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**COMMON INTEREST COMMUNITY NUMBER 191
A CONDOMINIUM**

**BOULDER RIDGE TOWNHOMES
DECLARATION**

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**COMMON INTEREST COMMUNITY NUMBER 191
A CONDOMINIUM
BOULDER RIDGE TOWNHOMES
DECLARATION**

Pursuant to the provisions and authority of Minnesota Statutes, Chapter 515B, Centex Homes, a Nevada general partnership ("Declarant"), makes and executes this Declaration to submit certain real property which Declarant owns in fee simple and which is legally described on the attached **Exhibit A**, together with the buildings and improvements located thereon (the "Subject Property"), to the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes, Chapter 515B.

1. Definitions. All terms and phrases used in this Declaration or in the other Project Documents have the meanings set forth in the Act unless otherwise defined in the Project Documents.

1.1. "Act" means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B and any successor statutes.

1.2. "Additional Real Estate" means the real estate that Declarant may add to the CIC pursuant to Section 9. The Additional Real Estate is legally described on the attached **Exhibit B**.

1.3. "Affiliate of Declarant" means any Person who controls, is controlled by, or is under common control with a Declarant. A Person "controls" a Declarant if the Person (i) is a general partner, officer, director, or employer of the Declarant; (ii) directly or indirectly or acting in concert with one or more other Persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in a Declarant; (iii) controls in any manner the election of a majority of the directors of a Declarant; or (iv) has contributed more than 20 percent of the capital of the Declarant. A Person "is controlled by" a Declarant if the Declarant (i) is a general partner, officer, director, or employer of the Person; (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the Person; (iii) controls in any manner the election of a majority of the directors of the Person; or (iv) has contributed more than 20 percent of the capital of the person. Control does not exist if the powers described in this paragraph are held solely as security for an obligation and are not exercised.

1.4. "Articles of Incorporation" or "Articles" means the Association's articles of incorporation.

1.5. "Association" means Boulder Ridge Association of Rochester, a Minnesota nonprofit corporation organized and existing under the authority of Minnesota Statutes Chapter 317A.

1.6. "Board" means the Association's board of directors.

1.7. "Bylaws" means the Association's bylaws.

1.8. "Common Elements" means all portions of the CIC other than the Units.

1.9. "Common Expenses" means any and all expenditures made and liabilities incurred by or on behalf of the Association including, but not limited to, amounts necessary to fund scheduled deposits in reserve accounts established to provide funds to pay for the repair and replacement of Common Elements, including Limited Elements, and the repair and replacement of the portions of the Units the Association is obligated to repair and replace.

1.10. "CIC" means Boulder Ridge Townhomes, Common Interest Community Number 191, Olmsted County, Minnesota including any Additional Real Estate subsequently added to the CIC.

1.11. "CIC Plat" means that part of this Declaration that constitutes the drawing of the layout of the Common Interest Community.

1.12. "Declarant" means Centex Homes, a Nevada general partnership; any person who executes an amendment to the Declaration adding Additional Real Estate to the CIC, other than persons holding interest in the real estate solely as security for an obligation, or any person who succeeds under the provisions of the Act to any Special Declarant Rights.

1.13. "Declaration" means this document, the CIC Plat and all amendments hereto.

1.14. "Eligible Mortgage" means a first mortgage held by a mortgagee who has submitted a written request to the Association asking the Association to notify the mortgagee of any action that, under the terms of the Declaration, requires the consent of a specific percentage of mortgagees.

1.15. "Fractional Allocation" means the fraction assigned to each Unit in Section 7 of this Declaration which determines: the undivided interest in the Common Elements appurtenant to the Unit and the share of the Association's Common Expenses the Board may assess against the Unit.

1.16. "FHA" means the Federal Housing Administration.

1.17. "FNMA" means the Federal National Mortgage Association.

1.18. "Limited Common Elements" means any part of the Common Elements the Declaration or the Act allocate for the exclusive use of one or more but fewer than all Units.

1.19. "Member" means the Person or Persons with membership rights in the Association. If a Person is the sole owner of a Unit, the Person is a Member of the

Association. If more than one Person owns a Unit, all Persons who own the Unit are considered to be, collectively, a single Member of the Association.

1.20. "Owner" means any Person, including a Declarant and contract for deed vendee, who own a Unit, but does not include a Secured Party.

1.21. "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

1.22. "Project Documents" means this Declaration, the Association's Articles of Incorporation and Bylaws and the rules and regulations of the Association, if any, as the same may be amended from time to time.

1.23. "Purchaser" means a person, other than a Declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a Unit other than a leasehold interest of less than 20 years, including renewal options, or a security interest.

1.24. "Secured Party" means a Person owning a perfected interest in a portion of the CIC, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in the assignment of leases or rents intended as security, a lender's interest in a cooperative share loan, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

1.25. "Special Declarant Rights" means the rights reserved to Declarants in Section 8 of the Declaration.

1.26. "Subject Property" means the real property legally described on **Exhibit A** which is the property this Declaration subjects to the provisions of the Act; and any Additional Real Estate Declarant adds to the CIC pursuant to Section 9 and the Act, and any improvements or fixtures located thereon.

1.27. "Unit" means a physical portion of the CIC the boundaries of which are described in this Declaration and which is intended for separate ownership.

2. Description of the CIC. The name of the CIC is Boulder Ridge Townhomes. The CIC is a Condominium. The Olmsted County Recorder has assigned CIC Number 191 to the CIC. The CIC is located in the City of Rochester, Olmsted County, Minnesota, on the real estate legally described on Exhibit A. There are 8 Units in the CIC. The Unit is restricted to residential use. Declarant has reserved the right to add additional Units to the CIC as set forth in Section 9.

3. Description of the Association. Declarant has incorporated a Minnesota non-profit corporation under Minnesota Statutes Ch. 317A to administer the CIC. The corporation's

name is Boulder Ridge Association of Rochester. The duties and powers of the Association and the Board are set forth in the Act, the Articles of Incorporation, the Bylaws and this Declaration.

4. Description of the Units. The CIC Plat depicts the location of each Unit and sets forth the Unit Identifier assigned to and the dimensions of each Unit. The boundaries of the Units are the interior, unfinished surfaces of the perimeter walls, floors and ceilings of the Unit. All paneling, tiles, wallpaper, paint, floor coverings, and any other materials applied to the interior surfaces of the perimeter walls, floors or ceilings are part of the Unit, and all other portions of the perimeter walls, floors and ceilings, including perimeter doors and windows, and their frames, are part of the Common Elements. All spaces, interior partitions, and any fixtures and improvements located entirely within the described boundaries of a Unit are part of the Unit.

5. Description of the Common Elements. The Common Elements consist of all the real property and fixtures included in the CIC except for the real property and fixtures which are part of a Unit. The Common Elements include the Limited Common Elements. The Common Elements include, without limitation, all foundations, columns, girders, beams, supports, exterior walls, interior loadbearing walls, walls separating Units, corridors, stairs, yards, retaining walls, gardens, recreational areas and facilities, private roads, parking areas, driveway areas, central and appurtenant installations for utility services and all water, sanitary sewer and storm sewer mains, pipes and lines, and related fittings, which are located within the CIC but which are not part of a Unit and which are not publicly owned and maintained. Any portion of any chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or other fixture that serves more than one Unit or any portion of the Common Elements is part of the Common Elements.

6. Description of the Limited Common Elements. All improvements such as driveways, shutters, awnings, window boxes, doorsteps, stoops, balconies, decks, patios, perimeter doors and windows, enclosed or unenclosed porches, constructed as a part of the original construction or subsequently constructed thereafter with the consent of the Board that serve a single Unit, and authorized replacements and modifications thereof, if located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. Any portion of chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or other fixture that lies partially within and partially outside the designated boundaries of a Unit that serves only that Unit is a Limited Common Element allocated solely to that Unit.

7. Allocated Interests. Each Unit is hereby assigned a Fractional Allocation. The Fractional Allocation assigned to a Unit determines the undivided interest in the Common Elements appurtenant to the Unit and the share of Common Expenses the Association may levy against the Unit. Each Unit's Fractional Allocation is a fraction the numerator of which is one and the denominator of which is the total number of Units in the CIC. For example, if there were six Units in the CIC, each Unit would be assigned a Fractional Allocation of 1/6th; the Owner of each Unit would own an undivided 1/6th interest in the Common Elements; and each Unit would be responsible for 1/6th of the Common Expenses. Fractional Allocations are equal for all Units. Declarant has reserved the right to create additional Units on the Additional Real Estate as set forth in Section 9. If Declarant executes and records one or more amendments to this Declaration adding Additional Real Estate to the CIC, each Unit's Fractional Allocation is automatically recalculated upon the recording of each amendment. The new Fractional Allocation assigned to each Unit after the recording of an amendment is a fraction, the numerator

of which is one and the denominator of which is the total number of Units in the CIC after the execution and recording of the amendment. For example, if there were 6 Units in the CIC, each Unit having a Fractional Allocation of 1/6th, and the Declarant recorded an amendment adding 6 Units to the CIC, the new Fractional Allocation assigned to each Unit after the recording of the amendment would be 1/12th. The reallocation of the Fractional Allocation of the Units does not alter or affect the amount of any liens for unpaid installments of annual or special assessments levied before the reallocation or an Owner's obligation to pay future installments of special assessments levied before the recording of the amendment.

8. Special Declarant Rights. Except for the Special Declarant Rights described in this Section 8, Declarant's rights and obligations with respect to any Units Declarant owns are the same as any other Unit Owner. Declarant reserves, for the benefit of any Declarant, the right to:

8.1. Complete improvements depicted on the CIC Plat;

8.2. Add Additional Real Estate to the CIC pursuant to Section 9 below;

8.3. Maintain sales offices, management offices, signs advertising the CIC and models pursuant to Section 10 below;

8.4. Appoint or remove and appoint replacements for the Association's directors and officers pursuant to Section 11; and

8.5. Use easements through the Common Elements for the purpose of making improvements within the CIC or on any Additional Real Estate pursuant to Section 16.2.

9. Additional Real Estate.

9.1. Declarant reserves the right to record one or more amendments to this Declaration adding all or any part of the Additional Real Estate to the CIC. The right to add Additional Real Estate will expire on the date which is seven years after the date the Declarant records this Declaration. If, prior to the expiration of the seven year period, Declarant determines that it will not add all or any portion of the Additional Real Estate to the CIC, Declarant may record a statement to that effect in the county land records, and upon the recording of the statement, Declarant's right to add the Additional Real Estate described in the statement to the CIC terminates.

9.2. Declarant may add portions of the Additional Real Estate at different times. Declarant makes no assurances regarding the configuration or boundaries of the portions of the Additional Real Estate Declarant may add to the CIC; Declarant makes no assurances as to the order in which Declarant will add portions of Additional Real Estate to the CIC; and Declarant makes no assurances that Declarant will add any of the Additional Real Estate to the CIC.

9.3. Declarant may create a maximum of 134 Units on the Additional Real Estate. All Units created on the Additional Real Estate are restricted to residential use.

9.4. Any and all buildings and Units on the Additional Real Estate, when and if added will be compatible with the other buildings and Units in the CIC in terms of the quality of construction and will be substantially complete before the Additional Real Estate is added to the CIC. In recognition of ongoing developments in the field of housing construction and energy supply and changes in consumer demand for housing, Declarant makes no assurance with regard to the architectural style, the principal materials which may be employed in the construction or the size of the Units or buildings, if any, erected upon the Additional Real Estate when and if the Additional Real Estate is added to the CIC.

9.5. All restrictions contained in this Declaration which affect the use, occupancy or alienation of Units will apply to all Units created on any Additional Real Estate which Declarant adds to the CIC. An amendment which adds Additional Real Estate to the CIC may contain additional restrictions as may be necessary to reflect the different character of the Additional Real Estate which is the subject of the amendment. Any additional restrictions contained in an amendment to this Declaration affect only the Additional Real Estate described in the amendment.

9.6. Before recording an amendment adding Additional Real Estate to the CIC, Declarant must serve notice of its intention to add Additional Real Estate as provided for in the Act and must, if applicable, obtain all written approvals the FHA or the VA require. If Declarant complies with the Act and the Declaration, Declarant may add the Additional Real Estate without the approval or consent of the Association or any Owner. Any assurances set forth in this Declaration regarding Additional Real Estate do not apply to the Additional Real Estate if Declarant does not add the Additional Real Estate to the CIC. If an Amendment adding Additional Real Estate to the CIC creates additional Units, the Fractional Allocation assigned to each Unit is reallocated pursuant to Section 7.

10. Model Units and Sales and Management Offices. Declarant reserves the right to maintain sales offices, management offices and model units in Units, on Common Elements or on the Additional Real Estate. Declarant will initially use Units numbered 0107 and 0108 for sales offices and model units. Declarant reserves the right to increase or decrease the number of units Declarant uses as sales offices or models; to relocate the sales offices or models to Units, or other Additional Real Estate or to use a unit constructed on the Additional Real Estate as a management office. Declarant further reserves the right to maintain signs on the Common Elements and in or on models advertising the CIC, including the advertisement and promotion of the sales of Units. Notwithstanding anything to the contrary in this Declaration, so long as Declarant owns at least one Unit in the CIC for sale, the Association shall not take any action that adversely affects Declarant's ability to sell the Unit or Units without prior written consent of Declarant.

11. Declarant Control of the Association. Declarant designated the Association's initial Board in the Articles of Incorporation. The Board has three members. The Declarant, or any Person the Declarant designates, has the exclusive right to appoint the three current members of the Board and to remove one or more of the three directors, at will, and appoint their successors, until the earlier of:

- 11.1. five years from the date of the filing of the Declaration;
- 11.2. Declarant's voluntary surrender of Declarant's right to appoint the three directors: or
- 11.3. the date 60 days from the date Declarant has conveyed 75% of the Units to Purchasers.

So long as Declarant has the right to appoint and remove directors, the Declarant may also appoint and remove the Association's officers. Within 60 days of the date Declarant has conveyed 50% of the Units to Purchasers, the Board must call and hold an annual or special meeting of the Members. At that meeting, the Members must elect two additional directors. From and after that election, the Board consists of five directors. Within 60 days after the date a Declarant has conveyed 75% of the Units to Purchasers, the Board must call and hold an annual or special meeting of the Members. At that meeting, the terms of all five directors expire, and the Members may elect individuals to fill all five director positions. The term of office of two directors is fixed for three years; the term of office of two directors is fixed at two years; and the term of office of one director is fixed at one year. Thereafter, all directors are elected for three year terms. Directors may take office upon election and hold office until they resign, the Members remove them pursuant to the Bylaws or their terms expire and the Members elect successor directors. To calculate the percentage of Units a Declarant has sold to Purchasers, the number of Units the Declarant has sold to Purchasers is divided by the total number of Units the Declarant has built or has reserved the right to build and add to the CIC.

12. Restrictions on the Use, Occupancy or Alienation of Units and Common Elements. The Units and the Common Elements are subject to the following restrictions:

12.1. The Units may be occupied and used only for residential purposes. Only Owners, their families, guests and tenants may occupy and use Units. Units may not be used in a manner that violates Federal law, State law or local ordinances.

12.2. Except as provided in Minn. Stat. §515B.3-112, any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the Unit to which that interest is allocated is void. Owners may not lease their Units for any period less than 30 days. Other than the foregoing restriction, Owners have the absolute right to lease their Units provided the Owner and the tenant have a written lease agreement; the lease agreement obligates the tenant to observe each of the restrictions and perform each of the covenants the Project Documents impose upon an Owner; the lease agreement expressly states that the Association is an intended third party beneficiary of tenant's obligation to observe the terms of the Project Documents; and the Owner delivers a copy of the lease to the Association before commencement of the lease term.

12.3. No Owner, tenant or occupant may obstruct the Common Elements or store anything in or on the Common Elements without the Board's prior, written consent. No Owner, tenant, or occupant may keep or store any trailers or major recreational equipment, including, but not limited to, camper trailers, pick-up campers, motorized

self-propelled motor homes, boats, boat trailers, snowmobiles or snowmobile trailers on any portion of the Units or the Common Elements. No Owners, tenants or occupants may store anything in the garage portion of a Unit that prevents use of the garage portion of the Unit for storage of the Owner's, tenant's or occupant's personal automobile.

12.4. The occupation and use of Units and the Common Elements is subject to rules and regulations the Board establishes pursuant to Article III of the Bylaws. If, during the period Declarant control, Units are subject to mortgages the FHA or VA insures or guaranties, the Board must acquire any necessary approvals from the VA and FHA before enforcing any rules and regulations.

12.5. No one may do or keep anything in any Unit or in the Common Elements that will increase the rate of insurance on the CIC without the Board's prior written consent. No Owner may permit anything to be done or kept in his or her Unit or in or on the Common Elements that will result in the cancellation of insurance on the buildings or contents thereof.

12.6. Owners, tenants and occupants may not cause or permit anything, including, but not limited to signs, awnings, canopies, shutters, window boxes, decks, patios, balconies, porches or radio or television antenna to be affixed to or placed on the exterior walls, roof or any other exterior part of the Units, or on the Common Elements without the Board's prior written consent. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out or exposed on any part of the Units or Common Elements.

12.7. No owner, tenant or occupant may raise, breed or keep animals (including, but not limited to, dogs, cats, reptiles, rabbits, livestock, fowl or poultry of any kind) in any Unit or in the Common Elements, except that Owners, tenants and occupants may keep dogs, cats or other household pets in Units, subject to all rules and regulations the Board adopts regarding the keeping of pets. The Owner, tenant or occupant may not keep, breed or maintain dogs, cats or other household pets for any commercial purpose. The Owner, tenant or occupant must permanently remove any pet causing or creating a nuisance or unreasonable disturbance from the CIC upon 3 days written notice from the Board.

12.8. No one may carry out any noxious or offensive activity in any Unit or in or on the Common Elements, nor may anyone do anything therein, either willfully or negligently, which may be a nuisance to the other Owners, tenants or occupants. No Owner, tenant or occupant may overload the electric wiring in the buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the Board's prior written consent.

12.9. Except as otherwise provided herein, no Owner, tenant or occupant may conduct, maintain, or permit any industry, business, trade, occupation or profession of any kind, commercial, educational, religious, or otherwise, in any Unit or on the

Common Elements. Nothing herein contained shall be construed in such a manner as to prohibit an Owner, tenant or occupant from:

12.9.1. maintaining his or her professional library;

12.9.2. keeping his or her personal business or professional records or accounts therein; or

12.9.3. handling his or her personal business or professional telephone calls or correspondence therefrom.

12.10. No "For Sale" or "For Rent" signs, advertising signs or other displays may be maintained on any part of the Units or Common Elements except with consent of the Board or pursuant to rules and regulations the Board adopts; provided however, that nothing contained herein limits Declarant's rights as provided in Section 10.

12.11. Nothing shall be constructed on or removed from the Common Elements and the Common Elements may not be altered or disturbed without the prior written consent of the Board.

12.12. The Units shall not be subject to Time Shares, as that term is defined in the Act.

13. Subdivision or Conversion of Units. Owners, including Declarant, may not subdivide Units or convert Units to Common Elements as contemplated in Section 515B.2-112 of the Act.

14. Assessments and the Association's Lien for Unpaid Assessments.

14.1. The Board must levy annual assessments and may levy special assessments for Common Expenses against each Unit pursuant to the procedures stated in Article V of the Bylaws. Owners may not withhold payment of annual or special assessments or reduce the amount of the Owner's payments as a set-off against claims which the Owner asserts against the Association. If an Owner fails to pay any installment of an annual or special assessment, in full, within 10 days of the date due, the payment becomes diligent and begin to accrue interest without any notice to the Owner and without any action by the Board. Interest accrues as of the date the payment was first due at the judgment rate of interest as determined by Minnesota Statutes Section 549.09. In addition, the Board has the right to charge a late fee if assessment payments are not made when due. The Board must establish and may modify the amount of the late fee by resolution. If any installment of an assessment becomes more than sixty (60) days past due, the Association may, upon ten (10) days' written notice to the Owner, declare the entire amount of the assessment immediately due and payable in full. In the foreclosure of the Association's lien for unpaid assessments, either by action or by advertisement, or a suit to recover a money judgment for unpaid assessments, the Association may recover all unpaid annual and special assessments, interest and late charges as described above and all costs of collection including actual attorneys' fees and costs.

14.2. Each Owner is personally liable for all assessments levied against the Owner's Unit. If more than one individual or entity owns a Unit, all Owners of the Unit are jointly and severally liable for annual and special assessments.

14.3. The Association has a lien on a Unit for the amount of any assessment the Board levies against the Unit. 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. The Association's lien has priority over all other liens except:

14.3.1. liens and encumbrances recorded before the recordation of this Declaration;

14.3.2. the lien of a recorded, first mortgage on the Unit; and

14.3.3. liens for real estate taxes and other governmental assessments levied against the Unit.

If a first mortgage on a Unit is foreclosed and no Owner or junior lienholder redeems the Unit from foreclosure during the period of redemption provided for in Minn. Stat. Chs. 580, 581 or 582, the holder of the Sheriff's Certificate of Sale from the foreclosure of the first mortgage takes title to the Unit subject to unpaid assessments for Common Expenses to the extent provided for in Minn. Stat. § 515B.3-116. If the holder of the first mortgage that the VA guarantees accepts a deed in lieu of foreclosure of the first mortgage, the mortgagee accepting the deed in lieu of foreclosure takes title to the Unit free of the lien of unpaid assessments for Common Expenses except the mortgages title to the Unit as subject to the Association's lien. In general, Minn. Stat. § 515B.3-116 states that the holder of the Sheriff's Certificate of Sale from the foreclosure of the first mortgage takes title to the Unit subject to unpaid assessments for Common Expenses which become due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption, except for Common Expenses levied pursuant to Sections 2(e), 2(f) and 2(h) of Article V of the Bylaws.

14.4. The Association is subject to Minn. Stat. § 515B.3-116(d), as the same may be amended from time to time. The Statute currently provides that proceedings to enforce an assessment must be instituted within three (3) years after the last installment of the assessment becomes payable or are barred.

14.5. The Board may foreclose the Association's lien for assessments in like manner as a mortgage of real property containing a power of sale pursuant to Minn. Stat. Ch. 580, or by action pursuant to Minn. Stat. Ch. 581. The Association shall have a power of sale to foreclose the lien pursuant to Minn. Stat. Ch. 580. The period of redemption for Unit Owners is 6 months from the date of sale.

15. Maintenance of Units and Common Elements; Improvements and Alterations to Units; and Relocation of Boundaries Between Units.

15.1. The Association must maintain, repair and replace, in the manner and to the extent the Board deems necessary, the Common Elements, including the Limited

Common Elements. The cost of maintaining, repairing and replacing Common Elements, to the extent provided for in this Section, is a Common Expense. The Association must promptly repair any damage to a Unit resulting from work the Association or its agents perform. Each Owner must promptly report to the Association the need for any maintenance or repairs that are the Association's responsibility. Owners must reimburse the Association for any costs the Association incurs to repair any damage to other Units or Common Elements resulting from the Owner's failure to promptly perform necessary maintenance and repairs to the Owner's Unit.

15.2. The Association has a right of access into and through each Unit for purposes of performing maintenance, repair or replacement for which the Association is responsible. The Association and any public safety personnel also have a right to access a Unit for purposes of abating or correcting any condition in the Unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the CIC or which may constitute a health or safety hazard for occupants of Units.

15.3. An Owner may make any improvements or alterations to the interior of the Owner's Unit provided: the improvements or alterations do not impair the structural integrity of the building in which the Unit is located or impair or overload mechanical systems serving the Unit or other Units in the CIC; affect the Common Elements; or lessen the support of any portion of the Common Interest Community. An Owner making improvements or alterations to the Owner's Unit must make prior arrangements with the Association to insure that other Owners are not disturbed, that the Common Elements are not damaged and that the Common Elements and other Units are protected against mechanic's liens. The Association has the authority to make improvements to or on the Common Elements, subject to the provisions of Section 13, Article III of the Bylaws.

15.4. An Owner obtaining title to an adjoining Unit may remove or alter any intervening partition or create apertures therein as provided for in Minn. Stat. §515B.2-113(b). Owners of adjoining Units may relocate the boundary between the adjoining Units pursuant to Minn. Stat. §515B.2-114.

16. Easements.

16.1. Declarant declares and reserves a non-exclusive easement for the benefit of Declarant, its employees, servants and agents, for ingress and egress over and upon the Common Elements for the purpose of constructing Units and Common Element improvements in the CIC or on Additional Real Estate and for completing landscaping of the Common Elements. Declarant must repair any damage to the Common Elements resulting from Declarant's exercise of Declarant's easement rights. The easement declared and reserved in this Section 16.1 terminates no later than 60 days after the Declarant's completion of the construction of all Units in the CIC and all Units Declarant has reserved the right to build on the Additional Real Estate and all landscaping of the Common Elements now or hereafter constructed pursuant to this Declaration. Declarant may not use Common Elements, other than Common Elements improved as private

roadways or driveways, for access to Additional Real Estate if other, public access to the Additional Real Estate is reasonably available.

16.2. Each Unit and its respective Owner(s) are subject to and have appurtenant thereto a permanent, non-exclusive easement in the Common Elements for ingress to and egress from the Units; utility services and support for the Units; and maintenance and repair of the Units and the Common Elements and for similar purposes. The Units and the Common Elements are subject to an easement for any encroachments resulting from the construction, reconstruction, repair, shifting, settlement or other movement of Units and Common Elements.

16.3. The Subject Property is subject to and benefitted by the terms of an Amended and Restated Declaration of Private Access Easements which Declarant will record in the Olmsted County Land Records.

16.4. The easements described in Section 16.1 are easements in gross. Declarant may assign its rights under the easements described in Sections 16.1 to successor Declarants. The easements described in Sections 16.2 and 16.3 are appurtenant easements and run with the title to the Units and the Common Elements. The easements described in Sections 16.2 and 16.3 inure to the benefit of and are binding on the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee or other person having an interest in a Unit or Common Elements, or any part or portion thereof.

17. Insurance.

17.1. Each Owner is responsible for insuring the Owner's personal property against casualty loss and insuring the Owner against personal liability to the extent that the liability insurance which the Board obtains for all Owners does not provide coverage. Each Owner must promptly report all improvements or betterments to his or her Unit in writing to the Board. The Board may, but is not obligated to, obtain insurance on improvements or betterments to a Unit. If the Board obtains insurance on improvements or betterments to a Unit, the Board may assess the Units for any additional insurance premiums attributable to such improvements or betterments. Owners are responsible for any deficiency in insurance loss recovery resulting from his or her failure to notify the Board of improvements or betterments. The Board may, in the case of a claim for damage to a Unit or Units: pay the deductible as a Common Expense; assess the deductible against the Unit or Units affected in any reasonable manner or require the Owners of the affected Unit or Units to pay the deductible amount directly to the Board.

17.2. The Board must obtain and maintain the following insurance for the CIC:

17.2.1. A master or blanket policy of insurance on the CIC, including (i) the Units and ceiling or wall finishing materials, floor coverings, cabinetry, finished millwork, electrical and plumbing fixtures and built-in appliances constructed or installed as a part of the original construction of a Unit and comparable replacements (but not replacements that constitute improvements or betterments); (ii) the Common Elements; and (iii) any personal property

belonging to the Association, for broad form covered causes of loss, including all hazards normally covered by the standard extended coverage endorsement and the standard "all risk" endorsement. The policy must include the following endorsements, a condominium endorsement, an inflation guard endorsement, when it can be obtained; if there is a construction code provision that would require changes to undamaged portions of the buildings even when only part of a building is destroyed, a construction code endorsement; and if the CIC has central heating or cooling, a steam boiler and machinery coverage endorsement providing for the insurer's minimum liability per accident to at least equal the lesser of \$2,000,000 or the insurable value of the buildings housing the boiler or machinery. The policy may also include the following endorsements: contingent liability from operation of building laws endorsement, increased costs of construction endorsement and an endorsement to provide for the payment of annual assessments for damaged Units during the period of reconstruction. The insurance shall be in an amount not less than the full insurable replacement cost of the Units and the Common Elements at the time the insurance is purchased and at each renewal date, exclusive of items normally excluded from property insurance policies and subject to a "deductible" in an amount which the Board deems reasonable but which does not exceed the lesser of \$10,000 or 1% of the policy's face amount. The Board shall obtain this insurance from a carrier that has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Insurance Reports or an A or better rating from Demotech, Inc.'s Hazard Insurance Financial Stability Ratings.

17.2.2. Commercial general public liability insurance on an occurrence basis against claims and liabilities arising in connection with the ownership, existence, use or management of the CIC insuring the Board; the Association; all persons acting as agents, including the management agent; and their respective employees and agents. Each Owner and each Secured Party shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements or membership in the Association. The Declarant shall be included as an additional insured in its capacity as an Owner. The Declarant's employees shall be included as additional insureds in their capacity as Board members. The public liability insurance shall afford protection in aggregate limits as the Board deems desirable but in no event for less than \$1,000,000.00 with respect to liability for bodily injury or property damage arising out of a single accident. The insurance policy shall contain a "severability of interest" endorsement and a contractual liability endorsement.

17.2.3. If the Secretary of Housing and Urban Development or any local governmental body or bodies determines the CIC is in a special flood hazard area (which is designated A, AE, AH, AO, A1-30, A-88, V, VE or V1-30 on a Flood Insurance Rate Map), flood insurance in such amounts as the Board deems desirable but in no event may such amounts be less than required by the FHA, VA or FNMA, as applicable.

17.2.4. The Association must obtain and maintain blanket fidelity insurance coverage for anyone who either handles or is responsible for funds the Association holds or administers, whether or not the individual receives compensation for his or her services. The blanket fidelity insurance policy must name the Association as the insured. If the Association hires a management agent and the management agent handles funds for the Association, the Association must require the management agent to obtain and maintain a fidelity insurance policy providing substantially the same coverage as the Association's policy. The Association's policy and the management agent's policy must each provide that in the event of claims based on the actions of the management agent or the management agent's employees, the coverage provided by the management agent's policy is primary. The Association's policy (and, if applicable, the management agent's policy) should cover the maximum funds that will be in the custody of the Association or, if applicable, its management agent, at any time while the policy is in force.

17.2.5. Any other insurance (including insurance with respect to officers' and directors' liability, workman's compensation insurance as necessary to comply with applicable laws and employee's liability insurance) as the Board deems appropriate.

17.3. The insurance policies carried pursuant to Section 17.2 must:

17.3.1. include a waiver of the insurer's right to subrogation under the policy against any Owner or members of the Owner's household and against the Association and members of the Board;

17.3.2. provide that no act or omission of an Owner or Secured Party will void the policy or be a condition to recover under the policy unless the Owner is acting within the scope of authority on behalf of the Association;

17.3.3. provide that, if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same property which the Association's policy covers, the Association's policy is primary insurance;

17.3.4. show the Association as the named insured loss payee and contain a standard mortgagee clause naming all holders of first mortgages on Units. The "loss payable" clause must show the Association as trustee for each Owner and Secured Party (this Section 17.3.4 applies only to the policies carried pursuant to Sections 17.2.1);

17.3.5. provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Owners elect to sell the CIC or remove the CIC from the provisions of the Act. This Section 17.3.5 applies only to the policy described in Section 17.2.1.

17.3.6. obligate the insurer to provide at least thirty (30) days written notice to the Association, each Owner, each mortgagee and any insurers or guarantors of a first mortgage on a Unit prior to cancellation, including cancellation for nonpayment of premiums.

17.3.7. obligate the insurer to issue certificates or memoranda of insurance, upon request, to any Owner or Secured Party.

The Association must obtain all policies of insurance provided for in this Section 17 from insurers of recognized responsibility authorized to do business in the State of Minnesota.

17.4. The Board is authorized and obligated to adjust any loss covered under the policy described in Section 17.2-1 with the insurer. Insurance proceeds payable as a result of any loss are payable to the Board or to a bank or trust company authorized to accept and execute trusts in the State of Minnesota which the Board has designated to act as trustee for the Board pursuant to the Act for the purpose of collecting and disbursing insurance proceeds (the "Insurance Trustee"). The Board and the Insurance Trustee may enter into an Insurance Trust Agreement further implementing the provisions of the Act and this Declaration with respect to the Insurance Trustee's collection and disbursement of the Insurance Proceeds. The Insurance Trustee or the Board shall hold any insurance proceeds in trust for Owners and Secured Parties as their interest may appear. Subject to Section 18.1, the Board or the Insurance Trustee shall apply the insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss and the fees of the Insurance Trustee, if any, to the payment of the cost of restoring the CIC pursuant to Section 18. Owners and Secured Parties are not entitled to receive any portion of the insurance proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Owners and the first mortgagees terminate the CIC pursuant to Section 20.

18. Reconstruction and Repair of CIC.

18.1. The Association must promptly repair or replace any portion of the CIC that is damaged or destroyed as the result of a loss which the Association's insurance covers unless:

18.1.1. The CIC is terminated pursuant to Section 20 below; or

18.1.2. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or

18.1.3. 80% of the Owners, including every Owner and first mortgagee of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to repair or rebuild.

18.2. The cost of repairs or replacements of the CIC in excess of insurance proceeds and reserves is a Common Expense.

18.3. If less than the entire CIC is repaired or replaced:

18.3.1. Insurance proceeds attributable to a damaged Common Element shall be used to restore the damaged Common Element to a condition compatible with the remainder of the CIC;

18.3.2. The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Secured Parties of those Units, including the Units to which the Limited Common Elements were assigned, as their interests may appear; and

18.3.3. The remainder of the proceeds shall be distributed to all Owners and Secured Parties as their interests may appear in proportion to their Fractional Allocation.

18.4. If the Owners and holders of first mortgages vote not to rebuild a Unit, that Unit's Fractional Allocation is automatically reallocated upon the vote as if the Unit has been condemned, and the Association shall promptly prepare, execute and record an Amendment to the Declaration reflecting the reallocation. The Association membership attributable to the Unit and the corresponding voting right terminates.

18.5. If all or a portion of the CIC is damaged or destroyed and the decision is made to rebuild all or a portion of the CIC, all construction and repairs shall be substantially in accordance with the original construction plans and specifications. An insurance trustee appointed pursuant to Section 17.4 above may rely upon the Certificate of the Board stating whether the damaged property is to be reconstructed or repaired. The Association, upon request of the insurance trustee, shall deliver such Certificate as soon as is practical. Subject to Section 18.1, the Board must provide for the completion of all repairs, reconstruction or replacement required by the Board shall be completed at the direction of the Board as soon as is practical and according to the terms of this Declaration. Immediately after the casualty causing damage to the property for which the Board has the responsibility of repair, reconstruction and replacement, the Board shall obtain reliable and detailed estimates of the cost to restore the damaged property to its prior condition. Such cost may include professional fees and bond premiums as the Board may determine.

19. Waiver of Claims. The Association may make no claim against any Owner or family member, tenant or guest of an Owner and no Owner or family member, tenant or guest of an Owner, may make a claim against the Association, the Board, the managing agent or another Owner or the family member, tenant or guest of another Owner, for any loss or damage to the Common Elements, the Units or any personal property resulting from the Association's negligence or such other persons negligence to the extent that the damaged party is compensated for such loss or damage from available insurance proceeds. Nothing herein shall be deemed a waiver of claims for the portion of the loss or damage subject to a "deductible" or otherwise not recoverable from available insurance proceeds, and nothing herein shall be deemed a waiver of claims for intentionally tortious acts.

20. Termination. The CIC may be terminated, in whole or in part, only by the affirmative vote of 80% of the Owners, and the consent of at least 80% of the first mortgagees of

the Units (each mortgagee having one vote per Unit financed). All procedures, appraisals and disposition of proceeds following any termination of the CIC are governed by the applicable provisions of the Act.

21. Eminent Domain. The provisions of the Act shall apply to and govern any taking by eminent domain of any portion of the CIC.

22. Rights of First Mortgagees and Insurers and Guarantors of First Mortgages.

22.1. A holder, insurer or guarantor of a first mortgage, upon written request to the Association (which request must state the name and address of the holder, insurer or guarantor and the Unit number subject to the mortgage held, insured or guaranteed) is entitled to receive timely written notice from the Association of:

22.1.1. Any proposed amendment of a Declaration, Articles of Incorporation or Bylaws resulting in a change in the boundaries of a Unit or a Limited Common Element; the percentage undivided interest in the Common Elements appurtenant to any Unit; any Unit's Common Expense Allocation; any change in the Limited Common Elements assigned to a Unit; number of votes in the Association allocated to any Unit; or any change in the use or uses to which a Unit or Common Element is restricted;

22.1.2. Any proposed termination of the CIC;

22.1.3. Any condemnation loss or any casualty loss which affects a material portion of the CIC or which affects the Unit subject to the holder's, insurer's or guarantor's mortgage;

22.1.4. Any delinquency in the payment of annual or special assessments by an owner of the Unit subject to the holder's insurer's or guarantor's mortgage where the delinquency is continued for a period of 60 days;

22.1.5. Any lapse, cancellation or material modification of the insurance provided for in Section 17.2; and

22.1.6. Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

22.2. Each first mortgagee of a Unit or an insurer or guarantor of such first mortgagee may examine the Project Documents, and the books, records and financial statements of the Association during normal business hours and shall have the right to receive an audited annual financial statement of the Association within 90 days following the end of the Association's fiscal year.

23. Amendment. Except for amendments the Declarant may execute to add Additional Real Estate to the CIC; amendments Owners may execute to relocate the boundaries between adjoining Units pursuant to Minn. Stat. §515B.2-114; or a termination of the CIC pursuant to Minn. Stat. §515B.2-119, this Declaration, including the CIC Plat, may be amended

only with the approval of the Owners of 67% percent of the Units and mortgagees holding 51% of the Eligible Mortgages; provided, however, an amendment that creates or increases Special Declarant Rights, increases the number Units, changes the boundaries of any Unit, changes the Fractional Allocation of a Unit, changes Common Elements to Limited Elements or changes the authorized use of a Unit from residential to non-residential, requires the approval of all Owners and the approval of 51% of the holders of Eligible Mortgages. If any Unit is subject to a mortgage the VA guarantees, this Declaration may not be amended while the Declarant has the right to appoint the members of the Association's Board pursuant to Article III, Section 2 of the Bylaws, this Declaration may not be amended without the written consent of the VA if the VA then guarantees any mortgages on Units in the CIC. Notwithstanding the preceding sentence, the consent of the VA is not required for amendments a Declarant executes pursuant to Section 9 of this Declaration to add Additional Real Estate to the CIC. The Owners and Mortgagees need not execute an amendment to evidence their approval. A certificate of the Association's secretary certifying that an amendment has received the approval of the required number of Owners and Mortgagees at a duly called meeting of the Members is prima facie evidence of that fact.

24. Compliance with Provisions. The Association and each Owner or tenant must comply with the provisions of the Project Documents as the same may be amended from time to time. The Association or an Owner may bring an action to recover sums due for damages resulting from the Association's, an Owner's or tenant's failure to strictly comply with the provisions of the Project Documents or for injunctive relief. In any such action, the prevailing party may recover its costs and attorneys' fees.

25. General Provisions.

25.1. Notices. Notices provided for in this Declaration and in the Act shall be in writing and shall be addressed to the Board or Association at the address of the Association's registered office, or to an Owner, at the address of the Owner's Unit. Any Owner may designate a different address or addresses for notices to him by giving written notice of his change of address to the Board. Notices addressed as above shall be effective upon hand delivery or upon mailing properly addressed with postage prepaid and deposited in the United States mail.

25.2. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class CIC.

25.3. Number, Gender. In construing the Project Documents, the singular shall be taken to include the plural, and masculine to denote the feminine wherever appropriate.

25.4. Covenants Running With the Land. All covenants described herein are covenants running with the land, and so long as the CIC is subject to the provisions of the Declaration, shall remain in full force and effect.

25.5. Conflicts. In the event of any conflict between this Declaration and one or more of the other Project Documents, the terms of this Declaration shall control.

25.6. Severability. If any provision of the Declaration or any section, sentence, clause, phrase or word, or the application thereof in any circumstances, is held invalid, the validity of the remainder of the Declaration and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

25.7. Failure to Enforce Not a Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

25.8. Master Association. The CIC is not subject to the Master Association.

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

Lot 6, Block 1, BOULDER RIDGE, OLMSTED COUNTY, MINNESOTA, according to the recorded plat thereof.

EXHIBIT B

LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE

Lots 1 through 5 and Lots 7 through 10, Block 1 and Lots 1 through 7, Block 4, and Outlot A,
BOULDER RIDGE, Olmsted County, Minnesota, according to the recorded plat thereof.



OFFICE OF COUNTY RECORDER
Olmsted County, Minnesota

I hereby certify that this document was filed in this office
on 6/01/2004 at 12:00:00 PM and was duly
recorded as document number A-1023570
DANIEL J. HALL - County Recorder, by _____ Deputy.

Well Certificate: Received Not Required

Abstr. - yes no

Fees:

Total \$20.00

COPY

**COMMON INTEREST COMMUNITY NUMBER 191
A CONDOMINIUM
BOULDER RIDGE TOWNHOMES
SIXTEENTH AMENDMENT TO DECLARATION**

WHEREAS, Centex Homes, a Nevada general partnership, (the "Declarant") executed a Declaration (the "Declaration") creating Common Interest Community Number 191, Boulder Ridge Townhomes, Olmstead County, Minnesota (hereinafter the "Common Interest Community") on May 8, 2002 and recorded the Declaration in the office of the Olmstead County Recorder on October 9, 2002 as Document Number A-936007; and

WHEREAS, the Declaration created 8 Units and Common Elements; and

WHEREAS, In Sections 8 and 9 of the Declaration, Declarant reserves to itself the right to add additional real estate to the Common Interest Community as provided for in Minn. Stat. §515B.2-111 and to create additional Units and Common Elements thereon; and

WHEREAS, Declarant executed a First Amendment to the Declaration adding 8 Units and additional Common Elements to the Common Interest Community on July 17, 2002 and recorded the First Amendment in the office of the Olmstead County Recorder on November 12, 2002 as Document Number A-940283; and

WHEREAS, Declarant executed a Second Amendment to the Declaration adding 8 Units and additional Common Elements to the Common Interest Community on September 16, 2002 and recorded the Second Amendment in the office of the Olmstead County Recorder on December 20, 2002 as Document Number A-946802, and

WHEREAS, Declarant executed a Third Amendment to the Declaration adding 8 Units and additional Common Elements to the Common Interest Community on November 26, 2002 and recorded the Third Amendment in the office of the Olmstead County Recorder on February 20, 2003 as Document Number A-954526, and

WHEREAS, Declarant executed a Fourth Amendment to the Declaration adding 8 Units and additional Common Elements to the Common Interest Community on December 13, 2002 and recorded the Fourth Amendment in the office of the Olmstead County Recorder on March 12, 2003 as Document Number A-958942, and

