To all Jewel Property Owners,

The Jewel Architectural Control Committee, (ACC) has recently changed the amendments to conform to the changes made by the City of Lake will keep our community pleasing and ecologically responsible.

Effective immediately, any submission of proposed blue prints for approval by the ACC must conform to the following requirements:

1. Nuisance, Erosion, Clean Up and Other Enforcement Escrow. The **Builder** must sign the, Nuisance, Erosion, Clean Up and Other Enforcement Escrow Agreement and pay into the escrow, $1,000.00 which will be held while the house is under construction. The purpose is to insure that the construction site conforms to the ecological, clean up, tree protection, signage and other requirements of The Jewel.
2. Landscape Escrow. The **Property Owner** must sign the Landscape escrow Agreement and pay into escrow a sum determined by the ACC (based on where the lot is located) which will be held until such time as the landscape has been completed according to the Landscape Plan and the ACC has approved the landscaping.
3. Escrow for Alterations to an Existing Residence - $200.00 is payable at the time of application.
4. The empty lot assessment changes to homeowner lot assessment on the date the escrow money is returned to the homeowner.

Landscape Escrow Amounts by Sub-Division

Jewel First Addition	**$7,500**
Jewel Second Addition	$7,500
Jewel Third Addition	$7,500
Champion Circle at the Jewel	$7,500
The Lakes at the Jewel	$7,500
Oakhurst At The Jewel	$7,500
Grand Bluffs at the Jewel	$7,000
3 Tees At The Jewel	$7,500
Woodland Walk At The Jewel	$7,000
Golf Cottages At The Jewel	$4,000
Courtyard Homes	$4,000
Scottish Village At The Jewel	$3,000 (For each ½ of twin Home)
Crimson Court Escrow for alternation to Existing Construction	$3,000 (For each ½ of twin Home $200.00 (At time of Application)

These checks should be made payable to the Jewel HOA and accompany your plans when submitted to the Jewel ACC. These escrow deposits are 100% refundable provided that the conditions of each escrow agreement are met.

If you have any questions concerning these amendments please consult your sales person.

Yours truly,

Matik Management

ACC

Escrow Agreement

For Nuisance Abatement, Soil, Erosion and Sediment Control

Measures, Clean Up Policies, and Rule Enforcement

This Escrow Agreement ("Escrow Agreement") is made this _____day of _____, 20__, by and among (i) the Jewel Master Homeowners Association, Inc. a non-profit Minnesota corporation ("Master HOA"), (ii) the undersigned builder or property owner; who hereby agree as follows (the Master HOA and the builder/lot owner are individually referred to at times herein as a "Party" or collectively referred to at times herein as the "Parties."):

1. **Appointment and Acceptance of Escrow Agent. The Jewel Master Homeowners Association, Inc. is hereby appointed by the Parties hereto as Escrow Agent to act in accordance with the instructions set forth herein. Escrow Agent agrees to accept such appointment.**
2. **Deposits in Escrow. Immediately upon execution of this agreement, Escrow Agent shall establish an escrow fund in which to deposit the following sums (Escrow Sums":**
   - **(i) $1,000 shall be required by each builder or property owner prior to approval of any plan for home construction by the Master HOA Architectural Control Committee (ACC) for the purposes set forth herein.**
   - **(ii) Escrow Agent shall be permitted to commingle Escrow Sums in one escrow account for ease of administration, provided each builder/owner deposit is accounted for individually.**
3. **Disbursement of Escrow Materials. The Escrow Sums or any portions thereof shall be disbursed as follows:**
   - **(iii) As instructed by the Master HOA, with written consent of the undersigned builder or property owner, upon delivery to Escrow Agent of said written instructions authorizing such disbursement;**
   - **(iv) In accordance with paragraph 5 below; or**
   - **(v) In accordance with paragraph 6 below.**
4. **Purpose of Escrow. This Escrow Agreement is established for the following purposes: a) to correct any nuisance conditions that may be created, or that may arise from construction of a home, by the builder or property owner; b) to insure that the builder or property owner complies with the Soil Erosion and Sediment Control Measures and Construction Site Clean Up Policies of the Master HOA now existing or as may be amended (attached as Exhibits A** respectively; said policies may be amended from time to time without notice to builder or property owner); c) to enforce Master HOA Declaration, the Jewel Design Guidelines and/or any other requirements that are binding

upon the builder or property owner, including without limitation, tree protection measures and signage restrictions.

5. Compliance Required. In the event the builder or property owner creates a nuisance, fails to comply with the Soil Erosion and Sediment Control Measures and Construction Site Clean Up Policies of the Master HOA, and/or violates any other requirement of the Master HOA, upon written request of the Master HOA, Escrow Agent is hereby authorized to release Escrow Sums to the Master HOA in the amount requested. Escrow Sums may be requested by the Master HOA to enforce any purpose set forth in paragraph 4 above or to take corrective or punitive action against the builder or property owner, in the sole discretion of the Master HOA.

A builder or property owner will be provided one notice by the Master HOA to take corrective action before any request for Escrow Sums is made by the Master HOA.

In the event immediate action is requested by the Master HOA and the builder or property owner fails to take such action, the Master HOA is authorized to take any and all corrective or punitive action it deems necessary. The Master HOA shall have the sole discretion to determine if immediate action is required. In other cases, if corrective action acceptable to the Master HOA is not taken by the builder or property owner within (3) business days (one (1) business day for street sweeping) from receipt of the notice, the Master HOA may take any and all corrective or punitive action it deems necessary. The cost of corrective or punitive action may be deducted from the Escrow Sums in the sole discretion of the Master HOA.

6. Dispute Regarding Right to Obtain Escrow Sums. In the event of a dispute concerning the right to distribution of the Escrow Sums pursuant to paragraph 3, that matter shall be submitted to arbitration pursuant to the rules of the American Arbitration Association. The Escrow Sums shall remain in escrow until a decision is issued by an arbitrator.
7. Duty and Liability of the Escrow Agent. The sole duty of the Escrow Agent, other than as herein specified, shall be to receive said Escrow Sums and hold them subject to disbursement in accordance herewith, and Escrow Agent shall be under no duty to determine whether either party is complying with the requirements of this Escrow Agreement or any other agreements.

   Escrow Agent may conclusively rely upon and shall be protected in acting upon any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be to act only as expressly set forth in this Escrow Agreement. Escrow Agent shall be under no

obligation to institute or defend any action, suit or proceeding in connection with this Escrow Agreement unless first indemnified to its satisfaction. Escrow Agent may consult in respect to any question arising under this Escrow Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

8. Obligation of Escrow Agent.

D. The Escrow Agent shall deposit the Escrow Sums in the HOA Trust Account, until disbursed according to the terms of this Escrow Agreement.

1). Upon distribution of the Escrow Sums, all interest shall be paid to the Master HOA for enforcement of the purposes of this Escrow Agreement.

E. The Escrow Agent shall make delivery of the Escrow Sums to the appropriate party in accordance with the provisions of this Escrow Agreement.

F. Except as may be provided in this Agreement, Escrow Agent agrees that it shall not disclose or otherwise make available to any third party, or make any use of, the Escrow Sums without prior written consent.

9. Term of Escrow. This Escrow Agreement shall terminate upon agreement of the Parties.

10. Indemnification of Escrow Agent. The Jewel and/or the Master HOA shall both jointly and separately hereby indemnify and hold harmless Escrow Agent from and against any damages, loss, liability, costs or liability incurred by Escrow Agent arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow agreement relates, unless such action, claim or proceeding is the result of the negligence or willful misconduct of the Escrow Agent. Escrow Agent may consult counsel in respect to any question arising under the Escrow Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

Escrow Agent shall not, by reason of its execution of this Escrow Agreement, assume any responsibility or liability for any transactions between City and Jewel other than for the performance of Escrow Agent's obligation with respect to the Escrow Materials held by it in accordance with this Escrow Agreement.

11. Foreseeable Events. Escrow Agent shall not be liable for losses due to acts of God, fire or other casualty, war or acts of terrorism, loss of electrical power or failure of communication devices, litigation commenced by a third party that directly results in losses; or acts of any federal, State, or local governmental units that directly result in losses.

12. Notices. All notices, requests, demands, and other communications under this Escrow Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent by facsimile transmission to the facsimile number given below and telephonic

confirmation of receipt is obtained promptly after completion of transmission; (c) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (d) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage paid, and properly addressed, return receipt requested, to the party as follows:

Master HOA:

The Jewel Master Homeowners Association PO

Box 7317

Rochester, MN 55903

Attn: Matik Management

Email: thill@matikmanagement.com

Any party may change its address for purposes of this paragraph by giving the other parties written notice of the new address in the manner set forth above.

13. Resignation. Escrow Agent may resign upon 30 days advance written notice to all parties; provided, however, that any fees paid to the Escrow Agent for services to be performed shall be reimbursed to The Parties on an equal basis. If a successor Escrow Agent is not appointed within the 30 day period following such notice, Escrow Agent may petition any court of competent jurisdiction to name a successor Escrow Agent.

14. Successor and Assigns. Except as otherwise provided in this Escrow Agreement, no party shall assign its right or obligations under this Agreement with the prior written consent of the other parties, which shall not be unreasonably withheld. This Escrow Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assign of the parties hereto.

15. Governing Law; Jurisdiction. This Escrow Agreement shall be construed and enforced in accordance with federal law and the laws of the State of Minnesota, without giving effect to the principles of conflicts of law thereof.

16. Severability. All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable by a court of competent jurisdiction, such provision or portion shall be modified to fill the fullest possible effect to such provision and the remainder of this

provision shall remain in full effect, provided that its general purpose remain reasonably capable of being effected.

17. Waivers. The failure of any party to insist upon the strict observance or performance of any provision of this Escrow Agreement or to exercise any right or remedy shall not impair or waive any such right or remedy.

18. Entire Agreement. This Escrow Agreement, together with any exhibits and attachments hereto, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes and replaces all prior agreements, oral or written, among the parties relating to the subject matter herein. Except as otherwise indicated herein, this Escrow Agreement may not be modified, amended or otherwise changed in any manner except by written instrument executed by all of the parties hereto.

19. Section Headings. The section headings in this Escrow Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Escrow Agreement.

20. Counterparts. This Escrow Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument.

In Witness Whereof, the parties have executed this Escrow Agreement as of the day and year written above.

The Jewel Master Homeowners Association, Inc.

By_____

Its_____

Builder/Owner

Name: _____

Address: _____

City, State, Zip: _____

Exhibit A

Re: Soil Erosion and Sediment Control Measures

Builders and all those involved in home construction at the Jewel will be required to adhere to the measures set forth in this Memorandum. No home plan will be approved by the Jewel ACC before the builder executes this Memorandum and the Escrow Deposit Agreements described herein and attached hereto.

The Soil Erosion and Sediment Control Measures that are required of all builders are:

1. **An approved Storm water Pollution Prevention Plan,** including an erosion and sediment control plan, will be required on all home construction projects within The Residences at the Jewel. A copy of the NPDES permit transfer/subdivision registration application and actual permit shall be on file and become a permanent part of the SWPPP.
2. **Install silt fences/perimeter controls** along all down gradient slopes prior to all construction activity.
3. **Catch basin inlets** in the immediate vicinity of home construction shall be lined with monofilament filter fabric, or other approved inlet protection, before any excavation begins.
4. **Monitor and maintain all erosion control measures** such as silt fences and lined catch basins especially following all rain events and no less than once every seven days. Remove sediment if deposits reach 1/3 of the silt fence height. If structures are found to be inadequate or damaged they will be required to be replaced or repaired within 24 hours.
5. **All stockpiles will be placed no closer than 3 feet from the curb** and maintained while onsite.
6. **Install silt fence around all non-aggregate stockpiles** (even if it will be used for backfill) on home construction sites on the day the pile is created; and seed and mulch if the pile will not be moved within the following times: 3 days for slopes that are 3:1 or greater and 7 days for slopes that are 3:1 and flatter.

7. **Provide and maintain a 12’ x 50’ (or to front of garage door) x 6” deep gravel construction entrance** on the lot at all times during the construction period until the permanent driveway is poured. Gravel should be 1.5 – 3 inches. Plan ahead for winter; suggested alternatives are welcome.
8. **Dirt that is tracked on** to pavement shall be removed immediately upon discovery to prevent sediment from entering storm drains. An inspection of the pavement adjacent to the site, and removal of any dirt, shall be performed daily.
9. **Refrain from driving or parking on any part of the lot other than the construction entrance** during muddy conditions.
10. **Refrain from entering upon any adjoining lot or Jewel land** at any time without permission from the owner (damage to the lot or Jewel land will be the builder’s responsibility).
11. **Install 2 feet of sod, or other approved material, behind all curb areas** on the lot except for the construction entrance immediately after the basement is backfilled.
12. **Install gutters on all buildings** and direct roof runoff from downspouts to permanently vegetated areas. Downspout extenders may be used to direct runoff until vegetation has been established.
13. **All exposed soil areas that are not being actively worked, must have temporary erosion protection or permanent cover** within 3 days for slopes 3:1 and 7 days for slopes 3:1 or flatter. This shall apply to all exposed soil areas year round. Plan ahead for winter; suggested alternatives are welcome.
14. **All trash will be contained on site and in the appropriate waste container.** Solid waste including floating debris, paper, plastic, fabric, and other trash will be collected in designated containers at the project site. Containers will be emptied regularly and disposed of properly at an off-site waste collection facility. The contractor will provide portable toilets at the worksite to collect sanitary and septic waste during construction. Portable toilets will be emptied, cleaned, and maintained on a regular basis by the supply company and removed from the site at the completion of construction activities. Construction debris including collected sediment,

concrete, millings, asphalt and scrap wood, metal and other wastes will be collected and disposed of properly and comply with MPCA disposal requirements.

15. **Cover all dumpsters** nightly or when weather conditions warrant (e.g. windy).
16. **Discharge concrete truck wash water** only in areas designated by Jewel. Vehicle washing is not allowed. Alternative suggestions are welcome.
17. **Construction materials and supplies including but not limited to all lumber, equipment, and dumpsters will be stored on site** and not in the adjoining lots, street or sidewalks.
18. **Builders and homeowners** are urged to use and install alternative permanent storm water control measures such as rain gardens and rain barrels.
19. **On each home construction site,** the builder shall have a designated contact person to be responsible for implementing and maintaining these protective measures. All sites shall be inspected after 1/2 inch rain event and once every seven days during dry periods. These inspections shall be delivered to the Jewel Offices weekly and shall become a permanent part of the projects Storm Water Pollution Prevention Plan.
20. **Once the project is completed,** a Notice of Termination shall be submitted to the Pollution Control Agency within the terms and conditions of the requirements of the NPDES Construction Permit. This Notice of Termination shall remain a permanent part of the projects Storm water Pollution Plan. (Note the requirements for final stabilization, down gradient perimeter controls and distribution of the Homeowners Fact Sheet (Section IV.G.2, Page 18).

These measures are based on Federal and State law, the 2005 Erosion and Sediment Control Field Guide published by the Builders Association of the Twin Cities, or our experience. We understand they are more than Lake City requires, but consider them in full force and effect upon all builders at the Jewel.

These measures may be modified by The Jewel at any time upon notice to the builder.

All Builders are responsible for the actions of the people they have on site.

Escrow Deposit Agreements.

Two agreements are required, one by the City of Lake City and one by the Jewel. Each agreement requires a deposit in escrow prior to approval of any plan for home construction by the Master HOA Architectural Control Committee (ACC).

1. **Escrow Agreement for Public Improvement Maintenance.** This escrow agreement is required by Lake City Common Council Resolution No. 04-047 passed on November 22, 2004. A $1,000 deposit per building by the builder is required.

   Any damage to the pavement, curb, sidewalks, boulevards, or other infrastructure within the public right of way caused by a builder or owner, or their contractors or subcontractors, shall be required before this deposit is refunded. To the extent such damage is not paid for by the builder or owner, funds from the deposit may be used by the City or Jewel to make these repairs.

2. **Landscape Escrow.** The **Property Owner** must sign the Landscape Escrow Agreement and pay into the escrow a sum determined by the ACC (based on where the lot is located) which will be held until such time as the landscape has been completed according to the Landscape Plan and the ACC has approved the landscaping.

   Thank you for your cooperation.

Jewel ACC Builder

By_____ By_____

Its_____ Its_____

Owner: (All Owners must Sign)

By: _____ Date: _____, 20___

By: _____ Date: _____, 20___

Landscaping Escrow Agreement

This Escrow Agreement ("Escrow Agreement") is effective as 0f this _____day of _____, 20___, by and among (i) The Jewel: A Golf Community Master Homeowners Association, Inc. Architectural Control Committee ("ACC"); and (ii)_____ ("Property Owner"):

1. **<u>Appointment and Acceptance of Escrow Agent.</u> The Jewel HOA is hereby appointed as Escrow Agent to act in accordance with the instructions set forth herein. Escrow Agent agrees to accept such appointment.**
2. **<u>Deposits in Escrow.</u> Property Owner shall deposit $_____("Escrow Sums") for landscaping the Property referred to in the Agreement to Escrow Landscaping Funds entered into of even date herewith.**
3. **<u>Disbursement of Escrow Materials.</u> The Escrow Sums or any portions thereof shall be disbursed (i) to Property Owner, upon written submission to Escrow Agent of the approval by the ACC of Property Owner's landscaping of the Property; or (ii) in accordance with Paragraph 4 below.**
4. <u>Dispute Regarding Right to Obtain Escrow Sums.</u> In the event of a dispute concerning the right to distribution of the Escrow Sums pursuant to paragraph 3, that matter shall be submitted to arbitration pursuant to the rules of the American Arbitration Association. The Escrow Sums shall remain in escrow until a decision is issued by an arbitrator.
5. <u>Duty and Liability of the Escrow Agent.</u> The sole duty of the Escrow Agent, other than as herein specified, shall be to receive said Escrow Sums and hold them subject to disbursement in accordance herewith, and Escrow Agent shall be under no duty to determine whether either party is complying with the requirements of this Escrow Agreement or any other agreements.

   Escrow Agent may conclusively rely upon and shall be protected in acting upon any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be to act only as expressly set forth in this Escrow Agreement. Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Escrow Agreement unless first indemnified to its satisfaction. Escrow Agent may consult in respect to any question arising under this Escrow Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

6. Obligation of Escrow Agent.

A. The Escrow Agent shall deposit the Escrow Sums in an HOA Trust account until disbursed according to the terms of this Escrow Agreement.

1).Upon distribution of the Escrow Sums, all interest shall be paid to The Jewel: A Golf Community Master Association, Inc. for administration fees.

2). The parties acknowledge and consent that the Escrow Sums will be commingled in one account with funds from other Buyers.

B. The Escrow Agent shall make delivery of the Escrow Sums to the appropriate party in accordance with the provisions of this Escrow Agreement.

C. Except as may be provided in this Agreement, Escrow Agent agrees that it shall not disclose or otherwise make available to any third party, or make any use of, the Escrow Sums without prior written consent.

7. Term of Escrow. This Escrow Agreement shall terminate upon total disbursement of the Escrow Sums.

8. Indemnification of Escrow Agent. The Property Owner hereby indemnify and hold harmless Escrow Agent from and against any damages, loss, liability, costs or liability incurred by Escrow Agent arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow agreement relates, unless such action, claim or proceeding is the result of the negligence or willful misconduct of the Escrow Agent. Escrow Agent may consult counsel in respect to any question arising under the Escrow Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

Escrow Agent shall not, by reason of its execution of this Escrow Agreement, assume any responsibility or liability for any transactions between Property Owner and The Jewel other than for the performance of Escrow Agent's obligation with respect to the Escrow Materials held by it in accordance with this Escrow Agreement.

9. Foreseeable Events. Escrow Agent shall not be liable for losses due to acts of God, fire or other casualty, war or acts of terrorism, loss of electrical power or failure of communication devices, litigation commenced by a third party that directly results in losses; or acts of any federal, State, or local governmental units that directly result in losses.

10. Notices. All notices, requests, demands, and other communications under this Escrow Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent by facsimile transmission to the facsimile number given below and telephonic

confirmation of receipt is obtained promptly after completion of transmission; (c) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (d) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage paid, and properly addressed, return receipt requested, to the party as follows:

If to ACC:

The Jewel ACC.

PO Box 7317

Rochester, MN 55903

Attn: Matik Management

Email: thill@matikmanagement.com

If to Property Owner:

_____

_____

_____

Phone: _____

Any party may change its address for purposes of this paragraph by giving the other parties written notice of the new address in the manner set forth above.

11. Resignation. Escrow Agent may resign upon 30 days advance written notice to all parties; provided, however, that any fees paid to the Escrow Agent for services to be performed shall be reimbursed to Property Owner on a pro rata basis. If a successor Escrow Agent is not appointed within the 30 day period following such notice, Escrow Agent may petition any court of competent jurisdiction to name a successor Escrow Agent.

12. Successor and Assigns. Except as otherwise provided in this Escrow Agreement, no party shall assign its right or obligations under this Agreement with the prior written consent of the other parties, which shall not be unreasonably withheld. This Escrow Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assign of the parties hereto.

13. Governing Law; Jurisdiction. This Escrow Agreement shall be construed and enforced in accordance with federal law and the laws of the State of Minnesota, without giving effect to the principles of conflicts of law thereof.

14. Severability. All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable by a court of competent jurisdiction, such provision or portion shall be modified to fill the fullest possible effect to such provision and the remainder of this provision shall remain in full effect, provided that its general purpose remain reasonably capable of being effected.

15. Waivers. The failure of any party to insist upon the strict observance or performance of any provision of this Escrow Agreement or to exercise any right or remedy shall not impair or waive any such right or remedy.

16. Entire Agreement. This Escrow Agreement, together with any exhibits and attachments hereto, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes and replaces all prior agreements, oral or written, among the parties relating to the subject matter herein. Except as otherwise indicated herein, this Escrow Agreement may not be modified, amended or otherwise changed in any manner except by written instrument executed by all of the parties hereto.

17. Section Headings. The section headings in this Escrow Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Escrow Agreement.

18. Counterparts. This Escrow Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument.

In Witness Whereof, the parties have executed this Escrow Agreement as of the day and year written above.

The Jewel: A Golf Community Master Homeowners Association, Inc. Architectural Control Committee

By_____

Its_____

Dated: _____

Property Owner:

Name: _____

Address: _____

City, State, Zip: _____

Dated: _____