

SECTION 10

PROHIBITED USES

The Property is intended to be a high quality residential development for the use and enjoyment of the Owners and Occupants, with permanently protected open space. The use restrictions contained in this Section are designed to facilitate the various residential uses of the Property, and to preserve and protect the physical environment and architectural characteristics of the Property and immediately adjacent landscaped areas. Accordingly, the following restrictions shall apply to the Property:

10.1 Subdivision. No Lot shall be subdivided or split by any means whatsoever into any greater number of residential Lots, or into any residential plots of smaller size without the express written consent of the applicable governmental authority and the Association.

10.2 Standards. All uses of the Lots shall, at a minimum, comply with the zoning and other applicable ordinances and regulations of the applicable governmental authority. The standards herein contained shall be considered as requirements in addition to said zoning and other applicable ordinances and regulations.

10.3 Signage. Except as provided under the Conservation Easement with regard to the Protected Property, no sign shall be placed on any Lot or within the Property without the express written consent of the ARC during its existence, or thereafter by the Board, except that one "for sale" sign of not more than five (5) square feet may be placed on a Lot by an Owner or the Declarant without ARC approval during its existence, or thereafter the Board. Signs on Lots relating to political campaigns and candidates shall also be permitted without ARC or Board approval. Builder identification signage also shall be allowed during the construction and marketing of a home on any Lot as approved by the ARC. The Declarant shall be allowed to erect up to two (2) subdivision marketing signs on each Lot owned by the Declarant.

10.4 Pets and Animals. No birds, animals, or insects shall be kept on any Lot except not more than three (3) household pets, over four (4) months of age, limited to dogs, cats and other common household pets, may be kept. Dogs, cats, and other common household pets must meet any applicable requirements of the governmental authorities and may not be kept, bred or maintained for any commercial purposes.

10.5 Home Occupation. No profession or home industry shall be conducted in any Dwelling or on any Lot without the specific written approval of the ARC during its existence, or thereafter by the Board. The ARC or the Board, as applicable, in its discretion, upon consideration of the circumstances in each case, and particularly the effect on surrounding property, may permit a Lot to be used in whole or in part for the conduct of a profession or home industry. No such profession or home industry shall be permitted, however, unless it is considered by the ARC during its existence, or thereafter the Board, to be compatible with the residential neighborhood. All home occupations also must receive the approval of the applicable governmental authority. Home offices that do not generate guests, clients or visitors shall not require approval.

10.6 Environmental Restrictions. Ponds, including the Drainage Pond Easement Areas, vegetation and trees, whether located in the Conservation Easement Area or outside of such area, and whether natural or otherwise, shall be maintained in substantially the same condition as originally established, subject only to (i) changes authorized by the Conservation Easement, (ii) changes authorized by the Association consistent with all statutes, requirements, rules, regulations and the Conservation Easement imposed on such areas and items by governmental authorities having jurisdiction over the Property and (iii) the prior approval of any governmental authorities, if required. No Drainage Pond Easement Area or areas for the natural flow of water or drainage swales or ditches constructed or installed by Declarant shall be altered or modified without the prior written approval of the Association.

10.7 Nuisances. Subject to the limitations and requirements in the Conservation Easement, no weeds, or other unsightly growths shall be permitted to grow or remain upon the Lot. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Firewood shall be stored only to the rear of the residence and shall be concealed by screening acceptable to the ARC during its existence, or thereafter the Board. If an Owner of any Lot shall fail or refuse to keep such Lot free from weeds, or refuse piles or other unsightly growths or objects, then the Declarant, the ARC during its existence, or thereafter the Association may enter upon such lands and remove the same at the expense of the Owner and such entry shall not be deemed a trespass and in the event of such a removal, a lien shall arise and be created in favor of the Association and against such Lot for the full amount chargeable to such Lot and such amount shall be due and payable within thirty (30) days after the Owner is billed therefor. No Lot shall be used in whole or in part for the storage of rubbish. The outside storage of an unlicensed or inoperable motor vehicle upon the premises shall also be considered a nuisance and is prohibited if such vehicle is so parked in excess of seven (7) days. No obnoxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may or may become an annoyance or nuisance to the neighborhood. No motorbikes or cycles, snowmobiles or noisy vehicles shall be operated on said Lots or streets abutting the Property from 10:00 p.m. to 6:00 a.m. other than to bring them to the point of storage.

10.8 Architectural Restrictions. All Improvements or other physical changes to the Property shall be made in compliance with the architectural standards and procedures set forth in Section 8.

10.9 Trails. Trails located on the Property shall be used and maintained in a reasonable, safe and uniform manner. The trails shall be used exclusively for recreational purposes. No motorized vehicles or devices of any type shall be used on the trails, except for motorized wheelchairs and other devices of similar type and purpose for transporting handicapped persons. Trail use is subject to the City's right to adopt and amend ordinances regulating the use thereof. The Association may further regulate the use of such trails by Rules, consistent with the applicable City ordinances.

10.10 Storage. Household trash and garbage shall be regularly collected and may be kept outside only if in tightly covered containers. No trailers, camping vehicles, tractors/trailers, trucks in excess of 6,000 pounds gross weight or inoperable automobiles shall at any time be stored or parked on any Lot outside of a garage or on public streets within the Property. This also applies to all vehicles parked outside for periods longer than one week.

10.11 Leasing. Any lease between an Owner and Non-Owner occupant shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and shall provide that any failure by the Non-Owner occupant to comply with the terms of such documents shall be default under the lease. Other than the foregoing, there shall be no restrictions on the use of a Dwelling by a Non-Owner occupant.

10.12 Storage Tanks. No permanent storage tanks of any kind shall be erected, placed or permitted on any Lot.

10.13 Driveways. Driveways must be constructed of concrete, bituminous or other hard surface material.

10.14 Antennas. No exterior television, satellite dish or radio antenna of any sort, except a satellite dish or disk having a diameter of 18" or less, shall be placed, allowed or maintained upon any portion of a Lot or the improvements or structures located thereon.

SECTION 11

GENERAL PROVISIONS

11.1 Association Easement. The Association shall have an easement to enter upon any Lot in order to perform any obligations or duties of the Association hereunder, or to exercise any right or remedy of the Association hereunder.

11.2 Duration of Declaration of Covenants, Restrictions and Easements. The covenants, restrictions, and easements of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Declaration, or their respective legal representatives, heirs, successors and assigns. The easements set forth herein shall be perpetual. The covenants and restrictions herein set forth shall have a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically renewed for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Owners and thereafter by an instrument signed by not less than sixty-seven percent (67%) of the Owners, provided nevertheless that any Amendment altering the Association's obligations of maintenance in Section 6.1 shall require the written approval of the City. Any amendment must be properly recorded.

11.3 Enforcement. If any Owner fails to comply with the provisions of this Declaration, the By-Laws or Articles of Incorporation of the Association or with the decisions of the Association which are made pursuant thereto, such failure will give rise to a cause of action on the part of the Association or any aggrieved Owner for the recovery of damages or for injunctive relief, or both. Owners shall have a similar right of action against the Association. Enforcement of these covenants and restrictions may be by any proceedings at law or in equity. If it is determined by any court or arbitrator that a violation of these covenants and restrictions has occurred, the party found to have violated the covenants or restrictions shall be also required to pay attorney fees and costs of the proceeding.

11.4 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

11.5 Rights of Declarant. Declarant hereby reserves the exclusive authority to exercise the following rights for so long as it owns a Lot within the Property:

11.5.1 To construct, operate and maintain a sales office, management office, model Dwellings and other development and sales facilities upon or within any Lots owned by Declarant or builders authorized by Declarant from time to time.

11.5.2 To store construction trailers, equipment, materials and earth during the development of the Property and construction of Dwellings upon the Property.

11.5.3 To erect and maintain signs and other sales displays offering the Lots for sale or lease, in or on any Lot owned by Declarant or builders authorized by Declarant.

11.5.4 To maintain temporary fencing, walkways, landscaping and berming in the vicinity of models and sales units.

11.5.5 To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board until the earliest of: (i) voluntary surrender of control by Developer, (ii) an Association meeting which shall be held within sixty (60) days after conveyance to Owners other than Declarant of seventy-five percent (75%) of the total number of Lots included in the Property or (iii) the date five (5) years following the date of the first conveyance of a Lot to an Owner other than Declarant. Upon expiration of the Declarant Control Period, the operation and administration of the Association shall be by the Board which shall be elected in accordance with Article VIII of the Articles of Incorporation of the Association.

11.5.6 Declarant's written consent shall be required for any amendment to the Governing Documents or Rules that affect Declarant's rights under the Governing Documents.

11.5.7 In the event of any conflict between the provisions of the Conservation Easement and the Governing Documents, the Conservation Easement shall control.

IN WITNESS WHEREOF, the undersigned have executed this Declaration of Easements, Covenants, Conditions, Restrictions and Reservations for St. Croix's Sanctuary this 29th day of March, 2006.

THE SANCTUARY, LLC

By: John O'Sullivan
Its: Chief Manager and President

STATE OF MINNESOTA)
) ss.
COUNTY OF Washington)

The foregoing instrument was acknowledged before me this 19th day of March, 2006 by John Arlett, the Chief Manager / President of The Sanctuary, LLC, a Minnesota limited liability company, on behalf of the Company.



[Signature]
Notary Public

THIS INSTRUMENT WAS DRAFTED BY
AND PLEASE RETURN TO:
The Sanctuary, LLC
12415 55th Street North
Lake Elmo, MN 55042
(651) 439-2414

EXHIBIT A

ST. CROIX'S SANCTUARY

CITY OF LAKE ELMO, MINNESOTA

LEGAL DESCRIPTION

Lots 1 through 9, inclusive, Block 1; Lots 1 through 5, inclusive, Block 2; Lots 1 through 7, inclusive, Block 3; Lots 1 through 4, inclusive, Block 4; Lots 1 and 2, Block 5; Lots 1 through 5, inclusive, Block 6; Lots 1 through 12, inclusive, Block 7; Lots 1 through 3, inclusive, Block 8; Lots 1 through 3, inclusive, Block 9; Lots 1 through 5, inclusive, Block 10; and, Outlots A through C, inclusive, and Outlots F through N, inclusive, all according to the recorded plat of St. Croix's Sanctuary, Washington County, Minnesota.

**ST. CROIX'S SANCTUARY
CONSENT OF MORTGAGEE**

The undersigned (the "Mortgagee"), is a mortgagee of the real property described on Exhibit A to the Declaration of Easements, Covenants, Conditions, Restrictions and Reservations for St. Croix's Sanctuary, City of Lake Elmo, Washington County, Minnesota (the "Declaration"). Mortgagee hereby consents to this Declaration; provided, that the Mortgagee does not in any manner constitute itself or obligate itself as a Declarant as defined in the Declaration, that the consent does not modify or amend the terms and conditions of the Mortgage and related loan documents, and that the Mortgage shall be and remain a lien on the property described in Exhibit A, prior to any Assessment liens or other liens imposed by the Declaration, until released or satisfied.

IN WITNESS WHEREOF, the Mortgagee has caused this Consent to be executed on the 29 day of March, 2006.

CITIZENS STATE BANK

By: [Signature]
Title: [Signature]

By: [Signature]
Title: AVP

STATE OF WISCONSIN)
COUNTY OF St Croix) ss.

The foregoing instrument was acknowledged before me this 29th day of March, 2006, by Daryl Standafu and Jeremy Price, the SVP and AVP of Citizens State Bank, a Wisconsin banking corporation, on behalf of the Company.

Renee Mortel
Notary Public
Expires: 5-18-08

RENEE MORTEL
Notary Public
State of Wisconsin

THIS INSTRUMENT WAS DRAFTED BY
AND PLEASE RETURN TO:

The Sanctuary, LLC
12415 55th Street North
Lake Elmo, MN 55042
(651) 439-2414