutes 34 seconds West, a distance of 41.54 feet; thence North 12 degrees 27 minutes 11 seconds East, a distance of 16.65 feet; thence North 39 degrees 59 minutes 24 seconds East, a distance of 75.39 feet; thence North 10 degrees 02 minutes 25 seconds West, a distance of 145.95 feet; thence North 01 degree 33 minutes 00 seconds East, a distance of 57.62 feet; thence North 17 degrees 58 minutes 21 seconds East, a distance of 62.56

feet; thence North 54 degrees 23 minutes 55 seconds East, a distance of 79.24 feet; thence North 01 degree 02 minutes 12 seconds East, a distance of 72.41 feet; thence North 40 degrees 03 minutes 49 seconds East, a distance of 50.85 feet; thence North 29 degrees 49 minutes 44 seconds East, a distance of 40.86 feet; thence North 14 degrees 54 minutes 56 seconds East, a distance of 87.80 feet; thence North 43 degrees 33 minutes 54 seconds East, a distance of 42.97 feet; thence North 58 degrees 45 minutes 58 seconds East, a distance of 51.04 feet; thence North 77 degrees 44 minutes 57 seconds East, a distance of 55.02 feet; thence North 86 degrees 37 minutes 09 seconds East, a distance of 78.97 feet; thence South 83 degrees 40 minutes 02 seconds East, a distance of 56.33 feet; thence South 63 degrees 04 minutes 30 seconds East, a distance of 51.57 feet; thence South 75 degrees 50 minutes 28 seconds East, a distance of 51.84 feet; thence South 59 degrees 40 minutes 44 seconds East, a distance of 183.27 feet; thence South 33 degrees 14 minutes 15 seconds East, a distance of 51.28 feet; thence South 10 degrees 14 minutes 48 seconds East, a distance of 113.90 feet; thence South 11 degrees 38 minutes 13 seconds East, a distance of 25.62 feet; thence South 25 degrees 44 minutes 57 seconds East, a distance of 180.57 feet; thence South 31 degrees 56 minutes 52 seconds East, a distance of 89.24 feet; thence South 32 degrees 51 minutes 34 seconds East, a distance of 57.79 feet; thence South 19 degrees 25 minutes 26 seconds East, a distance of 37.85 feet; thence South 19 degrees 53 minutes 42 seconds East, a distance of 68.54 feet; thence South 28 degrees 21 minutes 12 seconds East, a distance of 34.54 feet; thence South 43 degrees 07 minutes 28 seconds East, a distance of 33.00 feet; thence South 63 degrees 27 minutes 43 seconds East, a distance of 84.04 feet to the east line of said Lot 10, Block 2; thence North 02 degrees 33 minutes 41 seconds East along said east line to the shore line of Saunders Lake; thence northwesterly, westerly, southwesterly, westerly, northwesterly, westerly, southwesterly, westerly, northwesterly, westerly and southwesterly along said shoreline to the west line of said Lot 1, Block 1; thence South 00 degrees 04 minutes 07 seconds East along said west line to the point of beginning.

(B)

A perpetual easement over and across Lots 1, 2, 3, and 4, Block 3, SAUNDERS LAKE SOUTH, Hennepin County, Minnesota, according to the record plat thereof, described as follows:

Commencing at the northwest corner of said Lot 3; thence South 90 degrees 00 minutes 00 seconds East along the north line of said Lot 3, assuming that the west line of said Lot 3 bears South 00 degrees 04 minutes 07 seconds East, a distance of 59.47 feet to the point of beginning; thence North 06 degrees 37 minutes 16 seconds East, a distance of 18.61 feet; thence North 36 degrees 13 minutes 32 seconds East, a distance of 39.56 feet; thence North 84 degrees 57 minutes 48 seconds East, a distance of 53.20 feet; thence South 76 degrees 56 minutes 44 seconds East, a distance of 31.21 feet to the easterly line of said Block 3; thence southeasterly along said easterly line a distance of 262.01 feet; thence South 28 degrees 06 minutes 02 seconds West, a distance of 23.26 feet; thence South 45 degrees 44 minutes 28 seconds West, a distance of 44.61 feet; thence South 80 degrees 19 minutes 21 seconds West, a distance of 64.83 feet; thence North 71 degrees 10 minutes 03 seconds West, a distance of 33.76 feet; thence North 43 degrees 03 minutes 32 seconds West, a distance of 31.96 feet; thence North 77 degrees 58 minutes 59 seconds West, a distance of 48.60 feet; thence North 56 degrees 49 minutes 28 seconds West, a distance of 51.21 feet; thence North 29 degrees 34 minutes 04 seconds West, a distance of 53.70 feet; thence North 16 degrees 12 minutes 26 seconds West, a distance of 50.26 feet to a line which bears South 06

degrees 37 minutes 16 seconds West from the point of beginning; thence North 06 degrees 37 minutes 16 seconds East, a distance of 35.46 feet to the point of beginning.

