

SEAHORSE CONDOMINIUM ASSOCIATION

By-Laws

July 1, 1989

TO: All owners and occupants of Seahorse Condominium

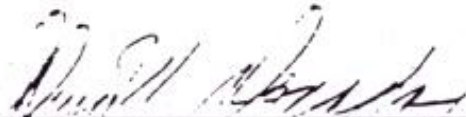
FROM: Board of Directors

Enclosed is a Resolution adopted by the Seahorse Condominium Association Board of Directors at its May 23, 1989 meeting. The Resolution is required because of the Fair Housing Amendments Act of 1988, which was effective March 12, 1989.

The Fair Housing Amendments Act of 1988 added a prohibition against discrimination on the basis of age or handicap (in addition to the previous categories of race, color, religion, sex or national origin) . It covers discrimination in the sale, rental or advertising of all types of dwellings, whether owned or rental. If a violation of the Act is proven, the penalties are substantial.

We ask your support in making sure that there is no age or handicapped discrimination in the sale, rental, marketing or advertising of units at Seahorse Condominium. Please take the following action:

1. Attach a copy of the enclosed Resolution to your Declaration.
2. At such time as you decide to sell or rent your unit, make sure that the realtor and buyer in the case of a sale, and the tenants in the case of a rental, are given a copy o the Resolution along with the legal documents and any sales or marketing information.
3. Do not make any statements, written or oral, to prospective buyers or tenants, either personally or through a realtor, which could be taken to mean that children or the handicapped are not welcome or that facilities for them are not available. Note: You may respond to a direct question from the prospective buyer or tenant regarding these matters.



Al Donahoo, President
Seahorse Condominium
Association

CONDOMINIUM NO. 8

SEAHORSE CONDOMINIUM

Resolution of Board of Directors

WHEREAS, the above referenced condominium (the "Condominium") was created by a Declaration filed as Document No. 3978188, in the office of the Hennepin County Recorder, which was superseded by an Amended Declaration and Amendment to Amended Declaration (the "Declaration") filed in said office as Document Nos. 4238245 and 5021097, respectively, pursuant to Minnesota Statutes Chapter 515 or 515A, and

WHEREAS, said condominium is governed by an owners association (the "Association"), pursuant to said statutes, and

WHEREAS, the Fair Housing Amendments Act of 1988 (the "Fair Housing Act"), effective March 12, 1989, prohibits any type of discrimination in the occupancy of dwellings on the basis of "familial status" as defined in the Fair Housing Act, and

WHEREAS, Article V, Section 11, of the Declaration prohibits the occupancy of units in the Condominium by persons of a certain age whose right to occupy the units is protected by the Fair Housing Act, and

WHEREAS, the Board of Directors recognizes that the age restrictions contained in the Declaration violate the Fair Housing Act, and desires to take such action as may be necessary to comply with the Fair Housing Act.

THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. That Article V, Section 11, of the Declaration violates the Fair Housing Act; therefore said provision is hereby declared to be unenforceable, and will not be enforced by the Association, its officers or directors, or any member of the Association.
2. That neither the Association, nor its officers and directors, nor any other member of the Association, shall engage in any real estate practices prohibited under the Fair Housing Act in connection with the sale, rental or financing of any unit in the Condominium, nor assist in or condone such practices by real estate brokers or salespersons in connection with such sales or rental activity.
3. That this resolution shall be duly recorded in the office of the proper recording officer for the county in which the Condominium is located.
4. That this resolution is made for the purpose of complying with the Fair Housing Act.⁹

Apartment Ownership o. S

THE SEAHORSE CONDOMINIUM

AMENDMENT TO AMENDED DECLARATION

OF APARTMENT OWNERSHIP

This Amendment is made this 15th day of June, 1985, by the members of the Seahorse Condominium Association (herein after the "Association") , consisting of the Owners of Condominium units in The Seahorse Condominium, and by the mortgagees of apartments (hereinafter "Units") in said Condominium located on the land described in Exhibit A hereto.

WITNES SETH:

Y the Original Declaration (including dc-Laws of the Association) establishing a plan for condominium ownership pursuant to the Minnesota Condominium Act for The Seahorse Condominium was recorded in the office of the Register of Deeds of Hennepin County, Minnesota, on October 20, 1972, as Document No. 3978188 (which document is hereinafter referred to as the "Original Declaration" and the By—Laws, hereinafter referred to as the 'Original By—Laws") , and

WHEREAS, an amendment to the Original Declaration (including Amended By-Laws of the Association) was recorded in the office of the County Recorder of Hennepin County, Minnesota on October 7, 1976, as Document No. 4238245 (which document is hereinafter referred to as the Amended Declaration" and the Amended By-Laws, hereinafter referred to as the "Amended By—Laws"), and

- WHEREAS, Article III, Paragraph 10 of the Amended Declaration provides for the amendment of the same by the affirmative con sent of at least 75% of first mortgagees (or their assigns) holding mortgages on Units and Owners of Units to which are appurtenant at least 75% of the total percentage interest in the common areas and facilities (hereinafter "Common Elements") and

WHEREAS, Article 15 of the Amended By-Laws provides for the amendment of the same by the vote of at least 51% of the ownership interests cast at a duly constituted meeting of the Association and by the approval of at least 51% of the mortgagees who are the holders of mortgages.

WHEREAS, the amendments contained herein rest of the Amended By-Laws have been approved by a vote of Unit Owners holding at least 51% of the ownership interests and approved by the holders of recorded mortgages comprising liens on at least 51% of said Apartments, computed in the same manner, and

WHEREAS, the amendments herein in respect of the Amended Declaration are consented to in writing (as evidenced by the certificate of the Association's Secretary attached hereto and made a part hereof) by Owners and First Mortgagees holding the requisite interests, and

WHEREAS, this Amendment has been submitted to the platting authority of the governing municipality or other governmental subdivision having jurisdiction for review, and

WHEREAS, The Seahorse Condominium was originally organized under the provisions of Minnesota Statutes, Sections 515.01 to 515.29 (hereinafter the ' Act') , and now desires to become governed and subject to the provisions of the Uniform Condominium Act, being Minnesota Statutes, Sections 515A.1—101 to 515A.4-117 (hereinafter the "Act")

NOW, THEREFORE, the parties hereto and the undersigned Secretary of The Seahorse Condominium Association, hereby certify that. the following amendments were duly enacted and approved and are hereby approved by the holders of the requisite percent age of ownership interests of Unit Owners and First Mortgagees as expressed herein, all in accordance with Article 15 of the Amended By-Laws and Article III of the Amended Declaration, and that the property described on Exhibit A hereto will be subject to this Amendment to Amended Declaration (hereinafter the "Declaration") , including the Amended By—Laws attached hereto as Exhibit B, and further subject to the Uniform Condominium Act (being Minnesota Statutes, Sections 515A.1-101 to 515A.4-117, as amended from time to time) , and hereby specify that this Declaration (including By—Laws) shall constitute covenants to run with the land, and shall be binding on all sub sequent holders of an interest in tie property, together with their respective grantees, successors, heirs, executors, administrators, devisees, and assigns; this Declaration (and By-Laws) being hereby declared to be in substitution for the Original Declaration arid By—Laws and the Amended Declaration and Amended By—Laws described above, which said documents and covenants shall have no force and effect subsequent to the proper recordation hereof.

ARTICLE I

DEFINITIONS

The definitions contained in Section 515A.1—103 of the Act shall apply to the corresponding words and terms used in the Governing Documents, except that certain words and terms used in the Governing Documents shall have the following meaning:

1. "Association" Seahorse Condominium Association, a non—profit corporation formed pursuant to the Minnesota Non Profit Corporation Act (Minnesota Statutes Chapter 317), whose Members consist of all Unit Owners, acting in accordance with the Governing Documents.
2. "Building" Each structure which is or becomes a part of the Property.
3. "Board of Directors" The Board of Directors The Board of Directors of the Association.
4. " By-Laws" The governing the operation of the Association and which are attached hereto as Exhibit B and made a part hereof.
5. "Common Elements" Elements All portions of the Property except the Units, as more fully described in Article IV.
6. "Common Expenses" Expenses Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.
7. "Declaration" This instrument as from time to time amended.
8. "First Mortgagee" A state or federally chartered organization which customarily makes or purchases mortgages in the ordinary course of its business, owning a mortgage on any Unit, which mortgage is first in priority upon foreclosure to all other mortgages which may affect such Unit, or a lender as aforesaid in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or a deed or other arrangement in lieu of foreclosure.

9. "Floor Plans" Plans The plans depicting the Property and which were filed contemporaneously with the Original Declaration in the office of the Hennepin County Register of Deeds on October 23, 1972, as Document No. 3978189, including any amended or supplemental Floor Plans recorded from time to time in accordance with the Governing Documents and the Act. The Floor Plans are hereby made a part of this Declaration and incorporated herein by reference as if fully set forth herein.

10. "Governing Documents" Documents This Declaration and the Articles of Incorporation and By-Laws of the Association.

11. "Limited Common Elements" Those Common Elements, such as storage spaces, decks and patios as described in this Declaration and shown on the Floor Plans, which are allocated to certain Units for the exclusive use of the Owners and Occupants thereof.

12. "Occupant" Any Person or Persons other than a Unit Owner, in possession of or residing in a Unit.

13. "Person" A natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

14. "Property" The real property described in Exhibit A, all improvements constructed or to be constructed thereon, and all the easements, rights and appurtenances belonging thereto.

15. "Rules and Regulations" The Rules and Regulations governing the operation and use of the Property as approved from time to time by the Board of Directors pursuant to Article VI, Section 5.

16. "Unit Owner" A person who owns a Unit, but excluding a holder of an interest as "security for an obligation" within the meaning of Section 515A.1-103(17) of the Act. The term "Unit Owner" includes, without limitation, contract for deed vendees and holders of a life estate.

17. "Unit" An Apartment Unit or a Garage Unit as defined as follows:

a. "Apartment Unit" A part of the Property within a Building, including one or more rooms or enclosed spaces, occupying part of one or more floors, designed and intended for use as a one family dwelling, as described in Article II and shown on the Floor Plans.

b. "Garage Unit" A part of the Property designed and intended for use as a vehicle parking space, as described in Article II and shown on the Floor Plans.

ARTICLE II

DESCRIPTION OF UNITS AND APPURTENANCES

1. There are eleven buildings located on the Property, including (i) six buildings containing Apartment Units, each such building comprised of three floors with six Apartment Units per floor; (ii) one recreational building containing a boiler and utility room, swimming pool, rest rooms, sauna, and party/ meeting room; and (iii) four buildings contain Garage Units. There is a total of 186 Units, each of which constitutes a separate freehold estate, 107 of which are Apartment Units and 79 of which are Garage Units. The designation and location of the Units are as shown on the Floor Plans.

2. Unit boundaries are as follows:

a. Apartment Units — The boundaries of each Unit shall be its peripheral walls and ceilings, and the unfinished floor, and the Unit shall include without limitation, such things as the plasterboard, wallboard, plaster, paneling, and finishing materials forming its boundaries; provided, that any load bearing portions of any interior or exterior walls, ceilings or floors shall be Common Elements. The boundary of each Unit shall also extend along the inside surface of its exterior doors and windows (including frames), and such doors and windows shall be deemed to be Limited Common Elements appurtenant to such Unit.

b. Garage Units — The dimensions of the Garage Units are as shown on the Floor Plans. Each Garage Unit includes and occupies the horizontal space between and within the planes of the unfinished surface of the divider walls and the outside surface of any doors, and the vertical space between the unfinished concrete floor and the plane of the bottom edge of the joists supporting the roof.

3. If any chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or any other such component or fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof which does not affect the function of any other Unit or the Common Elements and serves only that Unit is a Limited Common Element allocated exclusively to that Unit, and any portion thereof serving or affecting the function of more than one Unit or any portion of the Common Elements is a part of the Common Elements.
4. Any appurtenances such as, screens, doorsteps, stoops, balconies, decks, patios or similar appurtenances, and all exterior doors and windows or other fixtures, designed to serve only a certain Unit but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.
5. Subject to the provisions of Sections 2, 3 and 4 of this Article, all spaces, interior partitions and fixtures and improvements within the boundaries of a Unit are a part of the Unit.
6. Each Unit shall have appurtenant easements for ingress and egress to a public Street or highway on and across adjoining Common Elements as shown on the Floor Plans and as described in the Declaration, and shall have appurtenant easements of enjoyment on and across the Common Elements.
7. Each Unit shall be subject to and shall be the beneficiary of appurtenant easements for all services and utilities servicing the Units and the Common Elements, and for maintenance and repair as described in Article VIII.
8. Each Unit shall be subject to and shall be the beneficiary of any easements for encroachments as described in Article XIII.
9. All rights, easements and other appurtenances burdening or benefiting a Unit shall be i from that Unit and shall burden and benefit the re3pective Unit Owners and Occupants and their guests. Neither the Governing Documents, nor the Association nor any Person shall materially restrict access to utilities or ingress and egress to and from any Unit or any Limited Common Elements appurtenant thereto.
10. No Unit nor any part of the Common Elements may be subdivided or partitioned.

ARTICLE III

VOTING RIGHTS, COMMON EXPENSES AND UNDIVIDED INTERESTS

The allocation to each Unit of an undivided interest in the Common Elements, a portion of the votes in the Association and a portion of the Common Expenses of the Association is as follows:

1. Voting rights, Common Expense obligations and undivided interests in the Common Elements are allocated to each Unit on the basis of the value of each Unit to the total value of all Units, except that special allocations of Common Expenses shall be permitted as provided in Article VII. The allocations established by this Article are described in Exhibit C attached hereto and made a part hereof.
2. The Ownership of a Unit shall include the voting rights, Common Expense obligations and percentages of undivided interest in the Common Elements as described in Section 1 of this Article, and said rights, obligations and interests and the fee title to the Units shall not be separated or separately conveyed. The allocation of the rights, obligations and interests set forth herein may not be changed, except in accordance with the Governing Documents and the Act.
3. The voting rights of the Unit Owners shall be governed by the Governing Documents and the Act. The Unit Owner, or some Person designated to act as proxy on behalf of the Unit Owner, and who need not be a Unit Owner, may cast the vote allocated to such Unit at meetings of the Association; provided, that if there are multiple Unit Owners of a Unit, only the Unit Owner or other Person designated pursuant to the provisions of the By-Laws may cast such vote.
4. Each Unit Owner shall be a member of the Association by virtue of such ownership, and shall remain as a member until such time as such Person is no longer a Unit Owner, at which point membership shall automatically cease. When more than one Person is a Unit Owner of any single Unit, all such Persons
 - shall be members of the Association, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.

ARTICLE IV

COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND BOAT DOCKS

1. Common Elements

a. All of the Property not included within the Units represents Common Elements and is allocated to the Units in accordance with the percentages of undivided interest expressed in Exhibit C. The undivided interest in the Common Elements allocated to a Unit is appurtenant to such Unit and is inseparable from that Unit. The Common Elements include (but are not limited to) all the areas and items listed in this Article and as shown as "Common Areas and Facilities" on the Floor Plans.

b. Common Elements shall, subject to the provisions of Article II, include such things as the land on which the Buildings are located, driveways or entry walks, gar dens, recreational areas and facilities, if any, trees, shrubs, foundations, bearing walls, columns or girders, roofs, lobbies, stairways, windows and doors not a part of any Unit, corridors, common storage spaces outside the Unit, pipes, wires, conduit, utility connections, ducts, flues, chutes, and common heating and other mechanical sys tems, and any fixtures and appurtenances used in connection with the above items even though not specifically mentioned herein.

c. The Common Elements shall be subject to appurtenant easements for Building services, public and private until ties, ingress and egress and enjoyment in favor of each Unit and its Unit Owners and Occupants, subject to the specific rights of Unit Owners and Occupants in Limited Common Elements appurtenant to their respective Units and to the right of the Association to impose reasonable Rules and Regulations governing the use of the Property.

d. Subject to the provisions of Article vi all maintenance, repair, management and operation of the Common Elements shall be the responsibility of the Association, but nothing herein contained shall be construed so as to preclude the Association from delegating to a Person or Persons of its choice such duties as may be imposed upon the Association by the Governing Documents or the Act, and as are approved by the Board of Directors provided that such delegation shall not relieve the Association's officers and directors of their ultimate responsibility for the performance of their duties under the Governing Documents and the Act.

e. Expenses incurred or to be incurred for the main tenancy, repair, management and operation of the Common Elements shall be assessed and collected from the Unit Owners in accordance with the provisions of Article VII.

2. Limited Common Elements The Limited Common Elements include those parts of the Property described as such and allocated to the Units in Article II. Limited Common Elements also include storage compartments, if any, decks and patios, which are allocated to the respective Units which they serve, or to which they are adjacent. Limited Common Elements are reserved for the exclusive use of the Owners and Occupants of the Units to which they are allocated, and the rights to the use and enjoyment thereof are automatically conveyed with the conveyance of such Units.

3. Boat Docks There are in existence seventy-seven (77) boat docks which are partially located upon the Common Elements and which are designated as set forth in Exhibit D, which is made a part hereof. The Association is a licensee under a master boat dock license for such boat docks, which license was issued to it by the "Lake Minnetonka Conservation District." Sixty-seven (67) individual boat dock licenses have been granted to Unit Owners by the Association and ten (10) docks are maintained by the Association for use by guests of Unit Owners, as allowed by the Association in each instance. Boat Dock licenses may be transferred by one Unit Owner to another Unit Owner, however, a Boat Dock license may not be held by or transferred to any Person or Persons who are not Unit Owners. In the event of transfer of title to an Apartment Unit, such that the transferor (grantor) is no longer a Unit Owner of any Apartment Unit, it is presumed that any Boat Dock license held by such transferor is also transferred to the transferee (grantee) . Upon payment to it of a transfer fee in an amount set forth in the Rules and Regulations, the Association will, subject to this Declaration, transfer a license from one Unit Owner to another and issue a new license in the name of the transferee. Maintenance of the Boat Docks shall be the expense of the individual licensees provided, however, that the Association may perform or contract for such maintenance services as it may deem reasonable from time to time and assess such costs pro-rata to Unit Owners

holding boat dock licenses. The term of each license shall expire upon the earlier of (i) termination of the Association's master Boat Dock license, or (ii) dissolution of the Condominium.

ARTICLE V

RESTRICTIONS ON USE OF MONEY

All Unit Owners and Occupants, by their acceptance of a conveyance of an interest in the Property or by their occupancy of a Unit or any part thereof, covenant and agree that, in addition to any other restrictions which may be imposed by the Act or the Governing Documents, the use, the operation, alteration and conveyance of the Property shall be subject to the following restrictions:

1. The Property shall be held, conveyed, encumbered, leased used, and occupied subject to all covenants, conditions, restrictions, uses, limitations, and obligations, expressed in the Governing Documents and the Act, as amended from time to time. All such covenants and obligations are in furtherance of a plan for the Property, and shall be deemed to run with the land and be a burden and benefit to Unit Owners, their grantees, successors and assigns and any Person occupying a Unit or acquiring or owning an interest in the Property, their heirs, personal representatives, grantees, successors and assigns.
2. The Common Elements shall remain undivided, and no Unit Owner or Occupant may bring any action for partition or subdivision.
3. The Apartment Units shall be used by Unit Owners and Occupants and their guests as private residential dwellings only, and not for transient or hotel purposes, all as described in and authorized by the Governing Documents. Any occupancy of an Apartment Unit (except for concurrent occupancy by guests) for a period of less than 30 days, or any occupancy which includes services customarily furnished to hotel guests, shall be deemed to be for transient purposes. All Unit Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units and the Common Elements, and shall use the Property in such a manner as will not unduly restrict, interfere with or impede the use thereof by other Unit Owners and Occupants and their guests.

4. Leasing of Units shall be allowed, subject to reasonable regulation by the Association, provided: (i) that, with the exception of a First Mortgagee in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner or Occupant shall be permitted to lease his Apartment Unit for transient or hotel purposes (any lease or rental arrangement for fewer than 30 days shall be deemed to be for such purposes), (ii) that no Unit may be subleased, (iii) that no Unit Owner or Occupant may lease less than his or her entire Unit, (iv) that any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents, the Rules and Regulations and the Act, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease, (v) that all leases shall be required to be in writing, (vi) that the Owner and/or Occupant of a leased Unit shall provide to the Association, upon request, a copy of the lease agreement (in executed or unexecuted form, as requested); and (vi) that any time—sharing or other grant or conveyance of any type of time interval interest in a Unit shall be deemed to be a lease within the meaning of this Section and shall be subject to the restrictions set forth herein.

5. Garage Units, as well as other designated parking areas on the Property, shall be used only for parking of vehicles and storage of materials and articles owned by Unit Owners and Occupants and their guests, and the use thereof shall be subject to reasonable regulation by the Association.

6. The keeping of any pet on the Property shall be restricted according to provisions of the Rules and Regulations as approved and amended by the Board of Directors from time to time; provided, however, that in no case may any type of fish, fowl, reptile, insect or animal be bred, or kept or maintained for commercial purposes, on the Property.

7. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Unit or the Common Elements; except (i) a Unit Owner or Occupant residing in an Apartment Unit may keep and maintain his or her business or professional records in such Unit and handle matters relating to his or her business by telephone or correspondence there from, provided that such uses do not involve any overt business activity.

as bulk mailings or use of the Unit by customers or employees; and (ii) the Association may maintain offices on the Property for management purposes.

8. No use shall be made of the Property which would violate the then existing municipal ordinances or state or federal laws, nor shall any act or use be permitted which would cause a material increase in insurance rates on the Property or other wise tend to cause liability or unwarranted expense for the Association or any Unit Owner or Occupant.

9. No alteration or improvement, of any type, temporary or permanent, shall be made, or caused or suffered to be made, by any Unit Owner, Occupant or their guests, in any part of the Common Elements without the prior written authorization of the Board of Directors, or a committee appointed by it, and compliance with this Declaration and the Act.

10. All Units and Limited Common Elements are subject to entry in case of emergency, without notice and at any time, by an officer or member of the Board of Directors of the Association, by the Association's designated management agents or by any public safety personnel. Entry may also be made for maintenance purposes under the conditions prescribed in article VIII.

ARTICLE VI

ADMINISTRATION

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

1. The operation and administration of the Association and the Property shall be governed by the Governing Documents and the Act. The Association shall, subject to the rights of

the Unit Owners set forth in the Governing Documents and the Act, be responsible for the management and control of the Property. The power and authority of the Association shall be vested in the Board of Directors and the officers of the Association and the Association shall act through the Board of Directors and the officers, unless action or approval by the individual Unit Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board of Directors and the officers, unless specifically stated to the contrary.

2. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding on all Unit Owners and Occupants and their guests, heirs, personal representatives, successors and assigns.

3. The By—Laws governing the operation and administration of the Association are attached hereto as Exhibit B. In the event that the By—Laws are amended as provided therein, future amended By-Laws shall be in the form approved by the Association and shall be recorded as a separate document apart from this Declaration as provided by the Act.

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

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

6. All funds and real or personal property acquired by the Association, and any net proceeds from the operation of the Association, shall be held and used for the benefit of the Unit Owners for the purposes stated in the Governing Documents.

ARTICLE VII

ASSESSMENTS BY ASSOCIATION

1. Assessments for Common Expenses of the Association shall be determined and assessed by the Board of Directors, in its sole discretion, and shall be paid by the Unit Owners to the Association, in accordance with the procedures set forth in the By-Laws and the allocation of Common Expense obligations set forth in Article III of the Declaration, subject to the following exceptions: (i) the Association may assess any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element against the Unit, or equal shares against the Units, to which the Limited Common Element was assigned at the time the expense was incurred, and (ii) the Association may assess any Common Expense, such as expenses arising from maintenance, repair or reconstruction, benefitting fewer than all of the Units, among the Units benefitted, and such Common Expense shall be allocated among such benefitted Units in the ratio that their respective Common Expense liabilities bear to each other. Assessments for Common Expenses may include annual and special assessments, as provided in the By Laws.

2. Each Unit Owner shall be personally liable for the share of the Common Expenses assessed against such Unit Owner's Unit. No Unit Owner may be exempted from liability for payment of his or her share of Common Expenses by waiver of use or enjoyment of the Common Elements, by absence from or abandonment of his or her Unit or by the waiver of any other rights of a Unit Owner or Occupant. The Association may invoke the charges, sanctions and remedies set forth in Article XIV, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

3. All sums assessed by the Association for Common Expenses shall constitute a lien on each such Unit from the date the assessment is payable, and shall be prior to all other liens except only:

- a. A lien or encumbrance recorded before the recordation of the Original Declaration; and
- b. The lien of real estate taxes and other governmental assessments or charges against a Unit; and
- c. The lien of any recorded first mortgage against a Unit.

4. A lien for Common Expenses may be foreclosed against a Unit under the laws of this state as if it were a lien under a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Unit Owner, by the acceptance of any conveyance of any interest in the Unit grants to the Association full authority, including without limitation a power of sale, to accomplish such foreclosure, acquisition and sale, together with the power and right to exercise any other remedy available under the laws of this state governing such foreclosures. The Association shall, in addition, have the right to pursue any other remedy at law or in equity against any Unit Owner who fails to pay any assessment or charge against his Unit. In any action brought by the Association against any Unit Owner to recover delinquent assessments, the Association shall further be entitled to recover all costs of the action, including without limitation interest on the delinquent amount at the maximum rate allowed by law and reasonable attorneys' fees. If any assessment or installment thereof is not paid within thirty (30) days of the date designated by the board, the entire assessment may be declared by the Association to be due and payable in full. At least ten (10) days' prior written notice of such acceleration shall be given to the defaulting Unit Owner or Occupant.

5. Here the mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage, or a deed or other conveyance in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to the earlier of the acquisition of possession or acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments may, at the discretion of the Association, be deemed to be a lien against and a Common Expense from all

of the Units, including the acquired Unit, the acquirer and his successors and assigns, in accordance with their respective obligations for Common Expenses. The Secretary of the Association shall cause notice of a default of more than thirty (30) days in payment of any installment of any assessment for Common Expenses by any Unit Owner to be given, in writing, to the First Mortgagee of that Unit (upon request of such First Mortgagee).

6. Notwithstanding anything to the contrary in the Governing Documents, or any mortgage or related security document evidencing a security lien against the Unit, the act of fore closure or the acceptance of a deed in lieu of foreclosure by the Association in the course of enforcing its lien for assessments shall constitute a sale within the meaning of any due—on— sale clause or comparable clause in any such mortgage or security document.

7. In a voluntary conveyance of a Unit, the grantor and grantee shall be jointly and severally liable for all unpaid assessments and other charges made by the Association against the grantor or the grantor's Unit up to the time of conveyance, without prejudice to the grantee's and grantor's rights to recover in contribution from the other. Any such grantee shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid assessments against the Unit, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any assessments existing at the date of such statement in excess of the amount therein set forth.

ARTICLE VIII

MAINTENANCE AND REPAIR

The following provisions shall govern the maintenance, repair and replacement of the Property:

1. The Association shall, at its expense, be responsible for the maintenance, repair and replacement of all Common Elements and Limited Common Elements, except for such maintenance responsibilities with respect to the Limited Common Elements as may be assigned by the Association to the Unit Owner or Occupant. The Association shall also be responsible for all incidental damage caused to a Unit or its Limited Common Elements by such work as may be done by the Association pursuant to this

section. Notwithstanding anything to the contrary in the Governing Documents, the Association may charge and assess the responsible Unit Owner and such Owner's Unit for the cost of repairing and restoring any damage to the Common Elements, Limited Common Elements or other Units caused by such Unit Owner or such Unit Owner's Occupants and guests, or caused by any condition in the Unit or Limited Common Elements which the Unit Owner or Occupant has allowed to exist.

2. The Unit Owner shall, at his or her expense, be responsible for maintenance, repair and replacement as follows:

a. To maintain, repair and replace, at the Unit Owner's expense, all portions of the Unit, and to perform such maintenance with respect to any Limited Common Elements allocated to such Unit as the Association may, from time to time, assign to the Owner or Occupant thereof. The Association may require that the Owners perform their obligations hereunder in accordance with reasonable standards established by the Association;

b. To perform his or her responsibilities in such manner as not to unreasonably disturb or cause a hazard to other persons residing within the Building or otherwise using the Property;

c. To promptly pay or reimburse the Association for any costs incurred by the Association for the repair of any damage to the Common Elements, Limited Common Elements or other Units, caused by a Unit Owner, Occupant or their guests, or caused by any condition in the Unit or Limited Common Elements which the Unit Owner or Occupant has allowed to exist.

3. No Owner or Occupant shall:

a. Alter or otherwise decorate or change the appearance of any portion of the Common Elements or Limited Common Elements, nor make any major interior alterations to a Unit, or any alterations which affect the Common Elements or Limited Common Elements, unless prior written authorization is obtained from the Board of Directors, or a committee designated by it;

b. Do anything that could jeopardize or impair the weather tight integrity, safety or soundness of any Building without prior written consent from the Board of Directors,

nor impair any easement without prior written consent from the Board of Directors; provided, however, that easements of ingress and egress to and from any Unit or Limited Common Elements appurtenant thereto shall not be impaired by any party, except as provided in Section 5 below.

4. Owners or Occupants shall be required to promptly report in writing to the Association any defect or need for repairs to the Common Elements or Limited Common Elements.

5. Each Unit and the Common Elements and Limited Common Elements are subject to appurtenant easements in favor of the Association for maintenance, repair, replacement and reconstruction of the Units, Common Elements and Limited Common Elements. Each Unit Owner shall afford to the Association and its management agents and employees, access at reasonable times and upon reasonable notice, to and through the Unit and its Limited Common Elements for maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency pursuant to Article IV.

ARTICLE IX

INSURANCE

1. The Association shall obtain and maintain a master policy or policies of insurance in accordance with the requirements set forth in Section 515A.3—112 of the Act and the additional requirements set forth herein, and issued by a reputable insurance company or companies authorized to do business within the State of Minnesota, as follows:

a. Casualty insurance covering all risks of physical loss in an amount equal to one hundred percent (100%) of the insurable “replacement cost” of the Property exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned in common by all of the Unit Owners or by the Association. The policy or policies shall also contain an “Inflation Guard” or an agreed amount endorsement, if available. Such insurance shall include such additional endorsements, coverage and limits with respect to the foregoing and other hazards as may be specifically required by the Federal Home Loan Mortgage Corporation (“FHLMC”) or the Federal National Mortgage Association

("FNMA") as a precondition to its purchasing a mortgage on a Unit. In the event that the Association shall fail to pay currently the premiums due with respect to such insurance, then and in such event, any First Mortgagee may make payment of such due premiums, and such payment so made by any First Mortgagee shall constitute a sum immediately due and owing by the Association to such First Mortgagee, together with interest at the highest rate allowed by law from the date of payment of the money by the First Mortgagee to the date of reimbursement by the Association. Any First Mortgagee shall have the right to sue upon and enforce the foregoing covenant for its benefit in the event that it shall advance money for the benefit of the Association and the Property, and this covenant shall have the same effect and stand in lieu of any separate agreement covering such rights between the Association and such First Mortgagee advancing funds. The Association is further authorized to enter into a separate agreement in favor of all First Mortgagees, which shall further authorize the First Mortgagee to secure its own replacement policy in the event that the insurance policy held by the Association fails to comply with the requirements of this Declaration.

b. Comprehensive public liability insurance covering the use, operation and maintenance of the Common Elements, with minimum limits of \$1,000,000 per occurrence, insuring against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Property. Such public liability insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner or Occupant because of negligent acts of the Association or other Unit Owners or Occupants. If specifically required by FNMA or FHLMC as a precondition to the purchase of a mortgage on a Unit, the coverage shall include insurance against liability related to employment contracts of the Association, water damage liability, liability for non—owned and hired automobiles, liability for property of others, and, if applicable, elevator collision, garage keeper's liability and host liquor liability.

c. Fidelity bond coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging

to or administered by the Association, if deemed to be advisable by the Board of Directors or specifically required by FNMA or FHLMC as a precondition to the purchase of a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured and shall, if specifically required by FNMA or FHLMC as a precondition to the purchase of a mortgage on a Unit, be written in an amount equal to the greater of (i) the estimated maximum amount of Association or management agent at any given time during the term of the bond or (ii) a sum equal to three months aggregate assessments on all Units plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or, alternatively, a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

d. Workers' Compensation insurance is required by law.

e. Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the Unit Owners.

2. All insurance premiums shall be assessed and paid as a Common Expense, and, in the event of a claim the Association may, at its discretion, charge any insurance deductible amounts back against the Unit Owners whose acts or omissions caused the claim to be made or with respect to whose Units the claim arose.

3. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Association (or a qualified Insurance Trustee selected by it) as trustee for the Unit Owners and other holders of an interest as security for an obligation, including First Mortgagees, which suffer loss. The Association, or any Insurance Trustee selected by it, shall have exclusive authority to negotiate and settle any claims or losses under any insurance policy maintained by the Association.

4. All policies of insurance shall contain waivers of subrogation by the insurer as to any claims against the Association, or a Unit Owner, and/or their respective agents, tenants or employees, and waivers or any defense based on coinsurance or of invalidity from any acts of the insured.

5. All policies of insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be cancelled or substantially modified, for any reason, without at least 30 days prior written notice to FHLMC and/or FNMA (if applicable), all of the insured, and all First Mortgagees. The Association further agrees to notify FHLMC (if applicable) in writing whenever the estimated damage to the Common Elements exceeds Ten Thousand (\$10,000.00) Dollars, arising out of a single occurrence, or whenever the estimated damage with respect to any Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds One Thousand (\$1,000.00) Dollars.

6. All policies of property insurance maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any Insurance Trustee) or (ii) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, or (iii) any requirement of law.

7. All policies of insurance maintained by the Association shall provide, where applicable, that such insurance may not be brought into contribution with any insurance purchased by Unit Owners or their First Mortgagees.

8. Each Unit Owner may obtain additional insurance at his or her own expense covering fire and other casualty to his or her Unit and personal property.

9. All policies of insurance maintained by the Association shall provide that the coverage shall not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

ARTICLE X

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

1. The obligations and procedures for the repair, reconstruction or disposition of the Property following damage to or destruction thereof shall be governed by the provisions of

Section 515A.3—112(g) of the Act, and any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Property as initially constructed and subsequently improved upon. Notice of substantial damage or destruction shall be given pursuant to Section 3 of this Article.

2. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of Section 515A.1—107 of the Act shall govern; provided, however, that notice of such taking shall be given pursuant to Section 3 of this Article.

3. All First Mortgagees shall be entitled to receive notice of any condemnation proceedings or substantial destruction of the Property, and the Association shall give written notice thereof to a First Mortgagee pursuant to Article XII, Section 10. First Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

ARTICLE XI

AMENDMENTS

This Declaration may be amended by the vote of Unit Owners who have at least sixty—seven percent (67%) of the voting power of all Unit Owners, computed in accordance with the percentages as set forth in Exhibit C, in writing, or at a meeting of the Association duly held in accordance with the provisions of the By—Laws. Any amendment shall be subject to (1) the consent of First Mortgagees as set forth in Article XII, (ii) the written consent of the VA or FHA, as applicable, if VA or FHA insured Unit mortgages exist, and (iii) such greater requirements as may be imposed by the Act. The Amendment shall be effective when recorded as provided in Section 515A.2—119 of the Act. A certificate acknowledged by an officer of the Association as to the outcome and procedural sufficiency of the vote (whether such vote was written or oral) shall be adequate evidence thereof for all purposes, including without limitation the recording of the amendment. Signed consents of First Mortgagees shall be attached to the amendment and recorded therewith.

ARTICLE XII

RIGHTS OF FIRST MORTGAGEES

Notwithstanding anything to the contrary in the Governing Documents, and subject to such greater requirements as may be imposed by the Act and other applicable state and federal laws, First mortgagees shall have the following rights and protections:

1. Any amendment or addition to any material provision of the Governing Documents which establishes, provided for, governs or regulates any of the following matters shall, in addition to the required consent of the Owners as set forth in Article XI, also require the prior written approval of the First Mortgagees holding mortgages on Units to which are allocated at least fifty-one percent (51%) of the votes in the Association:

- a. Voting rights;
- b. Assessments, assessment liens or subordination or such liens;
- c. Reserves for maintenance, repair and replacement of the Common Elements;
- d. Insurance or Fidelity Bonds;
- e. Rights to use of the Common Elements;
- f. Responsibility for maintenance and repair of the several portions of the property;
- g. Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property.
- h. Boundaries of any Unit;
- i. The interests in the Common Elements or Limited Common Elements;

j. Convertibility of Units into Common Elements or of Common Elements into Units;

k. Leasing of Units;

l. Imposition of any right of first refusal or similar restriction on the right of any Unit Owner to sell, transfer, or otherwise convey a Unit;

m. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

2. The consent of First Mortgagees holding mortgages on Units to which are allocated at least sixty—seven percent (67%) of the votes in the Association is required to abandon or terminate the condominium, except as provided by law In the case of substantial destruction by casualty or in the case of a taking by condemnation or eminent domain.

3. No Unit may be partitioned or subdivided.

4. The right of a Unit Owner to sell, transfer or other wise convey his or her Unit shall not be subject to any right of first refusal or similar restrictions.

5. Any First Mortgagee, or any purchaser at a foreclosure sale, that comes into possession of a Unit by foreclosure of the mortgage or by deed or assignment in lieu of foreclosure, will take the Unit free of any claims for unpaid assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said First Mortgagee or purchaser; except for a share of such assessments or charges resulting from and based upon a reallocation of the same among all Units in accordance with their percentages of interest in the Common Elements.

6. All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Units and not to the Property as a whole.

7. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the First Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or

the Common Elements. The Association shall give written notice to all First Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

8. The term of any agreement for professional management of the Property may not exceed two (2) years. Any such agreement must provide at a minimum for termination by either party, with cause upon thirty (30) days prior written notice, and with out cause and without payment of a termination fee upon ninety (90) days or less prior written notice. In addition, when professional management of the Property has been previously required by any First Mortgagee as a condition in satisfying FNMA or FFILMC underwriting requirements, and in fact utilized by the Association, any decision to discontinue professional management and establish self-management by the Association shall require the prior consent of (i) Unit Owners of Units to which at least sixty—seven percent (67%) of the votes in the Association are allocated and (ii) the approval of First Mortgagees holding mortgages on Units to which are allocated at least fifty—one percent (51%) of the votes in the Association.

9. First Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive, upon written request, copies of the Association's annual reports and other financial statements (free of charge) within ninety (90) days of the end of the Association's fiscal year. Such statements and/or reports shall be audited if specifically requested by FNMA.

10. Upon written request to the Association, identifying the name and address of the First Mortgagee, insurer or guarantor and the Unit number or address, any First Mortgagee, insurer or guarantor shall be entitled to timely written notice of:

a. Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible First Mortgagee or eligible insurer or guarantor (as defined by FNMA), as applicable;

b. Any delinquency in the payment of assessments or charges owned by an Owner of a taint subject to a first mortgage held, insured or guaranteed by such First Mortgagee or eligible insurer or guarantor, which remains uncured for a period of 60 days;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

d. Any proposed action which would require the consent of a specified percentage of First Mortgagees as specified in Sections 1 and 2 of this Article.

11. The Association shall make available to First Mortgagees, Unit Owners and insurers or guarantors of any first mortgage, correct copies of the Governing Documents, upon request and during normal business hours. The Association may charge a reasonable fee for providing copies of such documents.

ARTICLE XIII

ENCROACHMENTS

If there is an encroachment by a Unit upon the Common Elements or upon another Unit, or by the Common Elements upon a Unit; as a result of the construction, reconstruction, repair, shifting, settlement or movement of the Property, or any part thereof, an appurtenant easement for the encroachment and for the maintenance thereof shall exist for so long as the encroachment exists. Such encroachments and easements shall not affect the marketability of title.

ARTICLE XIV

COMPLIANCE AND DEFAULT

Each Unit Owner and Occupant shall be governed by and comply with the provisions of the Act, the Governing Documents, the decisions and resolutions of the Association, and such amendments thereto as may be made from time to time. A failure to comply shall entitle the Association (and/or Unit Owners in certain stated instances) to the relief set forth in this Article, in addition to the rights and remedies authorized elsewhere herein by the By-Laws and the Act.

1. A Unit Owner or the Association may commence legal action to recover sums due, for damages, injunctive relief, foreclosure of a lien against a Unit or any combination thereof,

or an action for any other relief authorized by the Governing Documents or available at law or in equity. Relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner, but in no case may any Unit Owner or Occupant withhold any assessments due and payable to the Association, or take (or omit to take) other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Unit Owner or Occupant's position, or for any other reason.

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

a. Impose interest charges, at up to the highest rate allowed by law, for any delinquent assessment payments.

b. Impose reasonable charges for late payment of assessments.

c. In the event of default of more than 30 days in the payment of any assessment or installment thereof, all remaining installments of assessments assessed against the defaulting Unit Owner or Occupant may be accelerated and shall then be payable in full, forthwith at the call of the Board of Directors. At least ten (10) days' prior written notice of such acceleration shall be given to the defaulting Unit Owner or Occupant.

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

e. Suspend the rights of any Unit Owner or Occupant and their guests to use the Common Elements; except Limited Common Elements appurtenant to their Unit and those portions of the Common Elements providing utilities service and ingress and egress to such Unit Owner's or Occupant's Unit. Such suspensions shall be limited to periods of default by such Unit Owners and Occupants in their obligation under the Governing Documents, and for up to 30 days thereafter, for each violation.

f. Restore any portions of the Common Elements or Limited Common Elements which were damaged or altered, or suffered to be damaged or altered, by any Unit Owner or Occupant or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Unit Owner or Occupant or their Unit.

g. Enter any Unit or Limited Common Element in which, or as to which, a violation or breach of the Governing Documents exists which materially affects or is likely to materially affect in the near future the health or safety of the other Unit Owners or Occupants, or their guests, or the safety or soundness of the Building or other parts of the Property, and to summarily abate and remove, at the expense of the violating Unit Owner or Occupant, any structure, thing or condition that may exist in the Unit or Limited Common Elements. In such case neither the Association, nor its officers or directors nor any public safety official assisting them shall be deemed guilty in any manner of a trespass.

h. Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the foreclosure of mortgages under a power of sale in the state where the Property is located.

3. In the case of imposition of any of the remedies authorized by Sections 2d, 2e and 2f of this Article XIV, the Board of Directors shall, at the request of the violating Unit Owners or Occupants within five (5) days of written notice to them by the Association of the imposition of such remedies, grant to the violating Unit Owners or Occupants a fair and equitable hearing as contemplated by Section 515A.3—102(a)(II) of the Act. The decision of the Board and the rules for the conduct of hearings established by the Board, shall be final and binding on all parties. The decision shall be delivered in writing to the Unit Owner or Occupant charged with the violation.

4. Any assessments, charges, fines, penalties or interest imposed under this Article shall constitute a lien against the Unit of the Unit Owner or Occupant against whom the same are imposed and shall further constitute the personal obligation of such Unit Owner in the same manner with the same priority

and effect as assessments under Article VII. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations appealed under Section 3 of this Article until affirmed in writing following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.

5. In any legal proceeding arising between the Association and a Unit Owner or Occupant, or between Unit Owners and/or Occupants, because of an alleged default or violation by a Unit Owner or Occupant, the Association, if it is awarded any material part or all of the relief it seeks, shall be entitled to recover (and assess against the violator and the violator's Unit) (i) interest on any delinquent amounts owed to the Association, at the highest rate allowed by law, and (ii) the expenses and costs of the proceeding, including, without limitation, such reasonable attorneys' fees as may be determined by the court. In any other action, legal or administrative, which the Association takes against a violating Owner or Occupant to enforce the provisions of the Governing Documents or Rules and Regulations, and which is not finally determined by a court or arbitrator, the Association may charge or assess the violator and his or her Unit with any expenses incurred in connection with such enforcement, including without limitation reasonable attorneys' fees, and interest (at up to the highest rate allowed by law) on the delinquent amounts owed to the Association according to its records.

6. A Unit Owner or Occupant shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Person's willful acts or negligence, or by that of their guests, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association or such Unit Owner or Occupant. Notwithstanding the foregoing, any insurance deductible amount and/or increase in insurance rates occasioned by such use, misuse, occupancy or abandonment of the Common Elements or of any Unit or its appurtenances may be charged against the Unit Owner or Occupant responsible for the condition and assessed against his or her Unit. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

ARTICLE XV

REAL ESTATE TAXES

The Act provides that each Unit is to be taxed as a separate parcel of real property by the state or its local taxing sub division. In the event that, for any year, such taxes are not separately assessed and taxed to each Unit, but are assessed and taxed on the Property as a whole, then each Unit Owner shall be responsible for a share thereof in accordance with the respective percentage of undivided interest in the Common Elements allocated to each Unit owned by such Unit Owner.

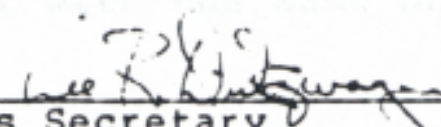
ARTICLE XVI

MISCELLANEOUS

1. If any term, covenant, provision or any provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this instrument or exhibits.
2. Where applicable, the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa.
3. In the event of any conflict among the provisions of the Act, the Declaration, the By-Laws or any Rules and Regulations approved by the Association, the Act shall control. As among the Declaration, By—Laws and Rules and Regulations, the Declaration shall control, and as between the By—Laws and the Rules and Regulations, the By—Laws shall control.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first set forth above.

SEAHORSE CONDOMINIUM ASSOCIATION

BY 
Its Secretary

STATE OF MINNESOTA)

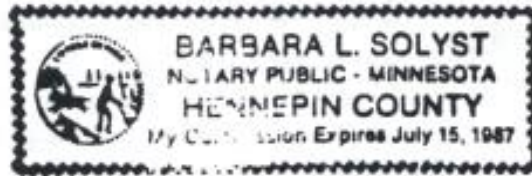
) ss.

COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 15th day of June, 1985, by Lee P. Dirkwager, Secretary of Seahorse Condominium Association, a Minnesota nonprofit corporation, on behalf of said corporation.

Barbara L. Solyst
Notary Public
Hennepin County, Minnesota

My Commission Expires: July 15, 1987



This instrument was drafted by:

ROBINS, ZELLE, LARSON & KAPLAN (DGR)
Attorneys at Law
1800 International Centre
900 Second Avenue South
Minneapolis, Minnesota 55402
(612) 349-8500

CERTIFICATE OF SECRETARY

As Secretary of Seahorse Condominium Association, I hereby certify that the following actions have been taken by the Association:

The Association has submitted the Amendment to Amended Declaration of Apartment Ownership to the platting authority of the governing municipality or other governmental subdivision having jurisdiction for review; and

The Association has received written consents to the Amendment to Amended Declaration from Owners and First Mortgagees who have in excess of seventy-five percent (75%) of the votes and ownership in the common areas and facilities as set forth in Exhibit A to the Amended Declaration of Apartment Ownership.

1985 This statement is made this / day of August

SEAHORSE Condominium ASSOCIATION

By Lee R. Dirkwager
Lee R. Dirkwager, Secretary

STATE OF MINNESOTA)

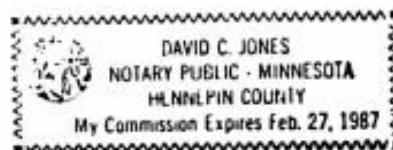
) ss.

COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this first day of August 1985, by Lee R. Dirkwager, Secretary of Seahorse Condominium Association, a Minnesota non-profit corporation, on behalf of said corporation.

David C. Jones
Notary Public
Hennepin County, Minnesota

My Commission Expires: 2-27-87



CONDOMINIUM NUMBER 8
THE SEAHORSE CONDOMINIUM
EXHIBIT A TO AMENDMENT
TO AMENDED DECLARATION

That part of Lot 24 lying northerly of the northerly right—of—way line of Three Points Boulevard, EXCEPT that part which lies south easterly of a line described as follows: Commencing at the southeast corner of said Lot 24; thence on an assumed bearing of West, along the south line of said Lot 24, a distance of 44.51 feet, to the beginning of the line to be described; thence North 30 degrees 37 minutes 08 seconds East a distance of 60.00 feet and said line there terminating. That part of Lot 25 which lies northerly of the northerly right—of—way line of Three Points Boulevard lying east of a line 250.0 feet east of, measured at a right angle to and parallel with the west line of said Lot 25, all in Lafayette Park, Lake Minnetonka” according to the recorded plat thereof on file and of record in the office of the County Recorder in and for Hennepin County, Minnesota.

CONDOMINIUM NUMBER 8
THE SEAHORSE CONDOMINIUM
EXHIBIT B TO AMENDMENT
TO AMENDED DECLARATION

BY-LAWS
OF
SEAHORSE CONDOMINIUM ASSOCIATION
(A Minnesota Non-Profit Corporation)
Condominium No. 8

ARTICLE I

GENERAL

The following are the By-Laws of "Seahorse Condominium Association", a Minnesota non-profit corporation (the "Association"). The Association is organized for the purpose of operating and managing The Seahorse Condominium, a condominium created pursuant to the Minnesota Condominium Act (Minnesota Statutes Sections 515.01 to 515.29 - the "Old Act") and operating pursuant to the Uniform Condominium Act (Minnesota Statutes Sections 515A.1-101 to 515A.4-17 - the "Act"). The terms used in these By-Laws shall have the same meaning as they have in the Amendment to the Amended Declaration of the Seahorse Condominium (the "Declaration") and the Act.

ARTICLE II

MEMBERSHIP

1. Members Defined. All Persons defined as Unit Owners in the Declaration shall be "Members" of the Association. No Person shall be a member solely by virtue of holding an interest as "security for an obligation" in a Unit. A person shall cease to be a Member at such time as that Person is no longer a Unit Owner.

2. Registration of Owners and Occupants. All Unit Owners and Occupants shall, promptly upon acquiring an interest in their Unit, register with the Secretary of the Association, in writing, (i) the name and address of such Unit Owner and any Occupant of the Unit, (ii) the nature of such Unit Owner's interest or estate in the Unit owned; (iii) the address at which such Unit Owner desires to receive notice of any duly called meeting of the Members; (iv) the name and address of the First Mortgagee of the Unit, if any; and (v) the name of the Unit Owner, if there is more than one Unit Owner of a Unit, who shall be authorized to cast the vote with respect to such Unit.

3. Restriction on Transfer. The interests, rights and obligations of a Member in the Association may not be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to such Member's Unit.

ARTICLE III

VOTING

1. Entitlement. Each Unit shall be assigned a vote as provided in Article III of the Declaration. No vote shall inure to any Unit during any time when the Association is a Unit Owner thereof.

2. Authority to Cast Vote. At any meeting of the Members, a Member, of another Person who has been granted a proxy as provided in Section 3 of this Article, who is included on the voting register presented by the Secretary in accordance with Article IV, Section 6 herein, shall be entitled to cast the vote which is allocated to the Unit or Units of which the Member is a Unit Owner. If there is more than one Unit Owner entitled to vote with respect to a Unit, and if the Unit Owners have not joined in a proxy to another person, only one of the Unit Owners may cast such vote. If the Unit Owners of a Unit fail to agree as to who shall cast the vote, the Board of Directors or a committee appointed by it shall determine who may cast the vote attributable to the Unit.

3. Voting by Proxy. A Member may cast the vote which is allocated to the Member's Unit and be counted as present at any meeting of the Members by written proxy naming another Person or Persons entailed to act on that Member's behalf, and delivered to the Secretary before the commencement of any such meeting. All proxies granted by a Member shall be revocable

by that Member by written notice or by personally attending and voting at a meeting or meetings of the Members, and shall in any case be invalid after one year from the date thereof.

4. Voting by Mail. The entire vote on any single issue may be by mailed ballots if so stated in the notice. Such a vote shall have the force and effect of a vote taken at a meeting; provided, that persons who have authority to cast at least a majority of all the votes in the Association must have voted, and that such vote shall be subject to such specific greater requirements as may be imposed by the Act.

5. Vote Required. The concurring vote of Members who are entitled to cast at least a majority of the votes represented by all Members present, in person or by proxy, at any meeting of the Members, or a majority of those voting if the vote is by mail, shall decide all matters properly brought before such meeting, except where a different vote is specifically required by the Governing Documents or the Act. The term "majority as used herein shall mean those Unit Owners authorized to cast in excess of 50% of the votes represented at such meeting in person or by proxy, or voting by mail, in accordance with the allocations set forth in Exhibit C to the Declaration.

ARTICLE IV

MEETINGS OF MEMBERS

1. Place. All meetings of the Members of the Association shall be held at the office of the Association or at such other place in the State of Minnesota in the county where the condominium is located as may be designated by the Board of Directors in any notice of a meeting of the Members.

2. Annual Meeting. The annual meeting of the Members shall be held on a date and at a time set by the Board of Directors. Thereafter, regular annual meetings of the Members shall be held in the same calendar month in each succeeding fiscal year unless the Members at any annual or special meeting designate a different date for annual meetings. At each annual meeting of the Members, the Persons who are to constitute the Board of Directors shall be elected pursuant to Article V hereof. Any other matter which is properly brought before any annual meeting of the Members, and is a proper subject for discussion or decision by the Members, may be passed upon at the meeting.

3. Special Meetings. Special meetings of the Members may be called by the President. Special meetings of the Members must be called and scheduled to be held by the President or Secretary within 30 days of the written request of a majority of the members of the Board of Directors or of Members who are entitled to cast at least 25% of the votes of all Members entitled to vote. The request shall state the purpose or purposes of the meeting requested, and the business transacted at a special meeting shall be confined to the purposes stated in the notice thereof.

4. Notice of Meetings. At least 21, but no more than 45, days in advance of any annual or regularly scheduled meeting of the Members, and at least seven (7) days in advance of any special meeting of the Members, the Secretary shall send, to all persons who are Unit Owners as of the date of mailing of the notice, notice of the time, place and agenda of the meeting, by hand delivery or by United States mail, at the Unit Owner's Unit address or to such other address as the Unit Owner may have designated in writing to the Secretary, and, upon request, to the First Mortgagee at its address provided pursuant to Article II Section 2 hereinabove. Any First Mortgagee shall, upon request, be entitled to designate a representative to be present at such meetings.

5. Quorum. The presence of Members in person or by proxy, who have the authority to cast a majority of the total votes of all Members of the Association entitled to vote shall be necessary to constitute a quorum at all meetings of the Members for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. In the event a quorum shall not be present at any meeting of the Members, the meeting may be adjourned from time to time, without notice other than announcement at the meeting of adjournment, until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum at the adjourned meeting or meetings shall be 30% of the total votes of all Members entitled to vote. The quorum, having once been established at a Meeting, shall continue to exist for that meeting, notwithstanding the departure of any Member previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any Unit of which the Association is a Unit Owner.

6. Voting Register. At the beginning of each meeting of the Members, the Secretary shall present to the meeting a written list of the Unit numbers, the respective name or names of the Unit Owners, the vote attributable to each Unit and the name of the Person (in the case of multiple Unit Owners) authorized to cast the vote.

7. Agenda. The agenda for meetings of the Members shall be as established by the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS

1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be composed of at least five (5) but no more than seven (7) Directors, all of whom shall be Members; or, in the case of ownership by a partnership, shall be partners or employees of such partnership; or, in the case of ownership by a corporation, shall be officers or employees of such corporation; or, in the case of ownership by a fiduciary, shall be officers or employees of such fiduciary. Once fixed, the number of Directors shall not be increased or reduced (except by removal or by resignation and no replacement) except by the vote of a majority of the Members at any duly held annual or special meeting of the Members.

2. Term of Office. Notwithstanding the right to remove a director under Section 9 of this Article, the terms of the members of the Board of Directors shall be fixed by the Board of Directors; provided that such terms shall be in multiples of one year and shall be staggered in such a manner as to provide a reasonable level of continuity among the positions on the Board of Directors. Once fixed, the term of office may not be altered until it expires. Each term of office shall expire upon the election of a successor at a subsequent annual meeting of the Members, or upon removal of the director in accordance with the provisions of these By-Laws. A director elected to fill a vacancy, or the position of a removed director, shall serve out the vacated term. There shall be no cumulative voting.

3. Nominations. Nominations for election to the Board of Directors shall be made by a nominating committee and may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairperson and two or more other Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to select nominees for positions on the Board of Directors that become vacant as of the time of such annual meeting. The nominating committee shall make as many nominations as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among those persons qualified under Section 1 of this Article.

4. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may exercise for the Association all powers, duties and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Members) by law or by the Declaration, the articles of Incorporation and these By—Laws. Such powers and duties of the Board of Directors shall include, without limitation, the power to: (a) adopt and amend Rules and Regulations; (b) adopt and amend budgets for revenues, expenditures, and reserves, and to levy and collect annual and special assessments for Common Expenses from Unit Owners; provided, however, that except in the case of an emergency posing a risk of damages or damage to persons or property, a special assessment or special assessments for any single project or use shall not exceed \$2,500 unless approved by Members holding at least a majority of the total votes of all Members of the Association entitled to vote; (c) hire and terminate managing agents and other employees, agents, and independent contractors; (d) institute, defend, or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association or two or more Unit owners on matters affecting the condominium; (e) regulate the use, maintenance, repair, replacement and modification of Common Elements; (f) cause improvements to be made as a part of the Common Elements; (g) grant leases, licenses, and concessions not to exceed one year, and utility easements for any period, through or over the Common Elements; provided, however, that the Association may by resolution of a meeting of the members duly called grant leases, licenses, easements, and concessions (including, but not limited to, cable television easements or other rights) in excess of one year and easements through or over the Common Elements; (h) impose and receive payments, fees,

or charges for the use, rental or operation of the Common Elements other than Limited Common Elements described in the Act or in the Declaration; (1) impose reasonable charges including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of amendments to the Declaration, resale certificates required by Section 515A.4—107 of the Act, or statements of unpaid assessments; (j) provide for the identification of its officers and directors and maintain directors' and officers' liability insurance; (k) impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines and penalties for violations of the Governing Documents, the Act and the Rules and Regulations of the Association; (1) appoint such committees as it may require to assist it in the performance of its duties; (m) borrow money for the needs of the Association; provided, however, that in no event shall the amount of the outstanding balance of all loans to the Association exceed ten percent (10%) of the approved annual operating budget of the Association at such time, without the consent of a majority of the Members of the Association; and (i-i) exercise any other powers conferred by law or the Governing Documents.

5. Meetings and Notice. An annual meeting of the Board of Directors shall be held promptly following the annual meeting of the Members, at which time the officers of the Association shall be elected. Regular meetings of the Board of Directors shall be held at such times and places within the State of Minnesota as may be fixed from time to time by a majority of the Members of the Board of Directors. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by the Secretary within ten (10) days following the written request of any two (2) directors. Notice of any special meeting must be given to each director not less than seven (7) days in advance thereof. Notice to a director will be deemed to be given when deposited in the United States mail postage prepaid to the Unit address of such director or when personally delivered by an agent of the Association. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of necessary notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by that director of the time and place thereof. If all the directors are present at and take part in any meeting of the Board of Directors, no notice shall be required, and any business may be transacted at such meeting.

6. Quorum and Voting. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one vote. A majority vote of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action.

7. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors.

8. Vacancies. Vacancies in the Board of Directors shall be filled by a majority vote of the remaining directors, regardless of their number, promptly following the occurrence of a vacancy. Each person so elected shall serve until the expiration of the term vacated.

9. Removal. Any director may be removed from the Board of Directors, with or without cause, by Members casting a majority of the votes of all Members entitled to vote, at any annual or special meeting of the Members; provided that if such meeting is a special meeting, the notice of the meeting at which removal is to be considered shall state such purpose. The director to be removed has a right to be heard at the meeting. A new director shall be elected at the meeting by the Members to fill each vacant position.

10. Compensation. Except as authorized by the Board of Directors, directors of the Association shall receive no compensation for their services in such capacity; provided, however, that a Board member, officer or other Unit Owner or Occupant may, upon approval by the Board of Directors, be retained by the Association and fairly compensated for goods and services furnished to the Association in an individual capacity. Officers and Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

11. Fidelity Bond. Fidelity bonds shall be obtained and maintained by the Board of Directors covering officers, employees and volunteers of the Association responsible for the handling of Association funds.

ARTICLE VI

REPORTS

The Board of Directors shall prepare an annual report on behalf of the Association to be provided to each Member prior to each annual meeting of the Members. The report shall contain at a minimum:

- a. A statement of any capital expenditures in excess of two percent (2%) of the current budget, or \$5,000, which ever is greater, anticipated by the Association during the current year and succeeding two fiscal years.
- b. A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors.
- c. A copy of the statement of financial condition for the Association for the last fiscal year.
- d. A statement of the status of any pending suits or judgments to which the Association is a party.
- e. A statement of the insurance coverage provided by the Association.
- f. A statement of any unpaid assessments on individual Units, identifying each Unit and the amount of the unpaid assessment.

ARTICLE VII

OFFICERS

1. Principal Officers. The principal officers of the Association shall be a President, Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. Any person may hold two or more offices, except that the offices of President and Vice President, and the offices of President and Secretary, shall not be held by the same persons concurrently.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his or her successor elected, at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

4. President. The President shall be the chief executive officer of the Association, and shall be a member of the Board of Directors. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including without limitation the duty to supervise all other officers, to preside at all Member and Board meetings and to execute all contracts and similar obligation on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board of Directors.

5. Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act or refuses to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board of Directors.

6. Secretary. The Secretary shall be responsible for recording the minutes of all meetings of the Board of Directors and the Members. The Secretary shall keep and have charge of the books and records of the Board and the Association and shall give all notices required by the Declaration, the By—Laws and the Act. The Board of Directors may designate some or all of the foregoing functions to be undertaken by a managing agents; provided that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7. Treasurer. The Treasurer shall have custody of all financial assets of the Association, including funds, securities and evidences of indebtedness and shall give bond in such sum and with such sureties as the Board of Directors may require. The Treasurer shall be responsible for keeping the Association's financial books, assessment rolls and accounts of the Unit

Owners. The Treasurer shall keep the books of the Association in accordance with good accounting practices and shall submit them to the Board of Directors for its examination upon request. The Treasurer shall cause all moneys and other valuable effects of the Association to be deposited in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall cause the funds of the Association to be disbursed as ordered by the Board of Directors and shall perform all other duties incident to the office of Treasurer. The Board of Directors may designate some or all of the foregoing functions to be undertaken by a managing agent; provided that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

8. Compensation. Except as authorized by the Board of Directors, officers of the Association shall receive no compensation for their services in such capacity; provided, however, a Board member, officer or other Unit Owner or Occupant may, upon approval by the Board of Directors, be retained by the Association and fairly compensated for goods and services furnished to the Association in an individual capacity. Officers and Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

ARTICLE VIII

OPERATION OF THE PROPERTY

1. Assessment Procedures. The Board of Directors shall from time to time, and at least annually, prepare a budget of Common Expenses for the Association and assess and levy such Common Expenses against the Units according to their respective Common Expense liability as set forth in the Declaration; provided, that the Association may, as provided in the Declaration and the Act, assess any Common Expense benefiting less than all of the Units against only the Units benefited. The levy shall be deemed to occur upon the date of the resolution which sets forth the assessment of the Common Expense. The Common Expenses shall include a general operating reserve and an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. The Board of Directors shall fix the amount of the annual assessment against each Unit and shall advise each Member in writing as to the amount of the assessment payable with

respect to the unit, or any change therein, at least thirty (30) days prior to the first day of the year for which the assessment is made. In addition, the Association shall, upon request by the Member, furnish copies of each budget on which such Common Expenses and the assessment are based to such Member, and to any First Mortgagee of a Unit. In the event an annual assessment proves to be insufficient, the budget and assessments therefore may be amended, or a special assessment levied, at any time.

2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed and levied by the Board of Directors pursuant to the Governing Documents. Except as provided in Section 3 below and in the Declaration (in the event of default in payment of the same), such assessments shall be due in monthly installments in advance on the first day of each month of the year or other period for which the assessments are made, or when designated by the Board of Directors in the case of a special assessments.

3. Default in Payment of Common Expenses. IN the event any Owner does not make payment on or before the date when any assessment or installment thereof is due, the Board of Directors may assess, and such Owner shall be obligated to pay, a reasonable charge and/or penalty for each such unpaid assessment or installment thereof, and/or interest at the highest rate allowed by law on such assessment or installment thereof from the date due, together with all expenses, including reasonable attorneys' fees incurred by the Board in collection any such unpaid assessment. In the event of a default of more than thirty (30) days in payment of any assessment or installment thereof, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the Owner as provided in the Declaration, and thereupon the entire unpaid balance of the assessment with all accrued interest and late charges shall become due and payable upon the date stated in the notice. The Board of Directors shall have the right and duty to attempt to recover all assessments for Common Expenses, together with attorneys; fees, in any action, legal or administrative, to recover the same brought against an Owner or by foreclosure of the lien upon the Unit. Upon written request of a Unit Owner of the First Mortgagee of such Unit, notice of a default of more than thirty (30) days in payment of any assessment or installment of an assessment for Common Expenses or any other default in the performance or obligations by the Unit Owner

shall be given in writing to such First Mortgagee. The rights and remedies referred to herein shall in no way limit the rights and remedies available to the Association under the Declaration.

4. Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a liens against a Unit for assessments imposed by the Association, as more fully described in the Declaration and the Act.

5. Records. The Board of Directors shall cause to be kept at the registered office of the Association, and at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Unit Owners and First Mortgagees, and detailed and accurate records of the receipts and expenditures of the Association. Such records of receipts and expenditures and any vouchers authorizing payments shall be available for examination by the Unit Owners and the First Mortgagees upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Unit setting forth the amount of the assessments against the Unit, the date when due, amount paid thereon and the balance remaining unpaid.

6. Enforcement of Obligations. All Unit Owners, Occupants and their guests are obligated and bound to observe the applicable provisions of the Governing Documents and the Act. The Association may impose any or all of the charges, sanctions and remedies authorized in the Governing Documents and by law to enforce and implement its rights and to otherwise enable the Association to manage and operate the condominium.

ARTICLE IX

AMENDMENTS

These By—Laws may be amended, and -he amendment shall be effective upon the satisfaction of the following conditions:

1. The amendment must be approved by Members who have at least sixty—seven percent (67%) of the voting power of all Members, in writing or at a duly held meeting of the Members, subject to the rights of First Mortgagees as more fully set forth in the Declaration; and

2. The amendment must be duly recorded with the recording officer for the county in which the Property is located. Acknowledgement by any officer of the Association as to the procedural sufficiency of the vote (whether such vote is oral or written) shall be adequate evidence thereof for purposes of recording the amendment.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall, to the extent such liability is not covered by insurance, indemnify every director and officer, their heirs, executors and administrators, against all loss, cost and expense, including attorneys' fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of being or having been a director or officer of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by legal counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, arising out of or in connection with the foregoing indemnification provisions shall be a Common Expense; provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify any member who is or has been a director or officer of the Association with respect to any duties or obligations assumed or damage or liabilities incurred solely in the capacity of a Unit Owner.

ARTICLE XI

MISCELLANEOUS

1. Notices. Unless specifically provided otherwise in the Act, the Declaration or these By—Laws, all notices required to be given by or to the Association, the Board of Directors,

the Association officers or the Unit Owners or Occupants shall be in writing and shall be effective upon hand delivery or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Article II, Section 2 hereof, shall be effective upon receipt by the Association.

2. Severability. The invalidity or unenforceability of any part of these By—Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By—Laws.

3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these By—Laws or the intent of any provision hereof.

4. Conflicts in Documents. In the event of any conflict among the provisions the Dc the By—Laws or any Rules and Regulations approved by the Association, the Act shall control. As among the Declaration, By—Laws and Rules and Regulations, the Declaration shall control, and as between the By—Laws arid the Rules and Regulations, the By—Laws shall control.

5. Waiver. No restriction, condition, obligation or pro vision contained in these By—Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

6. No Corporate Seal. The Association shall have no corporate seal.

7. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

CONDOMINIUM NUMBER 8

THE SEAHORSE CONDOMINIUM

EXHIBIT C TO AMENDMENT
TO AMENDED DECLARATION

SCHEDULE OF UNITS AND ALLOCATION OF VOTING RIGHTS, UNDIVIDED INTERESTS IN THE COMMON ELEMENTS, AND COMMON EXPENSE LIABILITIES

<u>Unit Number</u>	<u>Unit Type</u>	<u>Approximate Area in Square Feet</u>	<u>Number of Rooms</u>	<u>Original Stated Value</u>	<u>Allocation Expressed as a Percentage</u>
111	WO.L.	1,293	5+3 Baths	\$34,900	1.306
112	GN.	789	3+1 Bath	16,900	.632
113	GN.	978	4+1 Bath	20,900	.783
114	WO.P.	978	4+1 Bath	25,900	.969
115	WO.P.	978	4+1 Bath	25,900	.969
116	WO.L.	978	4+1 Bath	28,900	1.081
121	B.L.	1,293	5+3 Baths	33,900	1.269
122	B.C.	789	3+1 Bath	17,900	.670
123	B.C.	978	4+1 Bath	21,900	.820
124	B.PM.	978	4+1 Bath	23,900	.894
125	B.PM.	978	4+1 Bath	23,900	.894
126	B.L.	978	4+1 Bath	27,900	1.044
131	B.L.	1,293	5+3 Baths	33,900	1.269
132	B.C.	789	3+1 Bath	17,900	.670
133	B.C.	978	4+1 Bath	21,900	.820
134	B.PM.	978	4+1 Bath	23,900	.894
135	B.PM.	978	4+1 Bath	23,900	.894
136	B.L.	978	4+1 Bath	27,900	1.044
211	WO.L.	1,293	5+3 Baths	34,900	1.306
212	GN.	789	3+1 Bath	16,900	.632
213	GN.	978	4+1 Bath	20,900	.783
214	WO.L.	978	4+1 Bath	29,900	1.119
215	WO.L.	978	4+1 Bath	29,900	1.119
216	WO.L.	978	4+1 Bath	28,900	1.081
221	B.L.	1,293	5+3 Baths	33,900	1.269
222	B.C.	789	3+1 Bath	17,900	.670
223	B.C.	978	4+1 Bath	21,900	.820
224	B.L.	978	4+1 Bath	27,900	1.044
225	B.L.	978	4+1 Bath	27,900	1.044
226	B.L.	978	4+1 Bath	27,900	1.044
231	B.L.	1,041	4+2 Baths	28,900	1.081
232	B.C.	1,041	4+2 Baths	22,900	.858
233	B.C.	978	4+1 Bath	21,900	.820
234	B.L.	978	4+1 Bath	27,900	1.044
235	B.L.	978	4+1 Bath	27,900	1.044
236	B.L.	978	4+1 Bath	27,900	1.044
311	GN.	1,041	4+2 Baths	21,900	.820
312	GN.	1,041	4+2 Baths	21,900	.820
313	GN.	978	4+1 Bath	20,900	.783
314	WO.L.	978	4+1 Bath	29,900	1.119

<u>Unit Number</u>	<u>Unit Type</u>	<u>Approximate Area in Square Feet</u>	<u>Number of Rooms</u>	<u>Original Stated Value</u>	<u>Allocation Expressed as a Percentage</u>
315	WO.L.	978	4+1 Bath	29,900	1.119
316	GN.	978	4+1 Bath	20,900	.783
321	B.C.	1,041	4+2 Baths	22,900	.858
322	B.RD.	1,041	4+2 Baths	23,900	.894
323	B.RD.	978	4+1 Bath	22,900	.858
324	B.L.	978	4+1 Bath	27,900	1.044
325	B.L.	978	4+1 Bath	27,900	1.044
326	B.C.	978	4+1 Bath	21,900	.820
331	B.C.	1,293	5+3 Baths	30,900	1.157
332	B.RD.	789	3+1 Bath	17,900	.670
333	B.RD.	978	4+1 Bath	22,900	.858
334	B.L.	978	4+1 Bath	27,900	1.044
335	B.L.	978	4+1 Bath	27,900	1.044
336	B.C.	978	4+1 Bath	21,900	.820
411	GN.	1,293	5+3 Baths	29,900	1.119
412	GN.	789	3+1 Bath	16,900	.632
413	GN.	978	4+1 Bath	20,900	.783
414	GN.	978	4+1 Bath	20,900	.783
415	GN.	978	4+1 Bath	20,900	.783
416	GN.	978	4+1 Bath	20,900	.783
421	B.C.	789	3+1 Bath	17,900	.670
422	B.RD.	1,293	5+3 Baths	30,900	1.157
423	B.RD.	978	4+1 Bath	22,900	.858
424	B.RD.	978	4+1 Bath	22,900	.858
425	B.RD.	978	4+1 Bath	22,900	.858
426	B.C.	978	4+1 Bath	21,900	.820
431	B.C.	1,041	4+2 Baths	22,900	.858
432	B.RD.	1,041	4+2 Baths	23,900	.894
433	B.RD.	978	4+1 Bath	22,900	.858
434	B.RD.	978	4+1 Bath	22,900	.858
435	B.RD.	978	4+1 Bath	22,900	.858
436	B.C.	978	4+1 Bath	21,900	.820
511	WO.P.	1,293	5+3 Baths	31,900	1.195
512	GN.	789	3+1 Bath	16,900	.632
513	GN.	978	4+1 Bath	20,900	.783
514	GN.	978	4+1 Bath	20,900	.783
515	GN.	978	4+1 Bath	20,900	.783
516	Caretakers Apartment (not an "Apartment Unit")				
521	B.PM.	789	3+1 Bath	17,900	.670
522	B.RD.	1,293	5+3 Baths	30,900	1.157
523	B.RD.	978	4+1 Bath	22,900	.858
524	B.RD.	978	4+1 Bath	22,900	.858
525	B.RD.	978	4+1 Bath	22,900	.858
526	B.PM.	978	4+1 Bath	23,900	.894
531	B.PM.	1,041	4+2 Baths	24,900	.933
532	B.RD.	1,041	4+2 Baths	23,900	.894
533	B.RD.	978	4+1 Bath	22,900	.858
534	B.RD.	978	4+1 Bath	22,900	.858
535	B.PM.	978	4+1 Bath	22,900	.848
536	B.PM.	978	4+1 Bath	23,900	.894
611	WO.P.	1,293	5+3 Baths	31,900	1.195
612	GN.	789	3+1 Bath	16,900	.632
613	GN.	978	4+1 Bath	20,900	.783

<u>Unit Number</u>	<u>Unit Type</u>	<u>Approximate Area in Square Feet</u>	<u>Number of Rooms</u>	<u>Original Stated Value</u>	<u>Allocation Expressed as a Percentage</u>
614	WO.RD.	978	4+1 Bath	23,900	.894
615	WO.RD.	978	4+1 Bath	23,900	.894
616	WO.P.	978	4+1 Bath	23,900	.894
621	B.PM.	1,293	5+3 Baths	31,900	1.195
622	B.RD.	789	3+1 Bath	17,900	.670
623	B.RD.	978	4+1 Bath	22,900	.858
624	B.RD.	978	4+1 Bath	22,900	.858
625	B.RD.	978	4+1 Bath	22,900	.858
626	B.PM.	978	4+1 Bath	23,900	.894
631	B.PM.	1,041	4+2 Baths	24,900	.933
632	B.RD.	1,041	4+2 Baths	23,900	.894
633	B.RD.	978	4+1 Bath	22,900	.858
634	B.RD.	978	4+1 Bath	22,900	.858
635	B.RD.	978	4+1 Bath	22,900	.858
636	B.PM.	978	4+1 Bath	23,900	.894
1-G	G.U.	250	N/A	950	.035
2-G	G.U.	250	N/A	950	.035
3-G	G.U.	250	N/A	950	.035
4-G	G.U.	250	N/A	950	.035
5-G	G.U.	250	N/A	950	.035
6-G	G.U.	250	N/A	950	.035
7-G	G.U.	250	N/A	950	.035
8-G	G.U.	250	N/A	950	.035
9-G	G.U.	250	N/A	950	.035
10-G	G.U.	250	N/A	950	.035
11-G	G.U.	250	N/A	950	.035
12-G	G.U.	250	N/A	950	.035
13-G	G.U.	250	N/A	950	.035
14-G	G.U.	250	N/A	950	.035
15-G	G.U.	250	N/A	950	.035
16-G	G.U.	250	N/A	950	.035
17-G	G.U.	250	N/A	950	.035
18-G	G.U.	250	N/A	950	.035
19-G	G.U.	250	N/A	950	.035
20-G	G.U.	250	N/A	950	.035
21-G	G.U.	250	N/A	950	.035
22-G	G.U.	250	N/A	950	.035
23-G	G.U.	250	N/A	950	.035
24-G	G.U.	250	N/A	950	.035
25-G	G.U.	250	N/A	950	.035
26-G	G.U.	250	N/A	950	.035
27-G	G.U.	250	N/A	950	.035
28-G	G.U.	250	N/A	950	.035
29-G	G.U.	250	N/A	950	.035
30-G	G.U.	250	N/A	950	.035
31-G	G.U.	250	N/A	950	.035
32-G	G.U.	250	N/A	950	.035
33-G	G.U.	250	N/A	950	.035
34-G	G.U.	250	N/A	950	.035
35-G	G.U.	250	N/A	950	.035
36-G	G.U.	250	N/A	950	.035
37-G	G.U.	250	N/A	950	.035
38-G	G.U.	250	N/A	950	.035

<u>Unit Number</u>	<u>Unit Type</u>	<u>Approximate Area in Square Feet</u>	<u>Number of Rooms</u>	<u>Original Stated Value</u>	<u>Allocation Expressed as a Percentage</u>
39-G	G.U.	250	N/A	950	.035
40-G	G.U.	250	N/A	950	.035
41-G	G.U.	250	N/A	950	.035
42-G	G.U.	250	N/A	950	.035
43-G	G.U.	250	N/A	950	.035
44-G	G.U.	250	N/A	950	.035
45-G	G.U.	250	N/A	950	.035
46-G	G.U.	250	N/A	950	.035
47-G	G.U.	250	N/A	950	.035
48-G	G.U.	250	N/A	950	.035
49-G	G.U.	250	N/A	950	.035
50-G	G.U.	250	N/A	950	.035
51-G	G.U.	250	N/A	950	.035
52-G	G.U.	250	N/A	950	.035
53-G	G.U.	250	N/A	950	.035
54-G	G.U.	250	N/A	950	.035
55-G	G.U.	250	N/A	950	.035
56-G	G.U.	250	N/A	950	.035
57-G	G.U.	250	N/A	950	.035
58-G	G.U.	250	N/A	950	.035
59-G	G.U.	250	N/A	950	.035
60-G	Storage Garage (not a "Garage Unit")			950	.035
61-G	G.U.	250	N/A	950	.035
62-G	G.U.	250	N/A	950	.035
63-G	G.U.	250	N/A	950	.035
64-G	G.U.	250	N/A	950	.035
65-G	G.U.	250	N/A	950	.035
66-G	G.U.	250	N/A	950	.035
67-G	G.U.	250	N/A	950	.035
68-G	G.U.	250	N/A	950	.035
69-G	G.U.	250	N/A	950	.035
70-G	G.U.	250	N/A	950	.035
71-G	G.U.	250	N/A	950	.035
72-G	G.U.	250	N/A	950	.035
73-G	G.U.	250	N/A	950	.035
74-G	G.U.	250	N/A	950	.035
75-G	G.U.	250	N/A	950	.035
76-G	G.U.	250	N/A	950	.035
77-G	G.U.	250	N/A	950	.035
78-G	G.U.	250	N/A	950	.035
79-G	G.U.	250	N/A	950	.035
80-G	G.U.	250	N/A	950	.035

KEY:

WO.L.	Walkout lake
GN	Garden
WO.P	Walkout park
B.C.	Balcony court
B.PM	Balcony park-marina
B.L.	Balcony lake
B.RD	Balcony road
WO.RD	Walkout road
G.U.	Garage Unit

LAHDI D SEAHORSE CONDOMINIUM DOCKS

