

DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth, by M. W. JOHNSON CONSTRUCTION, INC., a Minnesota corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Scott, State of Minnesota, which is more particularly described on Exhibit A attached hereto; and

WHEREAS, Declarant is presently constructing a development on the Property constituting a residential community; and

WHEREAS, Declarant deems it desirable to create an agency to receive the power to attend to and effectuate policies and programs that will enhance the pleasure and value of the property, and maintain, administer, and enforce covenants and restrictions and collect and disburse the assessments and charges hereinafter created; and

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

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and are binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. This declaration hereby establishes a general plan for the individual ownership of the Residential Lots, as follows:

ARTICLE I  
DEFINITIONS

Section 1. "Association" shall mean and refer to Countryside Homeowners' Association, its successors and assigns.

Section 2. "Common Elements" shall mean and refer to all of the improvements and installations that the Association is obligated to maintain pursuant to this Declaration.

Section 3. "Board of Directors" shall mean the Board of Directors of the Association.

Section 4. "Declarant" shall mean and refer to M. W. Johnson Construction, Inc., a Minnesota corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development. However, no individual or entity shall become the Declarant solely by such acquisition, but only as a result of a specific assignment of Declarant rights.

Section 5. "First Mortgage" shall mean any recorded First Mortgage by which a Lot or any part thereof or any structure thereon is encumbered.

Section 6. "Lot" or "Residential Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, whether construction of any improvement has been commenced or completed thereon or not.

Section 7. "Member" shall mean any person or entity holding membership in the Association as provided in Article III hereof.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 10. "Unit" shall mean an improved Lot upon which is constructed a building which is designed or intended for use as a single family residence, including garage.

## ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall automatically upon becoming an Owner become a member of the Association and shall remain a member until such time as his ownership of a Lot ceases for any reason, at which time his membership shall automatically cease. Each Lot Owner, other than Declarant, shall, however, register his ownership by submitting to the Board of Directors a copy of a document creating his interest in the Lot within thirty (30) days after the date of

purchase. If title to a Lot is held by more than one person, each of such persons shall be a member. An Owner of more than one Lot shall be entitled to one membership for each such Lot. Each such membership shall be appurtenant to the Lot upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of the title of that Lot. Ownership of a Unit shall be appurtenant to the Lot upon which it is located, and no right, title or interest in a Unit may be transferred or conveyed separately from such Lot. No person or entity other than an Owner or Declarant may be a member of the Association.

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

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

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 2009.

Section 3. Transfer. A membership in the Association shall not be transferred, pledged or alienated in any way, except as a part of and upon the transfer of the record title of a Unit and then only to the transferee thereof. Each Owner shall notify the Association with the desire of the majority of such Owners.

Section 4. Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of thirty (30) days, or shall be in default in the performance of any of the other provisions of this Declaration for a period of thirty (30) days, such Owner's right to vote as a member of the Association shall be suspended and shall remain suspended until payments are brought current and all defaults remedied.

ARTICLE III  
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Personal Obligation. Each Owner shall be obligated to pay to the Association annual assessments in accordance with the rate of assessment established by the Association, which shall be payable in regular installments, for all common expenses of the Association. Common expenses are expenditures made or liabilities incurred on behalf of the Association, and shall include, but not be limited to, hazard and liability insurance and sewer and water charges (other than such charges as are made directly to individual Lot Owners), outside lighting, and an adequate reserve fund for the periodic maintenance, repair and replacement of those improvements which the Association may be obligated to maintain, repair and replace on a periodic basis. In addition, each Owner shall be obligated to pay special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any assessments together with interest, costs and reasonable attorneys' fees, shall be a continuing lien against the Unit assessed from the date the first installment is due and payable. The annual assessments shall be due and payable in twelve equal monthly installments on the first day of each and every month commencing on the first day of the first month after the adoption of the assessments. The special assessments shall be due and payable as determined by the Board of Directors. Each assessment, together with interest, costs and attorney's fees, shall also be the personal obligation of the Owner or Owners of each Lot on the date said assessment became due and payable, but the personal obligation of an Owner shall not pass to his successors in title or interest unless expressly assumed by them or unless prior to such transfer, a lien for such assessments shall have been filed in writing with the County Recorder for Scott County, Minnesota. No Owner shall avoid liability for the assessments which became due while he was the Owner by reason of non-use of the Common Elements or non-use, transfer or abandonment of his Lot.

Section 2. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and occupants of the Property, and to insure, construct, manage, improve, maintain, repair and administer the Common Area and all utility installments therein.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction,

reconstruction, repair or replacement of a capital improvement upon the Property, including fixtures and personal property related thereto, or any unforeseen expenditures resulting in a shortfall in the budgeted dues, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days prior to said meeting. The quorum required to take action under Section 3 and 4 shall constitute one-fifth of the votes of each class of membership. If, however, a quorum is not present at any meeting, then the quorum requirements for any subsequent meeting regarding action under Section 3 and 4 shall be as set forth in the By Laws.

Section 5. Declarant's Alternative Assessment. Notwithstanding anything to the contrary in this Article III, if annual assessments have been levied, any Unit owned by Declarant for initial sale shall not be assessed until a certificate of occupancy has been issued with respect to such Unit by the municipality in which the Unit is located. This reduced assessment shall apply to each Unit owned by Declarant at the time that the Unit is created, and shall continue until the issuance of the certificate of occupancy as previously described. There are no assurances that this alternative assessment program will have no effect on the level of services for items set forth in the Association's budget. In the event that the alternative assessment program is adopted, Declarant shall be responsible for any shortages in the association budget, such that all Association expenses are paid up to the time that the Association is turned over to the non-Declarant Owners. Declarant may perform some or all of the services required to be provided to the Association during said period of time.

Section 6. Effect of Nonpayment of Assessment; Remedies of Association. The annual assessments and special assessments shall be fixed as provided in this Declaration. If any such assessment is not paid when due, it shall become delinquent and shall, together with interest at a rate of eight percent (8%) per annum, any cost of collection, and any attorney's fees, become a continuing lien on the Lot and shall also be the personal obligation of the Owner of the Lot at the time the assessment is made. The lien may be enforced and foreclosed by action in the same manner in which mortgages may be foreclosed in Minnesota. Each Owner, by acceptance of a deed for any Lot, shall be deemed to give full and complete power of sale to the Association and to

consent to a foreclosure of the lien by advertisement. The Association may elect to bring an action at law against the Owner personally obligated to pay the assessment.

Section 7. Subordination of Lien to First Mortgages. The lien of assessments provided for herein shall be subordinate to the lien of any first Mortgage, and the sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to any foreclosure proceeding or arrangement in lieu of foreclosure, shall extinguish the lien of such assessments as to installments which became due prior to the effective date of such sale, transfer or acquisition by the Mortgagee to the end that no assessment liability shall accrue to an acquiring Mortgagee except with respect to installments of assessments becoming due after possession has passed to such acquiring Mortgagee, whether such possession has passed at the termination of any period of redemption or otherwise. In the event of the extinguishment of such assessment lien as aforesaid, the entire amount of such unpaid assessment shall be reallocated and assessed against the Owners of all other Lots exclusive of such mortgage Lot. No such sale, transfer or acquisition of possession shall relieve an owner or a Lot from liability for any assessments thereafter becoming due or from the lien thereof, or shall relieve the person personally obligated to pay the assessments which were levied prior to the transfer of such property from the personal obligation to pay the same.

Section 8. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) All properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use;
- (b) All properties exempted from taxation by the laws of the State of Minnesota upon the terms and to the extent of such legal exemption; and

Notwithstanding any provision herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

#### ARTICLE IV RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Maintenance of Portions of the Lots and Units. The Association shall maintain those portions of the Lots and Units described herein in good, clean, attractive and sanitary condition, order and repair. The Association's responsibility

for maintenance, repair and replacement shall include, (i) the care and maintenance of the sound walls and the landscaping that have been constructed as part of the original development that are generally located along Highway 169 on the north side of the development and along 17<sup>th</sup> Avenue on the south side of the development, (ii) the care and maintenance of the monumentation of the Xcel Energy easement (as set forth under Scott County Doc. No. 116697 and 496469) and wetland buffer areas, as originally established as part of the development, (the foregoing sound walls, landscaping, and monumentation being referred to as Common Elements). In the event that the need for maintenance, repair or replacement is caused through the willful or negligent acts of an Owner, his family, guests or invitees, the cost of such maintenance or repair may be added to and become a part of the assessment to which such Unit is subject.

Section 2. Maintenance of Portions of the Lots and Units; Maintenance of Easement Areas. The Property is located adjacent to the following real property which is also part of the plat of Countryside and being developed for single family residential purposes (collectively, the "Countryside III Property"):

Lots 1-44, Block 17;  
Lots 1-12, Block 18;  
Lots 1-12, Block 19;  
Lots 1-11, Block 20;  
Lots 1-14, Block 21;  
Lots 1-20, Block 22;  
Lots 1-10, Block 23;  
Countryside, Scott County, Minnesota.

The Countryside III Property is governed by a homeowner's association named Countryside III Homeowner's Association and by a Declaration of Covenants, Conditions and Restrictions (the "Countryside III Declaration") similar in form and content to this Declaration.

The City of Shakopee requires that the Association and the Countryside III Association be responsible for maintaining those portions of the Lots and Units described herein on their respective property in good, clean, attractive and sanitary condition, order and repair. The Association and the Countryside III Association have agreed that subject to reimbursement of "Shared Costs" (defined herein), the Association will be responsible for performing the maintenance, repair and replacement work referenced in this Article IV, Section 1 above. All costs of performing the foregoing work by the Association are referred to herein as "Shared Costs". From time to time, but not more often than quarterly, the Association may submit an invoice to the Countryside III Association for reimbursement of one-half

of the Shared Costs. Within thirty (30) days after receipt of said invoice, the Countryside III Association shall reimburse the Association for one-half (1/2) of the Shared Costs. All Shared Costs paid by the Association shall be assessed to the Owners as part of the common expenses of the Association under Article III of this Declaration and shall be payable monthly in accordance with the terms of said Article III.

Any claim, dispute or controversy between the Association and the Countryside III Association concerning the subject matter of this Section 2, including the applicability of this arbitration clause and the validity of the terms and conditions of this Section 2 (collectively, "Dispute"), shall be resolved by neutral binding arbitration by the National Arbitration Forum (the "Forum") under the Code of Procedure in effect at the time the claim is filed. Any arbitration hearing pursuant to this arbitration clause will take place at a mutually agreeable location in the Twin Cities metropolitan area, State of Minnesota. Either party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration at any Forum office or P.O. Box 50191, Minneapolis, Minnesota 55404, with copy to the other party. Rules and forms of the Forum may be obtained at any Forum office, [www.arb-forum.com](http://www.arb-forum.com), or P.O. Box 50191, Minneapolis. In the event that any dispute arises in any way relating to or arising out of this Section 1, the prevailing party in any such arbitration proceeding will be entitled to recover an award of its reasonable attorney's fees and costs. Judgment upon the award may be entered in any court having jurisdiction.

Section 3. Services. The Association may obtain and shall pay for the services of any persons or entities, to manage its affairs, or any part thereof, to the extent it deems advisable, including the legal and accounting services it deems necessary or desirable. Any agreement for professional management of the Property, or any other contract providing for services by Declarant or any entity owned or controlled by the Declarant, must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and by either party for cause upon thirty (30) days or less written notice and shall have a maximum contract term of one year, but may be renewable by agreement of the parties for successive one-year terms.

Section 4. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners, personal property, which shall be deemed a Property of the Association, and may dispose of the same by sale or otherwise. Such beneficial interest shall not be transferable except with the transfer of title to a Lot.

Section 5. Access. For the purpose solely of performing the repairs, replacements and maintenance authorized by this Declaration, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Unit. However, in the event of an emergency or to perform emergency repairs under this Article, the Association through its duly authorized agents or employees, shall have the right to enter upon any Lot or Unit at any time, without notice, with such men and material as the Association deems necessary, to accomplish such emergency repairs or to take such emergency action. The Association shall repair any damage occasioned by its entry onto a Unit.

Section 6. Utilities. The Association shall pay as common expense all charges for water, sewer and other utilities used in conjunction with the maintenance obligations herein.

Section 7. Insurance.

A. The Association may, as it deems necessary, maintain comprehensive Public Liability Insurance covering claims arising from the use, ownership and maintenance of the Common Elements of the Property, and legal liability arising out of lawsuits related to contracts of the Association. Such insurance shall contain a severability of interest endorsement and coverage limits of not less than One Million Dollars (\$1,000,000.00) per occurrence against claims for death, bodily injury and property damage and such other insurance coverage, other than title insurance, as the Board, in its sole discretion, or as FNMA, FHLMC or HUD, if applicable, may determine from time to time to be required or in the best interest of the Association and the Owners.

B. Each policy, to the extent appropriate and available, shall further provide:

1. All policies shall be written in the name of the Association for the use and benefit of the Owners and shall contain a standard mortgage clause or equivalent endorsement.
2. The insurer waives its right to subrogation under the policy against Owners, their respective occupants, tenants, guests, invitees, employees or agents, and against the Association and members of the Board of Directors.
3. If, at the time of the loss under the policy, there is other insurance in the name of any Owner covering the same property covered by the policy, the policy is

primary insurance not contributing with other insurance.

4. No act or omission by an Owner or First Mortgagee, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.
5. The policy shall not be canceled or substantially modified without at least thirty(30) days prior written notice to all of the insureds.

C. An Owner shall obtain insurance for his own benefit. The Association shall have no responsibility for, and shall provide no insurance for loss or damage to individual Units, personal property, furnishings, or fixtures of any kind and nature, belonging to Owners, occupants, tenants, guests or invitees, which may be installed, located or stored on or within the property, or for personal injury to Owners, occupants, tenants, guests or invitees on a Lot or within a dwelling thereon. Any insurance obtained by an Owner for loss or damage to property or for personal injury shall provide that the insurer waives his right to subrogation as to any claims against other Owners, the Association, the Declarant, the Board of Directors and their respective employees, agents, guests, invitees and tenants.

Section 8. Insurance Premiums. Premiums for any insurance coverage purchased by the Association shall be common expenses to be paid by assessments levied by the Association.

#### ARTICLE V OWNERS' MAINTENANCE

Section 1. Upkeep and Maintenance. Except as provided for in Article IV, each Owner shall be responsible for the upkeep and maintenance of his Lot and Unit including, without limitation, the maintenance and repair of the exterior portion of the Unit, including all sidewalks, driveways, fences, decks, and patios, the repair or replacement of all glass and other fixtures and improvements therein or thereto and all other areas, features or parts of his Lot or Unit. An Owner shall do no act or any work that will impair the structural soundness or integrity of a Unit, or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Units, Lots or Owners. An Owner shall perform all maintenance and repairs to his Unit, not otherwise reserved to the Association.

ARTICLE VI  
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real estate subject to this Declaration is located in Scott County, Minnesota and is described on Exhibit A attached hereto.

Section 2. Additions. Additional residential property and common area may be annexed to the Property with the consent of 75% of the members, by an amendment to this Declaration.

ARTICLE VII  
ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. There shall be established an Architectural Control Committee (ACC) consisting of three persons. The members of the ACC shall be appointed as provided for in the Bylaws. After the termination of Declarant's right to appoint the ACC members, members shall be appointed and serve at the pleasure of the Board of Directors of the Association. Until such time as the Declarant has conveyed every lot to an individual Owner, Declarant shall have the right to appoint the members of the ACC.

Section 2. Original Construction. A site plan and plans and specifications for the construction of a Unit on any Lot shall be submitted to the ACC for its written approval before any construction activity is begun.

Section 3. Standard of Review. The ACC may promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition, the following shall apply: the plans and specifications shall be reviewed as to quality of workmanship, design and harmony of external design with existing structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of that Owner's residence or to paint or decorate the interior of that Owner's residence any color desired.

Section 4. Procedure. If the ACC fails to approve or disapprove plans and specifications within thirty (30) days after the submission of the same to it, approval will be deemed to have been denied. In the event of disapproval by the ACC, the requesting Owner may give written notice that the Owner wishes to appeal the ACC decision and request a hearing by the Association's Board of Directors. Such notice must be furnished to the ACC within ten (10) days of its decision. The hearing shall be at a special meeting of the Board of Directors to be

held within thirty (30) days of the receipt of the Owner's notice of appeal.

Section 5. Removal and Abatement. The ACC or the Association shall have the right to order an Owner to remove or alter any structure on any Lot erected in violation of the terms of this Declaration, and to employ appropriate judicial proceedings to compel the alteration or demolition of any nonconforming construction or other violation. Any cost incurred by the ACC in enforcing this section shall be levied as an individual Assessment as provided in Article III.

Section 6. Variances. Reasonable variances to the covenants, conditions and restrictions may be granted by the ACC after review, in order to overcome practical difficulties to prevent unnecessary hardship. A variance may only be granted if it is not detrimental to other property and shall not defeat the purpose of this Declaration.

Section 7. Termination of Authority. The authority of the ACC shall extend only through the completion of original construction and any period of time necessary to assure compliance with the ACC requirements. Subsequent modification, additions, and improvements to the dwellings are outside the authority of the ACC, but are subject to all governmental regulations relating thereto. Nothing herein is intended to alter or modify the authority of the Board of Directors to enforce the provisions of this Declaration.

## ARTICLE VIII

### GENERAL RESTRICTIONS, OBLIGATIONS AND RIGHTS OF OWNERS

Section 1. Unit and Lot Owners. No more than one Unit shall be erected or maintained on each Lot. No Unit shall be used for purposes other than as a single family residence, or for purposes contrary to municipal ordinances, state or federal laws now or hereafter existing.

Section 2. Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the exterior of the Property and buildings shall be committed by any Owner or his guests, invitees, tenants, agents or employees or any invitee of any Owner and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from such damage or waste caused by him or his guests, invitees, tenants, agents or employees, to the Association, or other Owners. No noxious, destructive or offensive substance or

activity shall be allowed on any Lots or any part thereof, nor shall anything be done thereon which constitutes a nuisance to any other Owner or to any other person at any time lawfully residing on the Property.

Section 3. Fences. No Owner shall install, relocate, heighten, lower or otherwise move or change any fence upon the Property, except with the express written approval of the Association. No fencing shall be allowed in any event on the lots abutting the Xcel Energy easement area east of County Road 77. If any fencing is permitted by the Association, the fencing design and materials shall be consistent for all lots upon which fencing is placed.

Section 4. No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any Lot so as to be visible from the street.

Section 5. Animals. No animals of any kind shall be raised, bred or kept in Units or on any Lot or any part thereof, except that household pets of a mature size may be kept in Units or on Lots, subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purposes.

Section 6. Prohibited Structures. No structure of a temporary character, trailer, boat, camper, bus, tent, or shack, nor any shed, outbuilding, pole barn, or other detached structure shall be maintained on any Lot so as to be visible from outside such Lot without the approval of the Association.

Section 7. Storage. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, yard and garden tools and equipment and trash and garbage containers, shall not be allowed unless screened from view outside the Lot by enclosures or fencing.

Section 8. Signs. No sign of any kind (other than designations, in such styles and materials as the Association shall by regulations approve, of street addresses and names of occupants) shall be displayed to the public view on any Lot unless prior approval is granted in writing by the Board of Directors, provided, however, that this provision shall not limit the Declarant's rights as otherwise stated herein.

Section 9. Rules and Regulations. The Board shall adopt such rules and regulations from time to time as it deems appropriate or necessary to administer and enforce the covenants, conditions, and restrictions herein.

Section 10. Easements. Each Owner grants to the Association a perpetual easement over and across that portion of their Unit as is necessary for the Association to meet its maintenance and repair obligations herein. In particular, and without limitation, said easement shall include that portion of the platted lots (but excluding the dwelling itself) that is reasonably necessary for the Association to maintain the sound walls, landscaping, and the monumentation referenced in Article IV, Section 1 above. In the event of damage to the lot of an individual owner as a result of the Association's maintenance activities, the Association shall restore said lot to its condition prior to the Association's maintenance activities.

Section 11. Sprinkler Systems. In the event of installation of underground sprinkler systems, whether in original construction or thereafter, the Owner shall install and maintain rain guards in such systems.

#### ARTICLE IX ADMINISTRATION

Section 1. No Right of First Refusal. The right of an Owner to sell, transfer, or otherwise convey his Unit will not be subject to any right of first refusal or any similar restriction in favor of the Association or other Owners.

Section 2. Certain Amendments. In addition to other requirements set forth herein, unless at least 67% (or such higher percentage as is required by law) of the Owners (other than any sponsor, developer, or builder including the Declarant) of the Units (based upon one vote for each Lot) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

A. Terminate the legal status of the project (except in accordance with the procedures set forth in this Declaration and the Bylaws for the amendment or termination made as a result of destruction, damage or condemnation);

B. Add or amend any material provisions of the constituent documents of the project which establish, provide for, govern or regulate any of the following:

1. Voting;
2. Assessments, assessment liens or subordination of such liens;
3. Reserves for maintenance, repair and replacement;

4. Insurance or Fidelity Bonds;
5. Rights to use of the Property;
6. Responsibility for maintenance and repair of the several portions of the project;
7. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
8. Boundaries of any Lot;
9. Leasing of Lots, Units;
10. Imposition of any right of first refusal or similar restriction on the right of any Owner to sell, transfer, or otherwise convey his or her Lot or Unit;

C. By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Units, the exterior maintenance of Units, party walks or common fences and driveways, or the upkeep of lawns and plantings.

For purposes of this section, an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

Section 5. Payment of Taxes and Insurance. Mortgagees may, jointly or singly, pay taxes or other charges which are in default.

Section 6. Distribution of Insurance Proceeds and Condemnation Awards. No provision of the Declaration or Bylaws shall be construed as giving to the Owner or to any other party priority over any rights of holders of mortgages of Lots and Units pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses.

#### ARTICLE X SPECIAL PROVISIONS

Section 1. Deed Restrictions. A Declaration of Covenants and Restrictions has been placed on certain lots in the subdivision. The restrictions run in the favor of the City of

Shakopee, providing restrictions more specifically set forth in the Declaration, but generally restricting fences or structures within dedicated utility and drainage easements.

Section 2. Noise Mitigation. The Association is responsible for any noise mitigation that it deems necessary as that relates to 17<sup>th</sup> Avenue and its existence through the subdivision, and U.S. Highway 169, which is contiguous to the subdivision. The Association is also responsible for installing and maintaining any further noise mitigations that may be required by law or that the Association deems necessary with respect to 17<sup>th</sup> Avenue and U.S. Highway 169.

## ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of these covenants and restrictions and of the provisions contained in the Articles of Incorporation and Bylaws of the Association may be by a proceeding at law or in equity instituted by the Association or by any Owner against any person (including the Association) violating or attempting to violate any covenant or restriction, either to restrain violation, to compel compliance, or to recover damages, and against the Property, to enforce any lien created by these covenants; and failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Attorneys' fees and costs of any such actions to restrain violation or to recover damages as determined by the Court shall be assessable against and payable by any persons violating the terms contained herein.

Section 2. Mergers. Upon a merger or consolidation of the Association with another corporation as provided in its Articles and Bylaws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or additions to the covenants established by this Declaration within the Property, except as hereinafter provided.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by legislation, judgment or court order

shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Notices. Any notice or other writing required to be given hereunder to any Member or the Association under the provision of this Declaration shall be deemed to have been properly given if personally delivered or mailed, postage prepaid, as to Members, to the last known address of such Member appearing on the records of the Association at the time of such mailing, and as to the Association, to the office of the Association at:

Countryside Homeowners' Association  
c/o M.W. Johnson Construction, Inc.  
17645 Juniper Path  
Lakeville, MN 55044

or to such other address as any Member notifies the Association or other members, as appropriate, in accordance herewith.

Section 5. Captions. The Articles and Section headings are intended for convenience only and shall not be given any substantive effect.

Section 6. Construction. In the event of an apparent conflict between this Declaration and the Bylaws, the provisions of this Declaration shall govern.

Section 7. FHA or VA Approval. As long as Declarant is in control of the Association, but only if Declarant has elected FHA and VA financing approvals, the prior approval of the VA or FHA may be required for certain amendments or other actions as set forth in FHA/VA regulations.

Section 8. Miscellaneous. The singular shall be deemed to include the plural wherever appropriate, and the masculine shall be deemed to include the feminine and neuter genders where appropriate.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2006.

M. W. JOHNSON CONSTRUCTION, INC.,  
a Minnesota corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MINNESOTA            )  
  )ss.  
COUNTY OF DAKOTA            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_, the \_\_\_\_\_ of M.W. Johnson Construction, Inc., a corporation under the laws of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
Richard K. Hocking, P.A.  
10657 165<sup>th</sup> St W  
Lakeville MN 55044  
(952) 432-8129  
Attorney ID No. 45639

EXHIBIT A

Lots 1-9, Block 24;  
Lots 1-18, Block 25;  
Lots 1-15, Block 26;  
Lots 1-8, Block 27;  
Lots 1-10, Block 28;  
Lots 1-10, Block 29;  
Lots 1-43, Block 30;  
Countryside, Scott County, Minnesota