

407006

OFFICE OF COUNTY RECORDER

State of Minnesota, County of Cass

I hereby certify that the within instrument
was filed in this office for record on the

24th day of November A.D. 19 98

at 12:28 O'clock P. M and was duly

recorded as Micro Doc. No. 407006

Claudine Kayser

COUNTY RECORDER

K.J.

THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR INTERVAL OWNERSHIP OF
CAUSEWAY ON GULL

THIS DECLARATION, made this 1ST day of NOVEMBER,
1998 by Causeway Development, Inc., a Minnesota corporation,
(hereinafter called "Declarant"), the successor in interest to
Causeway Corporation and its assignees.

W I T N E S S E T H:

WHEREAS, Declarant is or was the owner of certain real estate
located in Cass County, legally described in Exhibit A, all of land
together with any additional real estate subjected to this Declaration
constitutes and is hereinafter referred to as the "Property", and

WHEREAS, Declarant has constructed or will construct a townhome
on each Lot located within the Property, each of which will comprise a
Unit divided into Interval Weeks to be used for recreational and
residential purposes by the owners thereof, and improvements on
certain Common Elements initially consisting of a swimming pool -
cabana area, walking trails, roadways, and landscaped open spaces,
which will comprise the Common Elements to be used by all owners of
Interval Weeks in the Units, and

WHEREAS, Declarant intends to convey to purchasers the fee
ownership of Interval Weeks created in each Unit in accordance with
and subject to the covenants, conditions and restrictions contained in
this Declaration and the constituent documents, and

WHEREAS, Declarant has or will create Causeway on Gull
Association, Inc., as a Minnesota non-profit corporation (hereinafter
the "Association") to own the common elements and rights and certain
Interval Weeks in Units, and to maintain and manage the Project, all
as hereinafter provided, and

WHEREAS, Declarant has retained the right to add additional real
estate to the Project as additional Common Areas and/or on which
additional Units and other improvements may be constructed, all as
hereinafter provided.

NOW, THEREFORE, Declarant hereby subjects the Property, together with all improvements thereon, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, which shall run with the Property and be binding upon and for the benefit of each Owner of an Interval Interest, including Declarant, and their respective heirs, successors, assigns, occupants and invitees, hereby establishing a plan for the individual ownership of Interval Weeks in each Unit, together with an undivided interest as tenants in common in such Unit upon termination of such Interval Interest and the ownership by the Association of the common elements for the benefit and use of the owners of Interval Weeks. The provisions of this Declaration are intended to create mutual equitable servitudes on each of the Units in favor of each and all other Units, to create reciprocal rights between the respective owners of all Interval Interests and to create privity of contract and estate between the owners of Interval Interests, and their respective heirs, successors and assigns.

ARTICLE 1 DEFINITIONS

The following words when used in this Declaration, the Articles, the By-Laws and the Rules and Regulations of the Association, and any amendment or supplement to such documents, shall have the following meanings, unless the context shall otherwise require:

1.0. "Annual Interval Week" shall mean an Interval Week during which the Owner thereof is entitled to the use, possession and occupancy of a Unit on a recurring basis every year. Unless the context requires otherwise, all references to "Interval Weeks" include Annual Interval Weeks.

1.05. "Biennial Interval Week" shall mean an Interval Week during which the Owner thereof is entitled to the use, possession and occupancy of a Unit on a recurring basis every other year. Unless the context requires otherwise, all references to "Interval Weeks" include Biennial Interval Weeks.

1.1. "Board" shall mean the Board of Directors of the Association.

1.2. "By-Laws" shall mean the By-Laws of the Association.

1.3. "Constituent Documents" shall mean this Declaration, the Articles, the By-Laws and the Rules and Regulations, all as supplemented or amended from time to time.

1.4. "Common Elements" or "Common Area or Areas" shall mean the real property described in Exhibit B hereto, and all improvements thereon, together with any further described Common Elements on any additional real estate added in accordance with Article 13 hereof.

1.5. "Common Furnishings" shall mean all furniture, furnishings, fixtures, appliances and other personal property from time to time contained on a Lot or in a Unit thereon for use in common by all

Owners of an Interval Week or Weeks in such Unit and all such property located in or on the Common Elements for use by all Owners.

1.6. "Declarant" shall mean Causeway Development, Inc., a Minnesota corporation, and its successors and assigns.

1.7. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Interval Ownership of Causeway on Gull, as supplemented or amended from time to time.

1.75. "Even Year Biennial Interval Week" shall mean a Biennial Interval Week in which the use, possession and occupancy of an Interval Week occurs only in calendar years ending in an even digit or zero.

1.8. "Interval Interest" shall mean the ownership of an Interval Week or Weeks, together with a fee simple remainder interest as a tenant in common in the Lot and Unit thereon upon termination hereof, in accordance with Article 18.

1.9. "Interval Week or Weeks" shall mean the separate seven (7) day periods commencing and ending on a Friday, Saturday, or Sunday, at 12:00 Noon, as shown on Exhibit C attached hereto and incorporated herein, each of which is established by the filing of this Declaration as a separate fee simple interest which may be separately owned and conveyed by the Owner thereof. Each Interval Week may be further divided into two Biennial Interval Weeks, one of which shall be an Even Year Biennial Interval Week and the other of which shall be an Odd Year Biennial Interval Week.

1.10. "Lot" shall mean and refer to the Lots legally described on Exhibit A attached hereto and incorporated herein, as shown on the recorded plat thereof, upon which Units will be constructed and any additional lots identified as such added to the Project in accordance with the Declarant's rights under Article 13.

1.11. "Mortgagee" shall mean the holder of a recorded mortgage encumbering any Interval Interest.

1.115. "Odd Year Biennial Interval Week" shall mean a Biennial Interval Week in which the use, possession and occupancy of an Interval Week occurs only in calendar years ending in an odd digit.

1.12. "Owner" shall mean any person, including the Declarant, who holds fee title to any Interval Week or Weeks in and to a Unit, including any vendee under an outstanding contract for deed, but excluding a person holding an interest merely as security for the performance of an obligation.

1.13. "Project" shall mean the Lots and any Common Elements, including all improvements thereon, and any real estate added in accordance with Article 13, and improvements thereon.

1.14. "Service Period" shall mean the period of time between 10:00 o'clock a.m. and 4:00 o'clock p.m. on a Friday, Saturday or Sunday, depending on the designation by Declarant, pursuant to Section 2.1 and those Interval Weeks designated as Service Periods in Exhibit D hereto, or in the schedule of Interval Weeks set forth in any recorded Supplemental Declaration, which Interval Weeks so designated will be conveyed to the Association by Declarant.

1.15. "Unit" shall mean the recreational townhome constructed or to be constructed on each Lot.

ARTICLE 2 PROPERTY RIGHTS

2.1. Each Lot and the Unit constructed thereon is hereby divided into Interval Weeks, each consisting of a period commencing and ending at 12:00 Noon on a Friday, Saturday, or Sunday, as designated by the Declarant and as shown on Exhibit C hereto; provided that all Interval Weeks established prior to February 7, 1988 shall begin and end on Saturday at 12:00 Noon. Each Owner, including Declarant and the Association, shall have the exclusive right to occupy and use his Lot, the Unit thereon, and its Common Furnishings and the rights and easements pertinent to his Unit during the Interval Week or Weeks owned by such Owner, and to authorize others to do so. No Owner shall have the right to occupy the Unit in which he owns an Interval Week or Weeks, or to exercise any other rights or easements pertinent to the Unit in which he owns an Interval Interest, other than during the Interval Week or Weeks owned by him.

2.2. Each Unit shall be used solely for residential purposes, and as permitted by the Constituent Documents.

2.3. Each Owner shall keep his Unit in good order and condition, subject to ordinary wear and tear and no Owner shall make repairs, modifications, alterations or decorations to the Unit, its furniture or fixtures, without the express advance written consent of the Association.

2.4. Any Owner may permit a Unit to be occupied by other persons for the purposes permitted by this Declaration during his Interval Week or Weeks, but such Owner shall be deemed responsible for any violation of the terms of the Constituent Documents, and for any loss, damage, or destruction to the Unit or any portion of the Property, by such other occupants.

2.5. Each Owner shall vacate his Unit at the end of his Interval Week or Weeks prior to the commencement of the Service Period, unless such checkout time is extended by the Managing Agent, and upon such vacation, each Owner shall remove all of his personal effects from such Unit. Notwithstanding the foregoing, an Owner of two or more consecutive Interval Weeks need not vacate the Unit during the Service Period occurring between such consecutively owned Interval Weeks. In the event any Owner or other person occupying with the consent of an Owner fails to vacate a Unit at the end of his Interval Week(s), or

otherwise uses or occupies a Unit during a period other than his Interval Week or in any manner prevents another Owner or person authorized by such Owner from using or occupying a Unit during such Owner's Interval Week, then the Owner and any person so wrongfully occupying the Unit shall:

(a) Be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied;

(b) Be deemed to have waived any notice required by law with respect to any legal proceedings requiring the removal, eviction or ejection of such Owner, to the full extent that any such notices may be waived under Minnesota Law;

(c) Reimburse the Association and the Owner or other person prevented from occupancy for all costs and expenses incurred by either of them as a result of such conduct, including but not limited to costs of alternate accommodations, travel costs, court costs and reasonable attorneys' fees incurred in connection with the removal, eviction or ejection of the holdover Owner from such Unit or the enforcement of any of the provisions of the Constituent Documents; and

(d) Pay to the Owner or other person prevented from use of the unit because of such wrongful occupancy or damage, as liquidated damages, a sum equal to two hundred percent (200%) of the fair rental value of the Unit for each day or portion thereof, including the day of surrender, during which the holdover Owner or other person prevents occupancy of the Unit. The fair rental value of the Unit shall be as determined by the Managing Agent, in its sole discretion.

In the event that a person occupying with the consent of an Owner holds over a Unit, the Owner shall be jointly and severally liable with such occupant for any and all damages provided herein. The Managing Agent is hereby empowered, and designated as attorney in fact for the Owner prevented from use of his Unit for the purpose of taking all steps as may be necessary to remove the holdover Owner or occupant and to assist the Owner or occupant prevented from use in finding satisfactory alternate accommodations during the pendency thereof.

2.6. No travel trailer, mobile home, tent, fence, shed or other temporary or permanent structure shall be placed or erected on any Lot, or Common Area, nor shall any trees be removed or planted on any portion of the Project, except as provided under Article 4 hereof.

2.7. Nothing shall be done or kept in any Unit or on or within the Common Elements, or any part thereof, which would (i) increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association, (ii) be in violation of any statute, rules, ordinance, regulation, permit or other validly imposed requirement of any governmental body, (iii) jeopardize the soundness of any Unit or premises, (iv) interfere with or unreasonably disturb the rights of other Owners and occupants, (v) cause damage to, or waste of, the Unit, Common Elements or any part thereof, (vi) burn

trash, garbage, or other like household refuse on any Lot, nor shall any Owner accumulate litter, refuse or garbage, except in receptacles provided for such purposes. In addition, each Owner's use of a Unit during his Interval Week(s) shall be subject to such reasonable Rules and Regulations as are adopted from time to time by the Association, provided that any such Rule or Regulation is consistent with the terms of this Declaration, the Articles and By-Laws.

2.8. Each Owner, including Declarant and the Association, shall have the absolute right to lease his or its Unit for his or its Interval Week or Weeks to a third party, subject to all of the provisions of the Constituent Documents, provided that (i) all leases shall provide that the terms of the lease shall be subject in all respects to the provisions of the Constituent Documents, (ii) all leases shall be in writing, and (iii) no lease shall be for less than an entire Unit, and (iv) no lease shall extend for a period of less than one full Interval Week, unless arrangements are made with the Association office at the Project, prior to the start of the Interval Week, to schedule and pay for any additional housekeeping costs.

2.9. No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any Lot or within any Unit or on any portion of the Common Elements, except for the Declarant's rights to rent Interval Weeks and as otherwise set forth in this Declaration, and any activities undertaken by the Association in accordance with the Constituent Documents.

2.10. No Owner, or occupant, shall bring or keep any pet on or within any Lot, Unit or portion of the Common Elements.

ARTICLE 2 A BIENNIAL INTERVAL WEEKS

The Declarant may offer Interval Weeks for sale as Biennial Interval Weeks by so indicating in each deed conveying a Biennial Interval Week in a Unit. The Owner of a Biennial Interval Week receives the right to occupy a Unit every other calendar year in accordance with the Constituent Documents. At the time of recording of a deed to a Biennial Interval Week in a given Unit, the Declarant also shall indicate whether the Biennial Interval Week is either an Even Year Biennial Interval Week or an Odd Year Biennial Interval Week. Owners of Interval Weeks other than the Declarant are expressly prohibited from creating Biennial Interval Weeks, and only the Declarant and Owners of Biennial Interval Weeks subsequently can convey a Biennial Interval Week. If an Owner acquires title to a corresponding Even Year Biennial Interval Week and Odd Year Biennial Interval Week in a given Unit, the two Biennial Interval Weeks shall merge into and be combined as an Annual Interval Week. If the Declarant acquires an Annual Interval Week by virtue of the merger of a reacquired Even Year Biennial Interval Week with a reacquired Odd Year Biennial Interval Week, the Declarant shall have the discretion to subsequently convey the Interval Week as an Annual Interval Week or as two Biennial Interval Weeks.

ARTICLE 3
EASEMENTS

3.1. Every Owner of an Interval Week in a Unit shall have a perpetual non-exclusive right and easement of use and enjoyment in, over and upon the Common Elements during such Interval Week or Weeks, for the benefit of the Owner, and persons occupying with the Owner's permission, which shall include, without limitation, easements (i) for ingress and egress to the Unit, (ii) use and enjoyment of all recreational facilities and improvements located on the Common Elements or available for use by Owners or occupants, (iii) for the continued use, maintenance, repair and replacement of utilities, including, but not limited to, electric, telephone, gas, sewer and water lines, in such place or places as the Association may reasonably desire, (iv) for the party walls now existing or hereafter created between Units located on the Lots, (v) for overhangs and encroachments, if any, of any of the existing Units, or Units hereafter added and (vi) for the Lot and Unit subject to his Interval Interest. Such rights and easements shall be appurtenant to and pass with the ownership of each Interval Week or Weeks in a Unit, subject to the following limitations:

(a) The right of the Association to pass reasonable Rules and Regulations with respect to the use of the Units, Common Elements and recreational facilities located thereon, for the health, comfort, safety and welfare of all persons using or entitled to use the Units and Common Elements and to prevent Owners from access to the Common Elements during periods other than their owned Interval Week or Weeks, except as the Board otherwise approves, and in the event of rule violations or non-payment of Association assessments and to charge reasonable fees for the use of recreational facilities located outside of the Common Elements.

(b) The right of the Owners of each Unit to an exclusive easement over and on the Common Elements for entrances to a Unit or to areas occupied by fireplaces, roof overhangs, balconies, air conditioning units and compressors, flower boxes, patios or other appurtenances which are added and to a reciprocal easement for access where necessary over adjoining Lots for the maintenance and upkeep of walls, fences or other improvements.

(c) The rights of the Association and Declarant reserved under this Declaration.

(d) The right of the Association to mortgage all or any portion of the Common Elements for the purpose of securing a loan of money to be used for the purpose of maintenance or improvement of the Units or Common Elements, or any portion thereof, provided that the rights of such mortgagee in the Common Elements shall be subordinate to the rights of Owners under this Declaration and provided, further, that the mortgage shall have received the prior affirmative vote of 67% of the Board.

(e) The right of the Association to dedicate or transfer portions of the Common Elements to any governmental subdivision or public agency or utility, and to grant permits, licenses, and easements over the Common Elements for utilities, roads and other purposes necessary or useful for the proper maintenance or operation of the Project, subject to the prior affirmative vote of 67% of the Board.

3.2. The Association shall have a perpetual right and easement for the placement, use, maintenance, repair and replacement of utilities over and across the Lots or portions thereof as shall be reasonably necessary for the proper use, operation and function of the Common Elements. Notwithstanding the foregoing, the utility easement or easements created hereby shall be placed and maintained in such fashion as not to interfere with the reasonable use of the Units by the Owners thereof.

3.3. Declarant shall have the same rights as any other Owner as to Interval Weeks owned by it from time to time. In addition, until the last Interval Week is conveyed to an Owner other than Declarant, Declarant shall have the right and easement over the Common Elements for the completion of improvements and making repairs to improvements, whether on the Common Elements or the Lots, and the right to maintain and use facilities and signs upon the Common Elements for the purpose of marketing Interval Weeks in Units and to invite and escort the public thereon for such purpose, and the right to rent Interval Weeks owned by Declarant, subject to the provisions of Article 2.8.

ARTICLE 4 MAINTENANCE AND MANAGEMENT

4.1. The Association shall have the sole right, responsibility and duty for the management and maintenance of the Project, and in furtherance thereof shall have the powers and duties necessary for such management, operation and administration of the affairs of the Association and the Project, which shall include, but not be limited to, the following:

(a) The care, upkeep, repair, replacement and surveillance of the Project, including all improvements thereon;

(b) The preparation, adoption and amendment of annual budgets, including reserve funds for working capital and for repairs, maintenance and replacement;

(c) Determination, allocation, billing and collection of common expenses and regular assessments and special assessments for common expenses;

(d) The procurement and payment for hazard and liability insurance as provided in Article 10;

(e) The adoption, implementation and amendment of uniform Rules and Regulations governing conduct within the Unit, the use of the

Common Elements, and the personal conduct of Owners and their tenants, guests and invitees; including the establishment of reasonable fines or other penalties for the infraction of such Rules and Regulations and the enforcement thereof;

(f) The payment of all operating expenses;

(g) The employment of all persons which the Association deems necessary or desirable in connection with the operation of the Project;

(h) The maintenance of books and records and employment of accountants and the preparation and distribution of an annual financial statement;

(i) The entering into of contracts for services or materials necessary to the management and maintenance of the Project;

(j) The employment of attorneys and the prosecution of such legal action as it deems necessary on behalf of any or all of the owners within the Project;

(k) The procurement of all utilities necessary to the Project;

(l) The maintenance of dock facilities and other facilities as provided under the Agreement and Grant of Easement dated the 12th day of September, 1985, granting the use thereof to the Association and the Owners;

(m) The leasing of Interval Weeks owned by the Association on such terms as deemed advisable by the Board of Directors;

(n) The right to go upon and enter the Lots and any buildings or structures erected thereon in the event of an emergency at any time, without notice or permission of the Owner, where such entry is reasonably necessary to protect against the risk of immediate loss of or injury to persons or Property.

4.2. The Association shall, in compliance with the requirements of the City of Lakeshore, and the Department of Natural Resources of the State of Minnesota, maintain and preserve the trees presently existing upon the Property. Except for trees reasonably required to be removed for the construction of the Project improvements, including townhomes, roads and walkways, no live trees shall be removed from the Property. In the event of the death or disease of a tree on the Property, the Association shall, at its expense, remove and replace such dead or diseased tree with a tree of, at least, equal screening potential, said replacement to be at least six feet in height. In addition, the Association and Owners shall preserve and protect, and in no event shall remove, any trees, brush, or vegetation from any wetland area located on or within the Property and within ten (10) feet of such an area.

ARTICLE 5
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

5.1. Each Owner of an Interval Interest shall automatically upon becoming an Owner become a member of the Association and shall remain a Member until such time as his Ownership of an Interval Interest ceases for any reason, at which time his membership shall automatically cease. Each Owner, other than Declarant, shall register his ownership by submitting to the Board of Directors a copy of a document showing his interest in the Unit within sixty (60) days after the date of purchase. If title to an Interval Week is held by more than one person, each of such persons shall be a member. Each such membership shall be appurtenant to the Interval Week upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of title to the Interval Week and no right, title or interest in or to membership in the Association may be transferred or conveyed separately from such Interval Week. No person or entity other than an Owner or Declarant may be a member of the Association.

5.2. The Association shall have only one class of voting membership, consisting of all members and including the Declarant, all of whom shall be entitled to one vote for each Annual Interval Week owned, and one-half vote for each Biennial Interval Week owned. When there is more than one Owner of an Interval Week, the vote allocated to such Interval Week shall be cast in accordance with the desire of the majority of such Owners. In the event the Owners fail to determine how to cast a vote, the matter shall be submitted to the Board of Directors whose decision shall be binding on the Owners of such Interval Week.

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

ARTICLE 6
PARTITION

6.1. No Owner or other person or entity acquiring any right, title or interest in or to any Interval Week, or Unit to which such Interval Week applies, shall seek or obtain through any legal procedures the judicial partition of the Unit to which such Interval Week applies or sale of the Unit in lieu of partition. If, however, any Interval week shall be owned by two or more persons as tenants in common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Interval Week in lieu of partition as between such co-tenants or joint tenants.

6.2. It is intended that the Constituent Documents govern all rights with respect to the possession, use, enjoyment, management and

disposition of each Interval Interest and, accordingly, all such rights which an Owner might otherwise have as a tenant in common, including but not limited to any common law or statutory right to jointly use, possess or manage commonly owned property, are hereby unconditionally and irrevocably subordinated to the Constituent Documents for so long as any or all of such Documents shall remain in effect. In the event this Declaration expires or is terminated for any reason, any Owner shall, following such expiration or termination, have the right to maintain an action for sale in lieu of partition of his Unit and any proceeds arising from such sale shall be distributed in proportionate shares to the Owners of such Unit, subject to the rights of Owner's mortgagees.

6.3. Once an Interval Week has been conveyed to a party other than Declarant by the execution and recording of an original Deed thereto, no Owner shall sell, convey, hypothecate or encumber less than all of his interest in any such Interval Week as set forth in the original Deed and any sale, conveyance, hypothecation or encumbrance by any Owner of less than all of his interest in an Interval Week shall be null and void. The transfer of any Interval Week shall operate to transfer to the new Owner the interest of the prior Owner in funds in the hands of the Association and in Common Furnishings without further instrument of transfer. An Owner of more than one Interval Week may transfer any or all of such Interval Weeks, subject to the foregoing portions of this paragraph.

ARTICLE 7 SEPARATE MORTGAGES

7.1. Each Owner shall have the right to mortgage or otherwise encumber his Interval Interest. No Owner shall have the right to, nor shall he attempt to mortgage or otherwise encumber in any manner whatsoever his Unit or any part thereof, except his Interval Interest. Any mortgage, deed of trust or other encumbrance of any Interval Interest shall be subordinate to all of the provisions of the Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosures by private power of sale, judicial foreclosure, or otherwise.

ARTICLE 8 OWNER'S OBLIGATIONS AND RESTRICTIONS

8.1. Each Owner shall be charged for and be obligated to pay in respect of his Interval Interest the cost of any special services allocated to the occupancy of his Unit during his Interval Week(s). Such special services shall include, but not be limited to, telephone charges, cleaning of the Unit other than during Service Periods, and any fees due with respect to his use of personal property, other than Common Furnishings, during such Interval Week or Weeks. Such amounts shall be due and payable by such Owner prior to the termination of his Interval Week (s) or, if not determined at that time, immediately upon the billing to such Owner for such amounts.

8.2. Each Owner shall immediately reimburse the Association for the costs to repair any damage to the Unit or to repair or replace any Common Furnishings therein if caused by the acts or omissions of the Owner or his occupants which occurs during his or their occupancy and which is not covered by insurance maintained by the Association, which amount shall be reimbursed immediately upon demand. In addition, each Owner shall reimburse any other Owner for any expense incurred or damage suffered due to any intentional or negligent act or omission of such Owner, or persons occupying with his consent.

8.3. Each Owner shall bear his share of the Common Expenses assessed by the Association, all as provided for in Article 9.

8.4. No Owner shall permit his interest in his Unit to be subject to any lien (other than the liens of real property taxes, not yet due), claim or charge, the enforcement of which may result in a sale or threatened sale of the interest of any other Owner in that Unit or in any interference with the use or enjoyment thereof by any other Owner of such Unit and in the event that the sale of the entire Unit or Common Elements, or the interest of any Owner in the Unit or any part thereof, or the use and enjoyment of any part thereof by the Owner in the Unit be threatened by reason of any lien, claim or charge against the interest of any other Owner in the Unit, or proceedings be instituted to effect any such sale or interference, any Owner or Owners of Interval Weeks in such Unit acting on his or their own behalf or through the Board, unless promptly indemnified to his or their satisfaction, may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in that event, the Owner whose interest was subjected to such lien, claim or charge shall forthwith repay the amount so paid or expended to the Owner or Owners, or Board, whomsoever shall have paid or compromised the lien, claim or charge together with such reasonable attorneys' fees and related costs as he or they may have incurred.

8.5. No Owner shall permit his interest in any funds from time to time in the possession of the Board to be subjected to any attachment, lien, claim or charge or other legal process and each shall promptly restore any funds held by the Board in respect of his Interval Interest to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge or other legal process and reimburse the Board for all reasonable attorneys' fees or costs incurred in respect thereof.

8.6. Each Owner shall pay on or prior to the due date thereof any real estate taxes separately assessed against such Owner's Interval Interest.

8.7. No Owner of an Interval Week, except as required to prevent damage or injury to persons or property in an emergency, shall make any repairs or alterations to his Unit or its Common Furnishings. Each Owner shall promptly notify the Association of the need for any repairs or maintenance and shall permit the Managing Agent or its representatives to enter his Unit during his Interval Week between

10:00 o'clock A.M. and 4:00 o'clock P.M., as may be reasonably necessary for such maintenance, inspection, repair or replacement of improvements or furnishings and at any time in case of an emergency. Notwithstanding the foregoing, the Managing Agent shall make efforts to undertake such repair and replacement during a service period.

ARTICLE 9 ASSESSMENTS

9.1. Each Owner shall be obligated to pay to the Association annual assessments in accordance with the rate of assessments determined by the Board which shall be payable in regular installments as determined by the Board, but not more frequently than monthly, for all Common Expenses of the Association. Common Expenses are all expenditures made or liabilities incurred by the Association in connection with the discharge of its duties, and shall include, but not be limited to, hazard and liability insurance for the Project, maintenance and repair of all units and Common Elements, trash removal, utility charges, real property taxes and other taxes assessed against a Unit (except as and to the extent that such taxes separately assessed the Owner's Interval interest), the share of Common Expenses of any Owner who has defaulted in the payment thereof, wages, accounting and legal fees, management fees, startup fees, maid services and cleaning fees, and all other necessary expenses of routine and periodic upkeep, maintenance, management and operation of the Project and each Unit except as provided in Article 15. In addition, the Common Expenses shall include such amounts as the Board of Directors deems appropriate to make up any deficiency for prior years and to create and maintain an operating reserve account and a repair and replacement account. In addition, each Owner shall be obligated to pay special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any assessments together with interest, costs and reasonable attorneys' fees shall be a continuing lien against the Interval Interest assessed from the date the first installment is due and payable. Each assessment, together with interest, costs, and attorneys' fees shall also be the personal obligation of the Owner or Owners of each Interval Week on the date said assessment becomes due and payable. In any conveyance of an Interval Week, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration, the transferee of the Interval Week shall be jointly and severally liable with the transferor for any unpaid Common Expenses assessed and due up to the time of the conveyance without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. Any such transferee shall be entitled to a statement from the Association setting forth the amount of the unpaid Common Expense against the Interval Week and such transferee shall not be liable for, nor shall the Interval Week conveyed be subject to a lien for any unpaid Common Expense against the transferor in excess of the amount set forth in such statement. No Owner shall avoid liability for the assessments which became due while he was the Owner by reason of non-use of the Unit or Common Elements.

9.2. Both annual and special assessments shall be fixed at a uniform rate for each Interval Week, within each type of Unit, should more than one type exist; provided that any Biennial Interval Week shall be charged an assessment equal to fifty percent (50%) of the assessment assessed against Annual Interval Weeks; and further provided that any Interval Week owned by Declarant shall be charged an assessment equal to twenty-five percent (25%) of the assessment assessed against Interval Weeks owned by persons other than Declarant, provided, however, that the Interval Week owned by Declarant shall remain unoccupied, and also provided that no assessment shall be levied against any Interval Week until such time as the Declarant has received a Certificate of Occupancy for the Unit underlying the Interval Week from the City of Lakeshore. In the case of an Owner who owns more than one Interval Week, his assessment shall be the rate of assessment established per Interval Week multiplied by the number of Interval Weeks owned by such Owner. The annual assessment shall be as determined by the Board of Directors, provided that any increase of an annual assessment of more than twenty percent (20%) over the assessment for the immediately preceding annual period shall require the affirmative vote of not less than fifty-one percent (51%) of the members who are voting in person or by proxy at a meeting duly called for this purpose. The Association may levy special assessments for the cost of any capital improvement, provided that any such assessment shall require the affirmative vote of not less than fifty-one percent (51%) of the members who are voting in person or by proxy at a meeting duly called for this purpose.

9.3. Written notice of any meeting required for the purpose of approval of the annual or any special assessments shall be given to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The annual assessments, as levied by the Board of Directors, shall commence as to all Interval Weeks on a date determined by Declarant, but in no event later than the date upon which fifty percent (50%) of the Interval Weeks have been conveyed to Owners other than Declarant. Thereafter, by October 31st of each year the Board shall adopt a budget and fix the amount of the annual assessments against each Interval Week for the following calendar year, and shall send written notice of the budget and assessment to each Owner prior to December 31st of each year. If the annual assessment is not determined and made prior to the commencement of a year, there shall be an annual assessment for such year in the amount of the last prior annual assessment, which shall be due and payable as determined by the Board.

9.4. Upon written demand of an Owner or first mortgagee, at any time and for reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association or the managing agent, setting forth whether there are any then unpaid annual or special assessments levied against the Owner's Interval Week. Such certificate shall be conclusive evidence of payment of annual or special assessments not stated therein as unpaid.

9.5. Any assessment or installment thereof which is not paid within thirty (30) days after the due date thereof shall bear interest from

the due date at the rate of eight percent (8%) per annum and shall be increased by the amount of Twenty-Five Dollars (\$25.00) as a processing fee for additional expense incurred in processing such late installment, and shall become a continuing lien in favor of the Association on the Interval Week against which assessed and the Association (or any Owner acting in the name and for the benefit of the Association) may bring an action at law or in equity against the Owner(s) personally obligated to pay the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action. The Association may also enforce and foreclose any lien it has or which may exist for its benefit in accordance with Section 9.6 below. All payments when made shall be applied first to costs of collection, then to accrued interest and then toward the assessment payment due, in order of maturity.

9.6. To evidence a lien for unpaid assessments, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Interval Week, the name of the person personally obligated to pay the same and a description of the Unit and Interval Week. Such a notice shall be signed by an officer of the Association and it or a notice of lien or adverse claim thereof may be recorded in the office of the County Recorder for Cass County, Minnesota. Such lien may be enforced by advertisement in the same manner in which mortgages on real property may be foreclosed in Minnesota. In any such foreclosure, the person personally obligated to pay the lien shall be required to pay all costs of foreclosure including reasonable attorneys' fees. The person personally obligated to pay the lien shall also be required to pay to the Association any assessments against the Interval Week which shall become due during the period of foreclosure. The Association shall have the same right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the foreclosed interest in the Interval Week, as the Owner thereof.

9.7. The lien of the assessments, fees, late charges, fines, interest, and costs of collection provided for herein shall be subordinate to the lien of any first mortgage and to tax liens and liens for special assessments in favor of any taxing and assessing unit of government. The sale or transfer of any Interval Week pursuant to mortgage foreclosure or remedies provided in the mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to charges which accrued prior to such sale or transfer. No such sale or transfer shall relieve the transferees of an Interval Week from liability for any assessments thereafter becoming due or an Interval Week from the lien thereof or shall relieve the person personally obligated to pay the lien of personal liability for assessments due prior to such sale or transfer or acquisition of premises. Any delinquent assessments the lien for which is extinguished by reason of this provision shall be reallocated and assessed to all Interval Weeks as a common expense.

ARTICLE 10
INSURANCE

10.1. The Association shall, effective as of the time of the first conveyance of an Interval Week by Declarant, obtain and maintain a master policy or policies of insurance, issued by a reputable insurance company or companies authorized to do business in the State of Minnesota, which shall provide the following coverages:

(a) Fire and Standard Extended Coverage Insurance on the Property, and all improvements thereon, covering all perils which are customarily covered with respect to projects similar in construction, location, and use, in an amount equal to one-hundred percent (100%) of the insurable replacement cost thereof, as determined annually by the insurance carrier, exclusive of land, excavations, foundations and other items normally excluded from such policies. The policy or policies shall also cover Common Furnishings located on the Project, including within each Unit and Common Elements, where owned by the Association or the Owners.

(b) Comprehensive Public Liability Insurance covering claims arising from the use, ownership and maintenance of the Units and Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association. Such insurance shall contain a severability of interest endorsement and coverage limits of not less than One Million Dollars (\$1,000,000.00) per occurrence against claims for death, bodily injury and property damage.

(c) Such other insurance coverage, other than title insurance, as the Board, in its sole discretion, may determine from time to time to be required or in the best interests of the Association and the Owners.

Each policy shall be reviewed annually by the Board of Directors to insure that it is sufficient to make the necessary repairs or replacement of the insured property in the event of its damage or destruction.

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

(a) All policies shall be written in the name of the Association for the use and benefit of the Owners and shall contain a standard mortgage clause or equivalent endorsement.

(b) The insurer waives its right to subrogation under the policy against Owners, their respective occupants, tenants, guests, invitees, employees or agents, and against the Association and members of the Board of Directors.

(c) If, at the time of the loss under a policy, there is other insurance in the name of an Owner covering the same property covered by the policy, the policy is primary insurance not contributing with other insurance.

(d) No act or omission by an Owner or first mortgagee, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.

(e) The policy shall not be canceled or substantially modified without at least thirty (30) days prior written notice to all of the insureds.

10.3. Any loss covered by the fire and extended coverage policy shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any Insurance Trustee designated for that purpose, or otherwise to the Association. The Insurance Trustee or the Association shall hold any insurance proceeds in trust for Owners and first mortgagees, as their interest may appear. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney in fact for the purpose of purchasing and maintaining such insurance, and the performance of all other acts necessary in connection therewith.

10.4. An Owner may obtain insurance for his own benefit. The Association shall have no responsibility for, and shall provide no insurance for, loss or damage to personal property of any kind and nature other than Common Furnishings, belonging to Owners, occupants, tenants, guests or invitees, which may be stored on or within the Property. Any insurance obtained by an Owner for loss or damage to personal property shall provide that the insurer waives its right to subrogation as to any claims against other Owners, the Association, the Declarant, the Board of Directors and their respective employees, agents, guests, invitees and tenants.

ARTICLE 11 AMENDMENT

11.1. Unless otherwise provided, this Declaration may be amended by the affirmative vote of Owners owning a majority of the total Interval Weeks in the Project from time to time. In addition, the written consent of the Declarant shall be required for any amendment of either the Declaration, Bylaws or Articles of Incorporation, until the last conveyance of an Interval Week to an owner other than Declarant. Any amendment shall be in writing, and shall have as an exhibit thereto a statement of the secretary of the Association certifying that the requisite number of affirmative votes were received at an annual or special meeting duly called for the purpose of amending the Declaration, Bylaws or Articles of Incorporation, and shall be recorded in the appropriate state or county office.

ARTICLE 12 REMEDIES

12.1. Enforcement of these covenants and restrictions and of the provisions contained in the Constituent Documents may be by a proceeding at law or in equity instituted by the Association or by any Owner against any person (including the Association) violating or attempting to violate any covenant or restriction, either to restrain violation, to compel compliance, or to recover damages, and against

the Lots, Units thereon or Common Elements, to enforce any lien created by these covenants; and failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Attorneys' fees and costs of any such actions to restrain violation or to recover damages as determined by the Court shall be assessed against and paid by any persons violating the terms contained herein.

12.2 (a) In addition to the suspension of voting rights under Section 5.3, the Board may suspend all rights to use the Unit and the Common Elements of any Owner or occupant of his Unit for any period during which any of the Association's assessments against such Owner remain unpaid.

(b) The Board may also suspend such use during the period of any continuing violation of the provisions of this Declaration or the other Constituent Documents by such Owner or persons occupying with his consent after notice thereof to such Owner. In addition, the Association may suspend the right of an Owner, and persons occupying with his consent, to occupy his Unit during his Interval Week, provided that no such suspension shall be made except for material and continuing breach of the terms and conditions of the Constituent Documents and after notice to such Owner and a hearing before the Board, or a duly appointed committee, at which hearing such Owner shall be entitled to appear and present his case as to why his privileges and service should not be suspended. Written notice of such meeting shall be given to the Owner at least ten (10) days prior to the holding of such meeting and a decision shall be rendered by the Board of Directors within ten (10) days following such hearing.

12.3. The Association may, without any further action or foreclosure, apply all or any portion of the interest of a defaulting Owner in the operating reserve account held by the Association towards the payment of all sums due hereunder from such Owner but not paid, and in such event, the defaulting Owner shall restore said funds so depleted immediately following such application and in addition shall reimburse the Association, both as required hereunder.

12.4. Remedies specified herein are cumulative and any specifications of them shall not be taken to preclude, and the aggrieved party may resort to, any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

ARTICLE 13 ADDITION OF REAL ESTATE

13.1. Declarant, its successors and assigns, may in its sole discretion, from time to time hereafter add any additional real property owned by Declarant, its successors or assigns, as additional Common Elements and/or additional Lots and Units, and which is

contiguous with or adjacent to the Project, specifically without the consent of any Owner at any time, provided, however, that no such annexation shall be effective unless at least one (1) Interval Week in each Unit so annexed has been conveyed to the Association prior to or concurrently with such annexation; and further provided that no additional Common Elements shall be annexed unless at least one (1) additional Unit is simultaneously annexed. Declarant shall effect such addition by the preparation and recording of a Supplementary Interval Ownership Declaration describing said real estate, the Common Elements and/or the Lots and Units and improvements created thereon and providing that they shall be an addition to the existing Project as set forth in this Declaration and be and become subject to all of the provisions of the Constituent Documents. Each Owner of an Interval Week in any Unit added hereto shall be the beneficiary of and be bound by all of the terms and conditions of the Constituent Documents and shall become a member of the Association. No one other than Declarant, its successors and assigns, may annex real estate or Lots and Units to this Project.

It is the Declarant's present intention to add additional real estate to this Project, which real estate is contiguous with or adjacent to the Property currently submitted to this Declaration upon which Declarant presently intends to construct 24 additional Units. Declarant is not, however, obligated to add such real estate to this Project nor to build said number of Units on any real estate added to this Project and any land owned by Declarant shall not be or become subject to the terms and conditions of this Declaration and the other Constituent Documents unless and until Declarant elects to add such real estate to the Project in accordance with this article. The addition of additional real estate shall be effective immediately upon a recording of the above referenced Supplementary Declaration.

ARTICLE 14 MANAGING AGENT

14.1. A Managing Agent shall be engaged by the Association to act as Managing Agent for the Project and undertake the duties of the Association, subject to review by the Board. The Declarant is hereby appointed as the Managing Agent for the Project until Declarant resigns or is replaced as herein provided. Any Managing Agent may be terminated upon sixty (60) days' written notice by the affirmative vote of members owning sixty-seven percent (67%) of the total Interval Weeks in the Project from time to time or, in the event of the Managing Agent's failure to perform his duties hereunder, upon a vote of sixty-seven percent (67%) of the Board, provided that the Association or Board contemporaneously appoints a successor Managing Agent who accepts his appointment as such in writing.

ARTICLE 15 REMODELING, REPAIR AND REPLACEMENT OF A UNIT

15.1. In the event of any damage or destruction to a Unit or Common Element, except as otherwise provided in this Declaration, the Board shall forthwith cause such damage to be repaired and shall so apply

any available insurance proceeds. If the damages not covered by insurance or if the available insurance proceeds are insufficient, the Board shall assess and the Owners of the Interval Weeks of the damaged Unit shall pay the cost thereof or deficiency in proportion to the number of Interval Weeks owned by each unless the damage was caused by the intentional or negligent act or omission of any Owner or person occupying with his consent, in which event the cost of repair or deficiency shall be paid by such Owner.

15.2. Except for routine and periodic maintenance and repair of each Unit, which shall be a common expense, and as provided in Section 15.1, no substantial remodeling or renovation which departs from the original design of a Unit shall be undertaken without the written consent of the Owners of at least sixty-six percent (66%) of the Interval Weeks in such Unit. In the event of such remodeling or renovation, the costs thereof shall be allocated solely to the Owners of the Interval Weeks in such Unit, as provided in Section 15.1.

15.3. Any proceeds allocable to the Unit and payable to the Owners of that Unit as a result of (i) dissolution or termination of the Project for any reason, (ii) any excess of insurance proceeds over the cost of repair or restoration, or (iii) any similar cause not requiring repair or restoration of the Unit or Common Elements or any part thereof, shall be distributed to the Owners in proportion to the number of Interval Weeks each owns in the Unit. Any assessment properly levied against any Unit by the Association for the purposes of repair or restoration of the Unit shall be assessed against and paid by the Owners in proportion to the number of Interval Weeks each owns in the Unit.

ARTICLE 16 SUBJECTION TO CONSTITUENT DOCUMENTS

16.1. All present or future Owners and occupants and any other person using the Units or Common Elements in any manner, are subject to the provisions of the Constituent Documents and the mere acquisition of an interest in or the occupancy of any of the Units shall signify that the provisions of the Constituent Documents are accepted and ratified. All the provisions of the Constituent Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time an Interval Interest, as though such provisions are recited and stipulated at length in each and every deed, conveyance or lease thereof. Further, each Owner by his acceptance of the deed or other conveyance vesting in him an interest in a Unit does hereby constitute and appoint the Board and the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to deal with for, and in the best interests of such Owner upon damage to or destruction of any personal property in his Unit, and to enter into all agreements which the Board or Managing Agent is authorized to enter into pursuant to the terms of this Declaration and which the Managing Agent in his discretion may believe is necessary and proper to carry out the agent's responsibilities and duties. Each Owner stipulates and agrees that the power of attorney executed by this Article is coupled with an

interest and the action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each Owner in the absence of fraud or clear mistake.

ARTICLE 17 FURNITURE AND FURNISHINGS

17.1. Each Unit shall be provided with Common Furnishings and a listing of the specific items to be provided to a particular Unit shall be given to each Owner at which time each Owner shall also acquire an ownership interest in such furniture and furnishings equal to his percentage of interest represented by the Interval Week(s) owned by such Owner over all Interval Weeks other than the service period. The Managing Agent shall be responsible for keeping each Unit equipped in a first class manner substantially in accordance with the initial Common Furnishings in each Unit and shall be authorized to replace or repair any Common Furnishings which are missing, which become unusable or which become so worn so as to require replacement in the reasonable judgment of the Managing Agent. Except in cases where any such Common Furnishings must be replaced due to the negligent or intentional act of any Owner or his guest, which shall be determined by the Managing Agent in his reasonable judgment, expenses of replacement of such Common Furnishings shall be a general operating cost of the Unit and each such Owner thereof shall pay his share of such expenses equal to his ownership interest in such Common Furnishings. At each service period between Interval Weeks the Managing Agent shall inspect the Unit and determine whether there are any items of Common Furnishings which need to be replaced or repaired and if so whether such replacement or repair is the responsibility of the Owner during whose Interval Week such repair or replacement becomes necessary and whether such loss or damage has been caused by negligent or overt acts of an Owner or persons occupying with his consent, in which case the cost of replacement or repair shall be billed to and paid by such Owner. The Managing Agent shall notify any Owner promptly if he is to be charged for any items of Common Furnishings which need to be repaired or replaced. The expense of replacing or repairing any Common Furnishings not allocated to one Owner is to be allocated among all the Owners, the Managing Agent shall give written notification to each respective Owner of such fact and the amount of his share.

ARTICLE 18 TERMINATION

18.1. The provisions of this Declaration and the Constituent Documents shall be perpetual and shall run with and bind the land and inure to the benefit of and be binding upon the Owners and be enforceable by the Association and their representatives, successors and assigns.

18.2. The dedication of the Property under this Declaration may be terminated by the affirmative vote of Owners owning ninety percent (90%) or more of the total Interval Weeks in the Project and all mortgagees. In the event of termination, all Owners will be tenants in common in respect of their respective Units with an undivided interest

therein equal to the number of Interval Weeks owned by each of said Owners in said Unit exclusive of Interval Week Number 53 which is deemed to be part of Interval Week Number 52, divided by the total number of Interval Weeks in said Unit exclusive of the Service Period and said Interval Week Number 53. All Owners shall further have undivided interests in Common Elements, as they then exist, equal to the following fraction: the integer one (1) divided by the total number of Units then subject to this Declaration multiplied by each respective Owner's undivided interest in his or her respective Unit. Any sums received by reason of the termination of the Project shall be collected by the Managing Agent, as attorney in fact for the Owners, and shall be separated into separate accounts on the basis of each Owner's allocable share based on an equal share for each Interval Week in a Unit owned. The funds in each account shall be applied by the Managing Agent to pay any lien or mortgage against the interest of the Owner, any taxes or special assessments due with respect to the interest of the Owner, any general or individual operating costs attributable to the interest of the Owner, and the balance remaining, if any, shall be paid to the Owner.

ARTICLE 19 NOTICE

19.1. Each Owner shall, and any mortgagee may, register his mailing address from time to time with the Board, which shall transmit such information to the Managing Agent, and except for periodic statements, or the routine notices, all of the demands or notices intended to be served upon an Owner shall be deemed given when deposited in the U.S. Mail, certified mail and postage prepaid, addressed to the name of the Owner at such registered mailing address. All notices or demands to be served upon the Board shall be sent by certified mail, postage prepaid, at the following address:

Causeway on Gull Association, Inc.
6405 Lost Lake Road
Nisswa, Minnesota 56468
Attention: Board of Directors

or to such other address as is given by written notice to each Owner as hereinabove provided. Any Owner who fails to register his mailing address with the Board shall be subject to service by mailing to the Unit in which he owns an Interval Week or Weeks.

ARTICLE 20 MISCELLANEOUS

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

20.2. This Declaration shall be governed by and construed in accordance with the laws of the State of Minnesota.

20.3 If any provision of this Declaration, or any section, sentence, clause, phrase, or word or the application thereof in any circumstances, shall be held invalid, the validity of the remainder of this Declaration shall not be affected thereby.

20.4. Each Owner, including Declarant, shall be fully discharged and relieved of liability on the covenants herein insofar as such covenants relate to each Interval Interest upon ceasing to own such Interval Interest and giving notice of the same to the Association and paying all sums and performing all obligations hereunder insofar as the same relate to such Interval Interest up to the time his ownership of such Interval Interest terminated and such notice is given.

20.5. The failure to enforce any provision of this Declaration shall not constitute a waiver thereof or of the right to enforce such provision thereafter.

20.6. Process may be served upon any member of the Board of Directors of the Association.

20.7. The development of the Project is and has been subject to a planned unit development which has or will be approved by the City of Lakeshore prior to the commencement of any improvements of the Property. No new structure or improvement, material modification of existing structures or improvements, or modifications or alterations of the shoreline shall be made or undertaken without the prior approval of the City of Lakeshore. The Association and Owners, prior to any such improvements or modifications shall make such submission of proposals and plans as the City of Lakeshore shall require and shall in all other respects comply with such ordinances of the City of Lakeshore as are applicable to such construction, modifications and improvements.

IN WITNESS WHEREOF, this Declaration has been executed this 15th day of NOVEMBER, 1998.

CAUSEWAY DEVELOPMENT, INC.

BY Stanley R. Obru
Its President

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

The foregoing instrument was acknowledged before me this 1st day of November, 1998, by Stanley R. Dobrin, the President of Causeway Development, Inc., on behalf of said corporation.



Carol L. Dobrin
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Lommen, Nelson, Cole & Stageberg, P.A.
1800 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402